



Frankston City Council

Economic Strategy

2008-2013

DRAFT

23 September 2008

1.1 INTRODUCTION

It is widely recognised that Frankston City is on the cusp of a major socio-economic transformation. Those involved in the property market regularly refer to Frankston as the 'next big thing' and with many significant private and public investment projects, it is clear that these are exciting times in Frankston City.

Frankston City has a number of regional facilities and, as a result, has an influence that extends into the southern metropolitan region and the Mornington Peninsula. A number of factors, including Frankston City's bayside location, its transport infrastructure and the size of the Frankston city centre provide the municipality with a competitive advantage in attracting investment.

Frankston City Council has a strategic role to further facilitate the growth of an innovative and sustainable business community. However, in doing this, the competitive strengths and advantages of the City's position in Melbourne's southeast, must be recognised. It is through the municipality's proximity to both Melbourne and the nearby growth corridor that we are able to attract further venture capital, innovation, and employees to Frankston City.

By working collaboratively with many key stakeholders – Council, businesses, the wider community, and different tiers of government – Council's Economic Development (ED) team aims to further reinforce Frankston's position as the showcase investment destination in Melbourne's southeast.

Frankston City Councils *Economic Strategy 2008-2013* strives for Frankston City to capitalise upon existing strengths, while overcoming challenges through relevant and effective partnerships to cement its position as a vibrant business hub. This includes existing partnerships and the development of further partnerships and networks as a means of harnessing existing assets, building capacity, developing skills and embracing new opportunities and technology.

Through this Strategy, Frankston City will lead the way in innovative business practices and provide diverse local employment opportunities by 2025.

The Strategy focuses on the role of local government in economic development and the areas that the Frankston City Council can influence to achieve a strong economic future for the City. The Strategy recognises partnerships as critical for future economic prosperity.

The Strategy identifies five key themes that will guide the allocation of Frankston City Councils Economic Development resources.

1. Employment Precinct Growth
2. Education, Training and Employment
3. Networking and Partnerships
4. Marketing and Promotion
5. Information and Guidance

1.2 Economic Vision

In delivering Council's Economic Strategy we strive to achieve:

A city that is vibrant, safe, clean, and has a strong relationship with the bay; a population that is proud, values learning, and linked to opportunities; and an economy that is connected, sustainable, growing, innovative and provides balanced work/life practices.

1.3 Vision Elements

Frankston City's economy has **three fundamental drivers**:

1. **Frankston CAD** – a regional capital that services the southern metropolitan region and the Mornington Peninsula providing a full range of goods and services, employment, and leisure opportunities
2. **Employment precincts** - comprising the City's remaining activity centres and industrial hubs. The principal focus of the activity centres is to provide a range of goods and services, and employment

opportunities to meet the needs of their local communities. The principal focus of the industrial hubs is to provide a valuable source of export activity

3. **Significant investment opportunities** – as afforded across a diverse range of key sites (both greenfield and infill) and infrastructure projects (both soft and hard)

In nurturing these drivers the vision is supported by **eight vision elements**:

- **Education and training** that:
 - Positions Frankston as a high quality tertiary education hub;
 - Provides a highly skilled workforce for the local business community to draw upon; and
 - Has a culture of continuous learning that is proudly embraced by businesses and residents
- **Lifestyle and destinations** where:
 - Bayside and country lifestyle assets are maximised;
 - Residents and visitors enjoy a range of attractions, events and recreational activities; and
 - The built environment is characterised by high quality premises located within attractive settings
- **Technology** that:
 - Positions Frankston as Australia’s ‘Silicon Valley; and
 - Is embraced broadly by the local business community
- **Business Networks** that:
 - Are strong, active and representative;
 - Work in partnership with Council to deliver the Economic Strategy; and
 - Encourage a culture of social responsibility
- **Culture of entrepreneurship** that has:
 - A vibrant home based business community; and
 - A dynamic, innovative and growing micro-business sector
- **Environmental sustainability** where:
 - Business practices achieve reduced ecological footprints; and
 - Employment precincts provide compact multi-dimensional land use patterns
- **Community health and well being** is achieved through
 - Work life balance;
 - Inclusive and accessible spaces; and
 - A strong local sense of place
- **Whole of Council approach** that demonstrates:
 - Bold and timely decision making;
 - Strong and proactive leadership;
 - Integrated strategies, plans and actions; and
 - Regional collaboration

Economic Sustainability is considered to be achieved where:

- *Businesses strive for excellence through a process of continuous improvement*
- *There are sufficient jobs in the local area to meet the needs of the local workforce*
- *There is a diverse business community offering a wide range of meaningful employment opportunities*
- *Local businesses satisfy the needs of consumers within the local catchment area and there is not an over-reliance on imported resources*
- *Individuals can easily and with dignity, access their place of employment and the services offered by the general business community*
- *There are sufficient local training opportunities available to meet individual and business needs*
- *The business community works collaboratively for the betterment of the area in which they trade*
- *Businesses recruit from all sections of the local community*
- *There is an adequate supply of labour to meet the needs of businesses and sufficient jobs to meet the needs of the community*
- *There is sufficient access to, and availability of land or property, that is identified for business purposes within the municipality*

1.4 Economic Mission Statement

To work collaboratively with the community to promote and guide prosperous, diverse and sustainable business growth, leading to meaningful employment and broader community benefits.

1.5 Charter

Council's success in setting the conditions for a thriving and sustainable economy will depend on its ability to work collaboratively to:

- ✓ Assist the expansion of local firms and support investment by new and existing businesses to expand production, increase efficiencies and strive for business excellence
- ✓ Understand emerging business opportunities and threats, and the support Council may provide for business to respond to these
- ✓ Facilitate stronger correlation between employment opportunities and the local workforce created through economic prosperity and skills development
- ✓ Provide high quality services in traditional areas of planning, cleaning, roads, waste collection, and urban infrastructure provision and maintenance
- ✓ Position Frankston City as a desirable investment destination
- ✓ Make timely decisions relating to controls and regulations that affect investment through flexible government and strong leadership
- ✓ Introduce planning procedures that offer certainty for investment in the long term
- ✓ Establish a culture that support a 'whole of Council' approach to economic development
- ✓ Respond effectively and efficiently to the needs of business and investors to draw new income from exports and reduce leakages of income through imports and investment of local savings elsewhere

1.6 Economic Strategy

The Strategy identifies five key themes that will guide the allocation of Council resources. Strategic objectives and actions have been developed beneath these themes to achieve the Economic Charter.

1. Employment Precinct Growth

There is a great diversity of employment precincts within Frankston City. These range from small neighbourhood shopping centres through to vibrant industrial precincts and Frankston city centre, which is widely recognised as the economic capital of the region.

Each employment precinct has its own unique range of needs and challenges which must be met to maintain economic viability, competitiveness and fulfil local needs. Therefore each precinct should be considered separately and appropriate strategies should be developed and implemented.

The Frankston central activity district (CAD) is clearly the region's most significant commercial employment precinct with over 111,000 square metres of retail floor space and 68,000 square metres of office floor space. The Victorian State Government has recognised the Frankston city centre as a transit city and a principal activity centre one of 13 throughout Victoria. The *Frankston TAFE to Bay Structure Plan* provides a framework for how Council, in partnership with other key stakeholders, will undertake a renewal program for the area between the transit hub and Kananook Creek.

With the opening of Eastlink, Carrum Downs is now perfectly positioned to grow and strengthen its role as a high quality light industry employment precinct. Other established industrial precincts have the opportunity to consolidate upon their existing strengths.

For many businesses considering investing within Frankston City the availability of good and affordable infrastructure (transport, streetscape amenity, utilities, telecommunications, waste removal, etc) is a key determinant. Frankston City Council has the opportunity to either influence the provision of infrastructure through other agencies, or provide the infrastructure itself. When the upgrade of existing infrastructure or the development of new infrastructure is being considered Frankston City Council has a duty to evaluate the potential impacts upon the business community.

In partnership with the business community, Frankston City Council has a responsibility to ensure that all employment precincts provide dignified access, demonstrate high standards of presentation, and promote a sense of place. There must also be a provision of a coordinated and effective integration of social, economic, recreational, cultural, civic, and built characteristics.

Objectives

- 1.1 *To stimulate the growth within key employment precincts through targeted programs and initiatives that build upon strengths and opportunities*
- 1.2 *To work collaboratively with key stakeholders to determine and advocate for required infrastructure and presentation standards*

Key Actions:

To achieve these objectives Frankston City Council will:

- ✓ Investigate and monitor the effectiveness of place management models within employment precincts throughout Frankston City
- ✓ Develop a Retail Strategy and Business Attraction Strategy for Frankston CAD in partnership with key stakeholders to revitalise the business community of the Frankston CAD
- ✓ Develop ongoing relationships with leasing managers and major property owners to achieve lower vacancy rates, a better business mix and ensure high level of presentation standards
- ✓ Support the delivery of high quality streetscape improvements in key employment precincts

2. Education, Training and Employment

With a broad range of quality education providers within Frankston City, the municipality has a unique opportunity to position itself as a Tertiary Education Hub.

Through the *Learning City Strategy* Frankston City Council demonstrates its commitment to learning through an understanding of the value of lifelong and life-wide learning in enhancing an individual's opportunities and the capacity for businesses to capitalise on the skills of the local labour force. Council recognises there are many key stakeholders integral to the education-to-employment transition, and it has the opportunity to capitalise upon existing linkages between these stakeholders to ensure optimal outcomes are achieved for our communities.

Frankston City Council also recognises that education and training opportunities are vital to the ongoing capacity building and continuous improvement of its local business community. Through the provision of high quality, timely and effective forums which enable businesses to review their business practices and implement appropriate changes, Council aims to strengthen the ability of business to undertake new tasks and increase local employment opportunities.

Objectives

- 2.1 *To build upon the educational strengths of the municipality to positively influence the attainment of skills and transition into meaningful employment*
- 2.2 *To influence the development and delivery of educational programs to maximise the relevance of continuous learning for the business community*
- 2.3 *To encouraging continuous improvement of business practice and knowledge through the provision of targeted training opportunities*

Key Actions:

To achieve these objectives Frankston City Council will:

- ✓ Promote career and educational opportunities available within the municipality and the region
- ✓ Work collaboratively with the business community to increase the number of practical experience opportunities in the workplace for students
- ✓ Reinforce the reputation of Frankston as a Tertiary Education Hub, linking all of the educational opportunities and student needs in a coordinated offer
- ✓ Understand the key skill shortages and recruitment difficulties experienced by business, and workshop solutions to reduce the skills gap with appropriate partner organisations
- ✓ Promote diverse skills as a key driver of economic development
- ✓ Promote the value of training and education for strengthening business prosperity and attaining best practice
- ✓ Develop and hold a series of Industry Forums to provide an overview of activities, strategies, infrastructure and technology, and legislation changes that may impact upon different sectors

3. Networking and Partnerships

It is widely recognised that working within effective partnerships delivers greater results than independent actions. The Economic Development team seeks to proactively identify key internal and external stakeholders to achieve outcomes that positively contribute to the economic prosperity of the region and the individual businesses operating within it.

In many instances the opportunity for individuals to share experiences with other business operators is invaluable for confidence and relationship building. Frankston City Council is committed to ensuring there are many opportunities for local businesses to network with each other and with businesses from outside the municipality and recognises that the Frankston Business Chamber plays an important role to connect and support the local business community in ways that complement many of Council's activities.

Objectives

- 3.1 *To work in partnership with key business associations and stakeholders to encourage a culture of business connectivity that facilitates the exchange of ideas, lead generation and achieves business excellence*
- 3.2 *To continue to work collaboratively and strategically with key regional partners*

Key Actions:

To achieve these objectives Frankston City Council will:

- ✓ Facilitate the strengthening of a municipal-wide / umbrella Business Group that is representative of the Frankston City business profile
- ✓ Encourage business's participation in networking opportunities principally through local and regional peak organisations
- ✓ Encouragement and promotion of demonstrated business excellence
- ✓ Encourage the development of innovative and creative businesses with the establishment of a Business Excellence Centre, through investigations into the feasibility of an incubator, and if feasible, establish incubator
- ✓ Continue to play an active role in Melbourne South East (MSE) to attract appropriate and sustainable development to the region
- ✓ Advocate for the delivery of key projects through Local, State and Federal Government or private partnerships

4. Marketing and Promotion

Frankston has traditionally been the regional hub for shopping, education, health, community services, financial, recreation and entertainment activities, servicing the Mornington Peninsula and the nearby south east growth corridor. There have been many significant public and private sector investments within the municipality and Frankston City Council aims to build upon these projects to reinforce the regional importance of Frankston.

Where an industry sector is under-represented in the municipality or where there are new or unoccupied geographical precincts and premises, Frankston City Council has the opportunity to influence which businesses are established. By attracting appropriate sustainable businesses Frankston City Council subsequently has the ability to influence and increase the diversity of the business community, increase access to meaningful employment and maximise the ability for the local business community to meet the needs of local consumers.

Frankston City Council undertakes an annual survey of the local business community and this has showed that there are significant opportunities to increase awareness of the support services that the Economic Development team and Frankston City Council more broadly provides to the local business community.

Objectives

- 4.1 *To promote and reinforce Frankston City as a key employment and learning centre within the south east region*
- 4.2 *To encourage and influence appropriate enterprises to invest within the municipality*

4.3 *To increase awareness of economic development services provided across all departments of Frankston City Council*

Key Actions:

To achieve these objectives Frankston City Council will:

- ✓ Continue to actively market the competitive strengths and advantages of the region
- ✓ Undertake collaborative marketing campaigns particularly those that cross-market the goods and services of local businesses to each other
- ✓ Develop an investment strategy that highlights and promotes opportunities for development to potential investors that supports the implementation of:
 - *Frankston Industrial Strategy*
 - *Frankston TAFE to Bay Structure Plan*
 - *Tourism Strategy*
 - *Retail Strategy*
 - *Marine Industry Cluster Strategy*
- ✓ Promote Frankston City Council's business support and economic development offer – both internally and externally
- ✓ Actively and effectively use the internet to communicate with the business community and maintain a comprehensive business database

5. Information and Guidance

Frankston City has just over 9,000 extremely diverse businesses, and with over 16,300 of the employees of these businesses being local residents it is critical for the ongoing health and wellbeing of the area to nurture and facilitate the ongoing viability, growth and resilience of the business community.

It is important to ensure that businesses planning to invest within Frankston City (be they existing businesses seeking to expand or new businesses relocating or establishing within the region) are able to make informed decisions and are aware of the processes and considerations of local authorities. To this end it is equally important to ensure that they are aware of the services available to them to assist and guide them through the process.

Objectives

5.1 *To facilitate informed decision making that leads to sustainable investment and business growth*

5.2 *To provide direction and clarity regarding Council's regulations and decision making processes*

Key Actions:

To achieve these objectives Frankston City Council will:

- ✓ Expand on the program of visits to businesses
- ✓ Provide a current economic and demographic profile of the area to assist businesses seeking to expand or establish within the municipality
- ✓ In partnership with other key stakeholders broker and develop a range of business advisory and mentoring services to assist businesses with their decisions and ability to:
 - Increase investment to achieve business growth
 - Increase the level of import replacement
 - Reduce leak expenditure
 - Increase exports (inter-regionally and internationally)
- ✓ Develop a suite of Economic Development information to be made available in a variety of formats to any business seeking to invest within the municipality
- ✓ Monitor the capacity of existing business and industrially zoned land, and (where appropriate) to respond to the changing needs of the economy
- ✓ Establish a referral program of all pre application and permit applications relevant to the ED team and monitor the progress of all applications that ensure red tape minimisation

1.7 Measurement Period

The *Economic Strategy Action Plan* (OBBIE Ref – A549762) is a fluid document which will be monitored against the outcome measures and reviewed annually to ensure projects are relevant and consistent with this Strategy, other corporate documents, community visions and departmental business plans.

This Strategy shall be comprehensively reviewed in 2013.

APPENDIX 1¹

FRANKSTON IN CONTEXT

Frankston City is situated on the eastern shores of Port Phillip approximately 40 kilometres south east of Melbourne. The municipality covers an area of approximately 131 square kilometres from Seaford Wetlands in the north to Mount Eliza in the south and east to the Western Port Highway. The western boundary of the city consists of approximately 10 kilometres of coastline along Port Phillip Bay.

Frankston City is strategically placed as the Activity Centre for the Mornington Peninsula and the nearby South East Growth Corridor of Melbourne. Frankston City provides regional shopping, education, health, community service, financial, recreation and leisure and entertainment facilities for a population catchment far greater than its municipal boundaries.



A number of factors, including Frankston City's bayside location, its transport infrastructure and the size of the Frankston city centre provide the municipality with a competitive advantage in attracting investment. Significant investments within the municipality are changing the perception of Frankston City as a desirable place to live, learn, work and play. Some recent and proposed major projects include:

- Redevelopment of Frankston Waterfront, including a new pedestrian bridge, restaurants, feature paving and landscaping, public art, accessible boardwalk and children's playground
- Development of the northward extension to Bayside Shopping Centre including over 50 new specialty shops, two anchor tenancies, a feature pedestrian bridge and 1,800 car parking spaces
- Construction of Wells Street Entertainment Precinct including 12 cinemas, bowling, restaurants, plaza, public art and 400 car parking spaces
- Expansion of Karingal Hub Shopping Centre, including 10 cinemas (including Australia's second largest cinema screen), restaurants and a further 3,000 square metres of retail floor space.
- Construction of Langwarrin Plaza Shopping Centre (9,500 square metres)
- Expansion of Carrum Downs Shopping Centre
- Construction of Sandhurst Golfing Estate, which comprises two 18 hole golf courses and 1,850 residential lots and has been declared a suburb in its own right
- Construction of the state of the art Visitor Information Centre on the Frankston Waterfront adjacent to Sofias Restaurant
- Duplication of Frankston-Cranbourne Road
- Completion of significant works within the Seaford Village precinct, including streetscape improvements, undergrounding of power lines and redevelopment of the Seaford Life Saving Club
- Completion of the \$2.5 billion EastLink toll way between Frankston and Mitcham. This major transit route provides linkages along the key north-south employment corridor of Melbourne's east.
- Redevelopment of the Peninsula Centre, one of the most controversial, in appearance, buildings in the city centre
- Safe Boat Harbour at the base of Olivers Hill

¹ Further background detail and statistics that have been used to support the development of the Economic Strategy may be found in the *Economic Strategy Background Report* (OBBIE Ref – A549747)

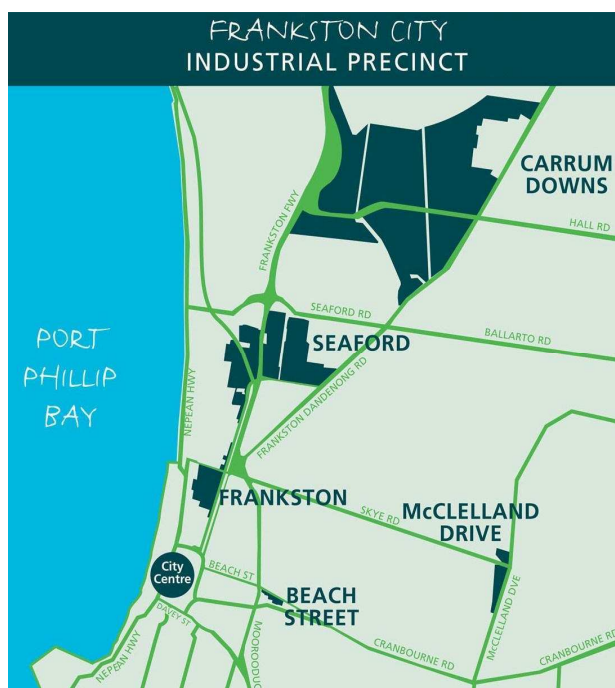
- Completion of the bulky goods precinct on McMahons Road, Frankston
- The proposed development of a regional aquatic centre in partnership with Monash University
- Identification, attraction and development of quality conference and hotel development(s).

With growing recognition of the beautiful bayside attributes of the area, Frankston City is increasingly being rediscovered as a destination for visitors in its own right. The increase in visitor numbers has the potential to positively impact upon the local business community, in turn, further reinforcing the regional significance of the commercial and retail precinct.

Monash University, Chisholm Institute of TAFE and many quality secondary schools are located in the Frankston area, providing an opportunity to strengthen the municipality’s role as a learning city by embracing an environment of life-long and life-wide learning. This is being achieved by encouraging continuous improvement in the business community, building upon the training and educational strengths of the area and assisting with the transition of individuals into meaningful employment.

Building on the educational strengths of the area, Frankston Hospital, a part of the Peninsula Health network, provides a clinical school for medical students, as well as providing training opportunities to nursing students. Frankston Hospital has undergone significant redevelopment in the past 10 years, with further investment planned. 2006 also saw the opening of the Frankston Private Hospital (specialising in oncology). With other local private hospitals, rehabilitation clinics, and distinct medical precincts, the health and wellbeing of the local community is well served.

There are significant opportunities for business investment along the Frankston-Carrum Downs and Frankston-Langwarrin corridors resulting in opportunities for job growth in these areas.



Situation Analysis - C.O.W.S.

External Factors

There are a number of external factors that impact upon the business community of Frankston city. Foremost of these is that Frankston is struggling to overcome a poor reputation which is reinforced in the media. There is the risk that this perception could be further reinforced if the Frankston business community believes this reputation and provides a business offer to meet this perception of mediocrity. This in turn could deter potential customers. However, Frankston City is ideally positioned to take advantage of its natural environment as well as significant infrastructure projects.

Challenges	Opportunities
<ul style="list-style-type: none"> • Perception of Safety – there is a lower perception of community safety after dark than the metropolitan average with a rating of 43% compared to 66% Melbourne metropolitans average • Reputation of Frankston – for historical reasons and ongoing poor representation in both local and state-wide media, Frankston has a reputation/stigma that is not deserved • Anti-social behaviour – there is a perception that there is an excessive level of undesirable behaviour which deters potential customers • Skills Shortages – throughout Australia there are recognised skills shortages – with different industries experiencing these to differing degrees. These shortages are also reflected at a local level • Engagement with education - there is an issue in the broader community regarding low perception of, and engagement with education, suggesting that the value attached to education and the culture of learning is low. This is further reflected in low school retention rates • Congestion within Municipality – there is already significant traffic congestion within the city centre, which has been compounded with the completion of EastLink, resulting in further pressure to invest in a bypass • Delayed investment in major public and private project – potential investors seem to be delaying their developments while waiting for other significant investments to come to fruition • Low income demographic – the immediate catchment of the local business community is predominantly lower income. However, the <u>potential</u> catchment has a very diverse socio-economic status. 	<ul style="list-style-type: none"> • Recycled Water – there is significant potential for access to an abundant supply of recycled water supply from the Eastern Treatment Plant • An under-utilised local workforce – there are a significant number of individuals that are reliant on benefits that could be encouraged to participate in the labour-force • EastLink –Eastlink will considerably shorten the travel time between Frankston and the Melbourne CBD • Lifestyle – Frankston City offers a quality location with attractive living and working environments. Being a bayside city, Frankston has a unique point of difference from its direct competitors, with reorientation of Frankston towards the bay already commenced • High catchment area of consumers, employees and investors extending far beyond the municipality. • Visitors – Frankston is increasingly being viewed as a tourism destination in its own right as well as being the gateway to the Mornington Peninsula • Potential Safe Boat Harbour – this will further heighten awareness of the bayside features and benefits of Frankston • Flow of Traffic – generally commuters to Frankston are travelling against the flow of traffic or only are only briefly exposed to peak hour congestion • Investment - opportunities exist for significant public and private infrastructure and property investment • Perception of Potential – there is widely held perception that Frankston has significant potential for growth and investment return • Affordability – property within the municipality is still considered affordable • Transport - good road and rail transport access and close proximity to the Port of Hastings, which is emerging as a key deep water port for Melbourne • Supportive Council – Frankston City Council through the Economic Development team is investing significant resources to support the local business community • Transit City – Frankston city centre is designated a transit city – resulting in significant funding for key infrastructure projects.
<p>Strategic Statement Frankston City Council will overcome the negative perception of Frankston city by re-positioning and promoting Frankston city as a desirable location to operate a business, while working with partners to minimise the impact of skills shortages.</p>	<p>Strategic Statement: Frankston City Council will continue to advocate for and promote the benefits of public and private sector projects that make Frankston City a more desirable and accessible place to visit, work, learn and invest.</p>

Internal Factors

The internal analysis concerns itself with those weaknesses and strengths internal to the Frankston business community. In essence the local business community often doesn't view itself as competing against other external business communities (e.g. the retail industry of Southland or Mornington) and as such suffers general apathy towards itself, its neighbours, and the City. However, the city benefits from very strong and proactive strategic relationships and a number of role model businesses that are extremely passionate about Frankston and its potential.

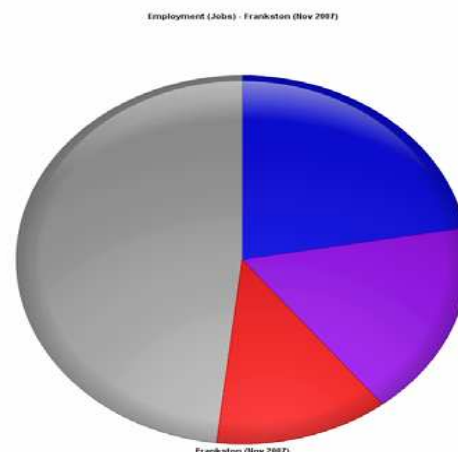
Strengths	Weaknesses
<ul style="list-style-type: none"> • Quality educational institutions - including Monash University and Chisholm Institute of TAFE, with many other tertiary institutions easily accessible and a significant number of quality secondary colleges within the municipality • Industrial estates - there are significant opportunities and requirements to build upon the existing transportation networks as greenfield sites are developed providing significant tracts of serviced vacant industrial land • A broad spectrum of existing businesses - a number of which demonstrate innovation and international best practice • Health and community services - good private and public hospitals and health services and professionals • Key stakeholders - a business and education community that is enthusiastic and willing to form relevant and effective strategic alliances • Cultural assets - both the Frankston Arts Centre and McClelland Gallery + Sculpture Park provide world class cultural opportunities locally • Frankston Business Chamber – the local business community is serviced by a coordinated peak regional body. • Broad range of Business Premises – potential businesses can select from a broad range of business locations – that gives a diversity of profile, services and amenities • Frankston's retail growth (31.0%) is surpassing both national (25.0%) and regional trends (22.5%), which is well situated to capture the significant population growth predicated in both Frankston and surrounding Council areas. • Other industries also growing beyond national rate - Construction, Manufacturing and Education, Health and Community Services are key performing industries for Frankston. • Presence of role-model businesses – there are a significant number of local businesses that provide examples of excellent business practices 	<ul style="list-style-type: none"> • Businesses Participation – currently there is a relatively low level of participation in activities/ programs that have been designed to assist businesses improve their environment and practices • Retail offer – there are relatively few shops that offer higher end retail experience. There is an emphasis on budget retail which results in minimal product diversity • Perceived competition – many businesses within the City are not maximising the benefits of competition and clustering of similar businesses • Maximising business performance – many local businesses may not operate to their maximum nor investigate means of continuous improvement. • Businesses don't perceive themselves as part of a beachside community • High end hotel/conference facilities – there are no high end hotel/conference facilities within the municipality • Bulky good precinct – the development of a bulky goods precinct 2km from the city centre is likely to impact on the amount of vacant premises within the city centre as some businesses relocate
<p>Strategic Statement: Frankston City Council will continue to reward, support and promote the diverse business community of the City and encourage the development and strengthening of relevant and effective strategic relationships.</p>	<p>Strategic Statement: Frankston City Council will continue to motivate and educate local businesses to continuously improve their business practices – thereby increasing the quality and diversity goods and services offered.</p>

THE LOCAL ECONOMY

Industry Profile²:

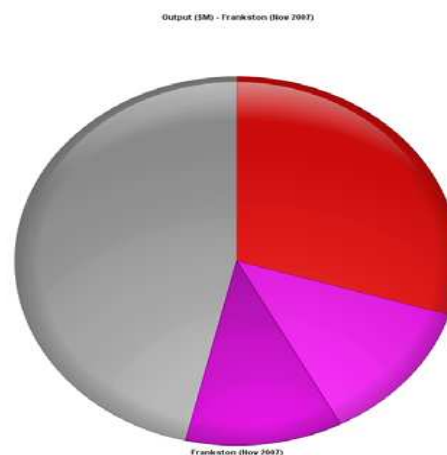
- Total number of business 9,162 (*ABS Business Register 2007*)
- Largest sectors by number of business: Construction, Property & Business Services, Retail, Personal & Other Services, & Manufacturing.
- Total number of jobs 33,863 of which 47% are filled by residents outside Frankston largely from Mornington Peninsula (43%) and Casey (19%)
- Largest employers by sector: Retail, Health & Community Services, Manufacturing, and Education

Employment by Sector	Jobs	%
Retail trade	7,462	22
Health & Community Services	5,741	17
Manufacturing	4,177	12
All other sectors (14)	16,171	48
Total	33,55	



- Major Employers:
 - Manufacturing - Australian Arrow, Plasticover (JV) Pty Ltd
 - Public Sector - Frankston City Council, Peninsula Private Hospital, Frankston Hospital, Peninsula Health Network, Monash University, Chisholm Institute of TAFE, Lorikeet Lodge
 - Service Industry - Market Metrics, Peninsula Bus Lines, Armaguard & ASAP Security Services
 - Retail Industry- Coles, Myer, Ritchies, Bunnings, Target, Safeway, K-Mart
- Size:
 - Predominantly small business:
 - 85% employ less than 4 people and 58% employ none
 - 13 % employ between 15 to 49 people & 2% employ 50+
- Turnover:
 - 90% turnover less than \$1m per annum
 - 47% <\$100K; 36% \$100-\$500K; 7% \$500K-\$1m; 8% \$2-\$5m; 2% \$5m+ (with none exceeding \$200m)

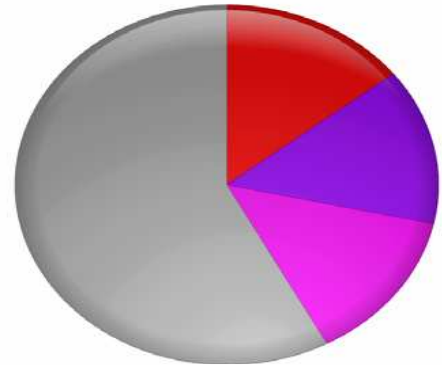
Output by Sector	\$M	%
Manufacturing	\$2,117	30
Property & business services	\$893	13
Construction	\$815	11
All other sectors (14)	\$3,299	46
Total	\$7,124	



- Economic Overview
 - \$3.3 Billion Gross Regional Product (up \$290 million since 2001) – representing 6% of the Melbourne South East region's Gross Regional Product
 - \$7.1 Billion economic output (up \$800 since million): major contributors: Manufacturing, Property & Business Services, Construction and Retail
 - \$1.8 Billion regional exports (up \$270 since million 2001): major contributors: Manufacturing 51%, Retail 9%, Construction 7%, Property & Business Services 7%
 - \$2.9 Billion Value Adding (up \$300 million since 2001): major contributors: Manufacturing Health & Community Services, Property & Business Services and Retail

² Key industry profile indicators are sourced from REMPLAN and a range of ABS data sources. Comparisons have been made between 2001 and 2006.

Value Add by Sector	\$M	%
Manufacturing	\$423	14
Health & community services	\$412	14
Property & business services	\$401	14
All other sectors (14)	\$1,694	59
Total	\$2,929	



Frankston City Council Business Health Survey 2008

This survey was designed to assist Council to construct a profile of the local business community and what Council's role in assisting the development of businesses should be. The key findings are summarized to follow:

- Greatest strengths and competitive advantages:
 - 52.1% population growth & density
 - 51.2% central location to both Peninsula & Melbourne CBD
- Greatest disadvantages: (8% had none)
 - 58.6% Drugs and crime
 - 55.7% Perceived negative image by visitors
- Future growth:
 - 72.5% expect increase in turnover
 - 29.0% expect to increase staff (66.1% stay the same)
- Satisfaction with Council:
 - 67.7% satisfied with ED services
 - 74.5% satisfied with ED communication

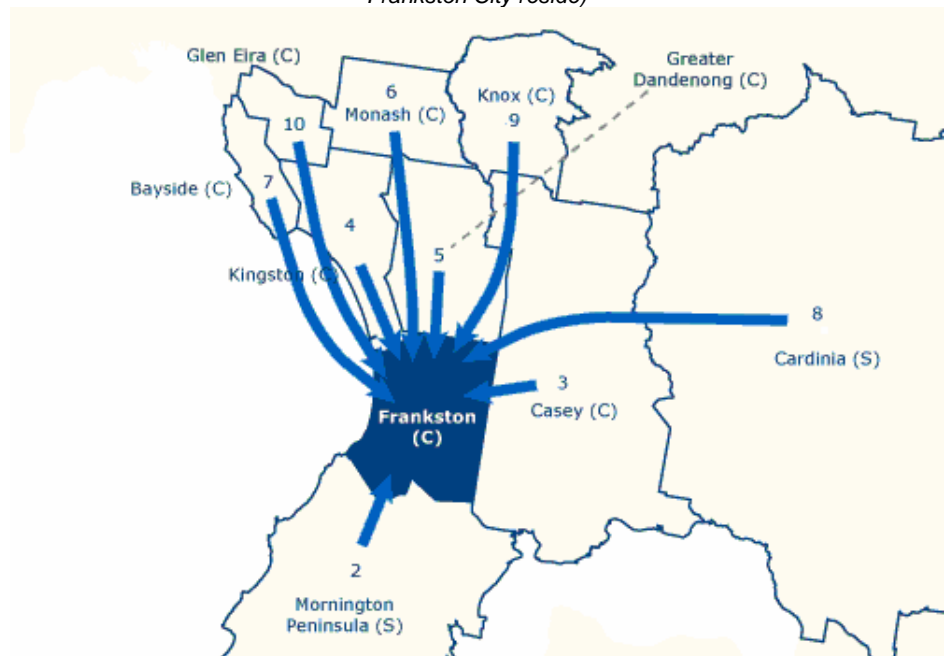
POPULATION PROFILE

Resident workforce:

- 67,731 (15 years and over) based on 2006 Census of whom 29,603 are not in the workforce establishing a 66% participation rate (slightly higher than the Melbourne Statistical Division (MSD) 64%)
- Population 121,587 which is predominantly young (25% under the age of 17) and Australian (72%)
- Unemployment generally the same as Australian average at 4.5% August 2007 but more pronounced in Frankston West (5.2%) and less in Frankston East (3.2%)
- Largest employment sectors Retail 22.2%, Health and Community Services (17.1%), and Manufacturing (12.4%)
- 33% Frankston jobs filled by residents
- 54% of residents live and work in Frankston (those working outside work in Kingston 11%, Greater Dandenong 10% & Mornington Peninsula 8%)
- Relatively low income levels: 17% high income (>\$1700 per

Map of top 10 residential locations for workers in Frankston City 2006

(Numbers represents order of top 10 of locations where employees who work within Frankston City reside)



Source: i.d 2005 (amended 2008)

week) and 20% low income (<\$500 per week) compared to the MSD profile of 25% and 18% respectively

- Relatively low skills: 36% have educational qualification and 50% have none, compared to the MSD profile of 41% and 46% respectively
- Relatively low school retention rate of 31% compared to the MSD 43%
- Relative Socio Economic Disadvantage is high ranking 23rd out of 31 metro Councils

Property Prices:

- Significant increase in value over the past 10 years in line with Melbourne trends which steadied from 2005 onwards
- Median house prices \$50,000 below the Melbourne Metropolitan average (more affordable) with Frankston South attracting the highest median sale price (\$387,000) and Frankston North the lowest (225,000)
- Marginally declining residential building approvals and minimal growth in non residential approvals amounting to \$275 million in 2007 (down \$97 from 2006)
- The value of building work has declined since 2005/06 and remains predominantly residential despite a peak in retail development in 2005/06. The key contributor to non residential development is retail both in terms of the number and value of approvals.

Frankston Skills in Demand Survey August 2006

Completed by the Federal Government Department of Employment and Workplace Relations (DEWR) and Frankston City Council the survey the study identifies a number of structural issues for the Frankston labour market. While some of this research was based on the Mornington Peninsula Labour Force Region (LFR) which includes the Frankston city area, it also includes survey data from 606 businesses in the Frankston area.

The key findings from the report with regard to the Mornington Peninsula LFR were:

- An ageing workforce
- Higher unemployment rate at 5.9% to the Victoria average at 4.9% (at that time)
- Slightly higher workforce participation rates at (65.3% compared 64.4%)
- Lower percentages of people born overseas (23% to 29%) and born in non main English speaking countries (6.8% compared to 21.3%)
- Similar post school qualifications (42.3% compared to 43.7%)

The key findings in relation to the Frankston business survey were:

- 52% of respondents had recruited or attempted to recruit over the past 12 months
- Medium to large businesses are more likely to be actively engaged in recruitment
- Vacancies hardest to fill in Wholesale Trade, and Transport and Storage
- Vacancies easiest to fill were Manufacturing, and Cultural and Recreational
- Occupations hardest to fill were professionals, and Elementary Clerical, Sales and Service workers
- The number of quality applicants as a proportion of person applying is especially low for Associate Professionals but generally low across all occupation groups
- Unsuitability generally due to lack of experience but also poor work ethic amongst Elementary Clerical, Sales and Service Workers, and insufficient training or qualifications amongst Professionals
- Difficulty in filling vacancies largely due to the specialized skill needs of the jobs (53%), the poor attitude or work ethic of applicants (42%) and lack of applicants due to tight labour market (28%)
- 52% of employers anticipated the need to recruit staff in the next 12 months with strong growth expected in the Accommodation, Cafes and Restaurant, Finance and Insurance, Education, and Health and Community Services industries. Low growth expected in the Personal and Other Services industry.
- 32% expect recruitment to become more difficult most notably in Manufacturing and Education industries, and 25% are prepared to consider providing paid work experience to an unemployed job seeker, particularly in Wholesale Trade, and Accommodation, Cafes and Restaurant industries.
- 74% of employers staff undertake training (63% on site or 28% elsewhere in Frankston) with particularly high rates in Finance and Insurance (97%) and Health and Community Services (86%) industries
- Medium to large businesses more likely to use training (92%) compared with 67% of businesses employing less than 10 people.

- Outsourcing of training to PTO's used by 42% of employers however a significant number of employers training needs cannot be met locally. Satisfaction with training varies markedly across industries
- High number of Disability Support Pension (approx 8,200) and Parenting Payment Single (approx 6,700) customers that could provide a potential source of labour if employers are willing to provide flexible working arrangements (casual and part-time work).
- Of the five largest employment sectors in the city the following skills are the most difficult to fill:
 - Construction: Tradespersons and related workers
 - Recruitments levels low 30%, vacancies high at 21%
 - Higher growth expectations 46%, 26% expect difficulties
 - High proportion apprenticeship and traineeship 85%, 29% unfilled
 - Average levels of training at 73%
 - Retail: Elementary Clerical, Sales and Service Workers
 - Recruitment levels 52%, vacancies low at 12%
 - Continuing growth expectations 53%, 13% expect difficulties
 - Average proportion apprenticeship and traineeship 42%, 11% unfilled
 - High levels of training 78%
 - Manufacturing: Labourers & related workers, Tradespersons & related workers
 - Recruitment levels 54%, vacancies very low at 5%
 - Lower growth expectations 46%, 54% expect difficulties
 - Average proportion of apprenticeship and traineeships 44%, 42% unfilled
 - Average levels of training at 73%
 - Property and Business Services: Elementary Clerical, Sales and Service Workers
 - Recruitment levels 55%, vacancies low at 14%
 - Higher growth expectations 59%, 35% expect difficulties
 - Average proportion apprenticeship & traineeships 40%, 32% unfilled
 - High levels of training 82%
 - Health and Community Services: Professionals
 - Recruitment levels very high 72%, vacancies high at 44%
 - Lower growth expectations 64%, 38% expecting difficulties
 - Low proportion apprenticeship and traineeships 28%, 5% unfilled
 - High levels of training 86%