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**MORNINGTON  
PENINSULA**  
*Shire*

Ref: ID 1127564

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

COMMITTED TO A  
SUSTAINABLE  
PENINSULA



7 September 2006

Dear Mr Nardella

### **Inquiry into Local Economic Development in Outer Suburban Areas**

Thank you for the opportunity to submit to the Parliamentary Inquiry as the Mornington Peninsula Shire Council [MPSC] believes the timing is very opportune, as we are currently reviewing our Economic Development Strategy.

#### **Context**

The Mornington Peninsula is one of four key Green Wedge regions identified in the State Government's Melbourne 2030 Planning Policy. Local planning policies strongly reinforce the Green Wedge approach with a commitment to maintaining 70% of the Peninsula's land mass for rural and agricultural purposes.

Council and the community have a strong commitment to maintaining the rural and conservation values of the peninsula whilst ensuring that development is consistent with and supports the goal of a sustainable peninsula. This means the focus of Council's economic development activities is strategic and linked into a wider regional approach with nearby councils. The MPSC recognises the folly in trying to out compete other councils in attracting industry, rather the MPSC works with local industry in trying to grow from within and having employment opportunities nearby.

#### **Terms of Reference Responses**

##### **1)**

Existing economic development programs centre around tourism and retail sectors, which are the dominant industry sectors. The Mornington Peninsula is reliant on tourists, who number between 4 – 5 million p.a. The EDU works closely with 14 Local Tourism Associations and 10 chambers of commerce in promoting the region nationally and internationally.

The peninsula is becoming recognised as one of Australia's premium wine growing areas, specifically pinot and chardonnay varieties, and the EDU is working on the branding and market positioning of the region to capitalise on this regional strength.

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Another complementary aspect to this strength is the region's food production, where the EDU supports agriculture, horticulture, cherry & berry, olive and other gourmet products, Premium food and wine in a maritime environment is a recipe for a world class tourism destination. There is also the unique marketing and branding potential for the region and its produce under the auspices of the Mornington Peninsula and Western Port Biosphere Reserve. There is a lack of 'green' niche marketing expertise within the region which is a challenge to be overcome.

There is an emerging marine and aquaculture industry which has the potential to grow in scale especially when linked into the Port of Hastings development. The MPSC is working closely with the State Government in the long term strategic planning for Melbourne's second port. Aligned with this sector is the new Australian Maritime College at Point Nepean, which is within a National Heritage Area. There are plans to make the area a World Heritage Listed Area and like the Biosphere Reserve there is potential to niche market the region and the facility.

Another important segment of economic development is the servicing of new enterprises through the Western Port Business Centre. This is an incubator achieving good results and capable of achieving more if some capital funds were allocated to expand available rooms for lease.

The MPSC is working closely with local secondary colleges and major employers to improve the school to work transition rates, specifically in a trial situation whether a metal-marine technical skills training facility would be successful. The MPSC already helps long term unemployed to enter the workforce through the widely acclaimed Pelican Pantry Training Café, where over 250 trainees have successfully completed training over the past 4 years.

## 2)

The major barriers to local economic development consist of a lack of skilled staff, especially in the technical areas. Trades and technical training will assume greater significance as more and more 'baby boomers' approach retiring age.

Similarly para-medical and carer positions will be occupations in demand and the MPSC will be looking to work closely with industry stakeholders, all levels of government and training institutions to develop a plan to tackle the skills shortage.

In recognising the difficulties of creating major employment nodes in the local area, having employment zones nearby is the next best thing. Therefore affordable transport access including public transport to the near by employment zones is a major consideration for many of our residents. At present the public transport connections from our shire to other adjoining shires are inadequate. The majority of our residents rely on private transport, which is inefficient and relatively expensive.

Inadequate infrastructure capacity in water and telecommunications are major limiting factors. The golfing and horticultural industries are suffering under the extended dry season; groundwater allocations are being restricted and yet the 'natural resource' of 160,000 mega litres p.a. of Class C water flowing out at Gunnamatta is not being maximised. There are over 1000 local jobs in the southern part of the peninsula that

rely on consistent access to water. There is a potential to increase this by 400 full time and 400 part time jobs through a doubling of land used for horticulture.

Within the telecommunications arena, true broadband of speeds of 100mb/second or greater would expand employment from home options. This would be attractive to many of our professional/managerial occupations who could work 1 or 2 days per week from home, as well as the those businesses based solely from home. Statutory Planning considerations may arise if home based employment generates negative amenity impacts such as traffic and or parking difficulties. Currently on the Mornington Peninsula broadband speeds are likely to be in the 2 mb/second range, depending on quite a few variables such as distance to the exchange.

**3)**

With regard to incentive arrangements for industry the MPSC does not offer inducements to attract new business to the area. However, Council does offer a farm rate for agricultural land, which is only 32% of the general rate. This provides a strong incentive to rural landowner's to keep farmland as farmland. Further, there is a Land Sustainability Rate which provides a 25% rate discount for land over 2 hectares where the landowner undertakes environmental repairs to the land. These incentives underscore the importance to the MPSC of the Green Wedge Zone and sustainability.

The MPSC does not support government's using tax payer funds to prop up failing companies nor to attract the so called foot loose companies. History is littered with failed companies that secured government relocation packages. For governments to pursue incentives only leads to foot loose companies holding Dutch auctions where governments compete against each other. Realistically it is a zero sum game.

**4)**

The EDU offers small business advice, training and mentoring, sponsoring of innovation, managing special charge schemes for commercial centres, business networking support, marketing of successes by local firms, conducting a career's expo, regional marketing on a national and international stage, cooperative marketing campaigns for tourism operators, sponsorship of major events, research, industry trends analysis, skills gap analysis, outreach with industry sectors, local policy development, and major projects. Essentially EDU's network extensively and facilitate others to achieve desired outcomes.

**5)**

Recognition of each region's strategic strengths is a fundamental step in appreciating how each level of government can work collaboratively. In the MPSC case we are distinct in the type of employment & industry we wish to foster, which then requires more flexibility from higher levels of government's program design and delivery. One size does not fit all.

Tackling economic development on a regional scale allows each council to best work out how to meet local employment aspirations of their respective ratepayers. The creation of large/regional employment zones with fully integrated transport packages is an efficient and effective approach for economic development. In particular the South Dandenong [700 hectares] and Pakenham [2000 hectares] regional employment zones linked with the Port of Hastings [2500 hectares] offers a once in a generation

opportunity to properly plan for regional economic development with input from all levels of government.

Potentially there is an opportunity to develop a world scale industrial complex across 3 zones with a large labour pool in the centre of the three zones. This opportunity is exceptionally attractive to national and international companies.

6)

In terms of export potential it might be best to focus on the Mornington Peninsula Shire and its Port of Hastings. Ensuring the port is developed appropriately with all the logistics coordinated will serve the whole of Melbourne's east and south east suburbs. The incentive is for private enterprise to be positioned near the port with good access links and having a trained workforce living nearby. It doesn't get much better than that!

This is balanced by bearing in mind the need to protect the highly important environmental and conservation values surrounding Western Port and the Biosphere Reserve.

7)

More financial support for the local business incubator, Western Port Business Centre, is crucial to fostering talent that might go on to becoming the next 'Bill Gates and Microsoft'. Of strategic interest is the Synchrotron based at Monash, the MPSC is working with the Melbourne South East group to encourage research and industry development to better align technological capabilities. This is a medium to longer term project where results will not be seen for a number of years.

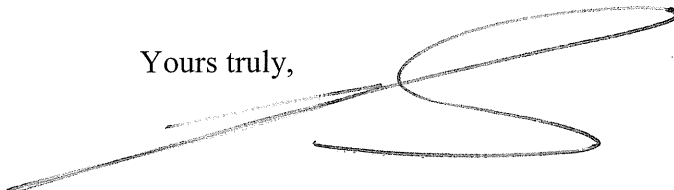
Home based business development is an area of interest which has been discussed previously. The nurturing of this segment is best achieved by having world class telecommunications capacity with like minded business people linked into broader and relevant networks. Home based businesses that are not networked will wither.

8)

National and international initiatives are best explored on a regional basis rather than an isolated municipal basis. The linking of the Port of Hastings to the major employment zones is one major area of interest that could be of national or international significance. Secondly, the Mornington Peninsula and Western Port Biosphere branding opportunity is another option, however there is a need for highly specific expertise to unlock the inherent potential of the Biosphere brand.

If you require any more information please feel free to call me on 59501843 or 0437 848 997.

Yours truly,



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Mornington Peninsula Shire