

Urban Development Institute of Australia

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To Tony, guests, sponsors - thankyou friends

It's a great pleasure to be here today at this important UDIA event –
thankyou for inviting me.

(In the spirit of respect I acknowledge members of the Kulin Nation, who
have traditional connections for the land on which we meet)

I've been invited to present in my role as Federal & State Ministerial
appointment Regional Development Australia Southern Melbourne
Committee member – a partnership agreement to develop regions.

There are 55 RDA committees that provide a national network that covers
every local government area in Australia.

We provide strategic advice to both the Federal and respective State
governments about the provision of major infrastructure (soft and hard)
specific to our region.

Regional Plan – website: www.rda.gov.au

Southern Melbourne



Map depicts the RDA Southern Melbourne Region (**10 LGAs** from Port Phillip – Mornington Peninsula Shire Council - or Melbourne's South East

Today's presentation will focus on **3** local government areas within the red circle: Greater Dandenong /Frankston City /Mornington Peninsula

- RDA works with the three levels of government, business & the community.
- Significant strategic **projects** we have commissioned: including: *Future of Manufacturing for South East Melbourne / Assessment of NBN Readiness / Regional Food Plan / Regional Transport, Freight & Ports Study*
- Regional Plan advocates for a **POLYCENTRIC CITY** approach to land use and transportation planning in the southern Melbourne region – a necessary pre-condition to address most of the key challenges identified in the Regional Plan ... jobs/lack of transport / traffic congestion/gridlock/education disadvantage / competing land use pressures /*
- **Importantly, sitting in your shoes, why should you seriously consider investing in Melbourne's South East ... here's a few strategic reasons...**

Demographics

- **Population: 424,000**
- **Jobs: 155,000**
- **Workforce: 185,000**



Census Data is for City of Greater Dandenong, Frankston City and Mornington Peninsula Shire only

The Southern Region represents 1.4 million people

Breakdown for the 3 LGAs:

Population: 424,000
= 11% of Melbourne

Workforce: 185,000
= 9% of Melbourne

Job: 155,000
= 7% of Melbourne

In summary, population is growing between 1.5-2% per annum

The Economy

- \$47.9 billion economy
- 31,000 businesses



Value of economy \$47.9 billion
31,000 Businesses

Biggest industries

- Manufacturing
- Construction
- Retail, Hiring & Real Estate Services
- Wholesale

• MPS is a food producing areas for region – value of agriculture = \$600m

Biggest employing industries

- Retail
- Health
- Manufacturing

Major players

- Bluescope – Hastings – employs 1000
- Inghams – Chicken processing – Somerville – employers 400
- Peninsula Health – diverse array of health services
- Iveco – Truck manufacturer
- Nissan – Car Manufacturer
- Jayco – Caravan manufacturer – 800 employees (Approximately 50% of all recreational vehicles sold in Australia each year are a Jayco.)

Existing Infrastructure

- Access to major transport
- Revitalising activity centres
- Research
- Education



Existing or Recently Completed Infrastructure

Major Transport

- 2 of Melbourne's new freeways

East Link

\$765M recently completed Peninsula Link – NOW 17 mins instead of 40,

East Link

Region's advocacy of the East West tunnel to alleviate congestion / cost / productivity

- 2 Railway Lines

Dandenong - \$25 million allocated in state budget

Frankston – State Government recently announced \$100m to Frankston

Line

Revitalising Activity Centres

- State Government is undertaking the Revitalising Central Dandenong project valued at \$290 million

Research

- Monash Synchrotron
 - uses high intense light beams for research
- largest stand-alone piece of scientific infrastructure in the southern hemisphere.

Educational Facilities

- High quality education Private schools, TAFE's Monash and Deakin Universities (Deakin has a small campus in Dandenong)

New Infrastructure

- **Public buildings**
- **Port of Hastings**
- **Tourist attractions**



New infrastructure Projects:

Public Buildings

- New Municipal
 - Central Dandenong
 - \$62 million
 - Currently Underway
 - completion expected March 2014
- Casey Council
 - Just announced - \$125 million Casey Cultural and Civic Precinct
 - one of the largest projects ever embarked upon by local government in Victoria.
 - Includes regional theatre, multi-purpose exhibition space, regional art gallery, new community library, community meeting rooms, Civic Centre and community plaza
- Cardinia
 - Officer Town Centre – mixed use centre incorporating Cardinia Shire offices, retail, community facilities and entertainment
 - Undertaken by Places Victoria

Port of Hastings

- 3500 hectares port related zoned land
- Already functioning on a small scale to become Victoria's second container port – natural deep water harbour
- crucial for growing freight trade into the future
- Victorian Government recently committed \$110 million to detailed planning over the next 4 years
- \$10 billion investment to become the Major port in Victoria from 2022>

Tourist Attractions

- MP attracts 5-6 million visitors per year
- Arthurs Seat Chairlift - \$16+ million redevelopment

The Lifestyle

- World class food & wine
- Recreational facilities
- Natural assets
- Multicultural



Lifestyle

Natural Assets

- Coastlines with 2 Bays
- National Parks – Point Nepean, Mornington Peninsula

Food and Wine

- Red Hill is home to 5 “Hated” restaurants
- Spa facilities

- World renowned winery – Mornington Peninsula Region is famous for **Pinot Noir**

Multicultural

Dandenong is home to array of amazing multicultural food offering from retail to restaurants

One of Victoria’s oldest food Markets – Dandenong Market

Recreational Activities

- 2 regional art centres (Dandenong, Frankston)
- Some of Australia’s best golf course

Educational Facilities

• High quality education Private schools, TAFE’s Monash and Deakin Universities (Deakin has a small campus in Dandenong)

Confidence

- High level of business confidence
- Willingness to invest in capital
- Increase investment in human capital



MPS Business Survey

Survey completed late 2012 (November)

659 respondents

Business Confidence

- 86% of businesses believe their income will remain the same or increase for the next financial year

Investment in capital

- Total capital investment by respondents was \$62.5 million for 2011/12

- A trend appears to be a reduction in investment in new buildings and an increase in redevelopment / extensions

Employment

- Mornington Peninsula has increased its employment by 7.1% based on the survey results

Opportunities

- Dandenong
- Casey / Cardinia
- Port of Hastings
- Frankston



Industrial Land Prices:

- Dandenong \$170-\$250/m²

Casey Cardinia

- than 2,600 ha of employment lands ready for development
- affordable land (starting around \$110/sqm)

Land to be developed:

- Dandenong
 - Home Quarter centre in Dandenong - \$13m is one of the first in Australia to include an alternative energy wind turbine
 - Australia's first Green Star-rated industrial developments
 - a 27,200-square-metre office and warehouse
 - Tenants so far: Officeworks, Amart Sport, The Good Guys, Plush Furniture, Fantastic Furniture
 - Numerous smaller industrial land opportunities along the East Link/Peninsula Link corridor
- Port of Hastings – already zones for port use
- Casey Cardinia
 - more than 2,600 ha of employment lands ready for development
 - affordable land (starting around \$110/sqm)
- Frankston
 - Carrum Downs
 - Close to Eastlink and Penlink
 - Central activity centre
 - Opteon talking more about Frankston Opportunities

Success story

Springvale Homemaker Centre

1 yr old

30 plus retailers

500 employees

Tenants IKEA, Harvey Norman, Domayne (store outside the Melbourne CBD)

Strategic Priorities

- **Transport & freight**
- **Locally based employment**
- **Education and training**
- **Innovative manufacturing**
- **Protection of natural assets**



•Southern Melbourne RDA

- Adequate and efficient transport and freight infrastructure to support the growing population and sustain a dynamic economy.
- Creation of locally based employment for residents in the outer eastern population growth areas.
- Provision of and access to education and training, employment, community services and transport.
- Continued development and innovation in the local manufacturing industry.
- Protection of green wedge areas and valuable agricultural land.

Food Plan

- **High economic value**
- **Access to market**
- **Diverse market opportunities**



Food Plan

SMRDA with Casey, Cardinia and MPS

Provides a master-plan for the future development of the region's agrifood sector,

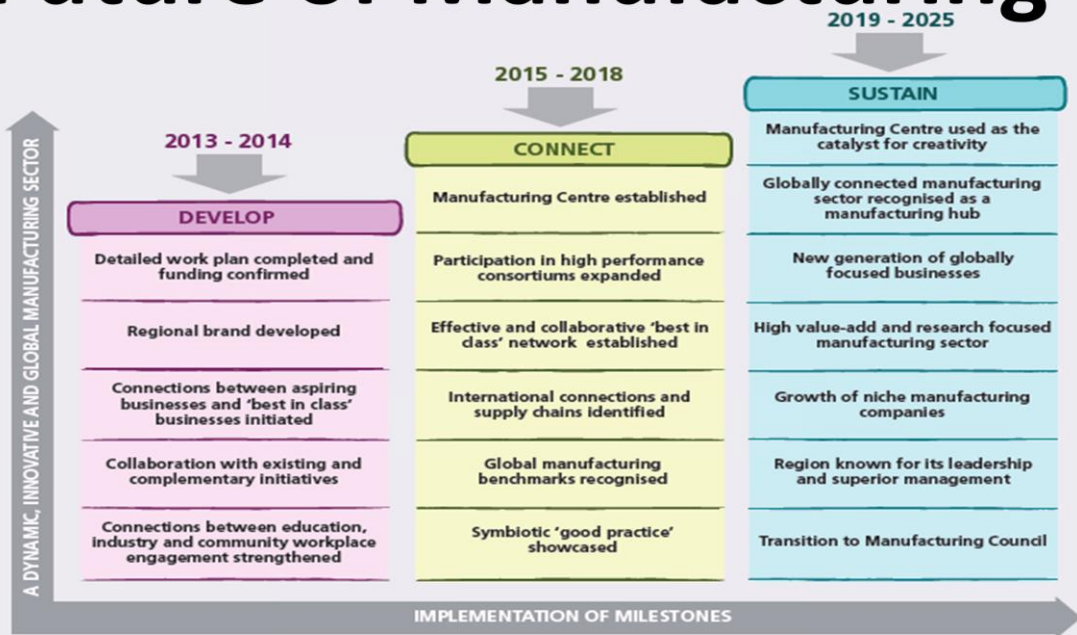
Advantages of Farming in in Peri Urban areas:

- Higher economic value per hectare because of value adding and direct-to-consumer marketing opportunities.!
- Larger market for local produce because of the dense population.!
- Strong tourism factor which also creates market opportunities for local businesses

• SMRDS Roles is to:

- Identify the challenges and opportunities!
- Paint an aspirational vision for the future!
- Facilitate responses to burning issues!
- Identify projects that will build towards achieving the vision.!

Future of Manufacturing



Background

2001 SMRDA with South East Business Network and South East Melbourne Manufacturing Alliance (SEMMA) commissioned a report into the Future of Manufacturing in the South East


What's happened since then:

- developed a long term vision to guide manufacturing across Melbourne's south east metropolitan area, building on what business wants

What is being doing to achieve that vision


- to grow and develop a regional brand
- provide access to 'best in class' manufacturing practices
- offer exposure to world-class innovation.

Quotes from business leaders....



"Australian manufacturing is craving a plan for the future ...without this plan and the commitment of manufacturers and all stakeholders, our future is questionable."

Martin Solomon
Managing Director
Britannia Metal Industries



"It is clear that, to be viable in the long term, manufacturers will need to be global. Our chances of success will increase if we collaborate rather than compete."

Andrew Meek
Chief Executive Officer
AW Bell Pty Ltd

Quote from key players in the region

Port of Hastings

- **Natural Deep Water**
- **Less impact on road freight**
- **Zoning in place**
- **\$10B investment**



The Victorian Premier, Dr Denis Napthine, recently announced that 'containerised trade in Victoria is predicted to quadruple by 2035'.

- acknowledges that with container trade growth between 5% to 6% annually, the capacity of current port infrastructure is expected to be reached by the mid 2020's.
- The Port of Melbourne, even when taking into consideration planned expansions at Webb Dock, will be unable to meet this growth demand.

Victorian Government's current economic strategy, *Securing Victoria's Economy*, highlights the need to advance the development of the Port of Hastings as Melbourne's second container port

April 2013 the Victorian Government announced it would provide a funding package of \$110 million to undertake activities to progress the Port of Hastings as Melbourne's second container port.

Benefits of the Port of Hastings

Geographic

- **Natural Deep Water**
 - Port Phillip Heads is the major constraint to the entry of large container vessel access to the Port of Melbourne. Hastings has 14.3m deep water access to the Port and unencumbered channel access (i.e. no restrictions on two way traffic); and with tidal changes in favour the Western Port channel can cater for 16.5m draft vessels.
- **Less freight Traffic**
 - 40% of current containers have an origin and destination in Melbourne's south east. There will be considerably less freight traffic on the metropolitan road network if a port were located at Hastings.
- **Land zones port related**
 - Approximately 3,500 hectares of land around the Port is already zoned for port related uses, providing significant scope for Port related developments now and well into the future.

Economic

The Port will act as a stimulus for private investment:

- transport and logistics infrastructure
- act as a catalyst to private investment and open new import/export markets for manufacturers.

The Port will generate employment:

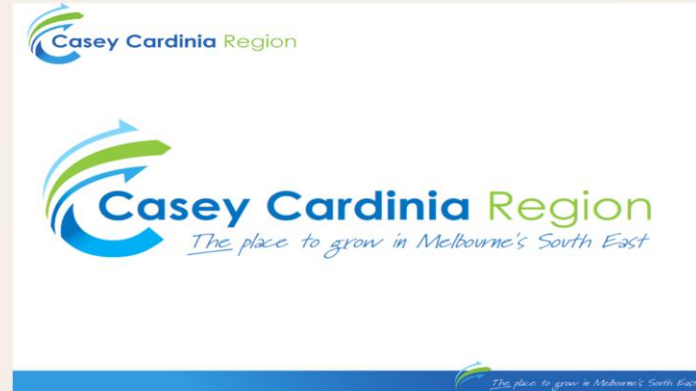
- construction of port infrastructure and through the ongoing port operations.
- Medium and long term employment opportunities will also be enhanced throughout the region as a result of increased industry investment, in the Casey - Cardinia growth corridor and the traditional manufacturing hubs of Dandenong, Monash and Kingston.

The Port will enhance competitiveness of local businesses and provide new strategic opportunities:

- Ease of access to markets will assist south east Melbourne businesses to reduce supply chain costs thereby enhancing local and international competitiveness.

Casey Cardinia Councils

One shared vision for investment attraction



Casey Cardinia Councils - one Share vision for investment attraction:

- To attract new business investment
- Grow our current business community to generate new jobs.
- Gain support from State and Federal Government
- Speak with one voice to ensure the success of the region

National Broadband Network

- **Lobby**
- **Research**
- **Educate**
- **Support**



What we are doing regarding the NBN:

- Lobbing to ensure Southern Melbourne is fairly represented in rollout schedule
- Undertaking research on best practice to support businesses and communities
- Education of strategic and business advantages
- Support to those who can access it now

RDA NBN Project

- Status of NBN rollout across the region,
- assessing the benefits for various industry sectors and identifying opportunities
- Assessing NBN readiness for industry & business
- Ease of dealing with respective councils in terms of process & planning

“Only those who will risk going too far can possibly find out how far they can go.”

– T.S. Eliot

Thank You



Key strengths of Melbourne's South East

- Local and skilled workforce = 9% of Melbourne's workforce
 - Access to educational facilities
 - Public / Private
 - Secondary
 - University
 - Vocational
- World class infrastructure
 - New road infrastructure
 - Upgrading of Rail
 - Port of Hastings
- Connected business community
 - Demonstrated through SEMMA
 - New Greenfield commercial estates
 - Stable existing estates with businesses that are major players in their industry
ie Nissan
- Enviably Lifestyle
 - Make use of our natural assets
 - Recreation - golf, Port Phillip and Western Port Bays
 - Multicultural
 - Food and wine

Thank you