



LEADERSHIP FOR THE WEST

**Creating a New Structure and
Strategy for Regional
Development in Melbourne's
Western Region...together.**

Prepared for the Western
Region Mayors and Chief
Executive Officers Forum

FINAL VERSION
DECEMBER 2005



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by

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training and development.*



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LEADERSHIP FOR THE WEST

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Part I: About Regional Development, Collaboration, Leadership and Governance

Chapter I

About the Project

The Western Region Councils of Brimbank, Hobsons Bay, Maribyrnong, Melton, Moonee Valley and Wyndham commissioned a project to develop a new organisational framework, governance model and strategy for the region.

THE BRIEF

The Western Region Councils of Brimbank, Hobsons Bay, Maribyrnong, Melton, Moonee Valley and Wyndham have commissioned a project to develop a new organisational framework, governance model and strategy for the region.

Continued regional leadership, cooperation and development are essential for a sustainable and prosperous future for Melbourne's West; and the recent closure of the WREDO heightens the need to review regional development arrangements.

Councils have said the new organisation/structure must:

- ❑ Be capable (both organisationally and politically) of exercising leadership.
- ❑ Not duplicate or overlap with existing regional bodies, but add value and synergy to their work.
- ❑ Deliver a more efficient use of funds for regional work.
- ❑ Address the question of whether local government should control the agenda and/or organisation or whether a broader-based model should be adopted.
- ❑ Define the preferred organisational structure and framework including clearly identified roles and responsibilities for each of the stakeholders involved.
- ❑ Be capable of delivering advocacy and marketing roles as well as leadership, co-ordination and integration.
- ❑ Maximise co-operation and collaboration between key stakeholders.
- ❑ Include a proposed scheme for funding its operations.
- ❑ Include an initial business plan or operational plan for the first year's operations.

The project is to have a strong emphasis on:

- ❑ *Sustainable* regional development in the broadest sense of the word; and on a "quadruple bottom line" approach to the region's development.
- ❑ Integration across a range of programs and initiatives including economic development, transport and infrastructure, planning, health & community development, tourism, arts, recreation and the environment.

Section 2

Terminology

Are we all speaking the same language?

What do we mean by the terms:

- “Regional Leadership”
- “Organisational Framework” or “Regional Structure”
- “Regional Development”

■ “REGIONAL LEADERSHIP”

The project brief uses the term *regional leadership*.

Leadership is a useful word to describe the various roles a regional "organisational framework" or structure performs, including advocacy, lobbying, marketing, projects, co-ordination and networking.

The reason an "organisational framework" must exercise leadership is so that regional development outcomes are delivered.

■ “ORGANISATIONAL FRAMEWORK”

There are many stakeholders in a region.

An "organisational framework" is simply a structure we create to enable all the stakeholders to "get organised" and exercise leadership, so that regional development outcomes are delivered. They are tools to enable Councils and other stakeholders to relate more effectively to other spheres of government and provide the best deal for their communities.

The "organisational framework" that results from this project may be a new regional organisation; it may be an amalgam of existing organisations; or several existing organisations working cooperatively.

■ WHAT IS "REGIONAL DEVELOPMENT"?

Regions are the building blocks of Australia. Regions include both metropolitan and non-urban regions.

Western Melbourne is a region. It is important to make this distinction from the frequently held perception that regional means only "the bush" - those areas outside of the capital cities.

Regional development in the broadest sense means developing the full potential of a region and its people - economic prosperity, social cohesion, health and wellbeing, cultural richness, ecological sustainability and physical attractiveness. All these elements must be addressed to create a region that is competitive in the true sense of the word.

While the prime focus of regional development is *economic* growth, effective regional development requires a multi-dimensional approach and indeed the new focus is on *sustainability*.

Strengthening regional economies by increasing business investment is essential to our prosperity as a nation. The performance of Australia's regions determines our national performance in the world.

Regional development can involve some or all of the following activities:

- Industry and investment attraction.
- Educational development, skills and training.
- Business capacity building including business networks, clusters and export development.
- Local leadership development.
- Improving community facilities and services.
- Health and welfare advocacy.
- Addressing environmental/ecological problems for long term ecological sustainability.
- Infrastructure planning, financing and construction.
- Tourism development.
- Wealth retention strategies.
- Promoting best practice.
- Promotion, marketing and image development.
- Urban improvement and town planning programs.
- Coordinating organisations and functions within a region - "getting organised".

Chapter 3

Regional Action: The Australian Story

A brief history of voluntary regional co-operation and regional development in Australia.

VOLUNTARY REGIONAL CO-OPERATION (VRC) IN LOCAL GOVERNMENT

Regional co-operation and the formation of regional groupings of Councils in Australia dates back to the 1920s, with continuing activity since.

Voluntary regional cooperation (VRC) involves Councils combining experience and effort to achieve outcomes of mutual benefit. VRC generates such benefits while preserving member Councils' autonomy.

The former Western Region Commission, which closed in 1995, was an example of Voluntary Regional Cooperation.

During the late 1980s through to the Council amalgamations of the mid 1990s, the VRC movement was particularly strong in Victoria. Examples included the Inner Metropolitan Regional Association (IMRA) and the Outer Eastern Municipalities Association (OEMA) to name just a few. One of the longest surviving VROCs in Australia is the Western Sydney Regional Organisation of Councils (WSROC).

VROCs around Australia vary in size, function and sophistication. But most engage in a range of activities including research, regional strategies, resource sharing, lobbying, coordination and advocacy.

VRC delivers efficiency and benefits that individual Councils could not by themselves achieve. **Its real appeal is that it works - it can deliver substantial outcomes if there is a shared commitment to achieve benefit.** Over its 70-year history, participating Councils have reaped many benefits.

The benefits of the VROC movement are documented in publications such as "Productive Partnerships Towards Regional Prosperity" (published by the National Committee on Regional Cooperation 1994).

VRC amongst local governments is a key part of regional development.

REGIONAL DEVELOPMENT

While regional development has been an ongoing issue for decades, it experienced a strong resurgence in the early 1990s when the then Commonwealth Government commissioned major reports by McKinsey and Company (*Lead Local, Compete Global: Unlocking the Potential of Australia's Regions*), the Kelty Task Force on Regional Development, and work by the Bureau of Industry Economics.

These laid the foundation for the "Working Nation" program and the *Regional Development Program*, which resulted in significant sums of money for regional development and the establishment of new large regional development organisations (REDOs) and a parallel series of Area Consultative Committees (ACCs).

The Western Melbourne Regional Development Organisation (WREDO) and the Western Melbourne ACC were indeed directly created as a result of these programs.

In mid 1996 the current Federal Government abolished the regional development program and largely withdrew involvement in regional development for some years. A number of funding programs directed at regional development operate however, and funding continues for Area Consultative Committees.

Chapter 4

What's the Role of a Regional Structure?

What is the “best practice” or ideal role of a regional structure or regional development organisation in any region?

BEST PRACTICE EXPERIENCE SAYS THE KEY ROLES OF A REGIONAL STRUCTURE ARE:

■ Leadership

Taking the lead in shaping the region's vision, future, and a strategy. It should address these questions:

1. **Where is the region now** - what are its current prospects, strengths, constraints?
2. **Where would the region like to be** - what sort of future does the region and the community seek?
3. **How does the region get where it would like to be?** - what sort of actions need to be put in place to get the desired results and who is going to implement them?

■ Networking

Being the key point in the region to which all the key players relate and communicate. Its job is to help the region *get organised* - regions that are organised will go places and get results.

■ Determine Strategies and Priorities

Enabling all the major players in the region to agree and act on strategies to further the region's growth and common good.

■ Attract Funds

Attracting funds for regional projects, infrastructure and strategies. Governments often prefer to deal with a single body that represents a region.

■ Best Practice

Bringing the region up to world-competitive levels of efficiency and effectiveness.

■ Co-ordination

Working with State and Commonwealth governments to coordinate the delivery of government programs to best serve the region; and ensuring all the key organisations in the region are working together for the overall benefit of the region and in pursuit of an **agreed vision**.

■ Delegation, Not Duplication

It should not duplicate the work of other regional or sub-regional bodies; rather it should coordinate, add value and create synergy out of these activities. In many cases it will focus on leadership, vision and networking; and rely on other existing specialised bodies to deliver action on its behalf.

■ No Formal Powers

They are not usually statutory bodies, and normally do not have a formal governing role.

Regional development organisations should undertake a range of tasks including research, information sharing and dissemination, forming partnerships with other bodies in the region, identifying and marketing the strengths and opportunities of the region, promoting the region nationally and internationally, identifying new investment opportunities, forming strong networking links between businesses, infrastructure and utility bodies, educational bodies, government and other key sectors, research and advice on economic issues.

Research confirms that the key to successful development of a region is:

- **to have all the key players in the region working together;**
- **for the region to have a united view of its strengths and opportunities; and**
- **to develop a common vision and plan of action.**

Chapter 5

Does the West Need a Regional Structure?

Why have a regional structure in the West?

Does the West need regional leadership?

*"The West has plenty of leaders...
...what we lack is leadership".*

Quote from the regional summit September 2005.

WHAT WORLD EXPERIENCE SAYS

National and international experience and research says YES - regional leadership and cooperation is necessary:

- ❑ Many issues central to the growth and well-being of our community – catchment management, waste management, economic development, tourism, library services, health services, transport, human services, lobbying and advocacy - cannot be effectively tackled without a regional approach.
- ❑ Commonwealth studies have identified an important shift in the global economic landscape, noting increasing competition between regions around the world, rather than between countries.
- ❑ Because of globalisation, regional relationships increasingly by-pass national governments, underscoring the need for leadership and skill at the regional scale to respond to these trends.
- ❑ Regional co-operation strengthens Local Government's political influence.
- ❑ There is a long history of State and Commonwealth governments imposing regional structures for the purpose of delivering particular programs or funding. Local government and regional communities bear the brunt of these unilateral actions. However regions that are well organised are best equipped to respond and gain the greatest benefits.

WHAT WESTERN REGION PLAYERS SAY:

Across stakeholders there is strong (but not unanimous) agreement that the region needs an organisation to unite and represent it.

They say the strongest arguments in support of a peak regional body are that:

- ❑ The political landscape (safe seats across a single party line) disadvantages the region in terms of attention and spending by Federal and State Governments.
- ❑ The Western region has an increasingly pivotal role in the Victorian and national context and is in its most significant period of transformation in recent history.
- ❑ The region is severely disadvantaged in terms of socio-economic mix, concentrations of special needs, health, education and skills base, transport and community infrastructure & environmental quality.
- ❑ The region is experiencing the highest urban development growth rates in metropolitan Melbourne and one of the highest in Australia, bringing with it the need for infrastructure investment and improved planning.
- ❑ The image of the region needs changing.
- ❑ The region has a long history and culture of working together as a united community and this should not be lost.
- ❑ Many other regions around Australia and the world are competing with us.
- ❑ **While the West has many organisations dealing with regional issues of some sort, none of these appear to be acknowledged universally as a LEAD regional organisation.**

Some stakeholders question the need for a regional body, although even those would agree that some kind of regional forum is desirable. Some take the view that the era of formal regional structures has passed and there are now new ways of doing things.

Chapter 6

Regional Development

Lessons from Australian and international practice.

Economic development will be a crucial role (but not the only one) of the new regional structure and is often an issue of tension between business and Local Government.

This Chapter examines trends in regional development in Australia and overseas.

Many of the lessons about economic development apply equally to broader regional structures dealing with health, welfare, environment, transport, planning and other issues.

Key Points

- *Local government underpins regional development in Australia and its leadership and resourcing are crucial.*
- *Regional development is a political and governance role as well as an economic/service delivery role and elected Councils must therefore take leadership.*
- *Regional development bodies with a mix of private and public sector representatives are the most effective. The most successful regional development organisations are not "pure" regional organisations of Councils.*
- *Engagement with research and educational institutions is becoming essential in economic development and Australia needs to "catch up" in this regard.*
- *Independent or arms-length local economic development boards are in a small and declining minority, the preference being for advisory structures or nothing.*
- *Networking and relationships are the most important success factor in regional development organisations.*
- *Organisations that build and maintain relationships between a wide range of players are successful and maintain a competitive edge. This includes relations with Commonwealth and State Governments on the one hand and regional stakeholders and community groups on the other.*
- *The biggest problems tend to be:*
 - *"Turf wars" with other organisations.*
 - *Lack of understanding or confusion about who does what.*
 - *Personality clashes and egos.*
 - *Lack of engagement with educational and research institutes.*

Research into local and regional economic development practices in Australia carried out by Dr Andrew Beer and others from South Australia's Flinders University found that:

ROLE OF LOCAL GOVERNMENT

Local Government underpins economic development efforts in Australia and in Victoria is most commonly undertaken by Economic Development Units (EDUs) within Councils.

The Commonwealth government plays a role, mainly in funding programs for specific initiatives and projects.

There are significant differences from State to State in how economic development bodies are organized and structured.

HOW ARE ECONOMIC DEVELOPMENT BOARDS STRUCTURED?

Within Australia there has been considerable emphasis on achieving a mix of community leaders on the Boards of Management of economic development agencies, with the McKinsey Report arguing for broad ranging representation that includes both the public and private sectors (McKinsey and Co 1994).

While many adhere to the principle that economic development boards should be drawn from a variety of sectors, research has shown that such management arrangements are often of limited efficacy.

Three management styles predominate:

1. The first and largest group of agencies have a governance structure **dominated by the public sector**. This is a consequence of the predominance of government and reflects the very real difficulties in attracting entrepreneurs and business people onto boards.
2. The second largest group accounted (just under 30 per cent) had a **mix of public and private sector reps**. This model is closest to the ideal management model promoted by McKinsey and Co (1994).
3. The third largest group (23 per cent), **have management structures dominated by the private sector**. These type of agencies may (though not necessarily) have a greater capacity to act in conjunction with the private sector because of their access to the business sector.

FOCUS OF ACTIVITY

Most economic development organisations put their emphasis on employment growth, assisting growth of businesses, building partnerships between private and public sectors and less on addressing inequality in incomes.

Just under 40 per cent of economic development agencies across Australia saw the **marketing of their region** as a key objective.

All regional economic development agencies engaged in **regional capacity building exercises. That is, strategies and actions designed to improve the competitiveness or economic position of their region.**

The four most commonly pursued activities were:

- ▣ improving physical infrastructure (ranked first);
- ▣ strategic planning (second);
- ▣ acting as an advocate or lobbyist (third); and
- ▣ analysis of the regional economy (fourth).

These four activities reflect the fact that **many economic development agencies perform a political, as well as economic, role.**

Only 37 per cent were involved in the **education and training** of youth, 34 per cent participated in the education of the general population and just 24 per cent participated in the training of minorities.

Most economic development organisations put their emphasis on employment growth, assisting growth of businesses, building partnerships between private and public sectors and less on addressing inequality in incomes.

FUNDING

Economic development bodies in Australia receive their funding from a mix of sources, although the general rate revenues of local governments appears to support the majority of agencies.

THE GREATEST PROBLEMS

The greatest problems influencing the effectiveness of economic development agencies are **competition between agencies** at different tiers of government and **boundary disputes and 'turf wars' with other organisations**, mainly disputes with different types of organisations (such as planning departments, or infrastructure providers rather than other economic development agencies).

Economic development agencies in Australia have a limited engagement with universities and other research organisations, rarely work in partnership with trade unions, lag behind comparable agencies in other countries in the implementation of new approaches to regional development and in facilitating technological development.

These omissions should be cause for concern because of the growing importance of knowledge industries in fostering regional growth and in building bridges to the global economy.

SUCCESS FACTORS

- ▣ **Networking and relationships** Networking and relationships are probably the most important factor. Organisations that build up and maintain relationships between a wide range of players are successful and maintain a competitive edge. This is sometimes referred to as "building institutional thickness".
- ▣ Successful organisations also:
 - tend to have good relationships and strong connections with relevant government agencies at State and Federal level.
 - develop links with political leaders and government bodies **upwards** and community groups **downwards**.
 - partner with other organisations.
- ▣ **Public and private sector participants on the Board of Management**
- ▣ **Strong leadership**
- ▣ **Security of funding**
- ▣ **Engaging in the right mix of activities**

□ **Limit your objectives but do them well.**

A limited number of objectives, but diverse strategies for achieving them (ie: have a narrow set of objectives but a wide range of activities to achieve those objectives).

When compared with the UK:

Australia's economic development agencies are strong on community links, the promotion of the region, tourism, and the organisation and promotion of major events, but appreciably weaker in encouraging supply chain associations, the implementation of clusters, the running of business incubators and the provision of industrial estates.

More Good Advice

- *“Good people will overcome ineffective structures, but good structures will not compensate for ineffective people.”*
- *Ineffective organisations don't survive.*
- *Horses for courses: there is no one "right" "one size fits all" structural solution for all regions – every region is different.*
- *The key to successful development of a region is to have all of the key players in the region working together, for the region to have a united view of its strengths and opportunities and to develop a common vision and plan of action.*

ARMS-LENGTH ECONOMIC DEVELOPMENT BOARDS

One of the advantages of the former WREDO as seen by its board members was its arms-length status that gave it a degree of independence and capacity to play an "honest broker" role in the region.

Local Governments did not always see things that way.

Interestingly, during the last few years in Victoria we have seen a trend away from arms length economic development boards and their replacement with in-house economic development units within local government supplemented by business advisory structures. Surveys revealed that the main problems that emerged with arms-length economic development boards were that:

- The Boards lost direction.
- They lacked the resources to be effective.
- There were tensions about who was in charge, with some Boards acting like a "quasi Council.
- Politics and personality clashes emerged.
- There was confusion about the relative roles of the Board and Council.
- Ultimately Councils have to make the decisions.
- They generated too many requirements for meetings and reporting.
- Potential investors usually want to speak with Council anyway because they want confidentiality.
- Board members often didn't understand there is a political overlay to economic development.
- Arms length boards made co-ordination with tourism, urban planning, events, and other government functions more difficult.

Some Key Success Factors for Regional Organisations

- *Engage in the right mix of activities.*
- *Public AND private sector participants on the Board of Management.*
- *Strong leadership.*
- *Don't take on too much: A limited number of objectives, but diverse range of activities for achieving them.*
- *Security of funding.*
- *Strong connections to other tiers of government.*
- *Develop links in ALL DIRECTIONS: with political leaders and government bodies upwards, and community groups downwards.*
- *Partner with other organisations.*

Chapter 7

The Role of Local Government in the New Regional Structure

This chapter explores a key issue:

...whether Local Government should control the regional structure or whether a broader-based model should be adopted.

One of the key issues to be addressed in this study is whether local government should control the regional structure or whether a broader-based model should be adopted.

To address this issue, a key question must be answered: Is the new regional structure to be an advocate for the region as a whole or an advocate for local Councils in the region?

There is a distinction between the two and this is a very important question to resolve.

Is the new regional structure to be an advocate for the region as a whole or an advocate for local Councils in the region?

Because local government is democratically elected and a level of government in its own right, it has a legitimacy for leadership and governance that the business and non-government sectors lack.

This key principle supports the view that a regional structure or organisation should have the local governments as its foundation and "owners".

One of the criticisms of the former Commonwealth Governments Regional Development Program (the REDO model) was its marginalisation of local government.

Basic Principle #1

Because local government is democratically elected and a level of government in its own right, it has a legitimacy for leadership and governance that the business and non-government sectors lack.

Commentator Angela Munro ("Getting Regions To Work",

Commentator Angela Munro ("Getting Regions To Work", Australian Municipal Journal November 1994) noted that "the regional development program was criticised for creating REDOs that take a corporatist rather than democratic approach in assembling a range of interests, with local government being just one of the players. They lack legitimacy both electorally and in terms of environmental and social sector representation".

Consultants McKinsey and Co. (in part the "architects" of the REDO program) in their 1997 report to the Commonwealth "Unfinished Business: Evaluating the Regional Development Program", comment that "unlike state or federal politicians or local Councillors, regional leaders do not enjoy the democratic foundation and public mandate of our elected officials. We ask them to take responsibility for setting visions for their regions and to drive economic outcomes with nothing to justify themselves."

Basic Principle #2

An effective regional structure or organisation is an advocate for the region as a whole, not just for the local Councils in that region.

An effective regional structure or organisation is an advocate for the region as a whole, not just for the local Councils in that region.

Consider the following points:

- ❑ Local government's perception of its role and place in the world is not always the same as the way other sectors such as business and industry see it. These differences in perception go to the heart of the issues and tensions that led to the closure of WREDO.
- ❑ While local Councils have a democratic mandate to lead, they are not always equipped to deal effectively with all issues and they do not have all the answers. The most valid concern is that local governments do not sufficiently understand the needs of business.

- The nature of government and its relationships with other sectors is changing: for example:
 - John Naisbitt's book "*Megatrends*" draws attention to the trend from representative to participatory democracy.
 - The relationship between government and interest groups has undergone massive change in recent years. Governments are courting relationships with broad sectors, especially business and unions, welfare and housing. This more organised approach to consultation and policy making means that tripartite bodies will be more successful in influencing government than organisations with more limited constituencies.
 - The process of globalisation is shifting the balance of power between governments, corporations and NGOs. Governance models are moving towards more collaborative models – public/private partnerships of business, government, environmental and community leaders - away from the polarised "us and them" public-private model.

Basic Principle #3

- ***A collaborative structure where Local Government shares some control is essential to engage other key sectors.***

While this may appear to be sacrificing some control and influence by Councils, in reality it will be of greater benefit to the region and Local Government will gain respect for it.

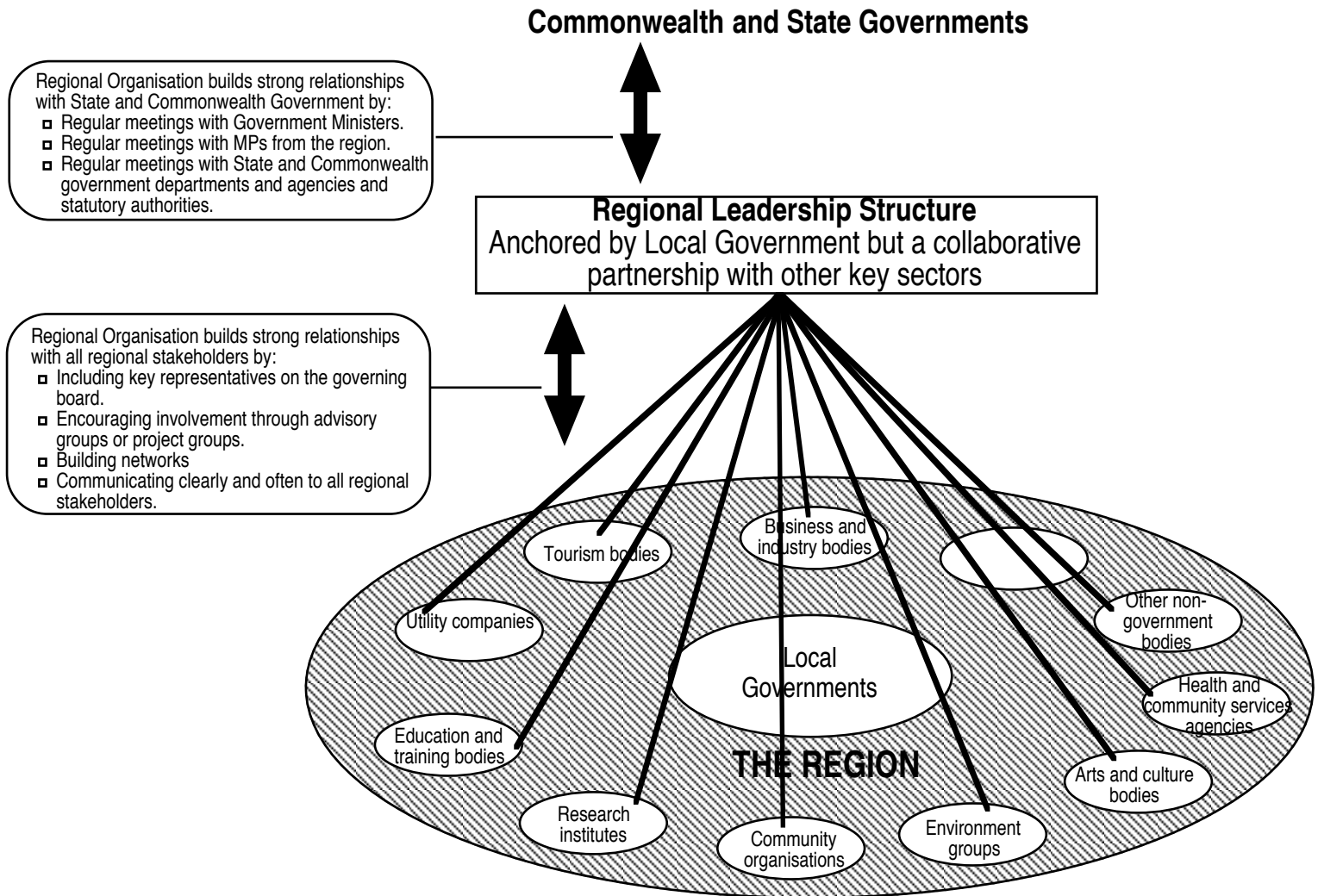
- The most successful regional development organisations are not "pure" regional organisations of Councils. In other words, their membership comprises more than local government. Experience nationally and internationally shows that to adequately address the issues raised by regional development, a broader membership base is required within the organisation and although local government is a key component, the most successful organisations have a broader membership drawn from local business enterprise, trade and community organisations.
- There are wider interests at play in a region than those which local government is specifically set up to deal with. Therefore government recognition and funding of a regional body will be greater if it can be demonstrated that its structure and processes guarantee proper input from all stakeholders in the region.
- If the regional structure is to achieve the recognition and political effectiveness it ought to have, it will have to demonstrate that it is highly representative of the region and that a spirit of willingness and cooperation exists and participatory structures are effective.
- Decisions of the organisation will be worthless if they are not the result of opinions, concerns and ideas that have percolated through from all sections of the community.

A more broadly based regional organisation may appear to be sacrificing some control and influence by local government, but in reality it will be of greater benefit to the region and local government will gain respect for it.

Key Points

- ***Because Local Government is democratically elected and a sphere of government, it has legitimacy for leadership and governance within a geographic area.***
- ***An effective regional organisation must be an advocate for the region as a whole, not just for the individual Councils in the region.***
- ***A collaborative structure where Local Government shares some control is essential to engage other key sectors.***

Fundamental Relationships of an Effective Regional Leadership Structure





LEADERSHIP FOR THE WEST

**Creating a New Structure and Strategy for Regional Development
in Melbourne's Western Region...together.**

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- Part 2:**
 - The Western Region:**
 - Socio-economic Profile**
 - Key Challenges**
 - Strategic Priorities**

Chapter 8

A Profile of Melbourne's Western Region

This chapter presents a summary profile of the socio-demographics and economy of the region.



For more detail, read Appendix A.

Snapshot of the West



- 1,333 square kilometres.
- 547,000 people.
- Over 16% of Melbourne's population and 12% of Victoria's.
- 1.6% pa population growth rate – twice as fast as Victoria.
- By 2030, 850,000 people - one in five Melburnians – will live in the West.
- Culturally diverse, with over 90 nationalities represented. 35% of families speak a LOTE.
- Lower levels of education than metro Melbourne. 70% of residents have obtained only year 12 or below.
- Compared to the State, employment in the advanced knowledge service sectors is lower; and employment in transport, production, clerical, sales and labouring is higher. The region has 12.3% of the State's manufacturing and transport jobs, but only 6.5% of the knowledge-based services jobs.
- 236,000 residents of the Western Region are employed... but more than 22,00 are unemployed.
- The unemployment rate of 8.7%, is about 1.3% above the national average. But unemployment in some parts of the west exceeds 12%.
- There are 42,000 businesses employing over 161,000 people.
- Despite having 12% of Victoria's population, the region has only 8.5% of the State's jobs.
- Fewer people use the internet and computers – around 15% less than the metropolitan average.
- The West delivers 14% of Victoria's gross manufacturing output and 12% of the State's manufacturing jobs.
- Across the region, Hobsons Bay, Maribyrnong and Hobsons Bay tend to differ from Melton, Wyndham and Brimbank in growth rates, population profile and employment structure.

POPULATION

Located immediately to the west of Melbourne's CAD and stretching to the urban fringe, Melbourne's Western Region encompasses the municipalities of Brimbank, Hobson's Bay, Maribyrnong, Melton, Moonee Valley and Wyndham.

Covering an area of 1,333 square kilometres, with a population of 546,795 the Western Region accounts for around 16.2% of the total population of metropolitan Melbourne and 12% of Victoria's population. Between 1991 and 2003, the regional population grew by 1.6% - approximately double the rate for Victoria as a whole, including the remainder of the metropolitan area.

The population of the Western Region is expected to reach 850,000 by 2030, when it is estimated that one in five (20%) Melburnians will live in the West. Brimbank, Melton and Wyndham have the fast growth rates in the region, followed by Hobson's Bay, with the population of Maribyrnong and Moonee Valley remaining fairly stable. One of the foremost concerns to result from the high rates of population growth is accommodating the new households required.

AGE STRUCTURE

Generally speaking the age structure of the region's population is similar to that of other metropolitan regions, with the older inner suburbs having an older population than the newer urban fringe municipalities with their higher proportion of younger families.

Key features in 2001 included:

- *Brimbank*, Hobson's Bay and Moonee Valley have large numbers of people in both the young and more mature family age groups with about three-quarters of the population aged 0-49 years.
- *Maribyrnong* by contrast has 50% of its population under 35 years and the median age of the population is 35 years.
- *Melton*, with 82% of its population aged between 0-49 years, has a dissimilar age structure to the rest of the metropolitan area. It has a much smaller proportion of population aged 60-84 yrs and a much higher proportion in the 5-17 yrs cohort.
- *Wyndham* has an age profile that is typical of urban fringe communities founded on large, established townships, with a relatively balanced age structure.

CULTURAL DIVERSITY

Cultural diversity is a feature of the Western Region, as successive waves of new immigrants have settled there.

There are now over 90 different nationalities represented in the region. Residents of Vietnamese, Italian and Maltese extraction form the largest groups.

Around 35% of families in the Western region speak a language other than English in the home (compared with 20% for Victoria as a whole).

There are considerable variations across the region however, with 53% of Brimbank residents speaking a language other than English in the home but only 13.3% in Melton.

LEVEL OF EDUCATION

In comparison to other parts of metro Melbourne, Western Region residents have obtained comparatively lower levels of education. 69.6% of the region's residents have obtained Year 12 or below.

Brimbank records the lowest levels of educational attainment of the LGAs in the region with 75.5% of its population only having attained year 12 or below as an educational qualification. By contrast Hobson's Bay with 3.7% of its population recording postgraduate qualifications has the highest proportion of highly qualified people.

Data shows:

- Bachelor, higher degree, advanced diploma or diploma qualifications vary from around 12% in Brimbank, Melton and Wyndham to nearly 20% in Maribyrnong and Hobson's Bay.
- Vocational qualifications range from 13 to 18% of the population depending on LGA.
- 38% of western region residents went on to university compared to 45% for metro Melbourne.
- The proportion of region residents pursuing Diplomas, certificates, apprenticeships and traineeships is not dissimilar to the metropolitan average.

OCCUPATION

2001 figures on the region's occupational distribution of its residents shows a lower than State average proportion of persons are employed in the advanced knowledge service sectors (ie managers and administrators, professionals and para professionals), and a correspondingly higher proportion in intermediate transport and production, elementary clerical, sales and service and labouring occupations.

The professional occupations feature strongly in Hobson's Bay and Moonee Valley (higher than the Victorian average) and to some extent in Maribyrnong.

Clerical, sales and service workers, tradespersons, production and transport workers feature strongly in Brimbank, Wyndham and Melton

The largest three groups of occupations of Western Region residents were:

- intermediate clerical, sales and service workers (17.8%);
- professionals (15.5%); and
- tradespersons and related workers (12.9%).

Melton had the highest number of residents working as tradespersons and related workers (29.2%), which given the high level of residential construction and expansion occurring in and immediately around Melton at the time is hardly surprising.

EMPLOYMENT AND INDUSTRY

Approximately 236,000 residents of the Western Region are employed either on a full time or part time basis. Some 22,383 are unemployed, equating to an unemployment rate of 8.7%, which is about 1.3% above the national average.

Brimbank and Maribyrnong record considerably higher levels of unemployment than the rest of the region (11% and 12.5% respectively).

There are around 42,000 businesses in the Western Region employing over 161,000 people. Despite having 12% of Victoria's population, only 8.5% of the State's jobs are located in the region.

Further, the region has 12.3% of the State's manufacturing and transport jobs, but only 6.5% of the State's knowledge-based services jobs (ie technical business services, health, education, communications, finance and insurance sectors).

This is reflected in lower rates of use of computers and the internet within the region – the proportion of people using the internet is 15% lower and the proportion using a computer is 12% lower in the Western Region than in the metropolitan area as a whole.

Western Region businesses provide 13.6% of Victoria's gross output in manufacturing and 11.6% of the State's direct manufacturing jobs.

The region is home to nearly one in seven Victorian firms with more than 50 employees.

While manufacturing is the major industry in the Western Region, building and construction, retail, property and business services, education and health and community services are also important industries. Transport, storage and distribution is an industry of growing importance to the region.

Chapter 9

Strategic Issues Facing the West

as identified by regional stakeholders.

What are the key strategic issues and challenges facing Melbourne's Western Region?

The new regional structure needs to be designed in a way that best responds to these strategic issues.

In the consultation process, stakeholders were asked individually to identify the key issues facing the West.

There were over 100 expressions of issues.

However, when these were considered collectively, they distilled down into five major Strategic Themes, each of which had number of specific issues.

These are set out on pages 4, 5 and 6. Stakeholder comments are also included.

At the Regional Summit, the themes were further refined, including the creation of Education and Skills as a separate theme in its own right.

At the Summit, the themes were also ranked by participants. The rankings are shown in the table on Pages 22 & 23.

In addition, a review of several previous regional strategies and research reports was undertaken and is contained in Appendix B.

There is a remarkable degree of convergence between the issues identified by stakeholders and those identified in the studies. This augurs well for the region reaching consensus on priority actions.



For more detail, analysis and discussion of issues, see Appendix B.

Strategic Theme #1 Education and Skills

1.1 EDUCATION AND SKILLS

■ Western region residents ill equipped for the new economy and new jobs

The skills base of the region's people is low and building a skills base is the crucial issue. The region has the lowest rate of tertiary qualified graduates in metropolitan Melbourne.

■ Added consequences of "importing" employees and skills

The skills shortage results in many western region firms having to draw employees from outside the region, with consequent added demand on the transport system and economic leakage.

The west imports knowledge at the rate of about 2.8 billion dollars a day.

■ Youth unemployment and school drop-out rates

Many young people are dropping out of secondary education and this is reflected by the low school retention rates. Youth unemployed is higher in the West than other parts of Melbourne.

■ Access to education

There is a lack of access to education for western region people. Training courses may be available but are not being rolled out to the people who need them. This is compounded by poor transport which makes access to university and colleges difficult for young people.

■ Access to The Internet

Internet access for people in the western region is inadequate but essential for education and skills development.

■ Life-long Learning

There is a need to foster a culture of lifelong learning amongst the region's people.

Strategic Theme #2 Economic Development and Jobs

2.1 BUSINESS SUPPORT AND ATTRACTION

■ Need to grow and attract business and industry

There is a need to grow existing businesses and attract new industries and of the right type.

■ We must attract knowledge-based industries

We need to focus on attracting knowledge based industries. The region is not sustainable in its present form nor will it be if it continues to only attract transport and logistics jobs.

■ Industrial land supply under threat

Demand for continued housing growth is resulting in pressure for rezoning of some industrial land for residential. This is a threat to the adequate supply of land for new business growth, which is urgently needed by the region to meet demand for jobs.

■ Business information and networking

Providing information, support and advice for businesses in the region is considered a high priority. Examples of particular needs include regional socio-economic and industry data, business development advice, legal services, information about telecommunications technology and the lack of a business incubator in the region.

■ Escape expenditure

There is a significant amount of escape expenditure in retailing; and this needs to be addressed.

■ Conference facilities

The region has insufficient conference and related facilities, which acts as a disincentive to new business attraction.

2.2 EMPLOYMENT AND JOBS GROWTH

■ Population growth outstripping job growth

Rapid population growth in the west is outstripping job growth. VUT research shows that ten years ago the region had 8% of Melbourne's population and 12% of the jobs, but now it is the other way round: 12% of population growth but only 8% of the jobs.

Strategic Theme #3 Transport and Infrastructure

The enormous growth occurring in Wyndham and Melton highlights one dimension of this problem requiring new services to support domestic and business growth; however transport infrastructure is grossly inadequate for existing communities.

3.1 RAIL TRANSPORT ISSUES

- Most rail lines in the region are at or over capacity already.
- No plans for any new rail lines or freight sidings, but new cross-suburban lines and freight lines are needed.
- Footscray station rail junction is a serious bottleneck and has outgrown its capacity.
- The Ballarat line is single track west of Deer Park.
- Bottlenecks and capacity problems occur at Sunshine.
- New rail stations are needed at Toolern Vale and Caroline Springs
- North Melbourne is a serious bottleneck and congestion point.
- Werribee line suburban services will be impacted on by new regional fast rail services.
- Higher frequencies are needed on all lines.

3.2 ROAD TRANSPORT ISSUES

- The lack of capacity of the overall road system to cater for current and future densities of truck traffic, given the region's strategic role in intermodal logistics.
- The need for the Deer Park bypass.
- Tullamarine freeway tolls force additional traffic onto the Western Ring road which is already over capacity.
- Inadequate capacity on the Westgate bridge.

- The lack of alternatives to the Western ring road – stakeholders believe an additional outer ring road is needed.
- Upgrading of Calder Freeway Interchanges.
- Significant traffic bottlenecks in several other locations.

3.3 BUS TRANSPORT ISSUES

- The need for better coordinated bus services.
- The need for more frequent bus services.
- The inadequate government funding for new bus services, despite recent budget allocations.

3.4 INFRASTRUCTURE ISSUES

The lack of new infrastructure and the inadequacy of older infrastructure are seen as the biggest problem for the region and the greatest threat to its economic viability.

Particular aspects of this include:

- The poor level of co-ordination between government departments in the planning and provision of infrastructure.
- The lack of government response on infrastructure needs, due it seems in part, to disbelief about the region's rapid growth rates.
- The need to renew older infrastructure, particularly in the municipalities of Hobsons Bay, Moonee Valley and Maribyrnong.
- The capacity constraints of the current Westgate bridge.
- Inadequate community infrastructure such as schools health facilities, community hubs and learning hubs.
- The need for improved internet access.
- The need for improved utility infrastructure,

3.5 LAND USE - TRANSPORT NEXUS

The crucial relationship between land use planning and transport infrastructure is not adequately addressed in the region.

Strategic Theme #4 Health & Community Development

4.1 HEALTH AND HUMAN SERVICES ISSUES

■ Under funding

Under funding of western region human services compared to other metropolitan regions is seen as the most important issue in this category. The region is under-funded in comparison with other regions.

■ Poor health

The health of the region's population is poorer than other regions on a number of indicators. Over time this will impose a significant cost burden on government unless the issues are addressed.

■ Shortage of doctors

There is a lack of doctors and specialists (the lowest number of GPs per head of population) in the region due to their propensity to prefer the more affluent inner and southeastern suburbs.

■ Population growth exacerbating problems

The high rate of population growth - and especially the number of new families with young children – is placing added demand on family services.

■ Concentrations of disadvantaged groups

Brimbank and Maribyrnong contain concentrations of people with low socio-economic status, high unemployment and low skill levels. These groups include newly arrived migrants who often feel disenfranchised and disengaged from the community, generating racial hostility and tension.

■ Gambling

Problem gambling is a significant issue for the community. There are high concentrations of poker machines; and the lack of publicly funded community centres in the region results in gaming venues becoming de-facto community gathering places.

■ Social/Public Housing

Public/social housing is needed in the region. This could be a growth industry and possible source of employment.

Strategic Theme #5 Tourism, Arts, Culture, Recreation

5.1 TOURISM

■ Under-developed tourism product

Tourism product in the western region is under-developed and could generate significant job opportunities.

5.2 ARTS AND CULTURE

■ A focus on cultural development is essential

VU research highlights that investment in the creative and performing arts has the potential to improve the opportunities and facilities available to western communities and create an attractive environment for a broader range of high skilled workers.

The 2004 *State of the Regions* report argues *“to be a successful knowledge based region, regions need to have a high concentration of high skilled global knowledge workers. These workers tend to migrate to regions with scale and diversity of social and community infrastructure and cultural and lifestyle choices.”*

The west needs some iconic arts and culture projects. Building an understanding among both the region's people and the wider Melbourne population that the region does have significant culture and art is important.

5.3 RECREATION

■ Regional approach to recreation facilities planning

Taking a regional approach to the planning and development of major recreation facilities would bring financial savings, allow the development of better facilities and reduce duplication.

Strategic Theme #6 Environment and Planning

6.1 URBAN GROWTH

■ Urban growth is a major issue in the west.

Melbourne's urban growth patterns are changing. The western region and to a lesser degree the northern region have now overtaken the southeast corridor as the fastest growing metropolitan regions. Melton's growth rate is now the highest in Victoria.

Growth is being fuelled by new household formation and a trend for inner western residents to relocate to the outer parts of the region to enjoy space and lifestyle.

Regional stakeholders feel that government agencies do not recognise or comprehend the scale of this growth and its implications including the need to massively upgrade transport and community services infrastructure.

Residential growth is resulting in pressure to rezone industrial land for residential, which would further erode the supply of industrial land at a time when the region desperately needs to increase its employment to balance population growth.

■ Socio-economic implications of the urban growth boundary

The Melbourne 2030 urban growth boundaries have the potential to influence house and land prices with resultant effects on social equity. What happens in Melton and Wyndham will have a major flow-on effect to the inner west.

■ Land use - transport nexus

The crucial relationship between land use planning and transport infrastructure is not adequately addressed in the region.

6.2 ENVIRONMENT

■ Global warming and biodiversity

The region faces big challenges with waste generation, biodiversity and global warming.

■ Energy and the rising price of oil

The region needs to retro-fit its transport infrastructure to respond to the looming world energy crisis and the rising price of oil.

The West has opportunities to develop or attract new industries that provide alternative energy sources, such as, for example, an ethanol plant.

■ Water re-use

There are opportunities for significant water re-use from the Werribee treatment plant.

■ Landscape quality

The region is in a rain shadow compared to the rest of Melbourne. New approaches to landscaping need to be developed to respond to this situation.

The presentation and appearance of the physical landscape requires urgent attention.

■ Environmental amenity

There are many opportunities for "sprucing up" public infrastructure to create greater feeling of pride & prosperity.

■ Coastal development

There are no clear planning strategies to deal with the interface issues of water front development.

6.3 IMAGE

- Improvement of the region's image is vital. The perception of the region's image has begun to change, especially with recent high quality residential developments.
- Upgrading the visual image of freeways would help – they do not compare well with those in the east.
- Regional marketing is important.

A Wholistic, Integrated Approach to Regional Development

Education and Skills

Raising education and skill levels:

- ❑ Is vital to enable access to new higher paying jobs.
- ❑ Will increase peoples' sense of purpose and self worth, reduce poverty, crime and social dysfunction
- ❑ Will equip people to look after themselves better and adopt healthier lifestyles, reducing dependence on welfare and community support services with less cost to government.
- ❑ Raises appreciation of arts and culture and encourages growth in these industry sectors.
- ❑ Raises appreciation of environmental issues, leading to greater motivation to improve the environment, which in turn improves the sense of pride and the region's attractiveness for investment.

Economic Development and Jobs

Creating jobs and growing the region's economy is vital to:

- ❑ Tackle the jobs shortage and redress the imbalance with population growth.
- ❑ Provide more jobs within the region, which will reduce escape expenditure.
- ❑ Increase peoples' sense of self worth, reduce poverty, crime and social dysfunction
- ❑ Reduce dependence on welfare and community support services, with less cost to government.
- ❑ Reduce the need for travel to inner Melbourne and other regions, thereby reducing road and rail congestion and compensating in part for new transport infrastructure.
- ❑ Underpin investment in new infrastructure.

The key strategic issues facing Melbourne's West are strongly inter-related and must be addressed as a complete package....

...this is why the new regional body must have a broad charter to address the full range of issues.

**An economically prosperous, socially cohesive, healthy, culturally rich, educated, ecologically sustainable and physically attractive region...
...competitive in the true sense.**

Health and Community Development

- ❑ Community development and community building exercises build stronger communities, raise morale and support, and provide the support fabric necessary for people to pursue learning and jobs.
- ❑ Proper facilities and services are an essential component of building sustainable and cohesive new communities.

Tourism, Recreation, Arts and Culture

- ❑ Tourism, arts and culture are vital "new economy" growth sectors with considerable potential for new jobs.
- ❑ A rich arts and cultural sector makes the region more attractive to higher socio-economic groups and managers and attracts new high value-added business investment.
- ❑ Fostering of the arts and culture helps develop stronger communities.
- ❑ Arts and cultural facilities enhance the richness and attractiveness of new urban development.
- ❑ Creating eco-tourism experiences can be a catalyst for improving the environment.

Transport and Infrastructure

Better transport, particularly high quality public transport, is vital to:

- ❑ Enable students to access university and college campuses.
- ❑ Enable travel to jobs.
- ❑ Reduce car dependency, freeing up disposable income which increases consumer spending.
- ❑ Reduce isolation and poverty and enable access to services.
- ❑ Reduce dependency on cars and fossil fuels, stimulate vibrant activity centres, cope with the growing travel demands and improve the environment.

Environment and Planning

- ❑ High quality planning and environment and good urban design:
- ❑ Creates "competitive places" that are attractive for new business investment and research investment.
- ❑ Creates new pride and sense of wellbeing and encourages the building of stronger communities.
- ❑ Is a prerequisite for encouraging regional tourism.
- ❑ Land use planning and transport infrastructure must be totally integrated.

Chapter 10

Strategic Priorities

as determined by stakeholders at the regional summit.

Participants at the regional summit ranked the strategic issues as shown here.

The **score** indicates the number of people who listed that issue as a priority.

Readers should note there is some overlap between different categories. For example transport, health and human services also fall under the “infrastructure” heading; and if rail, bus and road transport issues were combined they earn a score of 31.

Priority 1 INFRASTRUCTURE ISSUES (score 32)

- Lack of new infrastructure and need to renew older infrastructure
- Poor level of co-ordination between government departments
- Disbelief about the region's rapid growth rates
- Westgate bridge
- Schools and health infrastructure
- Internet access
- Utility infrastructure.

Priority =2 EDUCATION AND SKILLS (score 29)

- Western region residents ill equipped for the new economy and new jobs
- Added consequences of "importing" employees and skills
Youth unemployment and school drop-out rates
- Access to education
- Access to The Internet.
- Fostering a culture of lifelong learning.

Priority =2 EMPLOYMENT AND JOBS GROWTH (score 29)

- Population growth outstripping job growth.

Priority =2 URBAN GROWTH (score 29)

- Urban growth is a major issue in the west
- Socio-economic implications of the urban growth boundary
Land Use-Transport Nexus.

Priority 3 HEALTH AND HUMAN SERVICES ISSUES (score 23)

- Under funding
- Concentrations of disadvantaged groups
- Poor health
- Shortage of doctors
- Population growth exacerbating problems
- Gambling.
- Social/public Housing

Priority 4 IMAGE (score 20)

- Improvement of the region's image
- Regional marketing is important.

Priority 5 RAIL TRANSPORT ISSUES (score 17)

- Rail lines over-capacity
- New lines needed
- System bottlenecks
- New stations
- Track duplication
- Service frequencies.

Priority 6 ENVIRONMENT (score 17)

- Global warming and biodiversity
- Energy and the rising price of oil
- Water re-use
- Landscape quality
- Environmental amenity
- Coastal development.



Priority 7

BUSINESS SUPPORT AND ATTRACTION

(score 13)

- ❑ Need to grow and attract business and industry
- ❑ We must attract knowledge-based industries
- ❑ Industrial land supply under threat
- ❑ Business information and networking
- ❑ Conference facilities.



Priority 8

ROAD TRANSPORT ISSUES (score 10)

- ❑ Lack of capacity of the overall road system
- ❑ Westgate bridge
- ❑ Deer Park bypass
- ❑ Western Ring Road
- ❑ Tullamarine Freeway
- ❑ Calder Freeway interchanges. etc.



Priority 9

ARTS AND CULTURE (score 7)

- ❑ A focus on cultural development is essential.



Priority 10

TOURISM (score 6)

- ❑ Under-developed tourism product.

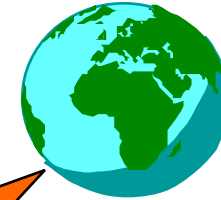


Priority 11

BUS TRANSPORT ISSUES (score 4)

Regional Synergies and Relationships

Every region must be aware of its context - the synergies and relationships with the wider world - if it is to achieve its full potential.



The Provincial Cities:
The western region has a symbiotic relationship with Victoria's three largest provincial cities: Geelong, Ballarat and Bendigo, which attract significant and increasing political attention.

The interdependence of these cities with Melbourne is growing. Strategic projects in western Melbourne can attain higher profile and priority if they also benefit regional cities. The Deer Park bypass is a good example.

Central Melbourne:

The western region has a symbiotic relationship with central Melbourne:

- Central Melbourne provides many jobs for western region residents;
- Western Melbourne houses much of the key transport and logistics infrastructure central to the State's economy.

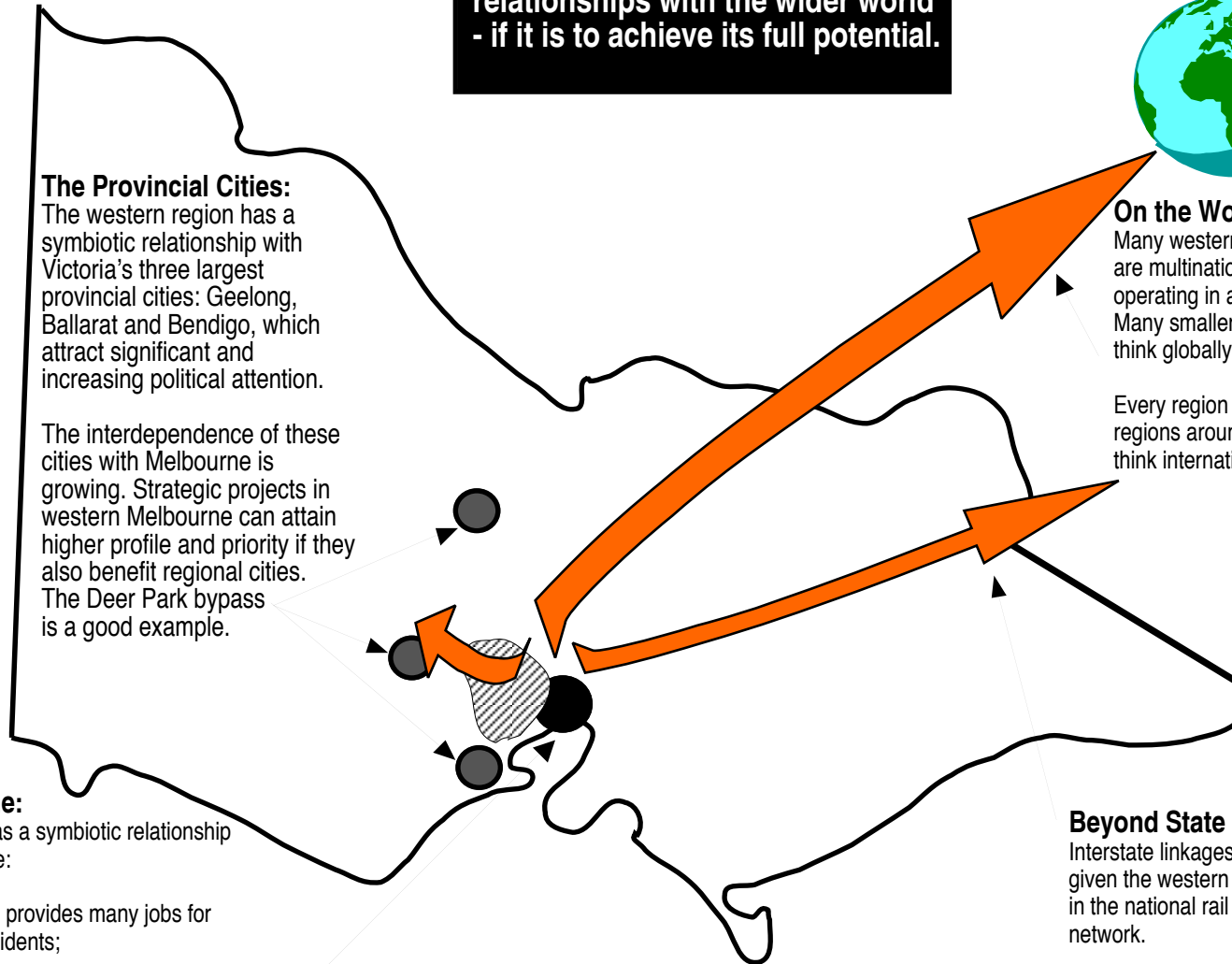
On the World Stage:

Many western region businesses are multinational corporations operating in a global marketplace. Many smaller business must also think globally.

Every region is now competing with regions around the world and must think internationally.

Beyond State Borders:

Interstate linkages are vital, especially given the western region's pivotal role in the national rail and road transport network.





LEADERSHIP FOR THE WEST

**Creating a New Structure and Strategy for Regional Development
in Melbourne's Western Region...together.**

Part 3: The Players: Western Region Stakeholders and Regional Dynamics

Chapter 11

Who are the Western Region Stakeholders?

Regions contain a large array of stakeholders and Melbourne's West is no exception.

Knowing these stakeholders is vital in shaping the new regional structure.

In the western region these stakeholders include at least the following:

- 6 Local Governments
- The Mayors and CEOs Forum
- 5 Commonwealth MPs including 4 Shadow Ministers
- 16 State MPs including 8 Ministers and 5 Parliamentary Secretaries
- 3 Economic development bodies
- Countless businesses
- A regional tourism body
- 8 Education, training and skills organisations
- 10 Health and community services bodies
- 7 Environment bodies
- 8 Utility companies
- 7 Sporting organisations
- At least 2 other regional bodies
- Numerous government departments
- ...of course the ultimate stakeholders are all the individuals in the Western region community.**

Local Government

■ MUNICIPALITIES

The region comprises six municipalities:

- Brimbank
- Hobsons Bay
- Maribyrnong
- Melton
- Moonee Valley
- Wyndham

A key strength of the region is that there is unanimous agreement on the geographic extent of the region and a long history of common understanding as to what is "Melbourne's West".

■ MAYORS AND CEOs FORUM

In the late 1990s the six Councils established the Mayors and CEOs Forum. This is an informal unstructured network comprising the Mayors and Chief Executive Officers, who meet on a regular basis to share information, network, undertake regional lobbying and a range of projects on behalf of the member Councils.

Participants value the networking and collaboration offered by the Forum. The Forum is non-threatening and does not compete with the agendas of individual Councils. The Forum employs no staff. Hosting of meetings is shared amongst member Councils and projects are undertaken mostly by existing Council staff. Member councils currently allocate \$30,000 each per annum to the Forum. \$12,000 of each Councils' contribution is used to fund Western Melbourne Tourism Inc and the balance for regional projects.

Because the former WREDO focussed mainly on economic development, the Forum's projects have tended to focus on other issues, currently:

- Youth
- Public transport and roads
- Community and mental health
- Regional image and marketing.

While local government stakeholders believe the Forum's networking and information sharing is very valuable, project development is slow due to the lack of dedicated resources; and the Forum's skills and capacity for attracting regional funds, campaigns and lobbying is limited.

Members of Parliament

Within the region there are five Commonwealth lower house members of parliament and 16 State parliamentary members (10 lower house and 6 upper house).

Every one of the 21 seats is held by the Australian Labor Party, many with a reasonably safe margin, reflecting the strong traditions, culture, history and socio-demographics of the region.

Some stakeholders view this as an obstacle to achieving regional action (due to the lack of opportunity to take advantage of "marginal or swinging seat politics"); although the positive aspect is that the region hosts a vast array of senior ministers and shadow ministers, giving it wide access to government.

At the Commonwealth level, there are no less than four shadow ministers holding five portfolios (Health, Attorney General, Regional Development, Roads, Housing and Urban Development).

At the State level, regional MPs include the Premier, the Ministers of eight portfolios (Education and Training, Industrial Relations, Planning, Financial Services, Manufacturing, Export and Small Business, Multicultural Affairs, Sport and Recreation and Commonwealth Games and Attorney-General); the Parliamentary Secretaries for Community Services, Premier and Cabinet, Volunteers Commonwealth Games and Women's Affairs, Environment and Multicultural Affairs; plus the Parliamentary Speaker and the Deputy Speaker.

Economic Development, Employment and Business

■ MELBOURNE'S WEST AREA CONSULTATIVE COMMITTEE (MWACC)

Melbourne's West Area Consultative Committee (MWACC) is one of a national network of over 50 ACCs (including 14 in Victoria) established, funded and run under the auspices of the Commonwealth Department of Transport and Regional Services. The Commonwealth appoints ACC chairs. The MWACC board comprises around 10 persons including local business operators from a range of sectors, DIIRD, local government and Victoria Police.

ACCs are intended to provide an important link between the Federal Government and regions, enable the Commonwealth to respond to each region's needs and encourage the take-up of Government programs. Their core responsibilities are as:

- A key facilitator of change and development in their region.
- The link between Government, business and the community.
- Facilitator of *Whole of Government* responses to opportunities in their region.

ACCs are expected to contribute to regional development, improve the business and investment environment, address pressing social issues faced by the region, build skills and capacity, improve regional services, and encourage businesses and employment growth. The ACC also has a key role in prioritising and endorsing project funding submissions.

With the demise of WREDO, MWACC (and to a limited degree the Chamber of Commerce) is now the only economic and employment development body with a regional focus.

There was a degree of overlap (although somewhat limited) between the WREDO and the ACC.

In some regions, the economic development board takes on the role of the ACC to reduce duplication and stakeholder burnout that occurs through people serving on multiple bodies.

MWACC has recently begun hosting meetings of the local government economic development managers.

■ GREATER WESTERN CHAMBER OF COMMERCE AND INDUSTRY (GWCCI)

GWCCI is a membership-based organisation, comprising mainly small and medium businesses but with some larger firms. The organisation began as the Maribyrnong Chamber of Commerce and approximately three years ago grew to cover other parts of the western region – including Wyndham, Hobsons Bay and Melton. It is not yet regarded as a true region-wide organisation (having few members in Moonee Valley or Brimbank) but is seeking to move in that direction.

GWCCI's activities focus on business networking events, training events and business awards and a small amount of lobbying. It is not funded by Local Government.

It is understood GWCCI has interest in playing a greater regional role in business networking.

■ AGRIWEST

Agriwest Inc. is an incorporated business network established to assist the growth, development and networking of agricultural businesses mainly in the municipalities of Wyndham, Melton and Moorabool.

The organisation grew initially out of initiatives conducted in Melton Shire and is part of the Department of Primary Industry's agribusiness forum network. Local government provided initial funding for establishment but ongoing operational funding is not provided.

■ LOCAL ECONOMIC DEVELOPMENT UNITS

Each local government in the region employs economic development staff (in varying numbers) who focus on business development and economic growth at the local level.

Regular meetings of Council EDOs are held.

■ SUB-REGIONAL BUSINESS GROUPS

A number of local business organisations exist throughout the region, including (inter alia):

- Committee for Werribee Inc
- Werribee Chamber of Commerce
- Wyndham Industrialist Liaison Development Committee
- BizNet (Werribee focus)
- Hoppers Crossing Business Group
- Airport West Business Association

■ MAJOR BUSINESSES

The region is host to a range of significant and influential businesses and major institutions. These include (inter alia):

- The National Equestrian Centre
- Werribee Park and Open Range Zoo
- Williams RAAF Base
- Melbourne Airport
- Essendon Airport
- Scienceworks Museum
- Visy Industries
- Huntsman Chemical Company
- Food Science Australia
- Smorgon family interests (including Smorgon Consolidated Investments and Smorgon Steel Group)
- Tenix Defence
- Toyota Australia
- Delfin Lend Lease
- Essendon and Avalon Airports
- Linfox Group Australia Pty Ltd
- Toll Group
- Patricks Logistics
- CRT Group/QR National
- Kefford Corporation (bus operators)

Tourism

■ WESTERN MELBOURNE TOURISM INC

Western Melbourne Tourism is an incorporated body established in 2002 as an off-shoot of the WREDO to develop, grow and promote tourism in the region.

It is run by a 14-member board comprising six local government and six tourism industry representatives and one each from Parks Victoria and the indigenous sector. WMT is not a membership-based organisation, unlike some other tourism bodies. WMT employs one staff member who was previously housed in the WREDO office but now located at Hobsons Bay. The synergies of co-location with WREDO staff have been lost.

WMT receives \$72,000 per annum funding from the six Local Governments (\$12,000 per Council) plus \$5,000 from Scienceworks for marketing and occasional additional project funding from State Government.

A regional tourism strategy was produced in late 2003 and forms the basis for WMT's action program. Key agendas include:

- Developing a brand for the west ("Melbourne's West") and common logo to increase the region's tourism profile.
- Organisation of the regional festival "Taste of the West".
- Tourism map and brochure promoting the region's attractions.

WMT is working with Tourism Victoria and Destination Melbourne to develop the western region as a tourism destination. The Tourism Victoria "jigsaw" regions do not cover metropolitan Melbourne.

It is understood local government in the region is strongly committed to tourism development (particularly Hobsons Bay, Maribyrnong and Wyndham) but some Local Government stakeholders are concerned at WMT's limited funding levels and capacity.

WMT appears open to the possibility of being restructured as the tourism arm of a new regional body with appropriate levels of delegation. Its strong industry base would provide credibility in dealings with government.

■ ARTSLINK

Education and Training

■ VICTORIA UNIVERSITY

Within the region's education and skills sector, Victoria University is by far the largest and most influential player.

VU operates several campuses in the region, including the main campus at Footscray. The Vice Chancellor was a WREDO board member and VU is understood to be the largest employer in the region.

■ KANGAN BATMAN TAFE

Kangan Batman TAFE is also a major education and training stakeholder in the region. It is a major player in automotive training and is developing an Automotive Centre of Excellence at Docklands. It is also a key provider of technology based training for the aerospace sector.

■ LOCAL LEARNING AND EMPLOYMENT NETWORKS

There are three Local Learning and Employment Networks (LLENs) within the region:

- Brimbank Melton LLEN
- Maribyrnong & Moonee Valley LLEN and
- WynBay LLEN.

These perform a very important role at the sub-regional level.

■ LEARNING AND INNOVATION WEST

LIW is a partnership of key learning organisations and community networks committed to transforming learning outcomes in the region, and is an interesting model of community strengthening at a regional level.

LIW developed from an initiative by Victoria University and the WREDO. It is auspiced at Victoria University and has received funding support (\$10,000) from the Melton Shire Council.

LIW seeks to identify gaps in learning, advocate for learning as a means of community transformation, address the challenges of poverty, the skills gaps in industry and business, school participation and literacy rates and low home internet use.

■ INSTITUTE OF COMMUNITY ENGAGEMENT AND SOCIAL ALTERNATIVES

Also based at Victoria University, it undertakes research, debate and dissemination on key social and community issues facing the western region.

■ WESTERN CHANCES

Western Chances is a non-government organisation focussed on providing improved educational and skills opportunities for young people.

■ SECONDARY AND PRIMARY SCHOOLS AND COLLEGES (numerous)

■ INFORMAL LEARNING THROUGH NEIGHBOURHOOD HOUSES, ACFE, ADULT MIGRANT EDUCATION SERVICES ETC.

■ VARIOUS OTHER TRAINING BODIES

Melbourne University also operates the Veterinary School at Werribee and RMIT conducts pilot training at Point Cook

Human Services, Health and Community Development

Within this sector, the key stakeholders include:

■ WESTERN HEALTH

Responsible for the hospitals and related health services.

■ WESTERN REGION LIBRARY NETWORK

■ DEPARTMENT OF HUMAN SERVICES VICTORIA (DHS) REGIONAL OFFICE

■ WESTERN WELFARE ALLIANCE

■ AGED SERVICES NETWORK - WESTERN REGION

■ WESTERN METROPOLITAN REGIONAL YOUTH AFFAIRS NETWORK

■ NORTH WEST MELBOURNE DIVISION OF GENERAL PRACTICE

■ THREE COMMUNITY HEALTH CENTRES

■ NORTHWEST MENTAL HEALTH NETWORK

Several of the above are networks of many other smaller service providers, reflecting the relatively strong level of networking and collaboration across the human services sector in the western region.

Environment

Within the environment sector, the stakeholders at regional and sub-regional level include:

■ WESTERN REGION ENVIRONMENT CENTRE

A non-government organisation based at Werribee focussing on a range of regional environmental issues. WREC initially grew out of community opposition to the proposed toxic waste dump but has since broadened its focus.

■ METRO WEST WASTE

The Western Regional Waste Management Group responsible for co-ordinating waste disposal throughout the region.

■ PORT PHILLIP AND WESTERNPORT CATCHMENT MANAGEMENT AUTHORITY

CMAAs are established by the State Government and are responsible to the Environment Minister.

■ ENVIRONMENT VICTORIA

The peak non-government organisation for environmental interests. Environment Victoria is involved in programs and campaigns on a number of western region issues.

■ FRIENDS OF THE MARIBYRNONG VALLEY

■ WERRIBEE WATERWAYS MANAGEMENT COMMITTEE

Sub-regional community-based bodies focussed on the respective river environments.

■ GROW WEST

A large scale landscape change project run through DSE/DPI.

■ ENVIRONMENT OFFICERS NETWORK

A network of environment officers from the six local governments also meets regularly.

Utility Companies

A number of utility companies provide services throughout the western region.

Water supply is the responsibility of:

- MELBOURNE WATER
- CITY WEST WATER
- WESTERN WATER AND
- SOUTHERN RURAL WATER.

Electricity and gas are provided by:

- TRU ENERGY
- ORIGIN ENERGY
- POWERCOR AUSTRALIA AND
- AGILITY (AGL).

Ports and Airports

- MELBOURNE AIRPORT
- ESSENDON AIRPORT
- AVALON AIRPORT
- PORT OF MELBOURNE

Sporting Bodies

Sporting bodies are not only an integral part of a region's culture and "psyche" but are significant business operations in their own right. Within the western region these include:

- WESTERN BULLDOGS FOOTBALL CLUB
- ESSENDON FOOTBALL CLUB
- MOONEE VALLEY RACING CLUB
- VICTORIA RACING CLUB - FLEMINGTON
- WESTERN REGION FOOTBALL LEAGUE
- WILLIAMSTOWN FOOTBALL CLUB
- WERRIBEE FOOTBALL CLUB
- WERRIBEE RACING CLUB

In addition, there are many local sporting organisations throughout the region.

Unions and Employer Bodies

Information unavailable at time of printing.

Other Regional Bodies

■ HABITAT TRUST

The Habitat Trust is a small but unique organisation with a regional focus.

It is an incorporated body with a board of five directors, including some from business and industry, and two staff. The organisation has a long history in the west and is based in offices at the CRT Group headquarters in Altona. CRT also provides funding for Habitat.

The organisation focuses on free thinking around big picture issues and visionary long-term agendas for the region.

It operates mainly via extensive networking and has significant influence, but its mode of operation is more "behind the scenes" rather than high public profile.

■ INTERFACE COUNCILS GROUP

The Interface Councils Group is a special purpose regional cooperative grouping of local governments which have strong urban growth but significant proportions of rural land.

In the western region, the municipalities of Wyndham and Melton are members of ICG.

The Group's main focus is lobbying and advocacy to government on a range of issues related to the urban-rural interface. The Group is resourced on a contract basis by SOCOM Public Relations.

■ WESTERN TRANSPORT ALLIANCE

Adjoining Regions

■ GEELONG (G21 ALLIANCE)

■ CENTRAL MELBOURNE

■ NORTHERN MELBOURNE

■ GREATER BALLARAT REGION

Government Departments & Agencies

As in most regions, State and Commonwealth government departments are active delivering a range of programs and implementing policy.

At State Government level, departments with a particular interest in regional development issues include:

■ INNOVATION, INDUSTRY AND REGIONAL DEVELOPMENT (DIIRD)

DIIRD provides funding for a range of business and regional development projects and its Regional Manager was on the former WREDO board.

■ SUSTAINABILITY AND ENVIRONMENT (DSE)

DSE has established several special purpose committees and working groups such as:

- Wyndham Smart Growth Committee
- Melton-Caroline Springs Smart Growth Cmttee
- Western Region Housing Working Group.

■ INFRASTRUCTURE (DOI)

■ HUMAN SERVICES (DHS) AND

■ VICTORIAN COMMUNITIES (DVC).

DVC recently established the **Northern and Western Regional Government Forum** which aims to address a number of specific community development issues across the north and west Melbourne regions.

■ PRIMARY INDUSTRIES (DPI)

■ TOURISM VICTORIA

■ PARKS VICTORIA

■ EMERGENCY SERVICES AGENCIES

■ CSIRO

■ AUSTRADE

At Commonwealth level, the Department of Transport and Regional Services funds the Area Consultative Committee and the Australian Trade Commission has a regional office at Werribee.

Chapter 12

Regional Dynamics in Melbourne's West

This Chapter provides an insight into regional dynamics and relationships in the West, including issues underlying WREDO's closure.

These are valuable lessons when considering a new regional structure.

*"The West has plenty of leaders...
...what we lack is leadership".*

Quote from the regional summit September 2005.

Key Points

- ❑ **Strong consensus on priorities.** There is strong agreement amongst regional stakeholders and the research as to what the key challenges and priorities are for the West.
- ❑ **The region has a long and proud history of regional cooperation** and there is much goodwill...
- ❑ **...but also some cynicism** about the continual re-invention of regional structures.
- ❑ **There are plenty of leaders across the region but no clear regional leadership.** While there are many organisations, no one is the clear leader.
- ❑ **Long-term vision is hard to find.**
- ❑ **Many people don't fully understand what the role of a regional body is;** and have difficulty separating local from regional issues.
- ❑ **Fragmentation of effort is a real problem,** with various organisations commissioning studies and projects that cover similar ground.
- ❑ **The west still sees itself as a victim,** believing that solutions to its problems lay in the hands of others, such as State or Commonwealth, rather than exercising leadership to shape its own destiny.
- ❑ **We should learn from the WREDO experience.** The WREDO, as the most recent regional leadership structure, had both strengths and weaknesses. Ultimately, shortcomings in the depth of relationship, understanding and communication between local government and the WREDO were a key cause of its closure.

A LONG AND PROUD HISTORY

Melbourne's Western Region has a long history of regional of co-operation – whether that co-operation be in the area of economic development as was primarily the case with the Western Region Commission(WRC), the Western Region Economic Development Organisation (WREDO) and the Melbourne West Area Consultative Committee, or in community services as in the case of the Western Regional Council for Social Development and others.

WHAT STAKEHOLDERS SAY ABOUT CURRENT REGIONAL CO-OPERATION IN THE WEST:

Local Government stakeholders say:

- They are generally positive about the degree of regional co-operation and collective goodwill, particularly between Councils through the Mayors and CEOs Forum. However, it takes a lot of time and effort which competes with time that must be spent in their own municipalities and the resources for regional projects are inadequate.
- The region is not achieving the level of outcomes it did two years ago.
- Many regional bodies don't adequately communicate what they are doing to the wider region.
- There is a dearth of people with long-term vision in the region.
- The interaction between the western region and adjoining regions such as Geelong is not particularly strong.
- It's time for a peak regional organisation that can deal with the full range of issues facing the region.

Non-Local Government stakeholders say:

- There is a degree of cynicism about the continual re-invention of regional arrangements over the last twenty years. For example, the Western Region Commission was closed in 1994 and now its replacement (the WREDO) has closed. These changes result in lost goodwill, energy and momentum.
- There is still too much fragmentation and a sense of the

West as a "victim".

- Many of the larger companies are not committed to the region itself but to their wider global connections.
- Councillors don't understand the role of regional bodies and are too parochial and locally focussed.

KEY OBSERVATIONS FROM RESEARCH AND STAKEHOLDER CONSULTATION

In reviewing the various regional strategies and research reports and talking with stakeholders, a number of recurring themes were raised either explicitly or implicitly. These are:

- Partnership and collaboration;
- Fragmentation, lack of co-ordination and strategic direction; and
- The presence of a number of regional organisations with a broad spread of membership/representation. However, none of these appear to be acknowledged universally as lead organisations in the region.

However, each of the studies reviewed was commissioned by a different organisation yet almost all covered very similar ground, suggesting that there is considerable duplication of effort and more importantly, little communication between the various regional players, leading to fragmentation.

As one person quoted at the regional summit, "The West has plenty of leaders, what we lack is regional leadership."

Successful regions are those where all the players – whether they be from the public, private and not for profit sector – can work together to achieve their goals.

A further observation made during the study was that, for the most part, strategic reports and regional stakeholders frequently believed that the solutions to the region's problems lay in the hands of others, such as State or Commonwealth governments. This is a worrying sign because it signals an underlying attitude of expecting others to solve our problems rather than getting organised as a region and exercising leadership from within. International and national experience shows that the most successful regions are those that accept responsibility for shaping their own destiny.

REFLECTIONS ON THE WREDO

WREDO – the Western Regional Economic Development Organisation - was established under the Keating Government's Regional Development Programme in 1995. Over ten years it became of the longest surviving REDOs in Australia until its closure in early 2005 due to inadequate funding.

WREDO was structured as a collaborative organisation drawing representatives from business, industry, tourism ,agriculture, infrastructure providers, local government, unions, education and community – in accordance with the guidelines set down by the then Commonwealth Government.

Under this model Local Government is simply "one of the players" around the table, an issue that generated considerable controversy and debate throughout Australia in the early years of the government's Regional Development Program.

Most WREDO Board members and a number of regional stakeholders consider that the organisation worked well, achieved significant success for the region and enjoyed good private sector support.

Some local government stakeholders agreed, but WREDO-Local Government relationships deteriorated in later years to the point where most Councils were not prepared to continue funding the organisation and it closed in early 2005.

What former WREDO members and non-local government stakeholders say about WREDO:

Positive Aspects Included:

- A good range of influential and effective people on the board from different backgrounds and varying political persuasions.
- An effective CEO.
- Bringing business, government, education, unions, community and other sectors together.
- Independence from local government encouraged the confidence of business, enabled it to play a "honest broker" role, gave freedom to take up a wide range of issues and make speedy decisions without the need for Council ratification.

- ❑ Enabling business people to gain an insight into other business sectors.
- ❑ Making people aware of what was happening in the region.

Key Roles Included:

- ❑ Taking the lead in "big picture" economic development issues.
- ❑ Regional promotion and marketing of the region's resources, strengths and location.
- ❑ Independent broker informing potential investors through newsletters.
- ❑ Supporting businesses through the regional business database and regular networking breakfasts.
- ❑ Giving business a voice.

Achievements Included:

- ❑ Establishment of Avalon as "Melbourne's second airport".
- ❑ Geelong Road upgrade.
- ❑ Attraction of quality developers such as Delfin to the region.
- ❑ Monthly business breakfasts, which were excellent for business networking (although some felt there was insufficient networking time and the breakfasts attracted mostly salaried people from larger organisations compared to small business operators).
- ❑ Producing a regional strategy that was adopted by local governments.
- ❑ Annual economic and planning summit for the region.
- ❑ Arranging and leading regional delegations to Canberra.
- ❑ Responses to government industry inquiries.
- ❑ Lobbying State and Commonwealth governments.
- ❑ Hosting an Expo of Western region offerings.

Local Government Stakeholders said WREDO's effectiveness was mainly in:

- ❑ Business networking and facilitation (including the breakfasts).
- ❑ Providing a "one stop shop" for people interested in investing in the west.
- ❑ The regular newsletter.
- ❑ The annual regional summits.
- ❑ Best practice tours for industry.

The Main Problems Were:

- ❑ Confusion as to the nature of its core business. (In the early days it tried to be "all things to all people" but later narrowed to a business focus).
- ❑ Although business was receptive to WREDO, it did not contribute funding apart from occasional contributions by larger corporations.
- ❑ Keeping in regular contact with all stakeholders was a difficult task.
- ❑ Continually having to justify its existence to stakeholders.
- ❑ Dependence on Local Government for operational funding.
- ❑ Clashes of egos, personalities and cultures between WREDO and Councils.
- ❑ Inability to maintain the confidence of Local Government (including insufficient receptiveness to the needs and expectations of local government as the principal funding agents and inadequate communication between WREDO and the Mayors and CEOs Forum).
- ❑ Some overlap with the work of the Area Consultative Committee (ACC).
- ❑ Insufficient turnover of Board members to inject fresh ideas and attitudes.

Relationships between WREDO and Local Government

In recent years significant tensions developed between Local Governments and the WREDO, and these contributed in part to WREDO's closure.

The tensions and misunderstandings centred around issues such as:

- ❑ communication;
- ❑ turnover of representatives;
- ❑ decision-making processes and levels of delegation;
- ❑ understanding of the respective roles of WREDO and Local Government;
- ❑ balancing region-wide interests with local interests; personalities and egos;
- ❑ budget cycles;
- ❑ perception of value for money; and
- ❑ performance in tackling strategic issues.

Perhaps the most significant of these was Local Government's view that its capacity to influence WREDO was not in proportion to the level of funding it was providing for the organisation - it had 20% of Board membership but provided 80% of operational funding.

THE CHALLENGE OF RESTORING BUSINESS CONFIDENCE

The business sector to some extent does not fully understand the reasons for WREDO's closure.

Withdrawal of funding by local government has damaged some relations with business, and some may think twice before becoming involved with a new regional body.

The restoration of these relationships and business confidence in local government's commitment to economic development will be a challenging priority for the new organisation.



LEADERSHIP FOR THE WEST

**Creating a New Structure and Strategy for Regional Development
in Melbourne's Western Region...together.**

Part 4: A Fresh Start - Creating a New Regional Structure for the West

Chapter 13

What Should the New Regional Structure Be Like?

What regional structure is right for Melbourne's West?

- What role or "charter" should it have?
- Who should "own" it?
- How should it be structured?
- How will it be resourced?
- And how will it operate?

We asked a range of western region stakeholders from all sectors.

ROLE

Western region stakeholders say the role of a new regional structure should be:

■ Set Vision

Develop a long-term vision for the region, "talking up the message and embedding it into the psyche of the region".

■ Represent the REGION as a Whole

Represent the region as a whole (as distinct from any of the individual stakeholders).

■ Must Operate at a High Level.

The regional structure must maintain a focus on the really big issues facing the region because:

- It is the only body that can legitimately do this – if it doesn't, no-one else will.
- It needs to do so in order to avoid interfering in the "territory" of other regional stakeholders.
- It is easy to overburden a regional body with too many issues, with the result that it lacks focus and tries to be all things to all people.

■ Broad Agenda of Issues

The regional structure should be able to deal with a wide range of regional issues (ie not just economic development).

However some stakeholders expressed doubt as to whether a regional structure can be capable of dealing with the full range of issues, especially if resources are limited and it has no executive authority.

■ Unite All Players

Unite the three spheres of government, business, community and other sectors into a strong partnership.

■ Co-ordination

Provide a coordinated approach to regional development (in the broadest sense of the word).

■ Research and Information

Undertake research and data collection for the region and act as a central depository of regional information.

■ Attract Funding

Attraction of funding for regional projects.

■ Investment Attraction

■ Business Support and Networking

■ No Duplication

The new structure must not duplicate the role of other organisations. It should attempt to work with as many existing organisations as possible. This will engender goodwill and make maximum use of existing knowledge, expertise, networks and influence.

■ Real Outcomes, Not Process

The new structure must focus on real regional outcomes, rather than processes.

OWNERSHIP

Western region stakeholders say:

■ How Much Control by Local Government?

Stakeholders are mixed as to whether Local Government should control or own the regional structure.

Some argue that local government ownership is vital for funding and democratic legitimacy, some argue that arms length organisations are unaccountable and not sufficiently connected to the political agenda.

Some argue that an independent regional structure is necessary to avoid "capture" or bias by particular interests.

■ Those Who Pay Should Have the Say

If local government funds the regional structure, it should maintain most of the control over it.

■ Intellectual Property

Clear rules should be established about who owns the intellectual property created by the new structure/organisation.

STRUCTURE

Western region stakeholders say:

■ Breadth of Stakeholders

They support the idea of a collaborative broadly based regional structure that is inclusive of all sectors, because it offers greater opportunities to attract funding for the region and engages all stakeholders in a positive relationship.

It is important to have a mix of non-local government and local government stakeholders on the board.

It should have a fair local government representation but also strong relationships with other sectors.

■ Empower Decision-Making

The regional structure must allow and empower board members to make decisions without referral back to individual Councils or stakeholder bodies.

The regional structure should be able to speak independently about regional issues and be free to take a view that may differ from an individual Council or sector. ie there will be times when the regional position or viewpoint is not identical to the view of an individual Council or sector.

■ Effective Advisory Structures

The body needs to have effective advisory structures that link it with stakeholders at the local level or the individual sector level.

■ Board Members

There should be a good range of people on the board.

We need Councillors that are passionate about the region and understand business.

Need to involve at least one Councillor from every Council in the planning process.

The governing board needs to have influential players from the west eg: one or two LG CEOs, community reps, former Councillors, high profile retired people, big business.

Board members should be committed to *triple bottom line* principles.

"CEOs would be better reps than Councillors because they have the skills set."

The chair needs to be someone high profile - not necessary to be a Councillor but must have the respect and trust of the Councils.

FUNDING

Western region stakeholders say:

■ Must Be Well Resourced

The body needs to be well resourced, as individual Councils have limited time to undertake regional work voluntarily.

■ Councils Will Be the Key Funders

The new regional body will have to be funded. The Councils will have to fund it and will therefore want a stronger say.

■ 3 Year Guarantee

There must be at least a three-year guaranteed funding commitment (G21 has four years) to give stability and avoid the risk of Councils withdrawing support.

Representation should preferably be for a three-year term, not one-year.

■ Budget Planning Cycle

There needs to be a planning cycle that coincides with Council budget cycles.

■ Other Comments

Councils may be prepared to put in more money than currently if the organisation works well.

Councils complain and agonise about funding regional bodies but the amount is a drop in the bucket compared to their overall budget and the return on investment can be tremendous.

OPERATION

Western region stakeholders say:

■ Communication Protocols

- The CEO of the new body must meet with the Mayors and CEOs monthly.
- Council reps must communicate back to their Councils.
- When personnel change, you have to brief them.
- The communication strategy of the new body is really important.
- There is no simple solution to making it work, it gets down to communication.
- Everyone must be clear about who is doing what.
- Links with the ACC will be very important.
- Regular meetings of the regional managers of each government department in the region with the regional body should take place.
- The new body should meet regularly with MPs from the region.

■ Staffing and Management

- There must be someone really good running the organisation.
- We need a mover and shaker to bring it all together.
- The CEO of the new body has to be a strong person and understand the regional issues.
- The CEO needs to be carefully chosen.
- The CEO needs to be appropriately remunerated.
- The new regional body needs a campaign and advocacy director to run its lobbying activities.

■ Operating Principles

- There needs to be a set of operating principles and protocols. These are crucial.

“Great things can be achieved if you don’t get too stressed about who gets the credit.”

“Outcomes for the region are more important than who controls the organisation.”

Comments from a Local government CEO.

Chapter 14

Alternative Models for a New Regional Structure

Four alternative models for a new regional structure were prepared and are discussed in this chapter.

The models were first assessed by the Mayors and CEOs Forum, then extensively scrutinised by a wide range of regional stakeholders at the September 2005 Regional Summit, against the performance criteria set out on this page.

EVALUATION CRITERIA FOR ALTERNATIVE REGIONAL STRUCTURES

Four evaluation criteria were identified. These relate directly to the project brief/objectives contained in Chapter 1.

A new regional organisation/structure must be able to:

1. Demonstrate Leadership

How well would each model be able to

- ❑ Exercise leadership (both organisationally & politically)?
- ❑ Advocate and market the region?
- ❑ Co-ordinate and integrate issues?
- ❑ Create a shared vision for the region?
- ❑ Represent the region as a whole (not just certain sectors)?
- ❑ Be democratic?

A new regional organisation/structure must be able to:

2. Create An Alliance

How well would each model be able to:

- ❑ Add value and synergy to other bodies without duplicating them?
- ❑ Create strong alliances and unity between local government and other sectors?
- ❑ Maximize co-operation and collaboration between key stakeholders (networking)?
- ❑ Enable all players to agree on what needs to be done?
- ❑ Avoid being "captured" by sectional interests?

A new regional organisation/structure must be able to:

3. Provide Focus

How well would each model be able to:

- ❑ Clearly identify roles and responsibilities for each of the stakeholders?
- ❑ Deal with a broad range of regional development issues (ie economic, social, environmental, health, cultural, transport etc)?

A new regional organisation/structure must be able to:

4. Leverage Resources

How well would each model be able to:

- ❑ Make more efficient use of funds for regional work?
- ❑ Attract government and other funding for regional projects?

Option 1: Minimal Change

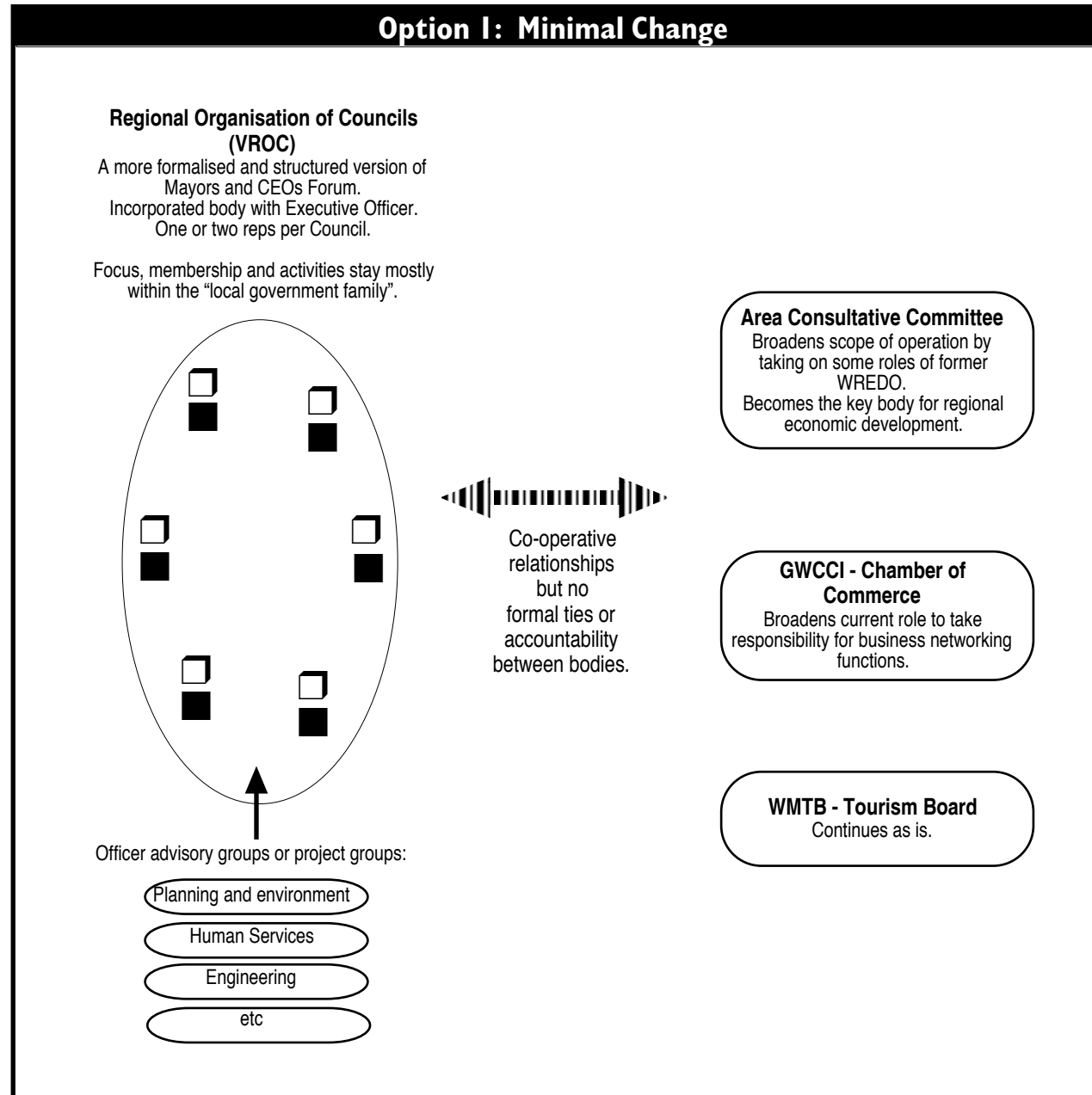
Under this option, the existing Mayors and CEOs Forum would be formalised into a Regional Organisation of Councils (VROC), by incorporating and employing an Executive Director.

The VROC would draw advice and input from advisory groups of local government officers and not from non-local government stakeholders.

The ACC would be left to consider expanding its role to take on some of the roles of the former WREDO.

The former WREDOs business networking role could perhaps be taken on by the regional Chamber of Commerce or some other network.

The Western Region Tourism Board would continue as is although its tourism officer could perhaps be employed by the (VROC) for administrative purposes.



What do regional stakeholders think of Option 1?

At the Regional Summit on 22/9/05, a wide range of stakeholders, including Local Government representatives, identified the following “pros” and “cons”.

Pros and Cons are not listed in any particular order of importance.

Pros:

- Provides certainty.
- Easy to implement - builds on existing structures.
- May be less costly to implement than other options.
- Democratic – comprises elected Local Government.

Cons:

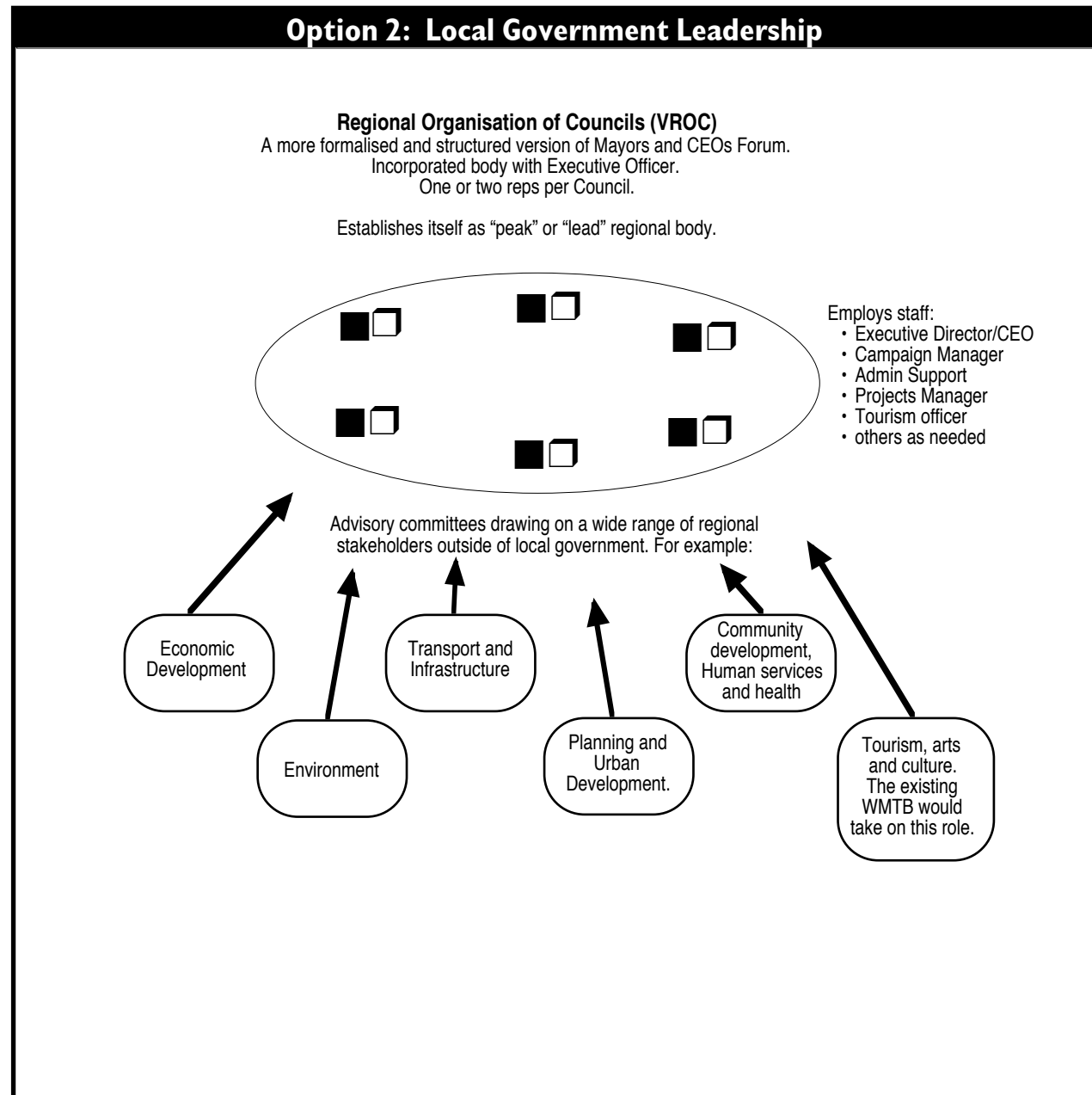
- Not inclusive – won’t build alliances.
- Lack of continuity as Mayors change annually.
- Limits political alliances.
- Reinforces status quo – no change. Revisits the past.
- No ownership or involvement by other sectors – misses out on diversity of skills and intellect.
- Narrow focus – too insular – will limit capacity to deliver.
- Needs stronger business involvement.
- Will be perceived as arm of Local Govt.
- Hard to attract resources.
- Will be too political.

Option 2: Local Government Leadership

Under this option, the existing Mayors and CEOs Forum would be formalised into a Regional Organisation of Councils (VROC), by incorporating and employing an Executive Director and staff - similar to Option 1.

The key difference between Option 2 and Option 1 is that the VROC's advisory committees would draw from a wide range of regional stakeholders and not be limited to local government officers.

The Western Region Tourism Board would become the tourism advisory committee to the VROC.



What do regional stakeholders think of Option 2?

At the Regional Summit on 22/9/05, a wide range of stakeholders, including Local Government representatives, identified the following “pros” and “cons”.

Pros and Cons are not listed in any particular order of importance.

Pros:

- More capacity than Option 1 to build alliances, including with business.
- More potential than Option 1 to leverage resources.
- Better ownership than Option 1 – more stakeholders.
- Input from all sectors through advisory committees.
- Maintains Local Govt as democratically elected leader.
- Broadened skill input and shift towards professionalism from Option 1.
- Relatively simple to implement.
- Focussed.

Cons:

- Not inclusive.
- Lack of continuity as Mayors change annually.
- Limits political alliances.
- Reinforces status quo - no change - "safe" option – does not go far enough.
- Still has narrow leadership focus - Local Govt dominated (both real and perceived).
- No business leaders in a real leadership role.
- Difficult to maintain "buy-in" if only an advisory role for others.
- Unequal say and voting rights -limited attraction to other stakeholders.
- Lacks independence from LG.
- This option won't last, because other sectors won't "buy into it".
- Political.

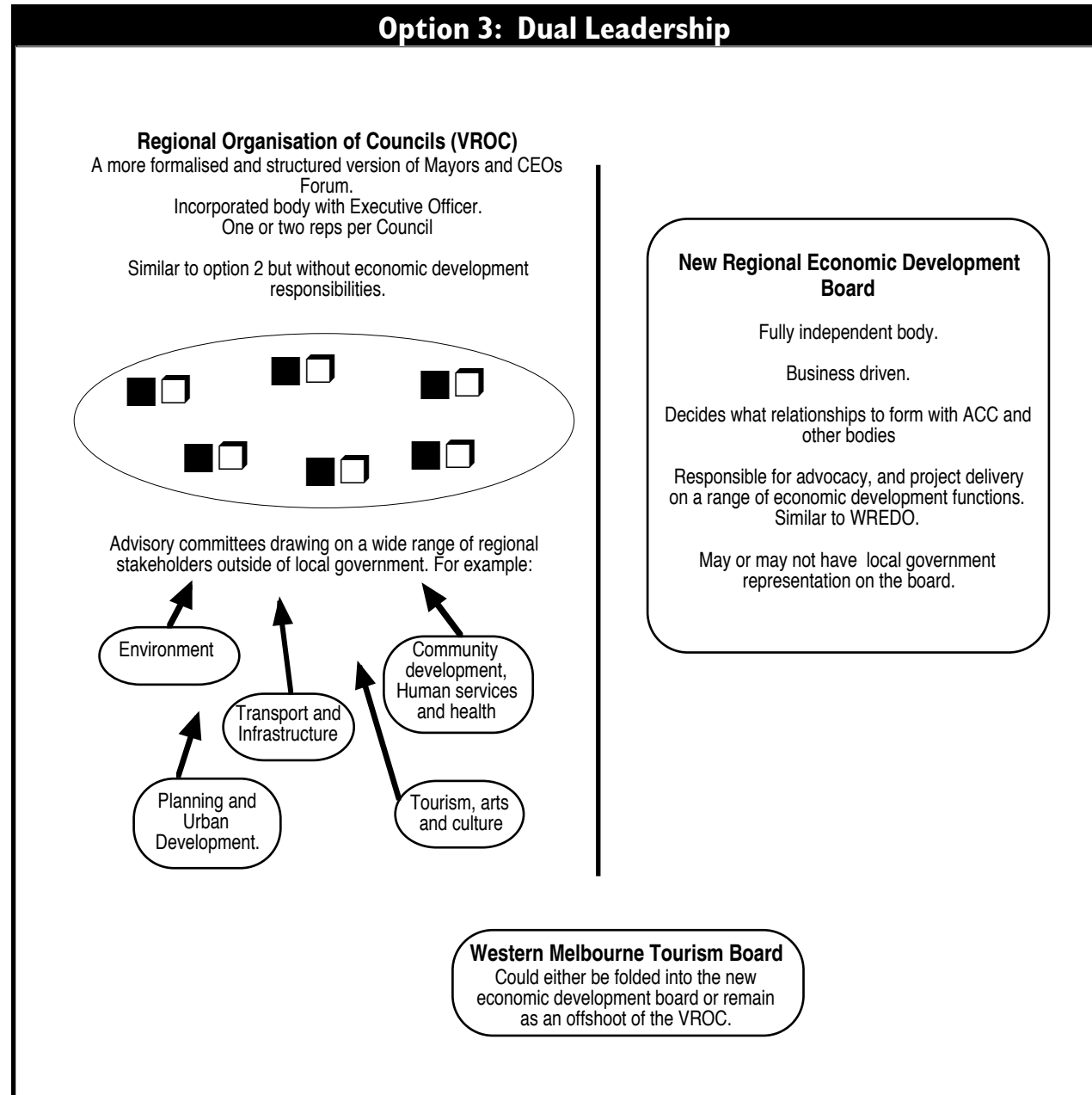
Option 3: Dual Leadership

Under this option, two parallel structures would operate:

1. The existing Mayors and CEOs Forum would be formalised into a Regional Organisation of Councils (VROC), by incorporating and employing an Executive Director - similar to Option 2.
2. Economic development would be left to a new, independent, business-driven regional economic development board (REDB).

The key difference between Option 2 and Option 3 is that the VROC would not have any role in economic development.

Western Melbourne Tourism could form part of either the VROC or the new REDB.



What do regional stakeholders think of Option 3?

At the Regional Summit on 22/9/05, a wide range of stakeholders, including Local Government representatives, identified the following “pros” and “cons”.

Pros and Cons are not listed in any particular order of importance.

Pros:

- Business driven Board may attract more dollars.
- Representation to all through advisory committees.
- Maintains Local Government as democratic leader.
- Potential for quality business and private sector input in REDB.
- Gives bigger say to other stakeholders.

Cons:

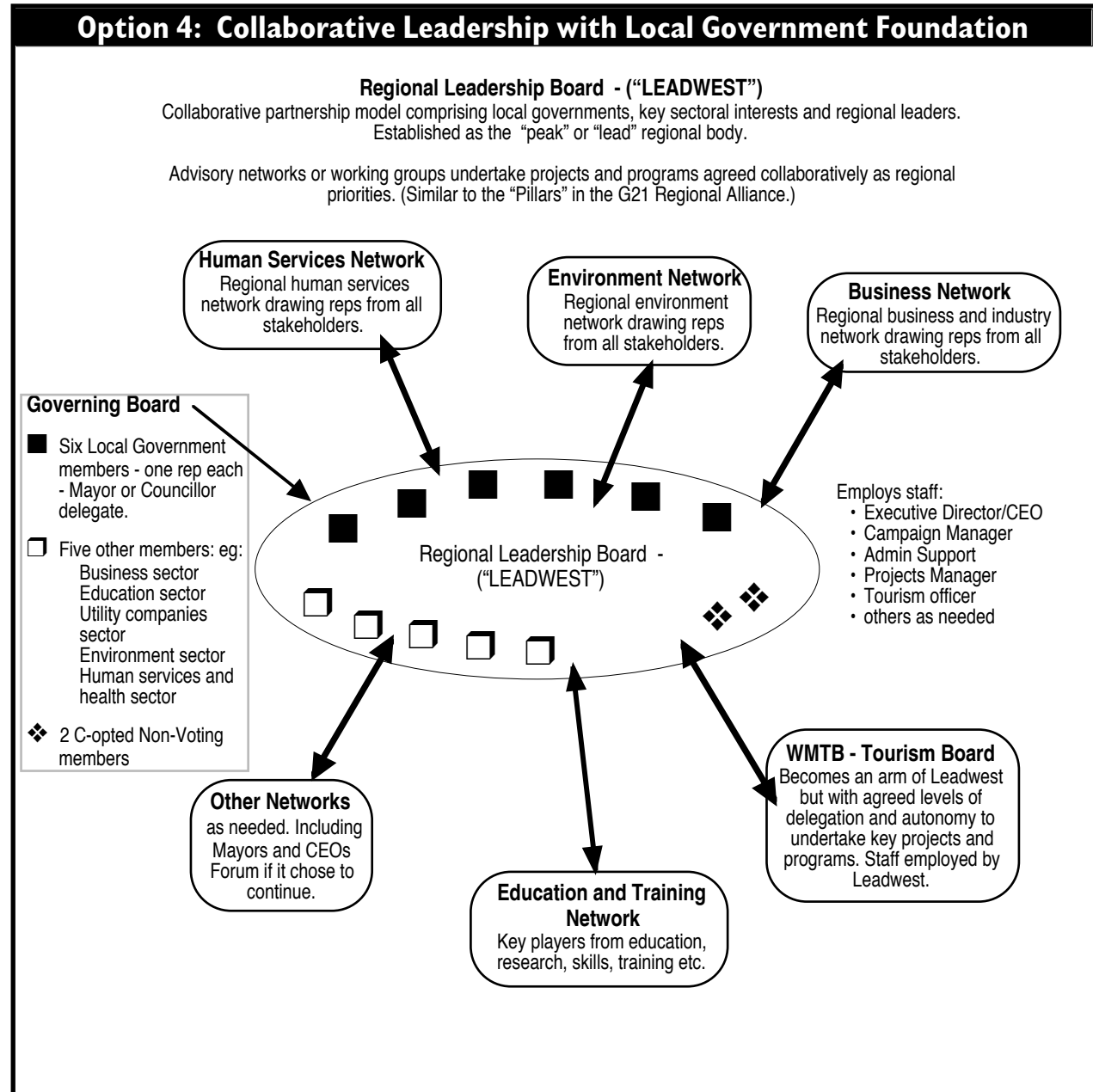
- Duplication and fragmentation of resources.
- No triple bottom line approach – suggests economic development is the main focus.
- No funding certainty, and competition for funding.
- Lacks focus – won't be able to develop common vision.
- Sets up competing interests and sends wrong message.
- Potential for conflict – no one single vote for region.
- Too complex and unwieldy.
- Business unlikely to fund the REDB alone.

Option 4: Collaborative Leadership with Local Government Foundation

Under this option, a new peak regional body would be formed. A suggested name could be "LEADWEST".

Local Government would take the lead in establishing the body and be its ultimate "owners" but there would be a more inclusive or collaborative board structure comprising the 6 Mayors or their delegates, 5 representatives from other key sectors and 2 non-voting co-opted reps.

The body would establish a series of advisory networks or groups similar to the "pillars" of the Geelong Region's *G21 Alliance*. The networks would foster communication across stakeholders, provide advice and undertake projects and initiatives with the overall agreement of the Board.



What do regional stakeholders think of Option 4?

At the Regional Summit on 22/9/05, a wide range of stakeholders, including Local Government representatives, identified the following “pros” and “cons”.

Pros and Cons are not listed in any particular order of importance.

✓ Pros:

- Collaborative approach builds stronger alliances and relationships than other options.
- Better leverage of resources than other options.
- New approach gives positive message of change.
- Better ownership by all sectors – other sectors have a real say.
- Single voice for region with strategic focus.
- Efficient use of resources – economies of scale.
- Wider scope in board members adds skills.
- Empowers other stakeholders and sits well with other networks.

The Summit made the following suggestions:

- The Local Government board members could be either a Councillor or a Council nominee.
- The organisation would benefit from having an independent, no-voting, non-political chair.
- The two co-opted board members should have a vote like all the other board members.
- The organisation should be housed in a neutral location – ie not in a Council office.
- The articles of association should provide for membership by organisations rather than individuals.

✗ Cons:

- Local Govt sharing power at board level could be a stumbling block.
- Possible duplication with Mayors and CEOs Forum.
- Potentially cumbersome -will having more players promote division of direction?
- May not appeal to business.
- Could be hijacked by politics or undermined by parochialism.
- May threaten LG eco dev units.
- Is the task too big?

How did regional stakeholders rank each of the four Options?

At the Regional Summit on 22/9/05, a wide range of stakeholders, including Local Government representatives, ranked the four options against the evaluation criteria identified on page 39.

The table reflects the overall *relative* ranking of each structural option as determined by Summit participants collectively (ie: in workshop mode - show of hands).
 1 = worst performing
 4 = best performing

Option 4 was preferred by 85% of Summit participants.

Evaluation Criteria	Option #1	Option #2	Option #3	Option #4
<p>A new regional body must be able to:</p> <p>Demonstrate Leadership</p> <p>How well would this model be able to</p> <ul style="list-style-type: none"> Exercise leadership (both organisationally & politically)? Advocate and market the region? Co-ordinate and integrate issues? Create a shared vision for the region? Represent the region as a whole (not just certain sectors)? Be democratic? 	1	3	2	4
<p>A new regional body must be able to:</p> <p>Create an Alliance</p> <p>How well would this model be able to:</p> <ul style="list-style-type: none"> Add value and synergy to other bodies without duplicating them? Create strong alliances and unity between local government and other sectors? Maximize co-operation and collaboration between key stakeholders (networking)? Enable all players to agree on what needs to be done? Avoid being "captured" by sectional interests? 	2	1	2	4
<p>A new regional body must be able to:</p> <p>Provide Focus</p> <p>How well would this model be able to:</p> <ul style="list-style-type: none"> Clearly identify roles and responsibilities for each of the stakeholders? Deal with a broad range of regional development issues (ie economic, social, environmental, health, cultural, transport etc)? 	2	4	1	4
<p>A new regional body must be able to:</p> <p>Leverage Resources</p> <p>How well would this model be able to:</p> <ul style="list-style-type: none"> Make more efficient use of funds for regional work? Attract government and other funding for regional projects? 	2	4	2	4

Chapter 15

Deciding on the New Regional Structure

This Chapter gives an account of the decision-making process leading to the selection of a preferred model for the new regional structure; and answers some of the frequently asked questions.

Overwhelming Stakeholder Support for Option 4

As discussed in Chapter 14, a wide range of stakeholders at the regional summit in September 2005 evaluated the four alternative models for a new regional organisation against the four selection criteria set out on page 39.

There was an overwhelming level of support for Option 4, with around 85% of summit participants voting in favour of this option on a “show of hands straw poll” conducted at the summit.

Consideration of the Four Options by Mayors and CEOs Forum and Regional Councillors Forum

These outcomes were then discussed at length with the mayors and CEOs Forum. It was agreed that Options 1 and 3 should be immediately eliminated, as neither of these delivered sufficiently on the evaluation criteria. It was agreed to further explore both Options 2 and 4.

Options 2 and 4 were then further considered at a workshop with Councillors from all six local governments held at Melton in October 2005. At this workshop there was more support for Option 4 than for Option 2, although no conclusive decision was reached.

Further Comments on Options 2 and 4

In addition to the evaluation comments contained in Chapter 14, Councillors and CEOs made the following further observations about options 2 and 4:

- ▣ Both options 2 and 4 would overcome the difficulties Local Government experienced with the previous WREDO model.
- ▣ Option 2 was seen as little more than another Council committee and would not have access to the knowledge and views of other sectors.
- ▣ It was emphasised that if the region wanted outcomes, then option 4 was the clear preference, whereas if local Government wanted total control over the organisation then Option 2 would provide that.

- ▣ It was noted that option 2 would be OK “if local government thinks it is the centre of the universe”.
- ▣ Option 4 was seen as giving more “clout” and strength for the region in lobbying and advocacy because it would carry a wide range of voices and opinions across all sectors.

Concerns of Non-Local Government Stakeholders

There was some skepticism and concern amongst non-local government regional stakeholders that an “Option 2” style of regional body controlled totally by local government would:

- ▣ be susceptible to the whims of individual Councils;
- ▣ may have difficulty speaking for the wider region as a result of being constrained by the views of individual Councils on particular issues;
- ▣ individual Councils may not support certain regional projects unless those projects had tangible benefits for their particular municipality; and
- ▣ Council representatives on the board may not be delegated sufficient authority to make decisions at a regional level without always referring them back to their Council.

Is Option 4 the same as the former WREDO?

There was concern raised that option 4 would create an organisation similar to the WREDO. This is not correct. Option 4 is not like the WREDO:

- ▣ The WREDO was not “owned” by Local Government, but Option 4 would be.
- ▣ The six local governments, as the initiators, effectively own the organisation. Whilst in legal terms the organisation would be a separate legal entity and thus have a life of its own, the local governments will effectively control it by virtue of:
 - having six seats on the board;
 - being the main (if not only) funders of the organisation’s operation;

- The local government reps could select the non-local government board members.
- ▣ With the WREDO, Local Government was "one of many players around the table". Option 4 clearly has local government in the driving seat, but is a collaborative partnership approach with other sectors.
- ▣ Option 4 is an organisation with a broader charter than the WREDO, which was primarily about economic development.

Further Comments by the Project Consultants in Support of Option 4

- ▣ Having undertaken an extensive regional stakeholder consultation that resulted in an 85% vote in favour of Option 4 at the regional summit, if Local Governments were to select Option 2 we believe this is likely to invite cynicism amongst non-local government stakeholders, reinforce some of the negative sentiment about local government parochialism; and dampen the spirit of regional collaboration.
- ▣ Conversely, if Local governments show a preparedness to embrace Option 4, we believe this would send a powerful signal to other sectors and strengthen the respect for local government.
- ▣ Option 2 is more "comfortable" than Option 4, but does not necessarily offer less risk. The risk with Option 2 is that it will be less capable of delivering outcomes for the region than Option 4. Option 4 is less "comfortable" but challenges Local Government to show leadership and best satisfies all of the agreed evaluation criteria (and the directives of the project brief). Most of all, it is more likely to deliver outcomes.

Agreement to adopt Option 4

Further discussions with the CEOs group in November reached a consensus to adopt Option 4, but using a staged approach to implementation.

The preference is to establish the organisation initially with the local government board members coming into place first, then after some months of "bedding down" and organisational establishment tasks, the non-local government board members would be selected.

This will allow more time to carefully canvass and select the highest calibre people to fill these positions.

This recommendation will need to be ratified by each of the six Councils early in 2006.

Foundation Principles for the New LeadWest Organisation

Ownership by local government

Local governments in the region will "own" LeadWest in the sense that they will be creating the organisation, its constitution and charter, funding its operation and having a (slender) voting majority on the board

Broad-based governing board

Reflective of a real partnership between local government, business, education, unions, welfare and other key sectors.

A broad charter for regional development

including economic development and employment, urban development and revitalisation, strategic regional planning and co-ordination, transport, infrastructure, education and training, human services, community development, tourism arts and culture.

The lead regional organisation

LeadWest will be the peak regional body with a charter to speak on behalf of the entire region and be the peak spokesperson for the region.

Regional focus

LeadWest will focus only on regional issues and will not become involved in local issues.

Role of LeadWest

LeadWest will undertake the roles and functions generally accepted for regional organisations, including:

- ▣ Leadership
- ▣ Setting regional vision and strategic priorities

- ▣ Coordination
- ▣ Networking
- ▣ Advocacy and lobbying
- ▣ Research and provision of regional information
- ▣ Communication
- ▣ Project management
- ▣ Attracting funding
- ▣ Leveraging action



Substantial delegation to committees

The board will delegate a substantial amount of work to various advisory committees and networks that involve a wide range of regional stakeholders.

What Happens to the Mayors and CEOs Forum?

With the establishment of the new LeadWest organisation, the running of regional projects and conduct of regional advocacy and lobbying would transfer to LeadWest.

However there will still be a need for ongoing gatherings of Mayors and CEOs, though perhaps on a less frequent basis of two or three times annually.

The informal networking and collaboration of the Forum will continue to be important for the effective functioning of regional cooperation.

Who would the non-local government LeadWest board members be accountable to?

The responsibility of Board members is to serve the organisation and the region and to take action that is in the interests of the region as a whole, not individual sectors, organisations or municipalities.

Non-local government board members may be representative of a particular broad sector, but would not be "hat-wearers" ie they would not be representing particular organisations; they would be chosen for their qualities, skills, intellect, experience and influence.

How would the non-local government representatives for LeadWest be selected?

The five non-local government representatives should, in the first instance (ie when the organisation is initially formed) be selected by the six local government representatives with the advice of their CEOs. The decision should ideally be unanimous.

The list of "regional movers and shakers" resulting from this study could be used as a useful reference for identifying possible candidates.

For the appointment of non-local government reps after three years (ie the second term) the following process could be used:

- ▣ Notices would be placed in all local papers circulating in the region and in the Metropolitan dailies calling for nominations.
- ▣ Letters of invitation for nomination would also be sent to all stakeholder bodies on the regional database.
- ▣ The six local government reps with the advice of their CEOs would consider the nominations against a set of agreed criteria. They would also be free not to choose any of the nominated persons if they felt that better quality candidates were available; and be free to approach others who were seen to be more suitable.

Who are non-local government board members accountable to?

All Board members are first and foremost accountable to the regional organisation. Their responsibility is to act in the interests of the region as a whole.

They are appointed and selected not as representatives of a particular sector or organisation, but for their worth as individuals, based on their particular qualities.

Desired qualities of non-local government board members

Each person should have at least several of the following qualities:

- ▣ Demonstrated commitment to the region.
- ▣ Capacity to influence and "open doors".
- ▣ Highly regarded/respected by a broad range of people.
- ▣ Willingness/capacity to consider the region's interests as whole - over and above the interests of the particular sector they may come from.
- ▣ Lateral thinkers, innovative, ideas people.
- ▣ Wisdom and maturity.

Business Plan Framework

A framework for a 300-day plan for establishing the new LeadWest organisation has been prepared and is contained in Chapter 16.

This provides practical guidance about the establishment and early operation of the new organisation.

Chapter 16

Business Plan Framework for the New LeadWest Organisation

The “300-Day Plan”

■ This business plan framework presents an action plan or ‘to do’ list for the first 300 days of the new regional development organisation.

It encompasses two phases:

- Phase 1: Establishment
- Phase 2: Operation.

While this Plan presents an overview of key tasks, there may well be other specific actions or responsibilities required.

Specific legal and financial advice should also be sought where appropriate.