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# Economic Sustainability Strategy

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March 2009

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## 1. Introduction

The Mornington Peninsula Shire covers approximately 720 sq. kilometres of land with a coastline of 192 kilometres. The region has magnificent landscapes and coastlines, which attract millions of visitors every year, and is of state significance in tourism terms.

The Mornington Peninsula local economy is: -

- Diverse, in terms of the number of industry sectors that contribute to the economy including retail, manufacturing, construction and business services
- Growing in terms of its overall size and level of employment, and is
- Changing both in terms of the relative contribution of various industry sectors and the employment they generate.

The region has a distinguished agricultural history with the existing food and wine producers being recognised as world class and industry leaders in their respective fields. The Mornington Peninsula Shire Council has maintained a strong statutory planning regime to protect and preserve the agricultural land and the rural landscapes. Changing social and economic demands place viability pressures on agricultural landowners. Council is keen to ensure valuable agricultural land stays viable.

The Mornington Peninsula Shire has forty settlements spread across the peninsula, of which twelve are recognised as Activity Centres as per Melbourne's 2030 Strategy. These towns and villages are integral to the feel and ambience of the Mornington Peninsula, however they also face changing social and economic conditions.

The community has over 30,000 people who are employed within the Mornington Peninsula Shire with around another 27,000 who travel out of the Shire for their employment.

The opening of EastLink freeway and the construction of the Frankston Bypass will reduce travel time to and from the Mornington Peninsula and will generate a range of investment and employment opportunities. The future development of the Port of Hastings will also generate opportunities for economic development.

While this augers well for the economy over the next few years the economy is not immune to the impacts of changes to the broader national economy and global trends including changes to interest rates, exchange rates and oil prices.

## 2. Aims

The 2008-2013 Economic Sustainability Strategy aims to provide a coherent policy framework designed to promote and facilitate sustainable economic development for the community of the Mornington Peninsula Shire. Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. This framework provides: -

- A series of related, and coordinated projects, programs and actions that are designed to effectively and efficiently deliver the policy framework;
- Priorities and timelines for such projects, programs and actions;
- An identification of the resources required to pursue the projects, programs and actions; and an
- Implementation plan including key performance indicators and performance measures for each policy element and action set out in the strategy.

### 3. Objectives

The objectives of the ESS are consistent with the Mornington Peninsula Shire Council's Sustainability Framework and Shire Strategic Plan and are as follows:-

- Sustain the diversity of the local economy
- Support effective linkages between the industry sectors in the local economy
- Grow employment opportunities within the local economy and nearby
- Foster the capability of local businesses
- Promote the opportunities associated with the local economy

### 4. Development of the ESS

The development of the ESS has involved:-

- An analysis of the local economy and its current capacity and performance; much of this analysis involves the use of the Mornington REMPLAN Economic Model
- A review of relevant documentation and data
- Consultation with industry, agencies and Council; the process has also taken into account community feedback gathered through the development of the Shire Strategic Plan and feedback from all sectors of the community following a public exhibition period

### 5. The Mornington Peninsula Economy – a Strategic Context

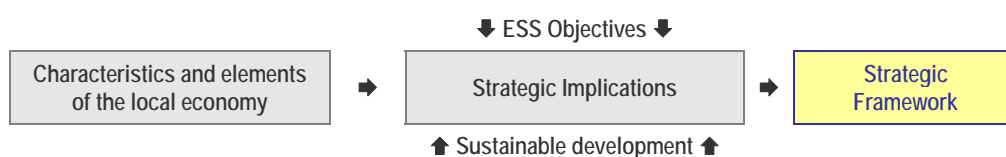
This Section of the ESS provides an overview of the local economy and a strategic context for sustainable economic development in the Mornington Peninsula.

This overview incorporates the inputs from the development of the ESS (i.e. economic analysis, documentation review and stakeholder consultation) to make commentary regarding the following elements and characteristics of the local economy: -

- |                           |                           |
|---------------------------|---------------------------|
| • Economic output         | • Imports                 |
| • Local expenditure       | • Activity centres        |
| • Employment              | • Land use                |
| • Wages & salaries        | • Infrastructure          |
| • Skills & qualifications | • Strategic relationships |
| • Exports                 | • Climate change          |

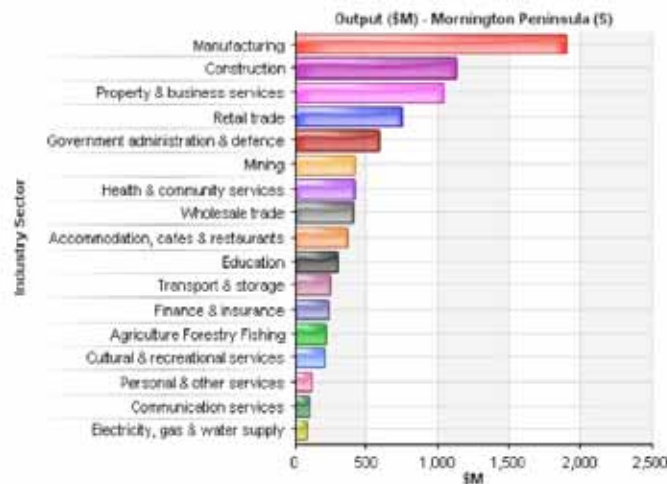
In describing the nature of these elements this Section of the ESS also identifies a range of strategic implications for sustainable economic development in the Mornington Peninsula Shire that arise from these elements and characteristics. The implications describe key needs, issues and/or opportunities relevant to the delivery of the ESS's objectives and sustainable economic development in general.

Collectively, these implications provide a strategic context for the key focus areas with respect to economic development and subsequent policies, programs and actions. This process is depicted in the diagram below.



## 5.1 Economic Output

Output data represents the gross revenue generated by businesses/organisations in each of the industry sectors in a defined region. Total output for the local economy is over \$8.5 billion with the contribution by industry sector depicted below. It should be noted that a diverse range of sectors contribute to these outputs.



Source – MPSC REMPLAN  
Economic Model

*Implication #1* The diverse nature, and capacity, of the local economy is not widely known (The Mornington Peninsula is well known for its tourism and recreational assets, including wine, food, golf and racing). There is a need to broaden the awareness, both in and out of the Mornington Peninsula, of what the local economy has to offer

Historically, the agriculture sector has been a key element of the local economy. While a number of sectors generate more output, the agricultural sector continues to have a key role both culturally through its associated lifestyle and activities, and environmentally through its contribution to the lifestyle backdrop that is important for many residents, and visitors. The graph does demonstrate that a number of sectors make a more significant economic contribution than that of the agriculture sector

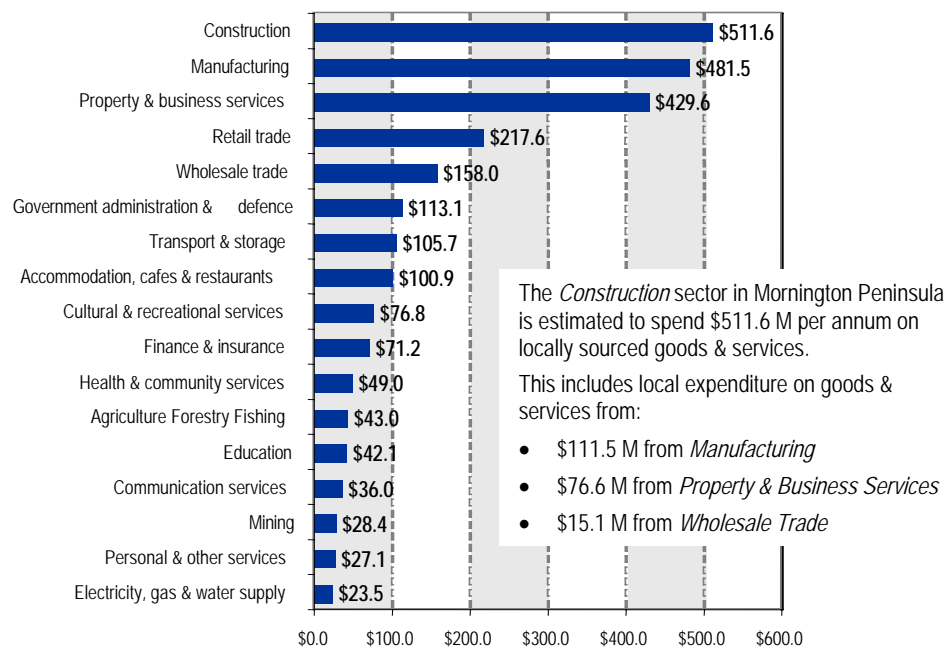
*Implication #2* Given the cultural and environmental importance of agriculture there is a need to pursue opportunities for ongoing investment in the sector. These opportunities include:

- Further development of the local wine industry – in terms of growing, production, retailing and exporting
- Further development of the aquaculture industry – both freshwater and marine, including access to water infrastructure
- Leveraging the already significant presence of the equine industry
- Development of additional horticulture opportunities (broadacre and hydroponic) – particularly through leveraging access to recycled water from Carrum Downs
- Development of more connections with tourism including events and products that enable visitors to experience local produce

The sector also reports difficulty in accessing an adequate workforce; this issue will need to be addressed in order for growth opportunities in the sector to be realised

## 5.2 Local Expenditure

The various industry sectors in the local economy purchase goods and services from within the local economy as depicted in the following graph



Source – MPSC REMPLAN Economic Model

**Implication #3** The level of expenditure is important to maintaining the level of local employment. There is a need to consult with local industry to identify what inhibitors may exist with respect to local expenditure and how these can be mitigated

Tourism is not identified as an ABS industry sector, nonetheless tourism activity is significant in the local economy. Currently, tourism expenditure in the Mornington Peninsula region is estimated at \$534m per annum (Tourism Research Australia, 2008)

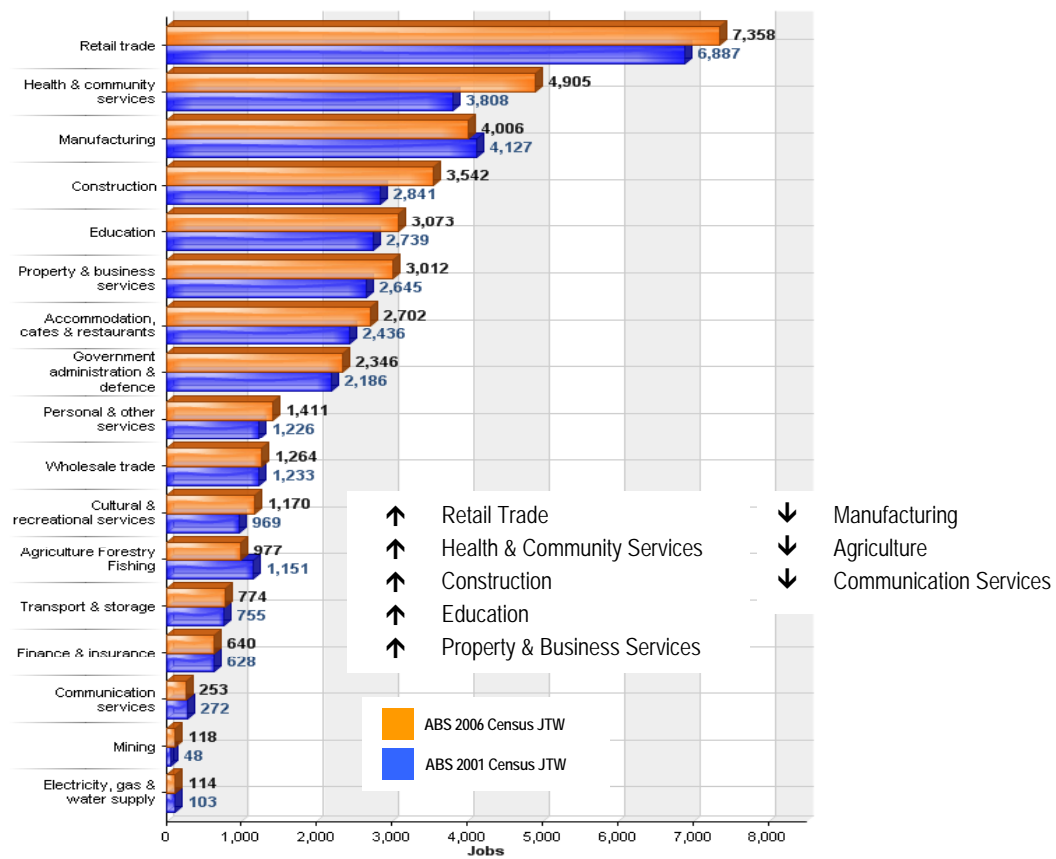
**Implication #4** There is a need to further the understanding of the impact of tourism across the various industry sectors in the local economy and promote the identified impacts

## 5.3 Employment

The local economy employs some 38,000 people – in full time, part time and/or casual employment. Total employment in Mornington Peninsula has increased from 34,054 jobs in 2001 to 37,665 jobs in 2006 (approx 11% increase). While there has been an overall growth in employment there has been growth in some sectors and a decline in others as can be seen in the following graph.

Tourism is not highlighted as a specific industry sector in the graph below. However, tourism is a significant generator of employment in the Mornington Peninsula with *Accommodation* (93.1% of total employment attributed to tourism), *Cafés and restaurants* (31.7%), *Clubs, pubs, taverns, and bars* (19.1%), and *Retail trade* (8.1%) being key beneficiaries. These four industries are part of the 14 industry groups used by the ABS to estimate regional tourism employment (TTF, 2005) and overall tourism contributes some 5,370 jobs or 4.8% of total employment in this region.

Changes in Employment 2001 to 2006



Source – MPSC REMPLAN Economic Model

Of the some 38,000 people employed in the local economy just over 30,000 (80%) reside in the Shire with around 8,000 (20%) being from other municipalities.

In all, almost 58,000 people who reside in the Shire are employed – given that some 30,000 of these people work in the Shire then there are over 27,000 people who travel out of the Shire for reasons of employment. The vast majority of the 27,000 - around 70% - travel to work by car (as a driver and/or passenger).

Total Employed in the MP Economy

Origin	#	%
MPS	30,293	80
Frankston	4,066	10.7
Casey	1,101	2.9
Kingston	539	1.4
Greater D/nong	242	0.6
Monash	158	0.4
Cardinia	152	0.4
Knox	142	0.4
Bayside	104	0.3
Glen Eira	99	0.3
Other areas	1,209	3.1
<b>Total</b>	<b>38,105</b>	<b>100</b>

Total Workforce residing in MPSC

Place of Work	#	%
MPS	30,293	52.4
Frankston	6,865	11.9
Greater D/nong	2,705	4.7
Kingston	2,478	4.3
Melbourne	1,701	2.9
Monash	1,339	2.3
Casey	1,212	2.1
Port Phillip	518	0.9
Knox	395	0.7
Bayside	362	0.6
Other areas	9,926	17.2
<b>Total</b>	<b>57,794</b>	<b>100</b>

MPSC = Mornington Peninsula Shire

It would be desirable for economic (i.e. more investment), social (i.e. improved work/life balance) and environmental (i.e. less car related travel time) reasons to provide more local

work opportunities and thereby reduce the number of people who have to travel out of the Shire for work.

However, it is not realistic to expect that a local economy, which currently generates some 38,000 jobs, could absorb anything like the number of workers who currently travel out of the Shire (i.e. around 27,000).

*Implication #5* Given that the local economy cannot absorb the number of workers who travel out of the Shire then promoting opportunities for them to work closer to home is the next most desirable outcome.

This would involve leveraging the opportunities afforded by developments in the immediate region such as the:

- Development of Dandenong and Frankston as Transit Cities. In particular, the State Government has identified Dandenong as the potential 'capital' for the South East region.

The State Government's commitment is evident in its declaration of Dandenong as a VicUrban project and the dedication of significant funds for land acquisition and infrastructure enhancement to attract private sector investment.

The Melbourne South East / Regional Economic Strategy projects that there will be significant jobs growth in and around Dandenong and Frankston through to 2011 as shown in the following table

	No of Jobs within 30 mins drive 2006	No of Jobs within 30 mins drive 2011	Change
Dandenong	216,532	378,260	74.69%
Frankston	72,088	92,617	28.48%

Source - MSE / Regional Economic Strategy

The Melbourne South East / Regional Economic Strategy also calls for improved public transport links between the Shire and these centres

- Employment growth projected with the completion of EastLink and the potential offered by the Frankston Bypass and the subsequent planning activities that have been identified in the Melbourne South East / Regional Economic Strategy

One of the sectors where employment has grown significantly in the local economy is the *Property & Business Services*; this sector includes the following types of businesses

- Property Operators & Developers
  - Residential Property Operators
  - Commercial Property Operators & Developers
- Real Estate Agents
- Non-Financial Asset Investors
- Machinery & Equipment Hiring & Leasing
  - Motor Vehicle Hiring
  - Other Transport Equipment Leasing
  - Plant Hiring or Leasing
- Scientific Research
- Technical Services
  - Architectural Services

- Computer Services
  - Data Processing Services
  - Information Storage & Retrieval Services
  - Computer Maintenance Services
  - Computer Consultancy Services
- Legal & Accounting Services
- Marketing & Business Management Services
  - Advertising Services
  - Commercial Art & Display Services
  - Market Research Services
  - Business Administrative Services

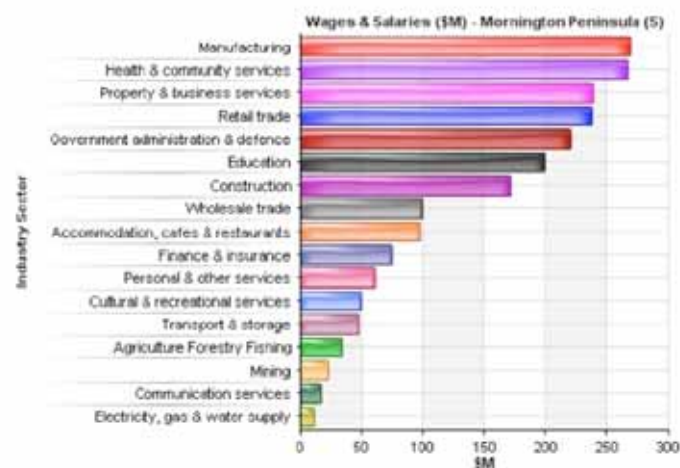
- Other Business Services
  - Employment Placement Services
  - Contract Staff Services
  - Secretarial Services
  - Security & Investigative Services
  - Pest Control Services
  - Cleaning Services
  - Contract Packing Services

- Surveying Services
- Consulting Engineering Services
- Business Management Services

**Implication #6** Many of the businesses associated with the *Property & Business Services* sector have the potential to be operated as a home based business (e.g. Surveying Services, Market Research Services, Computer Maintenance Services). There is a need to identify how local employment can be grown through enabling home based businesses to be more easily established and operated; this would include more consistent access to very high speed broadband and reliable mobile phone coverage.

### 5.4 Wages & Salaries

The household income data presented in the following graph represents the value (\$M) of wages and salaries paid by businesses/organisations in each of the industry sectors



Source – MPSC REMPLAN Economic Model

It should be noted that despite a decrease in overall employment since 2001, the *Manufacturing* sector still generates the most wages and salaries. The *Health and Community Services*, *Property & Business Services* and *Retail trade* sectors all generate a significant level of wages and salaries and have experienced a growth in employment since 2001.

**Implication #7** Given the Shire’s ageing population (by 2011 it is projected that over 27% of the population will be 60+ yo – source MPSC) the provision of services relating to positive ageing could be a growth area with respect to investment (i.e. in relevant facilities) and employment.

**Note:** the *Health & Community Services* sector grew by over 1,000 jobs (25% plus) in the 2001 to 2006 and the *Personal & other services* sector grew by almost 200 jobs (15%) in the same period

## 5.5 Skills and Qualifications

The Mornington Peninsula Shire Council provides data on the qualifications of those people over 15 who reside in the Shire

### Highest qualification achieved

(persons aged 15 years and over)

	2006			2001			Change 2001 to 2006
	n	%	MSD %	n	%	MSD %	
Bachelor or Higher degree	12,824	12.1	19.6	10,106	10.2	16.1	2,718
Advanced Diploma or Diploma	8,261	7.8	7.6	6,377	6.4	6.5	1,884
Vocational	20,221	19.1	14.1	18,021	18.2	13.8	2,200
No qualifications	48,954	46.1	45.9	51,133	51.6	52.1	-2,179
Not Stated	15,846	14.9	12.7	13,377	13.5	11.5	2,469
Total	106,106	100	100	99,014	100	100	7,092

MSD = Melbourne Statistical Division

*Implication #8* It is difficult to correlate this data with the actual working population (i.e. around 58,000 people). More research is required to identify the skills profile of those actively participating in the workforce and in particular those who travel out of the Shire (there is already data on the 38,000 who work within the local economy). Access to such data would provide an improved insight into what job types need to be targeted in order to enable a greater number of people to work in, or nearby, the Shire.

The consultation with business, and other organisations indicates a frustration with being able to access training, particularly for young people. The MSE strategy also notes that business consultation “opined that training providers in the region were not sufficiently in tune with the needs of employers and trainees alike. Several suggested that more flexible and customised approaches to training delivery were required, reflecting the very specific needs of individual businesses and niche sectors.”

At present there is a satellite campus of the Chisholm TAFE operating in Rosebud that offers a range of courses including hospitality, information technology, horticulture and carpentry. All other access to tertiary or vocational training requires young people, or others, to travel out of the Shire

A key issue highlighted in local consultation was that public transport, or the lack thereof, is a key inhibitor to young people’s ability to access training.

*Implication #9* There is a need to work with local industry, training providers and other agencies to develop strategies and programs to facilitate the access of people in the Shire to tertiary education and vocational training. This would include the improvement of public transport.

## 5.6 Exports

The local economy exports (from the Shire to elsewhere in Australia or overseas) goods and services to the value of some \$2.9 billion; the contribution of the various industry sectors is depicted in the graph below



Source – MPSC REMPLAN  
Economic Model

The manufacturing sector's performance as an exporter underlines its importance as a driver of local prosperity and jobs albeit that employment in manufacturing has declined since 2001. Manufacturing is also recognised as a key economic driver in the Melbourne South East region, and the Melbourne South East / Regional Economic Strategy notes that "maintaining the ability of manufacturing to adapt and remain competitive is a crucial challenge for the Region".

*Implication #10* It will be critical to link local manufacturing to the advanced business services or 'thinking power' available in the wider Region (source - MSE Regional Economic Strategy). There is also a need to ensure greater connectivity and networking within the local manufacturing sector with a view to developing more effective cluster arrangements and effective supply chains. Finally, there are also potentially attractive import replacement opportunities relating to manufacturing both locally and in the region (see also *Implication #13*)

Given that exports are goods and services bought by an entity outside of the local economy then tourism is an export in that people from outside of the local economy (i.e. visitors) are buying local goods and services. Given that tourism has an impact on many of the sectors that are smaller exporters (i.e. *Retail, Accommodation, Cafes & Restaurants, Cultural & Recreational Services, Personal & Other Services*) then supporting tourism growth will generate more exports.

*Implication #11* Continue to support tourism growth in the local economy; this will include the: -

- Research of visitors and their needs and interests
- Ongoing development of tourism products and experiences – particularly those that would operate out of the summer "high season"
- Improvement and/or establishment of relevant tourism infrastructure; and the
- Effective promotion of the Mornington Peninsula to target markets

### 5.7 Key Propulsive Sectors

The key propulsive sectors are those where growth (or contraction) in the sector have the widest impact on the local economy. The criteria used for determining the key propulsive sectors are - (i) Employment as it generates increased local spending; (ii) Exports as it provides additional income from outside of the local economy; (iii) Value-added is the net measure of wealth generated in the region; and (iv) Backward Linkages indicate the potential for a sector to deliver wide ranging flow-on benefits for the Region. Across these four criteria *Construction* rates the highest followed by *Manufacturing* and *Property & Business Services*.

#### Key Propulsive Sectors

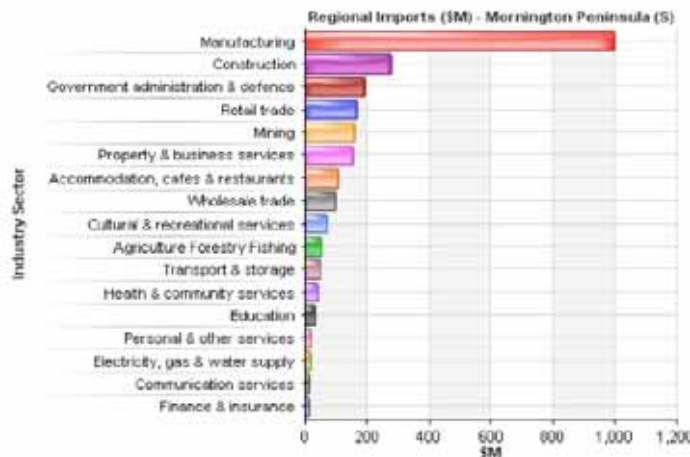
Top 5 Contributors	Backward Linkages	Exports	Employment	Value Added	Total
<i>Construction</i>	▲	▲	▲	▲	4
<i>Manufacturing</i>		▲	▲	▲	3
<i>Property &amp; Business Services</i>	▲	▲		▲	3
<i>Retail Trade</i>			▲	▲	2
<i>Health &amp; Community Services</i>			▲	▲	2
<i>Mining</i>		▲			1
<i>Wholesale Trade</i>	▲				1
<i>Transport &amp; Storage</i>	▲				1
<i>Communication Services</i>	▲				1
<i>Gov't Administration &amp; Defence</i>		▲			1
<i>Education</i>			▲		1

▲ = ranked in the top sectors for this criteria  
 The *Agriculture, Forestry, Fishing, Elect, Gas & Water Supply; Accommodation, Cafes & Restaurants; Finance & Insurance; Cultural & Recreational Services; and Personal & Other Services* did not rank in the top five of any of the Key Propulsive Sector criteria

**Implication #12** *Construction* is the highest rating sector with regard to the key propulsive sector criteria. Given that the *Construction* sector is particularly exposed to changes in interest rates there is a need to identify effective strategies for supporting this sector given this influence

### 5.8 Imports

The local economy imports goods and services to the overall value of some \$2.4 billion. An import is defined as any goods or services that are sourced outside of the local economy; of the \$2.4 billion of imports, \$1.8 billion is imported from other areas within Australia.



Source – MPSC REMPLAN  
Economic Model

## 5.9 Import Replacement

As can be seen from the above graph the manufacturing sector is by far the largest importing sector within the local economy and it is estimated to spend \$628 million on goods and services from the rest of Australia. This includes:

- \$204.4 million from *Agriculture, Forestry & Fishing*
- \$154.8 million from *Manufacturing*
- \$47.0 million from *Property & Business Services*

All of these sectors (i.e. *Agriculture, Forestry & Fishing, Manufacturing and Property & Business Services*) have a significant presence in the local economy.

If 5% of the above expenditure on imports was captured by local businesses within the *Agriculture, Forestry & Fishing, Manufacturing and Property & Business Services* sectors this would translate into some additional 165 jobs within the local economy.

The Melbourne South East Strategy has identified significant import replacement opportunities in a number of sectors including *Manufacturing, Construction, and Property & Business Services*. While import replacement in the region does not necessarily translate into local jobs it will grow jobs in the region.

*Implication #13* There is a need to work with local industry and the MSE group to identify opportunities for import replacement, increased value-adding and supply chain development in the local economy and the broader region

## 5.10 Activity Centres

The retail sector is the largest employer in the local economy and is ranked highly in the criteria for key propulsive sectors. The majority of retail employment and sales takes place in the diversity of activity centres throughout the Mornington Peninsula as depicted in the table below. In addition to the centres noted, some shops and other commercial services are located outside existing centres, and particularly on the main highways.

Mornington Peninsula Shire Council has an activity centre strategy in place to guide the future development of retailing and other commercial services in the Shire. This strategy provides for:

- Priority development in the three major activity centres of the Shire – Mornington, Rosebud and Hastings.
- More limited development to serve the needs of communities around existing township centres.
- Development of a new local/neighbourhood centre at Martha Cove.

*Implication #14* There is a need to work with local traders to identify opportunities to maintain and/or improve the viability and amenity of the various centres

*Implication #15* Given the limitations to the footprints of the Activity Centres and the relative size of industrial allotments (see 5.11 – Land Use) there will be no entry of a large-scale employer (albeit that the future development of the Port of Hastings may enable such an entry). On this basis it is important to support the efforts of existing businesses to develop their capability in order to grow the economy and employment.

**Activity Centres in the Mornington Peninsula**

Centre	Location (suburb)	Approx Size (m <sup>2</sup> )	Designation - (Melbourne 2030 categories)			Role (Economic hierarchy)				Key attractors	
			Major Activity Centre	Township/Neighbourhood Centre	Local Centres	Sub-regional shopping centre	Community-level shopping centre	Neighbourhood shopping centre	Local shopping		
Mornington Town Centre	Mornington	67,800	▲			▲				DDS, tourist activities	
Rosebud	Rosebud	53,900	▲			▲				DDS, tourist activities	
Hastings	Hastings	27,200	▲				▲			Supermarkets	
Homemaker Centre	Mornington	32,500				▲				bulky goods centre hardware & homewares	
Mt Eliza	Mt Eliza	18,100		▲				▲		Supermarkets	
Dromana	Dromana	15,600		▲				▲		Tourist activities, supermarkets	
Somerville	Somerville	14,400		▲				▲		Supermarkets	
Rye	Rye	13,100		▲				▲		Tourism activities, supermarkets	
Sorrento	Sorrento	12,200		▲				▲		Tourist activities, supermarkets	
Balnarring	Balnarring	5,600		▲				▲		Supermarkets	
Bentons Square	Bentons Square	5,500		▲				▲		Supermarkets	
Mt Martha	Mt Martha	3,700		▲				▲		Supermarkets	
Baxter	Baxter	5,000		▲				▲		Supermarkets	
Local Centres	Mornington Peninsula	34,700			▲				▲	Milk bars, take-away food	
<i>Total</i>		<u>309,300</u>									

**5.11 Land Use**

Industrial land is available in Dromana, Hastings, Mornington, Rosebud, Rye, Somerville, Sorrento and Tyabb. There are also some small areas in Bittern and Crib Point.

The overall supply of industrial land is in the order of 235 hectares with the overall vacancy rate around 23 per cent. Not all vacant land will be suitable for industrial development, due to location, access requirements, lot sizes, infrastructure requirements etc. Average lot sizes are generally in the order of 2,000 square metres

The rate of industrial development or the 'consumption' of industrial land by factories and warehouses on the Mornington Peninsula is estimated to be in the order of 5 – 6 hectares per year. There is likely to be an adequate supply in the short term.

The assessment of the adequacy of industrial land supply requires further investigation that will be undertaken as part of the 'Industrial (or Employment) Areas Strategy'.

It should also be noted that there is significant industrial land supply (i.e. over 3000 hectares) in municipalities nearby the Mornington Peninsula – in particular Greater Dandenong, Cardinia and Casey. Given such availability it is unlikely that there will be an increased demand for what is available in the Mornington Peninsula.

*Implication #16* Undertake an Industrial (or Employment) Areas Strategy' in order to identify what can be done to facilitate increased investment in available industrial land in the Mornington Peninsula. The strategy should take into account likely development in the broader Hastings/Dandenong – Casey/Cardinia land triangle that is espoused as a crucial one for the economic future of the Melbourne South East Region

The Port of Hastings Industrial Area currently accommodates the Esso Refinery and Bluescope Steel plant, both very substantial investments and large employers. The area around these enterprises (over 30sq km) is zoned Special Use in order to accommodate future port-related uses.

It is anticipated (this is espoused in the Melbourne South East / Regional Economic Strategy) that Hastings will be elevated in its role within the State's port network. The Port of Hastings Authority reports that its current land use planning and environmental impact assessment processes are going to take some three to four years to be completed

*Implication #17* There is a need to be closely involved with the future planning for the Port of Hastings in order to ensure that it reflects the needs of the local economy and creates opportunities for more effective integration with the broader regional economy

In addition to the availability of industrial land there also remains the need to ensure appropriate space for other economic uses including agriculture and tourism. To this end the Green Wedge Management Plan is currently under development; this plan will be a key element in identifying opportunities for land access.

## 5.12 Infrastructure

The key areas of infrastructure with respect to support for economic development in the local economy relate to the following key points. Many of these points have been discussed in previous parts of this Section of the ESS.

- Water recycling projects – utilising recycled water from Carrum Downs
  - See implication #2 – plus the development of infrastructure to deliver recycled water will also have potential impact for the local golf industry
- The Frankston Bypass (and leveraging the now operating EastLink)
  - The impacts of this project has been identified in the “Frankston Bypass Economic Impact Assessment”
- The development of the Port of Hastings
  - See implication #17
- Improved access to broadband and mobile coverage
  - See implication #6
- Improvement to service and amenity at various activity centres
  - See implication #14
- Improved infrastructure for the tourism industry – in particular improved access for recreational boating
  - See implication #2
- Public transport
  - See implications #5 & 9

### 5.13 Climate Change

Climate change is an area of increasing public interest given the level of community response to recent public forums on this issue. The process for developing the Melbourne South East / Regional Economic Strategy indicated a great deal of latent interest in the regional business community regarding the implications of climate change.

The Melbourne South East / Regional Economic Strategy has identified that there is an undoubted appetite for more information and training on issues like emissions trading, carbon offsets and developing more sustainable approaches to day to day business.

The Mornington Peninsula Shire Council has initiated the Vic 1000 program, which provides an opportunity for businesses to learn how they can reduce their carbon footprint and operating costs, and there has been a positive response to this program from local businesses.

*Implication #18* There is a need to work with the MSE group to develop strategies and programs to improve the “climate ready” capability of local businesses and identify how a more carbon sensitive business environment will impact on the regional economy

### 5.14 Strategic Relationships

The Mornington Peninsula Shire Council has recognised that involvement with broader and more regional scale bodies and programs is critical to its ability to influence key strategic issues, more easily liaise with State and Federal governments and to access a wider pool of resources and knowledge.

These strategic relationships are critical to sustainable economic development within the Mornington Peninsula and reference to such relationships has already been made in this document.

## 6 Key Focus Areas

A number of key Focus areas have been identified; these focus areas represent a strategic framework for the ESS that concentrates the ongoing development of relevant projects and programs associated with economic development in the Shire on those areas most relevant to the needs of the local economy

The key focus areas are as follows:-

<b>Industry Development</b>	Supporting the growth and capacity of the economy’s various industry sectors
<b>Business Development</b>	Supporting the improved capability of local businesses
<b>Economic Research</b>	Enabling access to, and promoting the use of, relevant economic data
<b>Marketing</b>	Promoting Mornington Peninsula’s economic capability
<b>Workforce Development</b>	Supporting the development of the skills and capabilities required by the local economy
<b>Infrastructure</b>	Promoting the development of infrastructure to support sustainable economic development
<b>Strategic Relationships</b>	Fostering strategic relationships that support economic development in the Mornington Peninsula

### 6.1 ESS Strategic Framework

The ESS has been aligned with the Shire Strategic Plan (SSP). In particular, the ESS has integrated the outcomes of the SSP's Goal 4 – Supporting a Sustainable Peninsula Economy - those being:

- Prosperous rural economy
- Sustainable tourism
- Resilient economy
- Increased investment

The ESS has added a number of additional Projects and Programs to the SSP's strategies to form an inclusive and integrated approach to sustainable economic development in the Mornington Peninsula

		ESS Key Focus Areas						
		Industry Development	Business Development	Economic Research	Marketing	Workforce Development	Infrastructure	Strategic Relationships
Goal 4- Supporting a Sustainable Peninsula Economy								
Outcomes		↓	↓	↓	↓	↓	↓	↓
<i>Prosperous rural economy</i>	➔							
<i>Sustainable tourism</i>	➔	Integration of SSP strategies and ESS Projects and Programs						
<i>Resilient economy</i>	➔							
<i>Increased investment</i>	➔							

### 6.2 Priority Projects

There are sixty three key projects identified across the ESS's Strategic Framework of Key Focus Areas and SSP Outcomes; 18 priorities have been identified amongst these projects based on a combination of:-

- A balance of primary, secondary and tertiary-based industries
- Extending the interrelationships between industry sectors in the local economy
- Growing the awareness of the capability of the local economy
- Developing relatively new areas or opportunities for growth

The 18 priority projects are tabled on the following page

## 18 Highest Priorities

	<i>Prosperous Rural Economy</i>	<i>Sustainable Tourism</i>	<i>Resilient Economy</i>	<i>Increased Investment</i>
<i>Industry Development</i>	<p>Evaluation of potential for increased horticulture</p> <p>Identify opportunities for marine and land-based aquaculture</p>		<p>Develop strategies to support the viability of SME manufacturers</p>	<p>Investigate opportunities for investment in aged care facilities and other health related services</p>
<i>Business Development</i>	<p>Further develop networks with agricultural related business groups; of specific interest could be co-operative transport arrangements for growers</p>	<p>Promote opportunities for farm-gate tourism and farmers' markets</p>	<p>Identify barriers to establishing and/or growing home based businesses in the Mornington Peninsula</p> <p>Promote import replacement opportunities</p>	
<i>Economic Research</i>	<p>Undertake a detailed economic evaluation of the potential for hydroponics and aquaculture on MP</p>	<p>Undertake research into the impact of tourism on other key industry sectors in the local economy and disseminate the outcomes</p>	<p>Identify opportunities for import replacement in a range of industry sectors</p> <p>Identify range of manufacturing related industries operating on the Mornington Peninsula</p>	
<i>Marketing</i>			<p>Promote import replacement opportunities</p>	<p>Promote the diversity of the Mornington Peninsula economy</p>
<i>Workforce Development</i>	<p>Promote employment opportunities in the agricultural sector</p> <p>Identification of skills needed for hydroponics and aquaculture and establish training courses</p>			
<i>Infrastructure</i>	<p>Identify further opportunities for water recycling and reuse projects to support agricultural development</p> <p>Identify desired uses for green wedge spaces – in particular horticulture activities</p>			
<i>Strategic Rel's</i>		<p>Support the implementation of the Regional Tourism Plan</p>	<p>Work with HMAS Cerberus and contractors to fulfill opportunities in the refurbishment of the base for the benefit of the local construction industry</p>	

2009-2014 Economic Sustainability Strategy

7. ESS Programs and Projects

Key Focus Areas						
Industry Development	Business Development	Economic Research	Marketing	Workforce Development	Infrastructure	Strategic Relationships
<i>How the SSP Strategies are supporting the ESS Key Focus Areas</i>						
<b>5.1 Prosperous Rural Economy</b>	5.1.2 To maximise rural business opportunities through the advocacy for the removal of regulatory impediments (right to farm) 5.1.3 To develop and grow local business including agri-tourism and intensive agriculture 5.1.4 To increase diversity of rural business enterprises through networking and industry development		5.1.1 To provide timely and reliable information to assist informed rural businesses decision making		5.1.5 To foster a capable and adaptive local workforce (through trend analysis research)	
	<i>How the ESS is supporting this SSP Outcome</i>					
	1. Evaluation of potential for increased horticulture 2. Identify opportunities for marine and land-based aquaculture 3. Foster the cultivation of low water use crops – including Australian native fruits 4. Foster the further development of the equine industry	5. Further develop networks with agricultural related business groups; of specific interest could be co-operative transport arrangements for growers	6. Undertake a detailed economic evaluation of the potential for hydroponics and aquaculture on MP	7. Promote the Mornington Peninsula's range of agriculture activities and products 8. Promote the economic benefits of the various agricultural industries	9. Promote employment opportunities in the agricultural sector 10. Identification of skills needed for hydroponics and aquaculture and establish training courses	11. Identification of areas such as water supply land zoning which would foster industry development 12. Identify further opportunities for water recycling and reuse projects to support agricultural development eg; Frankston Bypass opportunity 13. Identify desired uses for green wedge spaces – in particular horticulture activities 14. Promote improved infrastructure for aquaculture harvesting and processing

Key Focus Areas							
Industry Development	Business Development	Economic Research	Marketing	Workforce Development	Infrastructure	Strategic Relationships	
<i>How the SSP Strategies are supporting the ESS Key Focus Areas</i>							
5.2.1 To develop, encourage and promote sustainable ecotourism and nature-based infrastructure and experiences  5.2.4 To develop and promote multi-venue, Peninsula wide off peak events in partnership with industry and government	5.2.2 To develop industry skills in strategic marketing, business management and export market development		5.2.3 To attract and support dispersed, high yield, year round visitation  5.2.5 To maintain and build successful cooperative marketing campaigns				
<i>How the ESS is supporting this SSP Outcome</i>							
<b>5.2 Sustainable Tourism</b>	15. Promote the combination of Mornington Racing Club events with wine and food to offer new events for the Peninsula	16. Develop criteria for involvement in key tourism programs  17. Feasibility study for the development of convention and tourist accommodation at Point Nepean  18. Promote opportunities for farm-gate tourism and farmers' markets	19. Undertake research into the impact of tourism on other key industry sectors in the local economy and disseminate the outcomes	20. Promote the Peninsula proximity to Melbourne as a competitive advantage in an era of high fuel costs  21. Develop marketing strategies to promote the wineries and related activities  22. Continue to promote golf tourism on the Peninsula, and link to improved accommodation  23. Promotion of the "wellness industry" with its Spa's and hot springs  24. Promote, the potential benefits of the Western Port car ferry	25. Promote employment opportunities in the tourism sector  26. Investigate the development of a dedicated tourism training centre	27. Identify opportunities for improved transport for tourism workers  28. Identify opportunities for the development of local geothermal features  29. Promote investment in high quality tourist accommodation	30. Support the implementation of the Regional Tourism Plan

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Key Focus Areas							
Industry Development	Business Development	Economic Research	Marketing	Workforce Development	Infrastructure	Strategic Relationships	
<i>How the SSP Strategies are supporting the ESS Key Focus Areas</i>							
5.3.4 To facilitate new projects which add value to our local economy	5.3.1 To foster a skilled, well informed and innovative business community	5.3.3 To undertake appropriate research to support internal and external decision making		5.3.5 To increase the range and availability of employment in the local community		5.3.2 To maintain and enhance local and strategic regional partnerships that build and grow the local economy	
<i>How the ESS is supporting this SSP Outcome</i>							
<b>5.3 Resilient Economy</b>	31. <b>Develop strategies to support the viability of SME manufacturers</b>	35. Continue to support the Village based Activity Centres	38. Strengthen the Council ability to undertake and/or access relevant economic research	43. <b>Promote import replacement opportunities</b>	45. Promote improved transport to and from relevant training programs	51. Promote the opportunities associated with the development of the Port of Hastings	55. Identify and leverage opportunities created by: – Transit Cities – EastLink – Frankston bypass
	32. Establish networks for key industry sectors including: - – Marine/Boat building – Manufacturing – Construction – Property and Business Services	36. <b>Identify barriers to establishing and/or growing home based businesses in the Mornington Peninsula</b>	39. <b>Identify opportunities for import replacement in a range of industry sectors</b>	44. Promote the Peninsula's potential for growth in the recreational boating industry in accordance with the adopted Boating C.A.P. Strategy	46. Support the Interface Councils Working Closer to Home initiatives	47. Support the efforts of the Mornington Peninsula LLEN and other relevant agencies	52. Advocate for access to improved ICT services
	33. Foster and promote R&D related activities and innovation by local industry	37. Support the development of business capability with respect to climate change readiness	40. <b>Identify range of manufacturing related industries operating on the Mornington Peninsula</b>	48. Leverage the Mornington Peninsula Access & Mobility Study in order to promote improved access to vocational opportunities	49. Promote the role of Mornington Peninsula Shire as one of the Peninsula's major employers	53. Review of infrastructure needs for key trading and commercial areas	57. Support the implementation of the Melbourne South East Regional Economic Strategy
	34. Engage industry on climate change and carbon trading		41. Identify particular goods and services sourced locally by the <i>Manufacturing, Construction and Personal &amp; Business Services</i> sectors	50. Support neighbourhood renewal efforts with respect to accessing meaningful employment		54. Encourage development of ICT services – black spots, broadband and costs	58. <b>Work with HMAS Cerberus and contractors to fulfill opportunities in the refurbishment of the base for the benefit of the local construction industry</b>
			42. Identify additional export opportunities				

Key Focus Areas						
<i>Industry Development</i>	<i>Business Development</i>	<i>Economic Research</i>	<i>Marketing</i>	<i>Workforce Development</i>	<i>Infrastructure</i>	<i>Strategic Relationships</i>
<i>How the SSP Strategies are supporting the ESS Key Focus Areas</i>						
5.4.1 To position the Shire as the preferred location for new and innovative green investment	5.4.2 To position the Shire as the preferred location for small entrepreneurial businesses		5.4.3 To maintain the desirability of the Mornington Peninsula as a place to work, enjoy & live			
<i>How the ESS is supporting these Outcomes</i>						
59. Investigate opportunities for investment in aged care facilities and other health related services			60. Promote the diversity of the Mornington Peninsula economy 61. Promote of key investment opportunities (to local and external markets)		62. Undertake an Industrial (or Employment) Areas Strategy' 63. Examine the benefits of encouraging investment in a waste recycling business	

5.4 Increased investment

## 8. Implementation of the ESS

The effective implementation of the ESS is dependent on the following key factors: -

- Capability – of the MPS Economic Development Unit (EDU) including its own knowledge, skills, and tools and that of its various networks
- Business planning – the development of an annual Business Plan that identifies priorities and has appropriate budget support
- Performance monitoring – the use of relevant indicators to monitor the state of the local economy, and evaluate the impact of the ESS

### 8.1 Capability

In order to undertake the range of programs and projects within the ESS the EDU will need capability in the following areas: -

- Business development
- Marketing and promotion
- Tourism
- Workforce development
- Economic research
- Industry knowledge and expertise – particularly agriculture and tourism

### 8.2 Business Planning

The ESS will have a specific Business Plan that will identify the programs and projects to be pursued in a designated period; the Business Plan will

- Identify specific responsibilities for the implementation of actions
- Identify any particular relationships with other Council programs and/or projects that need to be utilised in the implementation of the Business Plan
- Have a designated budget including both Council funding and any other relevant funding or grants from other agencies

### 8.3 Performance Monitoring

The ESS will utilise the following framework of performance indicators

Local employment growth	Employment growth (or decline) provides an understanding of industry growth and business capability and reflects growth (or decline) in the local economy
Industry outputs	Output data represents the gross revenue generated by businesses/organisations in each of the industry sectors and reflects the capability and capacity of the businesses/organisations in the sector
Visitation measures	This will be a basket of measures relating to visitation to the Mornington Peninsula and will include: - <ul style="list-style-type: none"> <li>• Total numbers of visitors</li> <li>• Visitor yield</li> <li>• Length of stay</li> <li>• Level of visitor expenditure</li> </ul>