

Darebin Green Business Attraction Strategy

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1. INTRODUCTION

Attracting and supporting green businesses is one of a number of objectives identified in Council's Business Development and Employment Strategy 2012-2015 to increase the number of environmentally sustainable businesses in Darebin. The development and implementation of a Green Business Attraction Strategy was one of the key actions supporting this objective.

In April 2012 Charter Keck Cramer was appointed by the City of Darebin to prepare a Green Business Attraction Strategy (the strategy) for the municipality. This strategy aims to attract and support green businesses within Darebin through a range of initiatives that may be implemented by Council.

1.1 Context

The potential for the green business sector to expand and diversify with Darebin is significant. Changing attitudes towards the environment, social issues and sustainable development generally extend from local households through to large corporations. Importantly, the pace at which this shift in attitudes is occurring has resulted in many green businesses, products and services now being considered part of the mainstream economy.

The growth potential of green businesses is not only supported by changing attitudes but also economic pressures such as the increasing cost of electricity and waste disposal. Similarly, organisations are increasingly recognising the importance of energy efficient green buildings to not only the environment but also workforce productivity and building operating costs.

An increasing number of larger corporations are recognising that being environmentally and socially responsible makes good business sense. Customers, employees and other businesses are increasingly demanding that businesses be socially and environmentally responsible.

1.2 Darebin's Role as a Green Business Location

There have been a considerable number of reports and strategies produced both within Australia and internationally on the opportunities for the development of green industries and businesses. Many of these relate to large scale industries associated with the renewable energy sector. However, realising these opportunities at a local level is often dependent upon access to natural resources, a skilled workforce or strong local market demand, many of which may not exist at a local level such as within Darebin.

Darebin's role as a green business location therefore needs to recognise its unique attributes that set it apart from other locations and which give it a competitive advantage. These include its inner metropolitan location, the strong commitment of local residents to green issues and the potential to meet the accommodation needs of businesses.

A range of green business opportunities exist in Darebin ranging from those which directly impact upon the environment such as recycling activities through to those which play a specialist role in facilitating green outcomes. An example of the latter would be the distribution of green products to businesses within the CBD from dedicated warehouse based businesses within Darebin. Often understated, this distribution function plays an important role in facilitating a market for more environmentally sustainable products.

While Darebin's role within the green business sector may not be as apparent as those locations with access to natural resources or an advanced manufacturing base, it will play an equally important role in facilitating a shift towards more sustainable practices at both a local and global level.

1.3 Consultation

A key component in developing a strategy to attract and supporting green businesses is to understand what makes this group different from other businesses, how Darebin may strengthen its competitive advantage as a location for green businesses, and the role that Council may play in achieving this.

A range of businesses and organisations have been consulted with in preparing this strategy in order to ensure that it addresses the needs of existing and future green businesses within Darebin. These may be broadly grouped into:

- **Local councils** that have recently investigated opportunities for attracting green businesses;
- **Industry associations** and other organisations with an interest in promoting the growth of green businesses and energy efficiency and emission reduction; and
- **Green businesses** located both within and outside the City of Darebin ranging from well established enterprises through to recent start-ups.

These organisations have been carefully selected on the basis of their capacity to provide insights into those factors that will support and encourage the growth of a green business sector within Darebin.

A number of initiatives proposed within the strategy also provide the opportunity for ongoing consultation with the green business sector.

1.4 Council's Role

Council has the opportunity to play a key role in supporting the development of the green business sector within Darebin through co-ordinating programs that support business efficiency and grow market opportunities. Importantly, these programs will focus on those elements of the green business sector that distinguish it from other businesses and hence require a more targeted approach to businesses development.

While many small businesses recognise the importance of thinking beyond the daily demands of running a business, they often lack the skills, resources, connections and time to address issues that ultimately determine their success. Therefore there is the need to provide a co-ordinated and cost effective response to addressing the needs of businesses. It is here that Council can play a key role in co-ordinating a range activities and programs that may otherwise be beyond the capacity of individual businesses.

1.5 The Strategy

The Strategy aims to provide the necessary framework and initiatives for supporting and attracting new green businesses to Darebin consistent with the municipality's competitive strengths, economic resources and Council's capacity to facilitate businesses development.

This Strategy is not intended to be a definitive document, but rather a starting point from which Council may begin to support green businesses development within Darebin. Over time, it will evolve in response to changes in the mix of businesses within the sector and the key issues that each may face. Hence, it is important that Council engage with the green business sector on a regular basis.

2. GLOBAL STATE OF PLAY

A considerable amount has been written on the opportunities for new green industries, both locally and internationally. A background review of this literature has been undertaken to identify key issues to be considered in framing a strategy for supporting green business development in Darebin.

In reviewing the literature it soon became apparent that a local area's attributes play a key role in defining green business opportunities. As a result, strategies that may be appropriate in a location offering access to natural resources, or another with an established advanced manufacturing sector, will be very different to those which may be suited to somewhere like Darebin which is defined by its inner metropolitan location and unique socio-economic profile.

What can be gained from other locations therefore is not about specific strategies or actions but rather key themes that need to be considered in arriving at an understanding of the opportunities for promoting green business development within Darebin.

Much of the literature concentrates upon the development of green industries at a national or metropolitan level rather than a local level. Therefore 'large scale' green industries such as renewable energy (solar, wind and wave), large scale recycling, clean technology and related services, and agriculture have received the greatest attention.

Similarly, many studies undertaken at a local level also tend to focus on replacement industries for traditional large scale activities (such as the steel industry) and the opportunities for cogeneration or industrial ecology.

While such studies may not be directly applicable to Darebin given the industries they focus upon, they do have a number of key messages that need to be considered in identifying green business opportunities including the importance of:

- leveraging off existing competitive advantages;
- a strong domestic market to support green businesses;
- strong policy support from Government via regulatory requirements in creating market opportunities;
- creating input advantages for green business to support their growth
- collaboration between businesses, education institutions and local councils to create advantages; and
- skills training to support green business growth.

Given that the green business sector is still relatively new there is little analysis of the success of initiatives and programs aimed at promoting growth within the sector. Much of the discussion in the literature is at a high level with recommendations that have most likely not been tested at a local level and often without any detailing of actions required to implement a strategy, or the likelihood of these actions delivering the intended outcomes.

There is also some tendency for green business development strategies to lose focus on attracting businesses and instead concentrate on improving the environmental practices of existing businesses.

3. DEFINING GREEN BUSINESSES

3.1 Context

Defining the characteristics of a green business is an important component for any strategy aimed at attracting such businesses as it not only determines the scope of the strategy but also communicates to stakeholders the types of business that it is seeking to attract.

Below provides some definitions of green activities from the literature. A common theme is that green activities are products or services that support and facilitate more environmentally sustainable outcomes.

These definitions however tend to reflect the focus of the existing literature on activities that directly impact sustainable energy use or reduce environmental damage. As a result, they often create image of 'front line' industries and activities that directly and physically influence environmental outcomes rather than being support activities. As a result, activities such as warehousing and distribution may be overlooked despite being an important link between the production and use of green products.

Defining a green business needs to recognise that achieving global sustainability involves a number of critical activities along a *green business chain* with the role of local areas within the chain dependent upon their competitive advantage.

Common Definitions of Green Activities

- The term "cleantech," often used interchangeably with "greentech," has emerged as an umbrella term encompassing a diverse business cluster with a range of environmental products, services, and processes, all intended to: Provide superior performance at lower costs; Greatly reduce or eliminate negative ecological impacts; and Improve the productive and responsible use of natural resources. (Urban Sustainability Associates).
- "Green jobs are defined as work in agricultural, manufacturing, research & development, administrative and service activities that contribute substantially to preserving or restoring environmental quality" (*United Nations Environment Programme*)
- A green job can be seen as any job that supports any form of sustainability. However, a narrower and perhaps more useful approach identifies "green skills" as the distinguishing factor. In this sense, the concept of green jobs refers to (a) Jobs in cleantech industries, (b) Construction jobs in green new construction and retrofits, (c) Environmental / sustainability related jobs in businesses that are going green, and (d) Environmental / sustainability related jobs in public agencies". (*Urban Sustainability Associates*)
- "Those programs or initiatives that encourage retention, growth and attraction of companies or organizations which offer products or services that directly or indirectly reduce the impact on the environment". (*Toronto Economic Development, Culture and Tourism*).
- Green businesses incorporate a wide range of technologies, products and services that create environmental benefit, reduce environmental risks and impacts, minimise pollution, energy and resource use, and provide sustainable alternatives to current higher impact practices. (*Regional Development Australia – Northern Rivers NSW*)
- 'The environmental goods and services industry consists of activities which produce goods and services to reduce, prevent, limit, minimise or correct environmental damage to water, air and soil, as well as problems related to waste, noise and eco-systems. (Regional Development Australia – Northern Rover NSW)

3.2 Green Business Chain

Establishing a workable definition of green businesses therefore needs to recognise that building a more sustainable global community requires a chain of activities that are linked together from the initial conception stage through to the eventual consumption of a product or service. This may be seen as a *Green Business Chain* with each stage adding additional value or a discreet business segment with opportunities for expansion and support.

Each activity is equally important in facilitating this process including generic activities such as warehousing or retailing for which the contribution they make may not be as apparent as others. Collectively, these activities can ensure environmentally sustainable outcomes. The figure below broadly shows those industry sectors involved in facilitating these outcomes. Each sector is equally important and without support and attention can undermine the sustainability objective. Consumption or demand is a key driver and must also be actively supported.

Figure 1: Green Business Chain

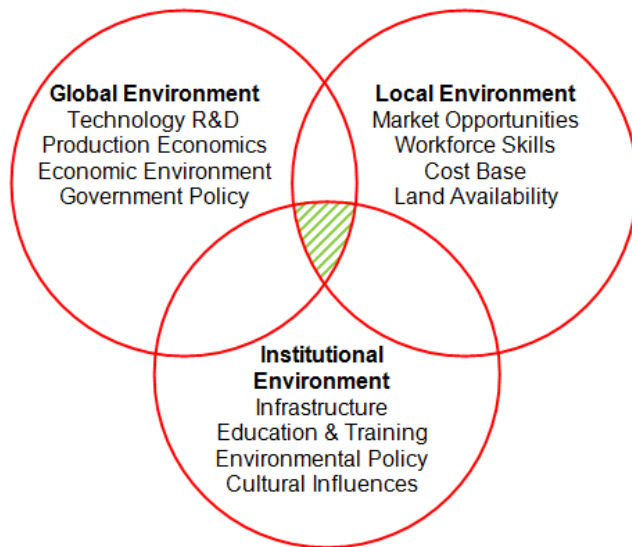


3.3 Local Area Role

The role that local communities may play in promoting this process of achieving more sustainable outcomes is dependent upon their competitive advantage, which will determine those activities where it is able to have the greatest impact upon global sustainability.

The figure below shows some of the key factors influencing where in the *Green Business Chain* communities such as Darebin may play a role. Essentially the *Global Environment* represents all potential green business activities at a global level, of which only a portion are likely to be commercially viable in any local area based upon the *Local Environment* and *Institutional Environment*.

The shaded area in the figure below represents that segment of the global green business sector where a local area has the necessary competitive advantages to support the growth of local green businesses. While Darebin City Council is unlikely to influence global factors to encourage green business opportunities, it may have an influence on those factors relating to the local and institutional environment.

Figure 2: Green Business Sector Influences

3.4 Green Businesses – A Working Definition

For the purpose of this strategy a green business activities have been defined to be:

"A green business is either directly providing "green" goods and/or services or else is committed to improving their resource efficiency and minimising their negative environmental impact."

However, in assessing the potential for individual businesses to satisfy this definition needs to consider the extent to which:

- Businesses contribute to sustainability through being a part of a *Green Business Chain*;
- Businesses reflect Darebin's competitive advantages to the extent that they are both commercially viable and also make the greatest contribution to sustainability;
- The proportion of a firm's products or services which are devoted to green business activities; and
- Businesses generate jobs consistent with the demands of the market.

4. STRATEGIC POSITIONING

Darebin's competitive advantage as a green business location and the types of business activities that may be supported will reflect its own 'internal' strengths and weaknesses, together with those 'external' opportunities and threats that establish the broader environment that it and other local areas must respond to. The following assessment of these factors provides a number of key insights into Darebin's competitive advantage as a location for green businesses.

4.1 Strengths

- Proximity to Melbourne CBD.

The Melbourne CBD represents a significant market for green products and services particularly given the growing importance of corporate responsibility to larger organisations. Not only does Darebin's location allow green businesses to better service this market, but equally as important allows customers to visit businesses. Green retailers would also benefit from a relatively inner location particularly given Darebin's proximity to the Eastern Freeway and Hoddle Street in the south and the Metropolitan Ring Road to the north.

Consultation has found, an inner location is also important for attracting corporate volunteers. For smaller green businesses, which typically operate on low margins, the opportunity to reduce their labour costs and tap into the skills and expertise offered by the corporate sector may be critical to the success of their business.

- Accessibility

Darebin is easily accessed by road and public transport services which supports the ability of businesses to service customers and attract workers. Importantly, this enables green businesses to service a relatively wide and diverse catchment which includes the Melbourne CBD, large industrial precincts north of the Western / Metropolitan Ring Road, and households that may access Darebin via Melbourne's freeway system (Eastern Freeway, Metropolitan Ring Road) and major arterial roads that link into the municipality (Hoddle Street, Bell Street).

- Proximity to Education Institutions (La Trobe, RMIT, NMIT)

Education institutions represent a key source of expertise and skills that green businesses should be able to access via short courses, research activities and student placements. La Trobe University is an example of one institution which is looking to establish stronger external connections to support its sustainability credentials. The La Trobe Institute for Social and Environmental Sustainability represents a network of over 100 researchers which may be a potential resource for green businesses in Darebin.

- Community Interest and Support

The commitment of Darebin's residents to social and environmental sustainability is reflected in the results of the 2010 state election where 31% of voters within the Northcote electorate voted for the Australian Greens compared to only 11% at a state level. The neighbouring electorates of Melbourne (32%), Brunswick (30%), Richmond (28%), Preston (21%) and Ivanhoe (18%) also recorded a high proportion of votes to the Australian Greens.

When this commitment is combined with the gentrification of Melbourne's inner north region, which has resulted in a significant increase in higher skilled residents in the area, there is a powerful base for the growth of green businesses

Access to skilled residents with a commitment to green enterprises was identified by a number of businesses as being a key driver of the success of businesses. One business, Etiko is actively looking to relocate to the inner north in response to residents seeking employment with the business as well as the area being a key market for products.

- Strong Creative Community

Incorporating a design element into products adds an entirely new dimension to the opportunities for recycling.

Haul (haul.com.au) based in North Fitzroy is an example of one business recycling a range of waste streams such as tyre tubes, billboard vinyl and car number plates into products including bags, ipad cases, laptop bags and various stationary items.

Darebin's design and creative community offers the opportunity to facilitate the recycling of various waste streams.

- Affordable Accommodation in Darebin

The cost of renting premises represents is a major expense for many small businesses. This is an important determinant of where they choose to locate. Darebin is well positioned to offer relatively affordable commercial and industrial accommodation given the availability of older style industrial premises and under-performing retail precincts.

Many green retailers have built formidable reputations and are destinations in themselves and therefore locate in secondary retail precincts along High Street that offer more affordable rents. In doing so they will still benefit from their inner metropolitan location.

Similarly, green businesses requiring inner city industrial space are typically distributors of smaller, higher valued niche products and do not require contemporary industrial properties. As a result, many may be accommodated in older style industrial properties.

- Green Cluster

Darebin is home to five business incubators / co-operative working spaces that are supporting businesses that are at different stages of development and sustainability.

The Technology Enterprise Centre (TEC) and the Victorian AgriBioscience Centre (VABC) are both situated at La Trobe University at Bundoora and act as Incubators on a range of science, research and development businesses.

Darebin Enterprise Centre Limited (DECL) based in Alphington accommodates office based and small manufacturing businesses and assists them successfully enter the wider business community. ArtsDECL, Darebin's Creative and Digital Arts Incubator, is based in Northcote and offers similar services to DECL for creative green business and The Artery Cooperative based in Northcote is an artists initiative. Studio space is made available in a cooperative environment providing a sustainable and mutually supportive environment for renowned artists.

Melbourne's inner north region is also home to a range of green businesses and organisations that provides a strong basis for networking and collaboration, as well as assisting to promote the region as a location of green related activities.

Examples of some higher profile organisations located in the region that may be leveraged off Include:

- a) CERES which also offers a range of supporting infrastructure including meeting and demonstration spaces, an extensive network of supporters that may be leveraged off to

- promote green products, and a high profile as a leader in environmental sustainability; and
 - b) A small cluster of green retailers in High Street Thornbury which may potentially support a more formalised cluster.
- Council Commitment to Green Business Development

Council has recently launched its Business Development and Employment Strategy (BDES) and contained within it is a strong commitment to attracting business and growing employment in green businesses. In addition there is a major emphasis on environmental sustainability within council and business generally.

This commitment by Council to facilitating green business development via focused initiatives will enhance the performance of businesses and attract new green businesses to Darebin.

- Infrastructure

Existing infrastructure including the public transport system of rail and trams, cycle tracks and major arterial roads connect Darebin with its major markets including the Melbourne CBD and manufacturing to the North. It also connects Darebin to the suburbs of the inner north who hold similar views and who are fellow travellers in the green community.

Soft infrastructure is less obvious but is as important as it forms the relationships, co-operation and community support of the sustainability and environmental movement. It is the connection to the major education institutions of La Trobe and RMIT, government and resident groups and initiatives such as CERES that enable the businesses to access their markets and develop and grow.

Together, this infrastructure provides the attraction for business and its employees to the Darebin area.

4.2 Weaknesses

- Darebin is not a recognised office location

Darebin is a less preferred office location due to the limited access to skilled white collar workers that it offers. This contrasts with Melbourne's eastern and south-eastern regions which offer the opportunity to source employees from a larger population of office workers and as a result have supported the development of major office precincts. Darebin also experiences competition from Melbourne's inner city office precincts.

Office based green businesses are therefore more likely to establish in those locations where they are better placed to attract skilled employees and have a wider choice of office accommodation.

- No significant larger scale industrial uses to support industrial ecology

The term 'industrial ecology' relates to the linking together of industrial processes so that one process makes use of the waste stream of another. In this way resources are used more productively, less hazardous waste and other pollution is generated, and the use of materials, energy and water is minimised.

The relocation of larger scale manufacturing from Darebin has depleted the availability of businesses to support a system of industrial ecology. In the absence of a suitable waste stream the opportunities for attracting new green businesses to use such waste is limited.

- No natural resource base to leverage green businesses

Darebin's inner metropolitan location also prevents it from supporting green businesses that are reliant upon a natural resource base to generate renewable energy.

- Limited large scale industrial development sites to support industrial ecology

Darebin also has a relatively limited number of large affordable industrial sites that would be suitable for accommodating new large scale green industries such as materials recycling. Although some first stage recycling in metals (crushing) and paper (storage and bundling), recyclers typically require larger sites than those available in Darebin for recycling plants.

In addition to a lack of larger sites, the cost of sites for relatively low value recycling, potential amenity impacts and larger vehicle access may also limit the ability to accommodate these activities in Darebin.

There may however be opportunities for further smaller scale recycling related businesses where there are significant value adding opportunities as a result of transforming materials into consumer products.

4.3 Opportunities

- Capitalise on inner metropolitan industrial location

Darebin accounts for a significant share of inner Melbourne's industrial land supply which is both relatively affordable and close to the CBD. The attractiveness of Darebin's industrial precincts for small and medium sized businesses is reflected in the increasing number of smaller industrial units being developed across the inner north region.

- Growth in corporate responsibility

The growth in the corporate sector's awareness of the environmental and social impact of their operations has been a key driver of demand for the products and services of green businesses. Darebin's proximity to the Melbourne CBD represents a key opportunity for green businesses to tap into the growing corporate market.

- Start-up businesses

The evolution of e-commerce has enabled the growth of home based businesses including those within the green business sector. The strong commitment of residents within the inner north to environmental and social issues represents a strong catalyst for new green business start ups. The opportunity exists for Council to support the growth of these businesses through facilitating accommodation options as well as providing access to business support programs.

- Leadership and co-ordination

Consultation with businesses identified a number of opportunities for Council to attract and support green businesses via initiatives ranging from co-ordinating information on demand for industrial space through to facilitating business networking. It is important for Council to increase efforts to promote their plans and actions contained in the Business Development and Employment Strategy (BDES) and the work of the incubators and cooperative work places in Darebin.

- Attract displaced businesses

The redevelopment of inner city industrial precincts in Richmond, Port Melbourne and North Melbourne for apartments has resulted in businesses being displaced to other locations. This may result in increased demand for industrial land in Darebin from a range of businesses, some of which will be green businesses.

4.4 Threats

- Tightening Industrial Property Market Conditions

Demand for inner metropolitan industrial facilities is increasing as a result of more stringent financing requirements of banks. This is limiting the construction of larger industrial facilities in outer locations. At the same time, larger industrial sites are being redeveloped for smaller office warehouses which may be unaffordable to many green businesses.

The associated tightening in market conditions is also making it more difficult for businesses with a limited trading history to secure leases ahead of more established companies.

- Commercial Uncertainty

With the green business sector still an evolving niche market segment there are still many uncertainties faced by green businesses with respect to the growth of the markets they service.

These uncertainties impact upon the ability of business to plan for their future accommodation needs, staff requirements and investment and capital needs.

- Access to Market Information

The green business sector is still evolving and as a result does not have the level of market information and knowledge available to traditional industries. This may limit the ability of businesses to make well informed decisions. This lack of information and potentially poor decisions may impact upon the performance and survival of green businesses.

5. CONSULTATION

A key component in preparing this strategy has been consulting with a range of municipal councils, organisations and businesses, each of which were selected on the basis of their understanding or involvement within the green business sector. This consultation process enabled the identification and testing of potential initiatives that may be implemented by Council.

5.1 Scope of Consultation

Those organisation and businesses that participated in the consultation process are listed Appendix A. Consultation took the form of interviews, the majority of which were conducted in person with the remainder via telephone.

5.2 Key Themes

The consultation process identified a number of key themes which have informed the strategy. These themes are briefly summarised below.

5.2.1 Business Networking

Many businesses identified the benefits of being able to network with other green businesses given the potential synergies that may exist between them in terms of the markets they service, approaches to marketing and potentially learning from the experiences of each other.

One of the key attractions of Darebin for businesses was seen as being the presence of 'like minded' businesses. The relatively small size of the green business sector with many operations being micro-businesses acts to reinforce the benefits of business networking.

Green business networking also establishes a basis for Council to identify and deliver the necessary business support programs and monitor the development of the sector within Darebin.

5.2.2 Flexible Affordable Accommodation

The availability of affordable accommodation which offers the opportunity to accommodate the changing requirements of businesses was identified as being a key requirement for the growth of the green business sector in Darebin.

While older industrial buildings may offer affordable accommodation opportunities, there is growing demand for inner city industrial premises which is limiting these opportunities. Reduced availability of finance for new industrial projects in the outer north region has resulted in increased competition for existing industrial space within Melbourne's inner north. As the market tightens it will become increasingly difficult for new start-up green businesses to compete with established businesses for space.

As is common for most small businesses, it is difficult to predict what their space requirements may be over a typical three year lease term, particularly when they are experiencing fluctuating growth. As a result, they may find that they are leasing more space than they require or that their business is constrained by a lack of space. In both circumstances there is a negative impact upon the business.

There are a number of potential opportunities for Council to play an active role in facilitating the availability of flexible and affordable accommodation for green businesses though:

- Establishing a register of space that is available for sub-lease on a casual basis;
- Connecting businesses with owners of development sites that may have space available for short-term leasing; or

- Council consolidating demand for space across businesses to enable the leasing of larger premises.

5.2.3 Green Business Incubator

A green business incubator offers the opportunity to provide targeted support in a number of areas identified through the consultation process. In addition to providing networking opportunities and access to affordable flexible space, an incubator also provides the necessary support for start-up businesses established by local residents. The physical form of any business incubator will depend upon the space requirements of businesses and may include industrial space, office space or even retail space.

La Trobe University has expressed an interest in working with Council to explore opportunities for establishing a green business incubator at their Bundoora campus funded through external sources.

5.2.4 Green Display Centre

A Green Display Centre offers the opportunity for a number of businesses to display related products in one location. An example of this concept is the Housing Industry Association (HIA) Home Ideas Centre in Clayton where building related suppliers display products under one roof without having to employ sales staff.

This concept may be applied to Darebin to enable local businesses to collectively promote a much wider range of products based on a common theme of being environmentally sustainable. Such a centre may also provide a catalyst for attracting green businesses to locate within the surrounding area to gain exposure to visitors to the centre.

The Beavers Road industrial precinct adjacent to CERES represents one potential location for such a centre given the opportunity to leverage off the attraction of CERES. This precinct also offers additional industrial space to accommodate any green businesses that may wish to locate close to a Green Display Centre.

5.2.5 Green Retail Precinct

Darebin already has a significant number of green retailers concentrated along the High Street corridor. Concentrating these businesses into a single, easily identified, precinct would create a greater awareness of Darebin's green retail sector and make it more accessible to shoppers from across Melbourne.

Given the linkages available to the wider metropolitan area via Hoddle Street and the Eastern Freeway, the southern portion of High Street through Northcote may be a preferred location for such a precinct.

5.2.6 Business Skills Training

There is the likelihood that green businesses will have a requirement for a different set of skills to that of most other businesses. For example, the consultation process identified the importance of social media as a means of businesses connecting to key market segments.

The strategy therefore needs to further explore the training needs of green businesses and whether there is a role for Council to facilitate such training. Discussions with La Trobe University and the Australian Industry Group identified potential opportunities for these organisations to play a role in the delivery of training programs.

5.2.7 Green Business Promotion

Businesses saw a role for Council in promoting Darebin's green business sector across a range of markets through initiatives such as a Green Business Directory, a low cost green accreditation program or green retail precincts.

The opportunity to connect businesses looking to adopt greener practices with those businesses in Darebin that are able to facilitate this was seen as a key opportunity. The concept of a green trade mission which targets key market segments (such as larger CBD based businesses) that are most likely to be considering green products is an opportunity for Council to actively market Darebin's green businesses.

CERES has also expressed an interest in working closer with businesses to cross-promote green products, provide demonstration space and host networking functions.

5.2.8 Partnerships

Melbourne's inner north region offers a unique opportunity to attract and support new green businesses based upon its inner metropolitan location and the commitment of residents to environmentally sustainable outcomes.

Partnering with other inner north municipalities such as Moreland and Yarra provides the opportunity for a coordinated and cost effective approach to supporting the growth of the green business sector. This may include cross promotion of activities and programs through to jointly funding events. Through partnering there is the opportunity to achieve key economies of scale and raise the profile of the region as a location for green businesses.

A number of other organisations such as La Trobe University, the Australian Industry Group and CERES indicated a willingness to work with Council in facilitating the growth of Darebin's green business sector. Each of these organisations offers a range of resources, knowledge, skills and experience that Council may draw upon to support businesses.

6. STRATEGY

The strategy for attracting and supporting green business activity within Darebin comprises an underlying vision and a set of strategic directions. Each strategic direction is supported by a goal and series of actions that may be undertaken by Council.

Vision

Darebin will positively contribute to global sustainability through supporting the growth of a diverse green business sector that facilitates and promotes more environmentally sustainable practices both within Darebin and beyond.

Strategic Directions

This vision for Darebin's green business sector will be realised through four key themes being:

- Business support;
- Promotion and facilitation;
- Land use planning; and
- Partnerships

Each of these is supported by key objectives and actions. Each action has been assigned a timeframe being:

- short term 12-18 months;
- medium term 1-3 years; and
- long term 3-5 years.

6.1 Business Support

Goal:

To support the growth of the green business sector through a range of business attraction, networking and training initiatives.

Objective 1.1:

Maintain awareness of developments in the green business sector.

Actions:

- Monitor trends in green products and services. *(short term)*
- Maintain a collection of green business case studies relevant to Darebin competitive advantage. *(short term)*
- Network with government departments and industry groups to source relevant market information. *(short term)*
- Establish and distribute 'Green Business Monitor' to inform local businesses of developments in green business sector. *(medium term)*
- Analysis and map green businesses using Census of Land Use and Employment (CLUE) data to identify clusters. *(short term)*

Objective 1.2:

Identify and engage with potential new green businesses consistent with Darebin's competitive advantage as a business location.

Actions:

- Establish register of green businesses whose locations are under threat by redevelopment of inner city sites. *(medium term)*
- Initiate discussions with potentially displaced businesses to identify relocation options. *(medium term)*
- Promote Darebin as a business location in green industry forums. *(medium term)*

Objective 1.3:

Promote synergies between Darebin's green businesses and the cross-fertilisation of ideas, knowledge and experiences.

Actions:

- Establish a Darebin Green Business network to facilitate interaction between businesses. *(short term)*
- Engage with individual businesses to identify potential synergies between businesses. *(short-term)*
- Promote the dissemination of the ideas and experiences of businesses via business open days, workshops and guest speakers from green businesses, industry associations and government departments. *(medium term)*

Objective 1.4:

Ensure that businesses are able to access necessary training opportunities

Actions:

- Consult with businesses to identify skill gaps specific to green businesses. *(medium term)*
- Understand opportunities for tailoring training options via higher education, industry associations etc. *(medium term)*
- Develop a level of relationship with La Trobe, RMIT and NMIT that would allow the monitoring of student programs that interact with business, their success and the ultimate placement of students in industry. *(medium term)*

Objective 1.5:

Promote networking between Darebin's creative community and existing manufacturers to identify opportunities for the creative reuse of waste products.

Actions:

- Identify and promote case studies of successful businesses producing recycled products. *(short term)*
- Consult with creative community to identify potential interest and skills in establishing recycling ventures. *(medium term)*
- Identify local manufacturers, recyclers etc. that may potentially collaborate with local arts community. *(long term)*

6.2 Promotion and Facilitation

Goal:

Actively promote and facilitate new green business opportunities.

Objective 2.1:

Establish marketing infrastructure to support ongoing marketing initiatives

Actions:

- Establish an on-line Darebin Green Business Directory. (*short term*)
- Promote Darebin's green businesses via social media. (*medium term*)
- Establish a low cost green business accreditation program. (*long term*)
- Promote a *Green Food Trail* and a *Green Retail Precinct* within the southern portion of High Street corridor which offers greater accessibility from the wider metropolitan area. (*long term*)

Objective 2.2:

Leverage off the market reach of existing organisations and networks to promote Darebin's green businesses

Actions:

- Participate and actively contribute to the City of Hume Business Efficiency Network as a means of promoting Darebin's green businesses to larger organisations. (*short term*)
- Actively engage with CERES to investigate opportunities for promoting Darebin's green businesses and their products and services. (*medium term*)

Objective 2.3:

Promote Darebin's green business sector to target market segments

Actions:

- Establish Green Trade Mission to introduce Darebin's green businesses to key industry sectors such as CBD corporates and blue chip industrial organisations located in Northern / Airport industrial nodes. (*long term*)
- Establish working relationships with traditional media outlets (newspapers, television and radio) to promote Darebin as a destination for green retailing. (*long term*)

Objective 2.4:

Facilitate supply of flexible / affordable accommodation

Actions:

- Consolidate demand for accommodation from green businesses via register of interested businesses. (*short term*)
- Undertake an accommodation audit to highlight available premises for green business use. (*short term*)

Objective 2.5:

Establish a Green Business Incubator to support start-up businesses.

Actions:

- Survey interest amongst existing home based green businesses to determine likely depth of demand, accommodation needs and business support requirements. (*medium term*)
- Identify potential property options including partnerships with local educational institutions or conversion of existing incubator. (format, location, cost). (*medium term*)
- Prepare business case including identification of potential funding sources. (*long term*)

Objective 2.6:

Establish a Display / Demonstration Centre or Expo for green products and services

Actions:

- Identify potential themes (e.g. building products and services, recycling, furniture and homewares, food). (*medium term*)
- Determine potential depth of demand from local businesses. (*medium term*)
- Identify potential locations, accommodation options and business mix including La Trobe University. (*long term*)
- Prepare business case. (*long term*)

6.3 Land Use Planning

Goal:

To ensure that the economic development opportunities associated with the green business sector are reflected in the City of Darebin Planning Scheme.

Objective 3.1:

Ensure an adequate supply of appropriately located and zoned land to accommodate green businesses.

Actions:

- Promote the awareness to developers of the growing demand for smaller industrial premises to accommodate a new generation of industrial activities as evidenced by recent developments such as the Matisi Business Park in Thornbury. (*short term*)
- Consult with Darebin's Strategic Planning on the Darebin Economic Land Use Strategy and identify priority locations for small lot industrial subdivisions. (*short term*)
- Promote the subdivision of larger industrial sites, in identified locations, to support more intensive industrial uses including green businesses with floor areas in the range 200-500 sqm. (*short term*)
- Identify current areas / zoning suitable for existing and future green business use in Darebin from Municipal Strategic Statement. (*short term*)
- Develop a vision for the Beavers Road Industrial Precinct which incorporates the precinct acting as a green business hub with flexible commercial space and possible display and demonstration facilities. (*short term*)

Objective 3.2:

Establish a Green Retail Precinct within the High Street corridor to service a regional catchment with respect to environmentally sustainable products and services.

Actions:

- Identify the economic development opportunities associated with green retailing within the Planning Scheme. (*short term*)

6.4 Partnerships

Goal:

To maximise the level of resources and support for Darebin's green business sector as cost effectively as possible through partnering with other councils, state government, industry organisations and educational institutions.

Objective 4.1:

Establish regional alliances to promote and facilitate green business development within the inner north region.

Actions:

- Establish partnerships with Melbourne's other inner northern municipalities (Moreland, Yarra) to promote greater recognition and understanding of the region as a location for green businesses. (*short term*)
- Identify opportunities for business to participate in energy efficiency and emission reduction programs with NORTH Link and RMIT University. (*short term*)
- Investigate opportunities with other municipalities for establishing a regional green business network to enable a greater diversity of green businesses. (*medium term*)
- Identify opportunities for jointly establishing a Green Demonstration Centre and Green Business Incubator/co-location at La Trobe University or within the Beavers Road Industrial Precinct adjacent to CERES. (*long term*)

Objective 4.2:

Partner with education institutions and industry bodies to provide effective access to training programs and resources for Darebin's green businesses.

Actions:

- Identify synergies between training needs of Darebin's green businesses and capabilities of education institutions and industry groups to provide tailored programs. (*medium term*)
- Establish working group comprising La Trobe University, RMIT, NORTH Link, industry associations and Council to investigate opportunities for the provision of training to the green businesses across the inner north region. (*medium term*)
- Establish student work experience program to connect local green businesses with relevant courses at La Trobe University and RMIT. (*long term*)

7. APPENDIX A: CONSULTATION

Organisations

- Master Plumbers and Mechanical Services Association of Australia
- National Electrical and Communications Association (NECA)
- Moreland Energy Foundation
- La Trobe University
- Australian Industry Group (Clean Technology / Business Connect)

Businesses

- ECO-Buy
- Johanna Villani Design
- Recycled Lane: Furniture
- Bean Alliance
- Ekovo
- Etiko
- Enviro Shop
- CERES
- Everglaze Industries

Municipal Councils

- City of Whittlesea
- Manningham City Council
- Hume City Council
- City of Melbourne