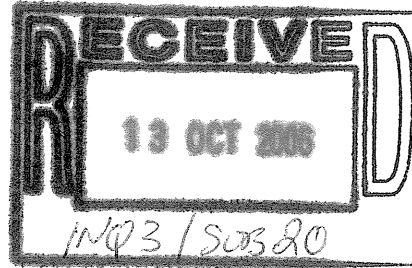


Enquiries: Andrew Port
Telephone: 9433 3129
Reference: 15/70/012

28 September 2006

Mr Don Nardella, MP
Chair
Outer Suburban/Interface Services
& Development Committee
Level 3, 157 Spring Street
MELBOURNE 3000



Dear Mr Nardella

Re: Inquiry into Local Economic Development in Outer Suburban Areas

I refer to the Committee's inquiry into local economic development in outer suburban areas, and advise that Council considered this matter at its meeting on 26 September 2006.

Council resolved to make a submission to the inquiry in respect of the issues detailed in this letter. The submission is structured according to the Terms of Reference for the inquiry.

1) Examine existing local economic development programs being carried out by municipalities in outer suburban areas

Council adopted the *Economic Development Strategy* in November, 2003. This expressed Council's vision and goals for local economic development as follows:

Council's Economic Development Vision is for '*A prosperous local economy, characterised by a successful tourism sector, thriving townships and diverse small and home-based enterprises. Businesses embrace sustainable practices, and development complements the values of the Green Wedge. Businesses are connected with each other and are respected in their local community for their contribution to community life*'.

Council's Goals for the Nillumbik business sector, as expressed in the Economic Development Strategy, are:

1. Thriving townships and activity centres that provide quality services and products to meet the needs of the local community.

2. Increased local employment opportunities for Nillumbik residents and unemployment levels that remain among the lowest in metropolitan Melbourne.
3. A business climate that contributes to Nillumbik's sustainability by fostering leadership, entrepreneurship and co-operation; by encouraging social and environmental sustainability, and investment appropriate for the Green Wedge; and by recognising the important role of business in local community life.

The Nillumbik Economic Development Strategy also includes five objectives which are:

Objective 1 - Strategy and Policy (e.g. structure plans, business plans)

To ensure a strategic and sustainable approach by Council and local business to economic development.

Objective 2 - Capacity Building (e.g. small business training programs, business networks)

To enhance the capability and competitiveness of local business through information, training and networking programs.

Objective 3 – Infrastructure (e.g. town centre improvement works, signage)

To provide quality public infrastructure that supports local business.

Objective 4 - Marketing (e.g. tourism promotions, events, special rate schemes)

To facilitate the marketing and promotion of local businesses and events, and to maximise the benefits to Nillumbik as part of the Yarra Valley tourism region.

Objective 5 - Partnerships (e.g. local business groups, regional agencies, training providers)

To build sustainable partnerships with key local and regional business groups and economic development agencies.

Each year Council adopts an Action Plan for the implementation of the Economic Development Strategy, which identifies the range of economic development programs being undertaken at Nillumbik. The most recent Action Plan (2006-07) was adopted by Council in April 2006, and a copy is appended along with a copy of the full Economic Development Strategy.

2) Identify the barriers to local economic development and the ways in which these can be addressed

The Nillumbik Planning Scheme establishes the land use and development policy framework for the shire. It is acknowledged that only a limited range of

land uses are compatible with the topography, environment and landscape values of Nillumbik, within the broader policy objectives of Melbourne 2030. For instance, heavy industry is not permitted or appropriate anywhere within the shire. However, it is considered that rather than being a barrier to economic development, the Planning Scheme generally provides an appropriate policy framework for development.

One exception to this is the issue of mud-brick manufacture. The inability of local mud-brick manufacturers to establish operations in Nillumbik (other than in light industrial areas) is an ongoing concern to Council. It should be possible for such uses to be located in rural areas, provided that the permit process enables proper consideration of environmental and amenity impacts.

Given the limited range of business-related land uses permissible within the shire, other barriers to economic development in Nillumbik primarily relate to issues of:

- limited transport services and infrastructure
- the ongoing need to enhance skills and capacity in the micro/small business sector
- enhanced alignment of program delivery by different government agencies

Limited transport services and infrastructure

The lack of transport services and infrastructure in Nillumbik is an impediment to local economic development.

Structure plans prepared for activity centres at Diamond Creek and Eltham have both highlighted the need for additional investment in traffic signalization and other controls at major intersections, to improve the overall function and performance of these centres.

Improved pedestrian access to and within these centres, particularly to public transport nodes, and along main roads, is also important to the ongoing economic viability of these centres, as well as Hurstbridge.

Additional infrastructure such as expanded commuter parking at railway stations is also an important requirement for the ongoing development of these centres.

Recreation trails are another important component of infrastructure which require further investment, and can contribute to the success of retail and tourism enterprises within the shire.

Council has taken a number of initiatives to address these needs, but requires co-operation and commitment from other government agencies if tangible outcomes are to be achieved. In particular, forward plans for delivery of improvements over several years by State Government transport agencies

would enhance the capacity of Council to align its own infrastructure investments with these projects.

Enhancing skills and capacity in the micro/small business sector

Council delivers a range of programs to build skills and to develop networks with local businesses, particularly in the home-based, retail and tourism sectors. There has been considerable success with a number of these programs, many of which are hosted and delivered by Council, but funded partly or wholly by the State or Federal Governments. Very positive feedback has been received from participants in these programs.

However, it is important that such programs are delivered in a sustainable way. Interest and participation by the business community can be enhanced through certainty and awareness about forthcoming programs and events. Some of the programs funded by State and Federal Government are announced and offered as a short series, rather than being part of a longer term package. There has also been some tendency to run new programs, instead of continuing successful earlier programs for new participants.

It would be beneficial if programs were instead selected on the basis of business participant's feedback, and then structured into a longer-term series of programs. This would enable businesses to plan their participation over, say 12 months, and enable business networks to develop their activities to incorporate such programs as part of their planning process. It would also enable better integration with Council's planning and budgeting cycle.

Enhanced alignment of program delivery by different government agencies

There are occasionally instances where initiatives by different levels of government are seeking to achieve similar objectives, but are conceived and implemented separately.

For instance, Nillumbik is one of many Victorian Councils currently participating in two projects (one Victorian, one national) to enhance on-line provision of information and services for small business for their permit requirements. The projects have been independently initiated by the State and Federal governments however they have very similar goals. While the projects are being integrated, this is occurring at the implementation stage, rather than at the stage of project conceptualization, which would have been preferable.

Communication between agencies to streamline approaches to such initiatives would enhance the benefits to small business.

3) Investigate and recommend incentive arrangements for industry and the respective responsibilities of each tier of government

Nillumbik does not provide specific incentives (such as grants, subsidized land) to attract new business investment.

4) Investigate the role of council local government economic development units and the types of assistance they provide

Nillumbik's economic development services are delivered through the Major Projects and Business Services section. This section operates in conjunction with other sections (e.g. Strategic Planning, Infrastructure Development, etc) to deliver the projects and programs listed in the Economic Development Action Plan. The section also liaises with a number of state and federal government agencies in the scoping and delivery of projects and programs.

5) Examine and report on ways in which councils and governments at all levels can encourage economic development, enhance and promote employment opportunities and attract new investment

The main imperatives from Nillumbik's perspective in regard to this issue would be to overcome the barriers as identified in section 2.

6) Identify export based operations and opportunities in outer suburban areas and recommend options to encourage their growth

This item from the Terms of Reference does not have significant relevance to Nillumbik.

7) Identify new and emerging sectors and how they can assist economic development in outer suburban areas, including innovative examples of business incubators, home-based businesses and social enterprises

Nillumbik has an established retail and agricultural sector. New and emerging sectors include tourism, which has experienced considerable growth and investment over the past decade, and the home-based business sector. Both of these sectors are well-suited to Council's environmental and land-use objectives for Nillumbik.

Council provides funding for the tourism sector at a local and regional level, to support the delivery of local and regional marketing campaigns, and to support events such as Open Studios and Open Cellars.

The home-based business sector is of growing significance in Nillumbik. Council has led the establishment of the Nillumbik Home-Biz Network, which now has more than 50 members and has regular attendance of more than 40 businesses at its networking events.

Council hosted a very successful inaugural home business expo in 2005, and the second expo will be held in Diamond Creek on 18 October 2006.

Council has also been successful in obtaining co-funding from the Federal Government for the formal incorporation of the Home-Biz network, establishment of a website, and a series of training and networking events.

It is expected that this network will continue to grow over coming years, and ongoing support from the state and federal governments will enable Council to

continue to foster the development of this sector. Based on national research, it is estimated that Nillumbik has more than 2000 home based businesses, and with trends in technology this is expected to grow in the future.

8) Examine national and international initiatives relevant to these issues

This item from the Terms of Reference does not have significant relevance to Nillumbik.

Council appreciates the invitation to make a submission to this enquiry, and would welcome the opportunity to meet with the Committee in due course to discuss these issues. If you require any further information or clarification, please contact Mr Andrew Port, Manager Major Projects and Business Services, on 9433 3129.

Yours sincerely



Bill Forrest
Chief Executive Officer