



Lend Lease Communities response to the Victorian Parliamentary Inquiry into Local Economic Development in Outer Suburban Areas

Lend Lease Communities is actively working to support the regional economic development where its projects lie. We currently have an economic development strategy active and operating for our Caroline Springs project and will be soon working with the City of Whittlesea and Cardinia in developing strategies for our Laurimar and Lakeside Pakenham projects.

In response to the inquiry we would like to address the following sections:

1. Examine existing local economic development programs being carried out by municipalities in outer suburban areas;
2. Identify the barriers to local economic development and the ways in which these can be addressed;
3. Investigate the role of council local economic development units and the types of assistance they provide;
4. Examine and report on ways in which councils and government at all levels can encourage economic development, enhance and promote employment opportunities and attract new investment;
5. 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

In addressing these points we would like to provide a case study at Caroline Springs to give context to the submission.

The Caroline Springs Economic Development Strategy 2006-2007 was prepared in partnership with other economic development stakeholders within the Western Region. The partnership was led by Delfin Lend Lease and included the Shire of Melton, City of Brimbank, Melbourne's West Area Consultative Committee and Victoria University.

In 2006 a series of workshops were facilitated by Delfin Lend Lease to identify the issues facing the region and prepare a strategy for economic development initiatives at Caroline Springs. The purpose of these initiatives was to drive economic development at Caroline Springs while also ensuring that all activities would compliment and support the range of broader strategies being undertaken in the region.

The partnership that was formed in the preparation of this strategy continues today with several of the partners now members of an Economic Development Advisory Group that meets quarterly to implement the strategy.

Key sections of the Caroline Springs Economic Development Strategy 2006-2007 are provided below.



Caroline Springs Economic Development Strategy

2006-2007

A regional partnership approach

Creating jobs and building business prosperity for the Western Region of Melbourne through a partnership between Delfin Lend Lease, Shire of Melton, City of Brimbank, Victoria University, and Melbourne's West Area Consultative Committee.

Summary

In addressing the economic development and support for local business the Caroline Springs project in partnership with stakeholders developed its first Economic Development Strategy prepared for Caroline Springs. Caroline Springs has been in development since 1996 and is currently home to 11,000 people. Upon completion Caroline Springs will be home to over 8,000 households and 23,000 residents.

This Economic Development Strategy seeks to provide a context for economic development at Caroline Springs as well as detail the economic development objectives and initiatives to be delivered on the project in FY07.

Caroline Springs is located in the Shire of Melton and forms part of the western region of Melbourne. The western region comprises of a diverse set of areas characterised by a high level of cultural diversity and varying levels of socio-economic status. There exist pockets of development within the western region with significant levels of gentrification as well as pockets of extreme social disadvantage.

The Economic Development Strategy was prepared with the help of the following key partners:

- Melton Shire Council
- Brimbank City Council
- Melbourne's West Area Consultative Committee
- Victoria University
- Hornery Institute

These partners identified a need for Delfin Lend Lease to take a regional approach to economic development initiatives. It was agreed that a more substantial level of impact would be achieved if the key partners work together to identify the key actions required for the region and implement these in consultation with each other. To this end the key partners have provided confirmation that they will form an Economic Development Advisory Group for Caroline Springs.

It has also been agreed that it is necessary for Caroline Springs to focus on key actions in the next financial year. Several potential business clusters will be identified for inclusion in the Caroline Springs Town Centre. Businesses in these industries will be directly targeted.

A philosophy of growing our own businesses will continue to be promoted through facilities such as Space2 Business Lounge and the LEAP group. Space2 will continue to provide a

more affordable option to home-based and small business when compared with commercial rentals. The focus in FY07 will be to grow and support the existing businesses in Caroline Springs as well as to attract new investment to the Town Centre from outside of Caroline Springs.

1 Introduction

Caroline Springs is a master planned community being developed by Delfin Lend Lease. Caroline Springs lies 22 kilometres west of Melbourne's CBD and is currently home to over 11,000 people. Upon completion of the project in approximately 2012, Caroline Springs will be home to over 8,000 households and 23,000 residents.

The Caroline Springs Town Centre comprises of 135 hectares of mixed-use development. The Town Centre was launched in December 2005 with the opening of CS Square, a supermarket based shopping centre with 21 specialty retailers.

The Town Centre now features commercial and retail development as well as education facilities. In January 2007 a contemporary higher density residential village located in the Town Centre will also be launched. This will be complimented by further civic, cultural and education facilities over the coming year as well as a further 12 hectares of land earmarked for future retail and commercial development.

2 Purpose

This is the first Economic Development Strategy prepared for Caroline Springs. In 2005 Delfin identified a need to develop a more integrated approach to the delivery of commercial and retail sites within the Town Centre as well as a need to deliver on job creation strategies for Caroline Springs residents. Caroline Springs is now reaching a level of maturity as a community and there exists a need to continue to deliver on the 'Live, Learn, Work and Play' philosophy. This Economic Development Strategy is the first step in a roadmap for Delfin Lend Lease to work with key partners to achieve a vision for economic prosperity in the region.

This Economic Development Strategy seeks to:

1. Provide the reader with a policy context for economic development at Caroline Springs
2. Provide the reader with the key opportunities and threats facing the project
3. Detail the Economic Development Objectives for Caroline Springs
4. Detail the Economic Development Initiatives to be delivered in FY07

3 What is Economic Development?

By definition economic development is any effort or undertaking that aids in the growth of the economy. Economic development is typically measured in terms of jobs and financial impact, but is also interrelated with social and environmental activities when considering community creation.

4 Why is it important?

Economic growth is not an end in itself. It is important because it creates jobs, which allows people to enjoy higher standards of living. There exists a need to balance the rapid population growth produced by Caroline Springs with higher levels of employment growth. If this cannot be achieved Caroline Springs faces the prospect of not achieving a multi faceted level of development.

5 Development Context

Caroline Springs lies within the Western Region of Melbourne, in the Shire of Melton.

The Western Region comprises of 6 local government areas – Melton, Hobsons Bay, Wyndham, Moonee Valley, Maribyrnong and Brimbank.

The Western Region of Melbourne is characterised by a diverse population. Pockets of gentrification now exist within the western region as well as areas of extreme social and economic disadvantage.

The Western Region also comprises of a significant level of broad hectare land housing development in the region's growth areas. Caroline Springs is one such development.

5.1 Residential

From 2006 – 2020 it has been estimated that an additional 349,000 dwellings will be required in metropolitan Melbourne. Melton is expected to have a strong 4.3% annual growth rate during this period.

The Western Region of Melbourne dominates in terms of its contribution to residential construction. Within the Shire of Melton an average of 2,600 house lots are consumed per annum. (Urban Development Program Annual Report, 2005).

Based on historical trends it is estimated that from 2006 – 2020 an additional 81,350 dwellings will be required in the Western Region. Development in the Shire of Melton is predicted to account for the second highest consumer of this development with a total of

23,400 dwellings estimated to be consumed in this period. This rate of growth is second only to the City of Wyndham.

5.2 Industrial

Four major industrial nodes exist in Melbourne. Caroline Springs is located centrally to two of these nodes – Laverton North and the Melbourne Airport Business Park.

From 2000 – 2005, an average of 300 hectares of land was consumed for industrial uses per annum. Most of this activity has been located in the western and southern regions of Melbourne, with these two regions alone accounting for 74% of all industrial land consumption in Melbourne. (Urban Development Program Annual Report, 2005).

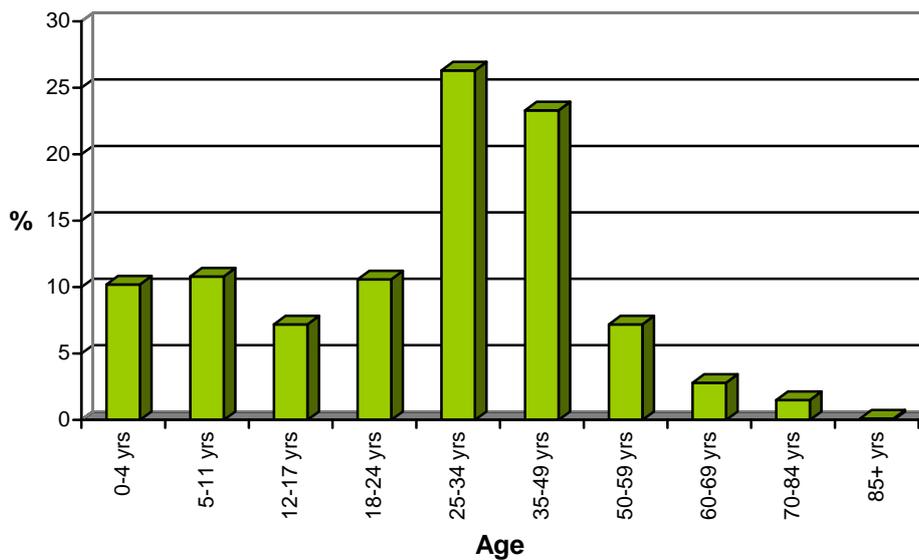
The Western Region is a major contributor to industrial activity in Melbourne. The net consumption of industrial land in the Western Region has averaged 116 hectares per annum from 2000 – 2005. The majority of this consumption however has occurred in Wyndham, Brimbank and Hobsons Bay.

The majority of industrial land consumed in the Western Region is being used for manufacturing. Manufacturing is closely followed by transport and storage uses.

6 Population Snapshot

6.1 Age Structure

The most significant age groups in Caroline Springs are adults in their late twenties and early thirties and pre-teen children. There is a significantly lower percentage of persons aged over 50 in Caroline Springs when compared with the Shire of Melton overall and a higher percentage of young children aged 0-4.



Source: Australian Bureau of Statistics, Census of Population and Housing, 2001

6.2 Ethnicity

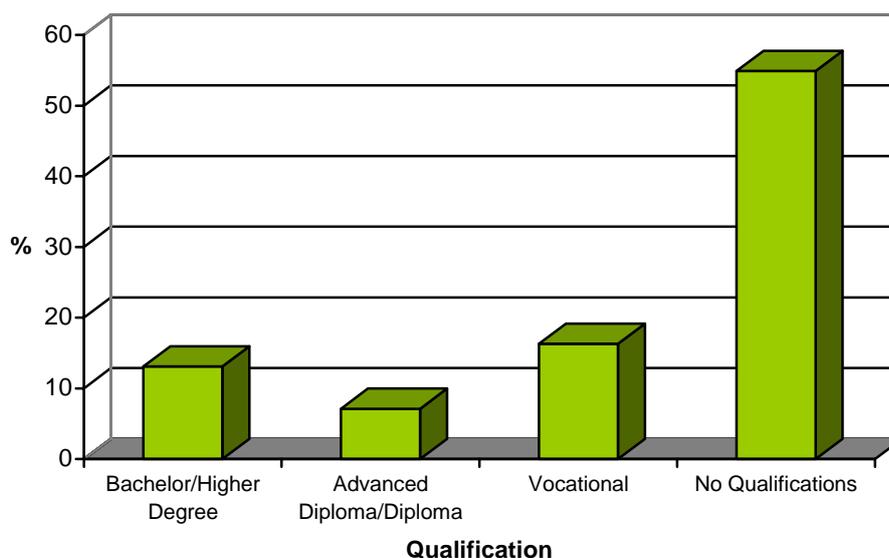
Over half of Caroline Springs population was born overseas. This is a much higher proportion than the average across the Shire of Melton (31.8% in Caroline Springs compared to 14.4% across the Shire). This is evidence of the diverse cultural mix of Caroline Springs. (id consulting, Shire of Melton Community Profile, 2006).

6.3 Household Income

The levels of household income in a community are a good indicator of the level of employment in a population. Caroline Springs has a higher percentage of households in the medium to higher household income brackets when compared with the Shire of Melton overall. The medium to higher income quartile groups begins from \$800 per week up to \$2,000 plus each week. (id consulting, Shire of Melton Community Profile, 2006).

6.4 Vocational Qualifications

37% of the Caroline Springs population have some form of vocational or educational qualifications. This is indicative of a relatively skilled and educated workforce. Caroline Springs has a higher share of the population with a bachelor degree or diploma than the Melbourne average. (id consulting, Shire of Melton Community Profile, 2006).



Source: Australian Bureau of Statistics, Census of Population and Housing, 2001

6.5 Employment

Caroline Springs has a lower unemployment rate than the Shire of Melton (5.2% compared with 7.4%). This may be a result of the higher proportion of Caroline Springs population with educational and vocational qualifications. 69.6% of the Caroline Springs population, who were employed in the workforce, were employed on a full time basis in 2001 with 21.7% employed on a part time basis. (ABS, Census of Population and Housing, 2001).

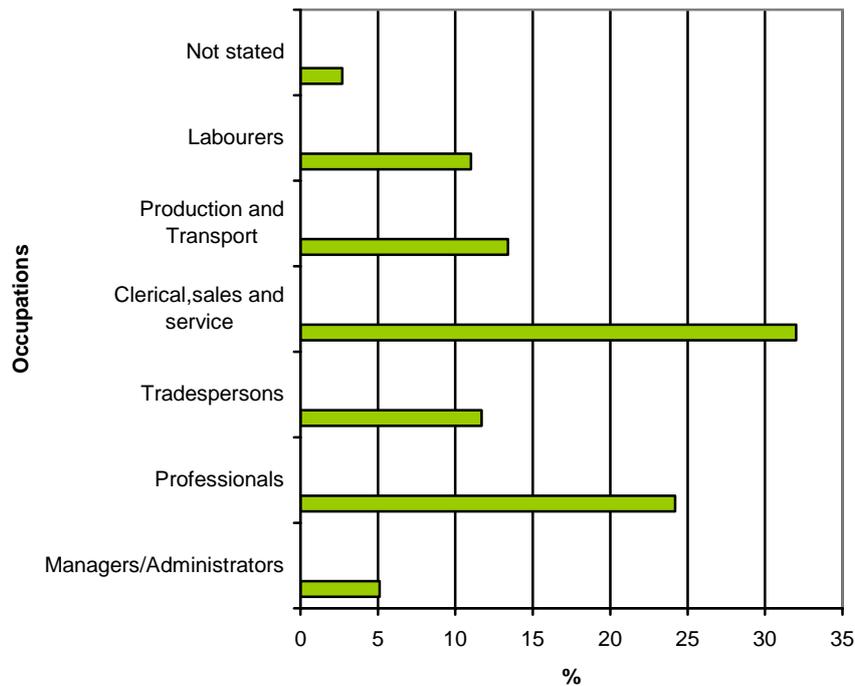
Caroline Springs residents are predominantly employed in manufacturing, wholesale and retail trade and the finance and business service sectors.

Industry	%
Manufacturing	22.8
Wholesale and Retail Trade	19.6
Finance and Business Services	16.9
Education health and community services	12.1
Recreation and personal services	7.0
Transport and storage	6.4
Construction	5.6
Public administration and defence	3.3
Communication services	3.2
Not stated	2.6
Electricity, gas and water	0.4
TOTAL	100

Source: Australian Bureau of Statistics, Census of Population and Housing, 2001

The largest occupations in Caroline Springs include clerical, sales and service workers, professionals and production and transport workers.

Caroline Springs does however have a higher proportion of professionals when compared with the Shire of Melton.



Source: Australian Bureau of Statistics, Census of Population and Housing, 2001

6.6 Journey to Work

The majority of trips to work by Caroline Springs residents are undertaken by car. Over 70% of the Caroline Springs population drive to work. A lower percentage of people work from home at Caroline Springs compared with the Shire of Melton (2.6% compared with 1.1%). The high percentage of people commuting to work by car is likely to be due primarily to the lack of public transport infrastructure available at Caroline Springs. (id consulting, Shire of Melton Community Profile, 2006).

7 Policy Context

Policy from each level of Government begins to frame the key directions for economic development at Caroline Springs. The following attempts to surmise the most relevant of each of this policy documents and place it within the context of Caroline Springs.

7.1 Federal Government

The Council of Australian Governments (COAG)

In August 2005 the Victorian Premier released '*Governments Working Together - A Third Wave of National Reform: A New National Reform Initiatives for COAG*'. Australia's strong economic performance over the past decade contrasts sharply with the 1970's and early 1980's when growth slowed, inflation set in, unemployment persisted and our productivity lagged behind international standards. The reversal of what had been a long decline in our ranking on the global income ladder was not realised until the 1990's on the back of the two waves of national reform, the first the floating of the Australian Dollar in the 1980s and the second the release of the National Competition Policy in 1995.

This proposal was agreed to at the COAG national meeting in February 2006. This agreed National Reform Agenda will work towards preparing Australia to meet emerging pressures and position itself to take advantage of new opportunities. In the face of intense global competition and an aging population, governments need to work together to pursue this agenda so to address the key areas of productivity and participation. A series of recommendations have been made in response to this report and milestones will be announced in June 2006, December 2006 and June 2007.

There exist opportunities for the regional partners to propose specific demonstration projects to the State Government that are in line with the directions that will be outlined as part of COAG's recommendations.

7.2 State Government

Victoria has a relatively low unemployment rate with employment growth averaging 1.9% per year over the last five years. About 200,000 new jobs have been created over this period and for the first time in over 20 years; Victoria is experiencing a gain in interstate migration into the State.

Growing Victoria Together, 2005

Growing Victoria Together sets out 10 goals for Victoria's future from the Bracks Government. The first of these goals is a Thriving Economy with the following objectives:

- More quality jobs and thriving, innovative industries across Victoria
- Growing and linking all of Victoria

The Government aims to build on Victoria's strong economy, low unemployment and increasing standard of living. This policy identifies the key challenges for Victoria as workforce participation and significant levels of underemployment.

Victoria: Leading the Way Economic Statement, 2004

Victoria: Leading the Way is an action plan to ensure that Victoria positions itself to generate new opportunities in relation to economic growth. The key objectives of the policy are to:

- Drive new investment in Victoria
- Stimulate the creation of new jobs
- Lower the costs of operation for Victorian businesses
- Support increased exports of Victorian goods and services
- Market Victoria as the location of choice in a global economy
- Boost the competitiveness and growth of Victoria's services sector

Manufacturing continues to be the primary industry driving economic growth in Victoria. However several key growth industries and capabilities are beginning to emerge. Primarily these are:

- Aerospace design
- Advanced automotive manufacturing
- Biotechnology
- Financial services
- Higher education
- Food processing
- Information and communications technology

One of the key actions outlined in this policy is the promotion and marketing of Victoria as a destination of choice for international investment. A new body known as Invest

Victoria has now been established by the Bracks Government to raise Victoria's profile in the global market place. The Economic Advisory Group to be established at Caroline Springs will seek an audience with Invest Victoria to ensure that the body is aware of opportunities that could be delivered at Caroline Springs as well as the western region.

Another key action from *Victoria: Leading the Way* centres on building on the State's strengths as a financial services hub. The financial services industry is the third largest in Victoria, contributing in the order of \$14.6 billion to the State economy and employing approximately 90,000 people. The overall size of this sector in Victoria makes it comparable to the financial sectors of Hong Kong and Singapore.

There exists a real opportunity for the western region to build on this strong financial services base to attract new investment in the west.

**Department of Innovation, Industry and Regional Development (DIIRD)
Strategic Directions 2005-2008 and Annual Business Plan 2005-2006**

DIIRD is the Victorian Government's lead economic development agency. The primary objectives of the Department are:

- Investment attraction
- Trade development
- Development of innovative industries
- Regional development
- Marketing Victoria

DIIRD has committed itself to adding an additional 5,000 jobs per annum as a result of investments facilitated in Victoria to 2007. The most significant mechanism by which to achieve this new investment is the marketing and promotion of the State to international and interstate markets. Delfin Lend Lease has already established a strong working relationship with DIIRD and in particular the Office of Small Business. The Office of Small Business will continue to provide business support services to Caroline Springs businesses. The opportunity exists for DIIRD to be involved with the Economic Advisory Group and particularly with a view to attracting new investment to Caroline Springs.

7.3 Local Government

The loss of the Western Melbourne Regional Economic Development Organisation in 2005 has meant that there does not currently exist any body to promote economic

development initiatives across the region. There exists a need for a cohesive approach to attracting new investment for the region as well as marketing and promoting the western region as a centre for economic growth and prosperity. The six municipalities that make up the Western Region are currently in the process of establishing a new leadership model for the West. This group will have a far broader scope than economic development and will have representation from all 6 municipal councils. The Caroline Springs Economic Advisory Group will work with this new organisation to ensure that a synergy exists between the work being undertaken at a local and regional level.

The western region is characterised by a large manufacturing base, an adequate supply of industrial land and fairly limited recognition as a commercial centre when compared with the southeast region of Melbourne.

Industries expected to grow in the West over the short term include the following:

- Business Services
- Retail – supermarket, grocery, personal and household goods
- Sport
- Health Services
- Storage
- Legal and Accounting Services

(NEIER Growing Melbourne's West: Challenges and Opportunities, 2004).

The Melton Shire in particular faces considerable pressure as it continues to face rapid population growth. It is one of the fastest growing municipalities in metropolitan Melbourne and faces significant challenges in terms of infrastructure delivery to meet population growth.

Shire of Melton Economic Development Plan

The Shire of Melton's Economic Development Plan outlines six key directions for the Shire:

- **New Investment**
To create investment opportunities for current residents as well as external parties
- **Employment Creation**
To expand job opportunities in existing industries as well as emerging ones
- **Local Business Growth**
To support the existing local small business sector
- **Agribusiness**
To achieve international recognition of the agribusiness sector in Melton

- **Equine Industries**

To provide growth and development opportunities for the equine industry

- **Image and Marketing**

To build on Melton's reputation as a vibrant and prosperous Shire

There exist significant opportunities to partner with the Shire of Melton to jointly attract new investment to the region through joint marketing and lobbying. The other significant opportunity is the support of local business growth. Already through the support for the LEAP Networking Group the potential for Delfin and Melton to partner to achieve common goals for the Melton East community has been evidenced.

Shire of Melton Economic Development Unit Draft Communications Strategy 2005-2006

The Communications Strategy for 2005-2006 focuses on three key areas of priority for Melton Shire:

- **Image and public perception**

Melton aims to create a greater awareness of economic development initiatives undertaken by the Shire and aims to facilitate the ongoing promotion of the Shire to attract new investment.

- **Business attraction and investment**

Melton Shire understands the need to balance population growth with employment growth. At present 80% of Melton's population is forced to look outside of Melton for work. By attracting new businesses to the area as well as supporting the growth of existing business Melton will begin to counter this lack of employment growth.

- **Diversification of the economy**

Melton Shire is looking to diversify its local economy as much as possible to focus on key growth areas such as business services, retail, sport, health services and storage.

Shire of Melton Council Plan 2005 – 2009

The key objectives as stated in the Shire of Melton's Council Plan 2005 – 2009 centre on the need to foster a strong local economy. The Shire has committed to the following goals:

- **To improve the image of the Shire**
The Shire has committed to creating jobs in targeted industries over the next four years.
- **To expand and diversify economic growth**
The Shire has committed to attracting new businesses to the area over the next four years.
- **To provide local employment opportunities within the municipality**
The Shire has committed to reducing the number of people leaving the Shire for work.

These objectives are directly related to the objectives set for Caroline Springs. Delfin Lend Lease will continue to use the annual review of the Council Plan to contribute to the future directions for economic development at Caroline Springs. This will ensure a consistency of approach across Melton East and the local region.

Brimbank City Council Economic Development Strategy 2005

Caroline Springs lies on the western boundary of the City of Brimbank. For this reason the City of Brimbank is seen as a key stakeholder in the development of an economic development strategy for Caroline Springs. Brimbank is home to approximately 175,000 people and is dominated by the manufacturing and wholesale/retail sectors. Presently the industry mix on offer in Brimbank is weighted towards sectors that are expected to experience only moderate growth in the next 5-10 years. Brimbank is keen to build on opportunities to facilitate investment in industry sectors that are likely to grow.

The vision for Brimbank in 2010 is a community with a thriving and sustainable economy that offers people a diverse range of products and services. The Brimbank City Council Economic Development Strategy outlines seven key strategic actions for the City:

- Building stronger networks
- Fostering local business growth
- Facilitating new business growth
- Revitalising older Industrial/Retail/Commercial centres
- Supporting education, training and skills development initiatives
- Developing new and managing existing infrastructure
- Marketing and promotion

8 Key Issues and Challenges facing the Western Region

The following key issues and challenges facing the region were identified at the first Economic Development Planning session in December 2005:

- Need to provide a quality residential offering to compliment business
- Overall capacity of the region for commercial development
- Attitude towards the west ‘blue collar image’
- Predominantly a first home buyer area
- How do we re-skill people?
- Education, training and learning
- Participation in the learning economy
- Manufacturing base is a strength
- Employment creation – how do we create new jobs?
- Infrastructure to keep up with strong population growth
- Transport infrastructure particularly cross regionally
- General health and wellbeing of the population
- Lack of medical services in the west
- Business support (amenity, opportunity and customer case)
- Changing demographic – gentrification in areas like Footscray, Yarraville
- Social issue of displacement of migrants
- ‘Café culture’ in some areas but not in others and changing over time
- Victoria University presence in the region is a strength
- Old image perception of the west hard to change
- People don’t move from other side of Melbourne to the West
- Need to work on the people from the West
- Proximity to the city also a disadvantage, means we go into the city to obtain services
- Areas exist in the west that people are being priced out of
- People still predominantly travelling a long distance to get to work
- Need to capture the people that travel to the west for work (professionals)
- Amenities and lifestyle drivers are key
- We know the data but where are we going with it? Turning the research into action!
- Victoria University branding presence
- Opportunities to broaden the catchment into areas like Bacchus Marsh and beyond
- Need to achieve a clustering of businesses that rely on each other
- Fragmented commercial and retail development is a challenge
- Availability of commercial land
- Loss of WREDO no longer a portal, where do people go?

- Local government regional group being formed
- Residential focus in outer sections of this region – communication of other opportunities really important, tour for councillors. Media and press.
- No central focus

9 SWOT Analysis

The regional partners developed the following SWOT analysis as part of the economic development workshop process.

Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> • Flexibility of design • Blank canvas • Extent of population growth • Current age demographic (young, not ageing) • Proximity to markets • Affordability • Unique development in the west of Melbourne • Focus on community • Flexibility of service delivery • Spirit of co-operation • Capitalise on Victoria University presence • Diversity of residents • Lots of support organisations – skills and networks • Number of home based businesses • Space2 • Amenity • Community • Good community leaders 	<ul style="list-style-type: none"> • Extent of population growth • People moving out of the region • Not seen as a business destination, perceived as only residential • Lack of local jobs • Lack of public transport • Lack of infrastructure provision • Low education levels • Lack of aspiration • Lack of adult focused community education • Levels of disengagement particularly with young people • Lack of commercial development on the ground • No collective regional leadership • Urban and rural – leads to problems securing funding • Gaps in medical sector • Lack of ICT infrastructure 	<ul style="list-style-type: none"> • Re-market Caroline Springs, communicate as a business destination • ‘Grow your own’ philosophy – find the three or four sectors to push • Focus on people not tainted by perception of western region – fresh people willing to innovate and pioneer • Low education levels – educate people into areas of high growth • Focus on adult learning - CAE • Build partnerships – at the municipal and business level • Create a new business landscape • Co-ordinated regional perspective • Role for Delfin as a corporate citizen • Equine industry – provide businesses that support this industry • Assist Home Based Business to move into the next phase of their growth • Build on local community leaders • Good stories to tell about the west 	<ul style="list-style-type: none"> • Delivering an outcome that doesn’t address future need • Infrastructure and employment growth does not keep up with population growth • Competing developments, multiple centres competing against each other • Isolating Caroline Springs from the rest of the region • That it is only rhetoric and not action • Reliance on manufacturing sector • Northern push for industry and commercial development • Trying to do too much and not doing anything well

10 Vision and Objectives

Vision Statement

The Caroline Springs Town Centre will deliver a major regional economic centre at Caroline Springs. Caroline Springs will build on its unique position within the region to deliver an economically viable centre offering a diverse range of employment and business opportunities for the whole community.

10.1 Key Strategy Area 1: Regional Partnerships

10.2 Key Strategy Area 2: Communication and Branding

10.3 Key Strategy Area 3: Business and Employment Growth

11 Action Plan

An Action Plan has been prepared to accompany this Economic Development Strategy. The Plan outlines the key actions to be implemented in relation to economic development initiatives for Caroline Springs in 2006-2007.

12 Ongoing Communication

The Economic Development Strategy, including the Action Plan will be reviewed annually and updated. The Economic Development Strategy will be prepared in conjunction with the Caroline Springs Business Plan and will include details of budget and resource allocation to be included in the Business Plan.

The Economic Development Strategy will also be reviewed following the annual update of the Council Plan by the Shire of Melton. This will ensure that the objectives and strategies outlined for Caroline Springs are in line with the economic development priorities identified by Council.

The Economic Development Advisory Group will be formed and Delfin will host the inaugural meeting of this group in April 2006. This group will be represented by the following organisations:

- Delfin Lend Lease
- Melton Shire Council
- Brimbank City Council
- Victoria University
- Melbourne's West Area Consultative Committee
- Hornery Institute