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Michael
THE HISTORY OF THE GEELONG REGIONAL COMMISSION

by

G. A. McLean, M. A., B. Litt. (Hons), B. Sc., Dip. Applied Chemistry

Submitted in fulfilment of the requirements for the degree of

Doctor of Philosophy

Deakin University

March 2005
I certify that the thesis entitled: The History of the Geelong Regional Commission

submitted for the degree of: Doctor of Philosophy

is the result of my own work and that where reference is made to the work of others, due acknowledgment is given.

I also certify that any material in the thesis which has been accepted for a degree or diploma by any other university or institution is identified in the text.

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THE HISTORY OF THE GEELONG REGIONAL COMMISSION

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ABSTRACT

This thesis is the first systematic history of the Geelong Regional Commission (GRC), and only the second history of a regional development organisation formed as a result of the growth centres policy of the Commonwealth Labor Government in the first half of the 1970s. In particular, the thesis examines the historical performance of the GRC from the time of its establishment in August 1977 to its abolition in May 1993.

The GRC Commissioners were subject to ongoing criticism by some elements of the region’s political, business, rural and local government sectors. This criticism focused on the Commissioners’ policies on land-use planning, their interventionist stance on industrial land development, major projects and industry protection and their activities in revitalising the Geelong central business district. This thesis examines these criticisms in the light of the Commission’s overall performance.

This thesis found that, as a statutory authority of the Victorian Government, the GRC was successful over its lifetime, when measured against the requirements of the Geelong Regional Commission Act, the Commission’s corporate planning objectives and performance indicators, the corporate performance standards of private enterprise in the late 1990s, and the performance indicator standards of today’s regional economic development organisations in the United States of America, parts of the United Kingdom and Australia.

With the change of Government in Victoria in October 1992 came a new approach to regional development. The new Government enacted legislation to amalgamate six of the nine local government councils of the Geelong region and returned regional planning responsibilities to the newly formed City of Greater Geelong Council. The new Government also made economic development a major objective of local government. As a result, the raison d’être for the GRC came to an end and the organisation was abolished.
ABBREVIATIONS

AAHL  Australian Animal Health Laboratories
ABS  Australian Bureau of Statistics
AGPS  Australian Government Publishing Service
AIP  Area Improvement Program
AIUS  Australian Institute of Urban Studies
AWC  Australian Wool Corporation
AWDC  Albury-Wodonga Development Corporation
AWE  Australian Wool Exchange
BODC  Bathurst-Orange Development Corporation
CAA  Central Activity Area
CBD  Central Business District
CC  Consultative Committee
CCLC  Country Centres Liaison Committee
CCP  Country Centres Project
CEP  Community Employment Program
CoGGC  City of Greater Geelong Council
CSIRO  Commonwealth Scientific and Industrial Research Organisation
DEET  Department of Employment, Education and Training
DER  Debt Exposure Ratio
DILGEA  Department of Immigration Local Government and Ethnic Affairs
(Commonwealth Government)
DITAC  Department of Industry Technology and Commerce
(Commonwealth Government)
DIITR  Department of Industry, Technology and Resources (Victorian Government)
DOLGAS  Department of Local Government and Administrative Services
DSR  Debt Service Ratio
DTRD  Department of Transport and Regional Development
(Commonwealth Government)
DURD  Department of Urban and Regional Development (Commonwealth Government)
EDO  Economic Development Organisation
EIP  Employment Initiative Program
EU  European Union
FPO  For Profit Organisation
GBE  Government Business Enterprise
GCPG  Geelong Centre Planning Group
GDTPC  Geelong and District Town Planning Committee
GDPSG  Geelong Development Project Steering Committee
GHC  Geelong Heritage Centre
GHRC  Geelong Historic Records Centre
GRA  Geelong Regional Authority
GRC  Geelong Regional Commission
GRDS  Geelong Region Development Strategy
1 INTRODUCTION

1.1 Thesis statement

My thesis is that the Geelong Regional Commission (GRC) was successful as a regional development organisation over its lifetime, when measured against the Object of the Geelong Regional Commission Act, the Commission’s corporate plan objectives and performance indicators, the corporate management standards of the 1990s and other independent criteria, including research on the performance indicator standards relating to today’s local and regional development organisations in Australia, parts of the United Kingdom (UK) and the United States of America (USA).

1.2 Background to the thesis

This thesis is presented as a history of the performance of the GRC. It is the first systematic history of the GRC and one of only two histories\(^1\) of the regional organisations that were established by the Commonwealth and State Governments in the 1970s and 1980s, to manage the planning and development of selected growth centre regions, as well as other regions of significance,\(^2\) in Australia.

The impetus for this thesis was my experience as a long-term employee of the GRC.

The GRC played a pivotal role in the planning and economic development of the Geelong region from the time of its establishment on 1 August 1977 to 18 May 1993, when it was abolished. Many of the events, issues and decisions associated

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\(^1\) The other history was K. W. Sproats, “A Tale of Two Towns, policy in action in the Bathurst-Orange growth centre: a case of perceptions, politics and power in centrally commanded regional policy planning,” University of New England, Ph.D. thesis, 1984. This thesis dealt mainly with the history of the politics of the growth centre and did not address the performance of the organisation.

\(^2\) The Latrobe Regional Commission (LRC) was formed in 1984 to coordinate the economic, social and environmental development of the important coal producing Latrobe Valley region in Victoria. LRC, Annual Report 1989/90, p. 8. The LRC was not part of the Commonwealth Government’s growth centre program of the 1970s.
with the organisation, including its establishment and abolition, were not without controversy.

High profile groups in the regional community, as well as members of successive Victorian Governments up to 1992, praised and supported the work of the Commissioners and staff. In 1990 noted academics, Hansen, Higgins and Savoie, found that the organisation was a high achiever in regional development and concluded that “Indeed, it [the GRC] provides a model, which not only could be usefully replicated in Australia but effectively emulated in other large regionalized countries such as Canada and the United States.”

On the other hand, some members of the Liberal and National Parties in Victoria and elements of the business and rural communities within the Geelong region were severe critics of the GRC. They claimed that the GRC Commissioners interfered in areas that were the provinces of local government and private enterprise developers. In addition, some of these members, when in government in late 1992, asserted that the GRC Commissioners had exceeded the charter of the Geelong Regional Commission Act and that it should be wound up.

To gain an unbiased picture of the GRC I assessed the organisation from the perspective of its performance, using relevant and, where possible, independent standards and benchmarks. The standards included the Geelong Regional Commission Act, which established the raison d’être for the organisation and set out its basic objectives; Victorian Statement of Planning Policy No. 7 (Geelong), which defined the role of the Geelong region within the Port Phillip area; recommendations from the Victorian Government’s Public Bodies Review Committee (PBRC), which determined the way the Commissioners and staff conducted the affairs of the Commission; and the Commissioners’ corporate

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4 Hansen et al., p. 186.
plans, which set out the operational objectives, action programs and performance indicators\textsuperscript{5} for the organisation. The benchmarks included the 14 principles developed by Samson and Challis for determining excellence in private corporate management;\textsuperscript{6} the outputs from the Country Centres Project conducted by the Commonwealth Department of Immigration, Local Government and Ethnic Affairs (DILGEA) across Australia, in 1988;\textsuperscript{7} the performance indicators developed by Beer, Haughton and Maude from their comparative analysis of international and Australian local and regional economic development organisations (L\&REDOs) in 2001;\textsuperscript{8} and the financial management performance of the City of Greater Geelong Council (CoGGC), based on the performance indicators for municipal councils prescribed by Victorian Government regulation in 1990.

1.3 The GRC and its purpose

The GRC came into being as the successor-in-law to the Geelong Regional Planning Authority (GRPA)\textsuperscript{9} through the proclamation of the \textit{Geelong Regional Commission Act 1977}, Number 9024.\textsuperscript{10} The Commission was a statutory authority. As such it was "... not an arm of government but an independent body set up to function parallel to local government, under State legislation (similar to municipalities and Water Boards)."\textsuperscript{11}

\textsuperscript{5} Performance indicators were only included in the corporate plan for 1988/89-1990/91.
\textsuperscript{8} Beer and his colleagues first used the term local and regional economic development (L\&RED). I have adopted this as the basis for my acronym L\&REDO, A. Beer, G. Haughton and A. Maude (Eds.), \textit{Developing Locally: an international comparison of local and regional economic development}, The Policy Press, University of Bristol, UK, 2003, p. ix.
\textsuperscript{9} The GRPA ceased to operate on the 31 July 1977.
\textsuperscript{10} This Act became the \textit{Geelong Regional Commission (Amendment) Act 1986}, when minor consequential amendments, arising from other Acts passed by the Victorian Parliament, were included. GRC, \textit{Annual Report 1991/92}, p. 35.
\textsuperscript{11} Facsimile message from the Chairman of the GRC to the Minister for Regional Development, 1 April 1993, covering the Commission’s Submission Statement ‘the Essential Role of the Geelong
The Object of the *Geelong Regional Commission Act* required the GRC to provide for:

- the participation of the people of the Geelong region in planning the future development of the region and the nature and limits of such development;

- the planning coordination integration and management of and for –
  - development within the Geelong region;
  - the improvement and enhancement of the region and the protection of areas within the region of natural beauty or of special significance to the region; and
  - the provision of services and facilities within the region;

- the attraction promotion development and improvement of industrial, commercial and other business undertakings and employment opportunities to and in the Geelong region.\(^\text{12}\)

The Act also required the Commissioners to submit planning scheme amendments for the Geelong region for the approval of the Minister of Planning.\(^\text{13}\)

The original rationale for forming a development commission in the Geelong region was to create an authority, similar to the Albury-Wodonga Development Corporation (AWDC),\(^\text{14}\) which would plan and develop a centre to absorb the predicted growth of Melbourne (some 72 kilometres away). However, between 1972, when the Geelong region was first mooted as a growth centre,\(^\text{15}\) and 1976, when the *Geelong Regional Authority Act* was passed by the Victorian Parliament, but not proclaimed, the economic situation in Australia had

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\(^\text{13}\) *GRC, Annual Report 1991/92*, p. 35; *Geelong Regional Commission Act* 1977, Section 3, Section 14 (1) and (2).

\(^\text{14}\) The AWDC was established to develop Albury-Wodonga as "...a high quality urban environment for a population of 150,000 people by the turn of the [21st] century." In the early 1970s the Commonwealth, NSW and Victorian Governments expected the Albury-Wodonga growth centre to have a significant effect on the redistribution of populations in the respective states. G. Oke, *Albury-Wodonga Experience*, *Australian Regional Developments*, AGPS, Canberra, Australia, Publication Number 5 in the Series *Australian Regional Developments*, February 1987, pp. 4, 35.

deteriorated markedly and the urgency to curb the population growth of
Melbourne had dissipated. By the mid 1970s the critical and growing need was to
reduce unemployment. Accordingl, the Geelong Regional Commission Act was
introduced by the Victorian Liberal Party Government, primarily as the means of
achieving this end. This Act gave effect to the formation of the GRC.

1.4 Definition of the Geelong and other regions

In terms of its position in the hierarchy of government administration in Australia,
the ‘planning region’ of Geelong was between the Victorian State government
and the local government authorities that made up the Geelong region. The
Geelong Regional Commission Act specified these as the Cities of Geelong,
Geelong West, Newtown and South Barwon, the Shires of Bannockburn,
Barrabool, Bellarine and Corio; and the Borough of Queenscliffe. In total the
region covered 2,528 square kilometres. This is shown in Figure 1.1.

While this study will focus primarily on the Geelong region, it will also address
other regions, which were associated with the Geelong region. The following are
cases in point.

The Victorian government recognised the role of the Geelong region within the
‘Port Phillip area’ (or region) in its Statement of Planning Policy No. 7 (Geelong).
This was an area that spanned Port Phillip Bay from the Mornington Peninsula in
the south-east to the Bellarine Peninsula in the south-west, and included the areas

16 Speech to the Commissioners at the inaugural meeting of the GRC on 12 August 1977 by D. G.
17 Speech by James Balfour, Second Reading of the Geelong Regional Commission Bill,
Parliamentary Debates (Hansard), 47th Parliament, Legislative Assembly, Session commencing
18 Butler and Mandeville classified regions as being homogeneous, nodal or planning. A
homogeneous region was identified by its uniform distinguishing characteristics; a nodal region by
its functional networks or patterns of interaction; and a planning region was designed for the
purposes of a particular authority. G. J. Butler and T. D. Mandeville, Regional Economics: An
Australian introduction, University of Queensland Press, St. Lucia, Australia, 1981. p. 6.
19 Schedule to the Geelong Regional Commission Act 1977, Reprint No. 1, incorporating
amendments up to Act No. 9591, p. 21.
of metropolitan Melbourne and Western Port and the Geelong region. Today the area is considered as the ‘mega region’ of Melbourne.

The staff of the GRC relied on Commonwealth and Victorian Government departments and agencies, such as the Australian Bureau of Statistics (ABS), the Commonwealth Employment Service (CES) and the Department of Social Security (DSS) for inputs to their research on regional issues, such as unemployment. (See chapter 10). However, these Government departments and agencies used administrative areas that were different from the Geelong region. Accordingly, the staff of the GRC adopted the provider’s region as the basis for reporting the relevant data. These regions included the Barwon Statistical Division (SD) (or region), which incorporated the Geelong region and the ABS sub divisions of Colac, Otway and Winchelsea, and the South-West Victoria Labour Force region, which included the Barwon SD and the ABS South Western SDs up to the South Australian border.

1.5 Selected characteristics of the Geelong region

Between censuses of 1976 and 1991, a period that approximated the lifetime of the GRC, the region’s population grew from 164,300 to 200,340. This was an increase of some 22 per cent over the 15-year period. In 1991 the region was the tenth largest conurbation in the nation, with one in 85 people in Australia living in the region. While the population growth of the region outstripped the growth of Hobart (12.6 per cent), Newcastle (13.9) and Wollongong (7.9) and matched that

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20 Town and Country Planning Board, Statement of Planning Policy No. 7 (Geelong), pp. 3, 4.
21 A mega region is a large urban area, such as Melbourne, which includes those areas on the fringe of the statistical division that are home locations for commuters, locations for holiday homes or weekend recreation centres. K. O’Connor and R. J. Stimson, The Economic Role of Cities: Economic Change and City Development Australia 1971-1991, a report prepared for the Commonwealth Department of Housing and Regional Development Urban Futures Research Program, AGPS, Canberra, Australia, 1993, Appendix 1, p. 67.
of Adelaide, it lagged behind Sydney (32.8), Melbourne (27.3) and Canberra-Queenbeyan (39.2). However, none of these challenged growth in the regions of Gold Coast-Tweed (147.3), Perth (62.6) and Brisbane (52.1).

Over the period of 1976 to 1991, the Geelong region’s work force grew consistently from 60,970 to 74,886 persons. At the same time, unemployment increased from 3,603, or 5.58 per cent, to 10,983, or 12.79 per cent of the labour force. The primary sector played a minor, yet important part in the Geelong regional economy. In 1976 it represented 3.3 per cent of the regional workforce, dropping to 2.1 percent in 1991- a loss of 458 jobs. Mining in the Geelong region played a subordinate role to agriculture in terms of the proportion of the work force that were employed. Manufacturing was a vital part of the Geelong regional economy, with the number of manufacturers growing from 362 in 1980 to 388 in 1991/92. Productivity in the Barwon region rose significantly between 1972/73 and 1981/82. At the start of this period manufacturing in the Barwon region and Australia had value-added outputs per employee of $16,729 and $16,020, respectively. By 1981/82 the corresponding values were $29,813 and $23,615. By the beginning of the 1990s value-added figures were not available from the ABS for regional areas, and so turnover per employee has been used here as the alternate measure of productivity. In 1991/92 the manufacturing sector in the Barwon region had a turnover per employee of $139,437 compared with $77,885 for Melbourne and $85,891 for Australia. This greater efficiency led to an improvement in exporting from the region, with the number of the region’s manufacturers serving overseas markets growing from 11.3 to 18.3 per cent between 1980 and 1991/92. Although values of gross regional product (GRP)

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24 Labour force is the sum of the work force (number in employment) and the number of unemployed, measured at the same point in time.
25 Calculated by the author from GRC, Geelong Region Industrial Register, 1980 and 1991/92.
were not available for the periods under study, research by the National Institute of Economic and Industrial Research (NIEIR) for the period 1991 to 1998 showed that this sector contributed 51 per cent to the Geelong region’s GRP.28 In 1998 the GRP was some $6.2 billion for the Barwon region,29 most of which would have been attributable to the Geelong region.

While the number of manufacturers, productivity and exports grew, employment in the manufacturing sector fell, due mainly to restructuring of industry, which was encouraged by successive Commonwealth Governments after 1972. In 1976, 31.8 per cent of the Geelong regional workforce found employment in the manufacturing sector. By 1991 this had fallen to 20.4 per cent – a loss of 4,076 jobs. Compared with Australia, manufacturing in the region was some 12 percent higher in 1976. By 1991 the difference had decreased to around 7 per cent.30 In 1991 the Geelong region and Wollongong shared the distinction of having the highest concentration of manufacturing employment of any of the major regional centres in Australia.

The tertiary sector had the highest level of employment in the Geelong region, albeit that, as a percentage of the workforce, it was not as significant as for Australia as a whole. In 1976 the tertiary sector represented 58.5 per cent of the region’s work force. By 1991 this proportion had grown to 70.9 per cent – an increase of 13,196 jobs. Compared with the other major regional centres, the Geelong region lagged behind Queanbeyan, Gold Coast – Tweed Heads and Newcastle, which had proportions of 88.1, 79.3 and 73.4 per cent, respectively. Within the region’s tertiary sector, wholesale and retail employment changed from 17.4 per cent in 1976 to 19.3 per cent in 1991 – an increase of 3,887 jobs. Employment in community services also experienced considerable growth, with

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the proportion of the work force changing from 13.9 to 19.3 per cent — an increase of 5,930 jobs. Other segments that grew significantly were financial, property and business services (3,096 jobs), recreation and personal services (2,480 jobs) and public administration and defence (1,551 jobs).31

1.6 Definition of regional and economic development

While regional development includes the development of a region’s economy, it also encompasses regional planning, development of social and cultural assets, improvement of the community’s capabilities and capacities, and the management of the natural environment. Regional economic development, on the other hand, focuses primarily on the development of a region’s economy, based on its assets. As the literature shows, there is a tendency to blur the differences between these two functions.

G. Coombs defined regional development as:

... a broad concept, [which] involves regional communities in improving their economic, social cultural and environmental well-being by fully utilizing the potential of a region’s resources including its people.32

Blakely defined regional economic development as:

... the process in which local governments or community-based (neighborhood) organizations engage to stimulate or maintain business activity and/or employment. The principal goal of local economic development is to stimulate local employment opportunities in sectors that improve the community, using the existing human, natural, and institutional resources.33

Stimson, Stough and Roberts built upon Blakely’s definition and addressed the multi-dimensional aspects of economic development. Their definition was:

... the applications of economic processes and resources acceptable to a region that result in the sustainable development of, and desired economic

31 Detailed figures are shown in Table 10.1.
outcomes for a region that meets the values and expectations of business, of residents and of visitors.\textsuperscript{34}

On balance, the scope of the functions of the GRC more closely fitted Coombs' definition. While the \textit{Geelong Regional Commission Act} gave the GRC Commissioners a definite and significant economic development function, which aligned with the definition of Stimson and his colleagues, it also required the Commissioners to undertake broader social and environmental roles. These were implemented through the Commission's environmental management, land-use planning and strategic planning functions. Colin Atkins, former Chairman and Chief Executive of the GRC, considered the mix of functions undertaken by the GRC as "... certainly rare in Australia, if not unique, and in my opinion resulted in enhancing decision making, because all factors were taken into account when the decision was made."\textsuperscript{35}

Haughton has proposed that governments should integrate community development with local economic development\textsuperscript{36} although, in the case of Australia, economic development is regarded as a separate entity from community development, with the latter being confined to programs that are directed at the problems of the marginalised and the disadvantaged.\textsuperscript{37} While community development, \textit{per se}, was not specified in the \textit{Geelong Regional Commission Act}, the GRC Commissioners operated, to some degree, in line with Haughton's proposal, in that they addressed the employment concerns of the disadvantaged through targeted labour market programs. However, the GRC was not involved in the general delivery of community programs, as this was the responsibility of independent organisations and local government in the region.

\textsuperscript{35} Interview with Atkins, 6 May 2004.
\textsuperscript{37} Beer et al., \textit{Developing Australia's Regions}, p. 32. Previously community planning was associated with public participation in planning processes, although it is now often used to describe strategic 'self help' programs aimed at arresting the decline of country towns. Beer et al., \textit{Developing Locally}, p. 6.
In this study I have classified the GRC, and other growth centre authorities, as regional development organisations (RDOs), with broad roles, including that of strategic and land-use planning. These are more in line with the Coombs’ definition of regional development. Those organisations that have a more specific economic development focus, in line with the definitions of Blakely and Stimson and his colleagues, I have referred to collectively as L&REDOs. This group covers a wide range of organisations, including the Keating Labor Government’s Regional Economic Development Organisations (REDOs), the British Government’s Regional Development Agencies (RDAs), Western Australia’s Regional Development Commissions (RDCs), the Australian Government’s Area Consultative Committees (ACCs), the Regional Development Boards (RDBs) of South Australia and NSW, local Business Enterprise Centres (BECs), Voluntary Regional Associations of Councils (VROs), as well as the economic development departments of local government, particularly in Victoria.

1.7 Structure of the thesis

This thesis will explain why the GRC did what it did, assess its successes and failures and derive lessons from the organisation’s experiences for regional development authorities of the present and future. This ‘framework statement’ constitutes the basis for the following chapters of the thesis.

The literature pertinent to this study will be reviewed in chapter 2, with particular emphasis on two areas of interest. First, literature on the roles, structures and functions of L&REDOs will be reviewed and compared with those of the GRC. Next, literature covering the measurement of the performance of L&REDOs and

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38 This definition should not be confused with the Australian RDOs described by Maude, who included Area Consultative Committees, Development Commissions in Western Australia, Regional Development Boards established in South Australia and New South Wales, the RDOs of Queensland, and Voluntary Associations of Councils. A. Maude, ‘Local and regional economic development organisations in Australia,’ in Beer et al., (Eds.), Developing Locally, p. 109.
private enterprise companies will be assessed. This will provide an insight to performance measures that could apply to the GRC.

In chapter 3, a range of growth theories that were relevant to the economic development and planning operations of the GRC will be explored. Initially, I will examine those theories that were used as the bases for the Commission’s programs and provided a theoretical background to the Commission’s activities. Growth pole theory will also be examined as it influenced the form and function of the GRC. Finally, the concepts from the ‘development-from-above’ and ‘development-from-below’ schools of economic development thought will be reviewed as they provide alternate viewpoints to the Commissioners’ approach to economic development.

In chapter 4, I will present the main methodologies employed in this study. These will be discussed in three sections. The first section will address the methods of historical research that I employed in the study. The second will deal with the methods that I used to measure the non-financial and financial performances of the GRC. These included measuring the Commission’s performance in carrying out its economic development functions and its commitment to the public good in the Geelong region; the management of its corporate affairs; and its performance in managing the finances for its operational and development activities. In the final section, I will discuss the issue of differentiating between the performances of regions and their L&REDOs.

The evolution of regional development at the national level in Australia and the philosophic basis for the formation of regional growth centres provide a necessary background for the study of the GRC. These will be reviewed in chapter 5. I will begin with the immediate post World War II period, when the Commonwealth Government gave regional planning and development a central role in its endeavours to create a prosperous and strategically safe Australia. Then I will examine the period of the 1950s and 60s when economic well-being was enjoyed
by most Australians and regional development ceased to be an important issue for the Governments of the day. With the perceived overcrowding in Australia’s capital cities, however, planners and governments emphasised the need for decentralisation. As a result I will examine the solutions proffered by Neutze. His theories underpinned the growth centres program of the Whitlam Labor Government (1972-1975), which gave rise ultimately to the GRC. I will also examine the regional development programs of the Fraser (1975-1983), Hawke (1983-1990) and the Keating (1990-1993) Governments. The Country Centres Project, introduced by the Hawke Government, provided a standard against which I could determine the effectiveness, or otherwise, of the GRC.

Chapter 6 will cover the formation, roles and functions of the GRC. This chapter will address the initial question, implied in the ‘framework statement’ - Why did the GRC do what it did? To this end, the decentralisation policies and programs of the Victorian Government and the economic conditions in the 1960s and 1970s will be examined, as jointly they provided the final stimulus for the formation of the GRC. In addition, I will explore the motives of some members of the Victorian Government, in order to understand why the functions of the GRC were changed from those of the other Australian growth centres to those adopted finally by the Victorian Government in 1977. This chapter will also contain a history of the legislation that eventually fashioned the scope of the Commission’s functions.

The answers to the second implied question in the ‘framework statement’ - What were the successes and failures of the GRC? - will be covered in chapters 7 to 11. This assessment of performance will be conducted with reference to the seven common objectives of the Commission’s successive corporate plans and the indicators contained in the plan for 1988/89-1990/91. These, and selected models from the study of local government, private business, and Australian and international L&RDDEOs, will be used as the standards and benchmarks for the Commission’s performance.
The performance of the GRC in corporate management and public participation will be explored in chapter 7. In particular, I will cover the purpose of the Commission, its structure and its corporate planning. In addition, I will compare the management performance of the GRC with that of private enterprise in the 1990s, using the Samson-Challis model of corporate excellence. The Commission's relationships with the municipal councils in the Geelong region and the Victorian Governments of the day will be considered as areas of special interest, as they were vital partners of the GRC in carrying out the functions of planning and economic development. In this chapter I will also explore the role of the GRC as a lead organisation, as well as the activities of key personnel in this leadership role. One of the fundamental requirements of the Commonwealth and Victorian Governments and the Geelong regional community was the public's participation in the activities of the GRC. This aspect of the Commission's performance will be reviewed in detail.

The performance of the GRC in physical development and the provision of infrastructure will be examined in chapter 8. Specifically, I will explore the Commission's development of industrial land, factories and community projects. Special attention will be paid to the tourism developments known as Bay Link, the National Wool Centre and Surf Coast Plaza, as these projects were central to the Commission's development program.

The performance of the GRC in statutory planning, strategic planning and regional coordination, as well as the Commissioners' work in environmental and heritage protection, will be examined in chapter 9. These functions were important because the work of the GRC set the parameters and strategic direction of land-use in the region for up to 15 years into the future. However, because the Commission held the dual roles of land-use planning and economic development the Commissioners attracted criticism from vested interests. The arguments surrounding this matter will be discussed in detail.
The Commission’s activities in economic development will be discussed in chapter 10. In particular, I will examine the Commission’s performances in investment facilitation, industry diversification, introduction of new technologies, promotion and advocacy. The Commission’s performance in economic development will be reviewed against the performance indicators in the Commission’s corporate plan for 1988/89-1990/91, the outputs of the Hawke Government’s County Centre Project\textsuperscript{39} and the indicators developed by Beer and his colleagues for measuring the performances of L&REDOs in Australia and overseas.\textsuperscript{40} The Commission’s role in job creation will be given particular attention in this chapter.

Chapter 11 will deal with the Commission’s performance in managing its finances. While I will address the matter of financial return on investment (ROI), I will argue that as the GRC was a not-for-profit organisation it would be inappropriate to rely solely on the benchmarks of private enterprise to measure its financial performance. Instead, the benchmarks of local government should be used. Within this framework I will discuss the different streams of funding used by the GRC and examine the Commission’s performance based on local government financial indicators. In addition, the time-series of outcomes from balance sheets and revenue and expenditure statements will be used to gauge the overall financial performance of the Commission.

The conclusion, presented in chapter 12, will draw together the analyses of the Commission’s performance in its various functions and answer the third question implied in the ‘framework statement’ – \textit{What lessons can be derived from the experiences of the GRC for regional development authorities of the present and the future?}

\textsuperscript{39} DILGEA, \textit{Australian Regional Developments}, ‘Country Centres Project 1986–87.’
\textsuperscript{40} Beer et al. (Eds.), \textit{Developing Locally}.
2 LITERATURE REVIEW

2.1 Scope of the review

Among others, two questions are raised by the thesis statement, namely:

- how do the roles, structure and functions of the GRC compare with those generally associated with today’s L&REDOs? and
- What are the ways of measuring the success, or otherwise, of L&REDOs and the GRC?

The literature related to the first question will provide a comparison of the roles, structure and functions chosen for the GRC by the Victorian Government and the Geelong regional community (see chapter 6), with those adopted by other communities for their regional development organisations. The literature related to the second question will provide an understanding of the performance measurement methods used for L&REDOs and furnish a background for my choice of particular standards for measuring the performance of the GRC.

2.2 Roles, structure and functions of the GRC compared with those generally associated with today’s L&REDOs

While the literature on the development of regions and communities is extensive, comparatively little has been written about the roles, structures and functions of the organisations that have been responsible for that development,¹ especially those operating at the level of the GRC. However, many scholars emphasise the importance of development organisations in the regional development process,²

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¹ Beer, Maud and Pritchard commented that as late as 2003 the practice of economic development "... is a subject that has been given relatively little attention by academics and policy makers, especially in Australia." Beer et al., Developing Australia's Regions, p.143.
although they tend not to differentiate between L&REDOs and RDOs, as I did in chapter 1. In this review I have used the available literature on L&REDOs as the basis for comparing the roles, structures and functions of the GRC, although the 'fit' is not exact.

While the number of scholars contributing to this area of study have been few, their contribution has been significant. These include Beer, with Maude\textsuperscript{3} and Pritchard\textsuperscript{4} and with Haughton and Maude,\textsuperscript{5} Blakely, both individually and in association with Bradshaw\textsuperscript{6} and Bowman,\textsuperscript{7} Luke, Ventriss, Reed and Reed,\textsuperscript{8} Marshall and Witherby,\textsuperscript{9} and Mason, Smith and O'Connor,\textsuperscript{10} Others, such as Stimson, Stough and Roberts, have addressed the roles, structures and functions of L&REDOs only as part of their detailed reviews of specific aspects of the regional economic development process.\textsuperscript{11}

\textsuperscript{4} Beer \textit{et al}., \textit{Developing Australia’s Regions}.
\textsuperscript{5} A. Beer, \textit{et al}., (Eds.), \textit{Developing Locally}.
\textsuperscript{6} Blakely and Bradshaw, \textit{Planning Local Economic Development}.
\textsuperscript{10} Mason \textit{et al}.
Roles of L&REDOs

According to Blakely and Bradshaw, there are four basic roles for a L&REDO, namely: an entrepreneur/developer, coordinator, facilitator and stimulator of local development activities.\(^{12}\)

In its entrepreneurial/developer role the L&REDO took responsibility for operating business enterprises where there was the need to preserve land in public ownership, enhance the commercial value of land and buildings under its control, or develop opportunities that were aligned to the characteristics or ‘theme’ of localities (in a bid to stimulate tourism). Where the objective was to redevelop depressed industrial and/or commercial areas with the view of increasing trade, employment and/or regional revenue, a L&REDO (particularly a local government council) could act alone, or in partnership with private enterprise. The Geelong Regional Commission Act empowered the Commissioners to undertake non-residential development (with the approval of the Minister) as the means of stimulating and diversifying the regional economy and creating employment. The role of the GRC as an entrepreneurial property developer was most relevant at times of economic recession, when the private sector was not prepared to accept the investment risk. This applied particularly to the provision of high quality industrial estates, factory complexes, an industrial incubator, community facilities and museums. This was in line with the contention of Blakely and Bradshaw, who argued that community-based organisations could operate business enterprises with the objective of creating employment in those instances where the private sector was unable or unwilling to assume the risk.\(^{13}\)

As a coordinator, the L&REDO assumed the role of the area’s leader in planning and coordinating the delivery of services and implementing the regional strategy. Regional coordination was one of the main roles assigned to the Commissioners

\(^{12}\) Blakely and Bradshaw, pp. 84-88.

\(^{13}\) Blakely and Bradshaw, p. 86.
by the *Geelong Regional Commission Act*, and remained a major platform for the organisation’s activities and projects. Blakely and Bradshaw extended the coordinating role of the L&REDO to assisting government agencies and other interested bodies to create regional economic development policy and strategies. This was similar to the leader’s role in Bryson and Crosby’s shared-power model, where no one organisation was in charge but all cooperated to identify issues or solve problems.\(^{14}\) This cooperation had the advantage of ensuring that local programs were consistent with government policies and strategies, thereby optimising the benefit to the local community. Between August 1977 and the end of 1992, the GRC Commissioners maintained a close working relationship with successive Victorian Governments. As a result, Ministers and Government Members in the Geelong region generally sought input from the Chairman and Commissioners on Government policies, which could affect the region.

Tourism development planning was an example where joint statements could be developed between all three levels of government and interests from other sectors. As Blakely and Bradshaw pointed out, this type of activity was best targeted at the regional level, as bodies that represented multiple sectors had high creditability with governments.\(^{15}\) As we shall see in chapter 10, in its coordination role the GRC became the nucleus of tourism promotion in the Geelong region through an agreement between the Victorian State Government, local government authorities in the region and the Commissioners. This was one of many such activities.

Advocacy was one of the main functions of a facilitator. As an advocate, the L&REDO represented the community to government in matters of local importance. According to Blakely and Bradshaw, the effectiveness of the organisation as an advocate could be gauged by the support it received from

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\(^{15}\) Blakely and Bradshaw, p. 87.
regional businesses and the community at large. They also argued that improving the attitudinal environment of an area was a stimulus to investment. L&REDOs should streamline the planning process for evaluating/approving development projects. I regard this as a very important aspect of regional development and one in which the organisations responsible for land-use planning provide an advantage for the community. Luke and his colleagues argued that a focal point approach through a single entity was important to the private sector when trying to gain information and assistance from, say local government. However, they also argued that an entity such as a line department (or an organisation such as the GRC), which combined multiple development functions could suffer an overall reduction in the effectiveness of implementing those functions. They cited the often-voiced concern about the potential for conflict within a single department that was responsible for both the economic development and land-use planning functions. They suggested that this situation ‘may’ reduce the effectiveness of the organisation’s advocacy function on behalf of economic development. Interestingly KPMG Management Consultants stated as part of their review of municipal structures in the Geelong region in 1993, that “There is a legitimate nexus between [statutory and strategic] planning and economic development.” McLean and Grant went further and argued that, in the case of the GRC, combining the functions of land-use planning and economic development responsibilities was effective for the community. This arrangement allowed the planning and development arguments on a particular issue or project to be debated and assessed by all members of the Commission, with the final decision being made to the overall benefit of the region.

16 Blakely and Bradshaw, p. 87.
18 Luke et al., p. 66.
Finally, L&REDOs could act as a stimulator to employment creation by building industrial estates, industrial buildings and manufacturing incubators.\footnote{Blakely used the description, for what the author called ‘incubators,’ as small manufacturing workshops ‘... built and leased to operators at reduced rents for the first few years of operation.’ Blakely, p. 72.} In this way investors were induced to stay or locate in an area. As we shall see in chapter 8, these were mainstream activities of the GRC.

\textit{Structures of L&REDOs}

Based on North American experience there are three types of L&REDO structures. These are the ‘(local) government agency,’ the ‘private development association’ and the ‘local development corporation.’ Blakely and Bradshaw referred to these as ‘archetypes.’\footnote{Blakely and Bradshaw, p. 347.}

The government agency operated as a unit of local government with partial or fully delegated authority for economic development activities. Because of the comprehensive makeup of these units, they were normally only found in large municipal government authorities. The importance of local government was highlighted in the research on international L&REDOs conducted by Beer and his colleagues in 2001, which found that local government represented 60 per cent of Australian L&REDOs.\footnote{Beer, Haughton and Maude. ‘Local and regional economic development organisations in international comparison,’ in Beer et al. (Eds.), Developing Locally, p. 38.} In Victoria, the Kennett LNP Coalition Government passed legislation in the mid 1990s to amalgamate local government councils and required local government to place a greater emphasis on economic development.\footnote{Beer et al., Developing Australia’s Regions, p. 146.} This reinforced the position of local government authorities as key actors in the economic development of Victoria’s regions.

In addition to bringing public funding to the development process and providing access to political and professional leadership, Luke and his colleagues noted that local government organisations were well positioned to ‘orchestrate’ state and
local government resources in the economic development process. This included the government approvals required by the bureaucratic process. In addition, these councils were able to provide taxation (rate) incentives, relief from regulation and assistance in the provision of ‘quality-of-life’ factors, which they pointed out had become important to businesses when choosing new locations.25 This latter point was also emphasised by, Stimson and his colleagues,26 who considered these factors to be an essential part of modern economic development theory and practice. Florida proposed that the ‘quality-of-life’ attributes of a region acted as an attractor to creative people, the concentration of whom in any one location, acted as the attractor for knowledge-based businesses. He postulated that the rise of the creative class in regions changed the way the regions competed with each other.27 From the start the Commissioners emphasised the quality of life advantages of the Geelong region in their investment facilitation programs. By the mid-1980s the Commission had published a high profile promotional document, which promoted the region’s environmental and recreational amenities, as well as its dining, entertainment, performing and visual arts and heritage.28

Local government organisations had the disadvantage of having constitutional and statutory limits, such as the extent to which they could go in using public funding to stimulate private investment.29 In the case of the Geelong region some local government authorities acted as L&REDOs, in a limited sense. In the majority of instances, however, they deferred to the GRC in economic development matters and refrained from engaging in economic development issues outside of the provision of local infrastructure. This minimised duplication, provided a clear pathway for external investors and led to greater efficiency in the use of financial and human capital resources for economic development in the Geelong region.

25 Luke et al., p. 57.
26 Stimson et al., pp. 5, 6.
28 GRC, Living Geelong: Meet its People, GRC, Geelong, Australia, c 1986.
29 Luke et al., p. 38.
Private development associations were usually organisations with the local chamber of commerce acting as its base. Luke and his colleagues differentiated between for-profit (FPOs) and not-for-profit organisations (NPOs). The main objective of FPOs was to return a profit to the shareholders from the economic development process. The motives of NPOs were to promote a public purpose. Whereas private development associations could act quickly, their activities were generally limited to specific interests, which often involved the promotion of existing businesses and real estate and investment opportunities. Blakely and Bradshaw pointed out that private organisations usually did not become involved in employment issues.

Private L&REDOs have not been as important in Australia as in the USA. Beer and his colleagues have suggested, however, that private L&REDOs might become more popular in Australia in the future. Throughout the late 1970s and the 1980s, there were few private L&REDOs, in the Geelong region, other than the Geelong Chamber of Commerce. It was only in the early 1990s that the NPO, the Geelong Business Leadership Team, began its economic development activities. Since the abolition of the GRC a number of additional private sector L&REDOs have emerged in the City of Greater Geelong.

Blakely and Bradshaw were strong advocates for economic development corporations. This type of organisation was akin to the local development corporations identified by Luke and his colleagues. They were also similar to the Regional Development Boards set up by the New South Wales (NSW) and the

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31 Blakely and Bradshaw, p. 347.
32 Beer et al., Developing Australia’s Regions, p. 27.
33 Examples include the economic development committees of the Geelong Chamber of Commerce, the Geelong Manufacturing Council, the Committee for Geelong, the Geelong Business Leadership Team, the Wool Industry Task Force (now defunct), among others. In addition the Victorian Government operates a regional ‘Business Centre’ in Geelong, and the CoGGC maintains a Development Department and a Geelong Development Board, as an advisory committee.
34 Blakely and Bradshaw, p. 349.
South Australian Governments in the late 1970s and the late 1980s, respectively; the Regional Development Commissions set up by the Western Australian Government in the late 1980s and early 1990s; and the Regional Economic Development Organisations created by the Australian Government in the early to mid 1990s. 36 These multi-interest organisations generally enjoyed the support of all sectors of the community because they had representation from local government, private enterprise and the community at large.

The importance of this type of structure was that, while it was able to act as a private entity, it could still perform the tasks delegated to it by government. For example, it could administer development funds; operate industrial, commercial and service ventures for local government; assume legal responsibility for development projects; undertake marketing activities and programs; provide a ‘one-stop’ business service, including a small business service centre, provide marketing and technical assistance for local businesses; and act as the local agent for attracting business investment to the community. 37

While development corporations varied in size, funding sources, development goals and objectives, Luke and his colleagues noted that:

... most share[d] common characteristics [in that]: (1) they are incorporated; (2) they are locally initiated and controlled; (3) they have public- and private-sector representation; (4) they operate within a geographically defined target area; (5) they are small, flexible, and concerned with implementation; (6) they have more direct access to capital and fewer limitations on investing than strictly public or private organizations, and (7) they utilize their funding for activities that directly stimulate the formulation, expansion, attraction, or retention of business enterprises. 38

These characteristics matched the operational profile of the GRC, albeit that the Commission was also vested with powers in statutory planning and the protection of the natural environment in the Geelong region.

36 A. Maude, 'Local and regional economic development organisations in Australia,' in Beer et al., Developing Locally, p. 110.
37 Blakely and Bradshaw, pp. 349, 350.
38 Luke et al., p. 66.
Functions of L&REDOs

According to Blakely and Bradshaw the 'basic ingredients’ for any L&REDO were economic analysis and planning (assessments, forecasting and strategy development), marketing and finance (promotion, product development and financial planning and packaging) and human and community resourcing (community profiles, education and training, community services, regulation, analysis and coordination). Beer, Haughton and Maude considered a wider scope of basic functions in their comparative analysis of the performances of L&REDOs in Australia, England, Northern Ireland and the USA. In this case these scholars considered 16 'objectives,’ which covered functions of economic development that ranged from 'promoting economic growth,’ 'developing local businesses’ and 'attracting new businesses,’ to 'lobbying governments on behalf of the region/local area.’ In addition, Beer and his colleagues covered other aspects of regional economic development, such as partnerships, business-related assistance and region capacity building. These are discussed in chapters 4 and 10. In the case of the 'basic ingredients’ of Blakely and Bradshaw, the functions corresponded with the functions of the GRC, with the exception of the delivery of a broad range of community services. In the case of the 'objectives’ of Beer and his colleagues, the GRC carried out 15 of the 16 identified functions. (See Appendix 2) In earlier research conducted with L&REDOs in Australia in 1966, Maude and Beer identified 17 core business activities (functions). They found that the L&REDOs were involved in a diverse range of activities that ranged from business creation and delivering labour market programs, to strategic planning. Most often, however, L&REDOs were involved in business (endogenous) development and regional economic development. The functions of the GRC

39 Blakely and Bradshaw, pp. 342-345.
40 Beer, Haughton and Maude, 'Local and regional economic development organisations in international comparison,' Beer et al. (Eds.) Developing Locally, pp. 44-46.
41 Beer, Haughton and Maude, 'Local and regional economic development organisations in international comparison,' Beer et al. (Eds.), Developing Locally, pp. 44-46.
42 Beer et al., Developing Australia’s Regions, pp. 148-159.
aligned with 16 of the 17 core business functions – the exception being involvement in local government.\footnote{Beer et al., Developing Australia’s Regions, p. 149.}

2.3 Measuring the success, or otherwise, of L&REDOs and the GRC

As Maude and Beer noted, “Despite the importance of RDAs [L&REDOs]\footnote{Maude and Beer used the term RDAs in the sense of L&REDOs used in this study.} in regional and local economic development, there has been little attention paid to questions of this nature [what influences the performance efficiency] in Australia.”\footnote{Maude and Beer, ‘Regional development agencies in Australia,’ p. 2.} Notable exceptions include the research of Mason, Smith and O’Connor on VROs in 1992,\footnote{R. Mason and S. Smith in association with K. O'Connor, ‘Voluntary Regional Cooperation and Economic Development: A Project under the National Program of Voluntary Regional Cooperation,’ Office of Local Government, Commonwealth Department of Immigration, Local Government and Ethnic Affairs, 1992.} Maude and Beer on local and regional economic development agencies in Australia in 1996,\footnote{Beer et al., Developing Australia’s Regions.} Fulop and Brennan on REDOs in 1997,\footnote{E. Fulop and M. Brennan, Meeting the Challenge: Regional Economic Development Organisations (REDOs) in Australia, A National Study, University of Wollongong and Australian Local Government Association. NSW, Australia, November 1997, p. 2.} Beer, Haughton and Maude on L&REDOs in Australia, England, Northern Ireland and the USA in 2001\footnote{Beer et al., (Eds.) Developing Locally.} and Marshall and Witherby on ROCs in 2002.\footnote{N. Marshall and A. Witherby, ‘The Roles and Functions of Regional Organisations of Councils.’} Only the research of Maude and Beer, and Beer, Haughton and Maude are reviewed here, as their research projects dealt with L&REDOs in general and therefore provided the most comprehensive bases for assessing methods for measuring the performance of the GRC.

Assessments of individual RDOs\footnote{As defined in chapter 1.} in Australia have also been few. Apart from the brief assessment of the GRC by Hansen, Higgins and Savoie, which was published in 1990,\footnote{Hansen, et al., pp. 184-188.} the only other studies on these organisations have been Sproats’ comprehensive study in 1984 of the rise and fall of the growth centre at
Bathurst-Orange, and the monographs of Oke on the Albury-Wodonga Development Corporation and McLean on the GRC, both of which were published in early 1987. While all of these studies addressed the roles, structure and major functions of the respective organisations, none measured or evaluated performance.

Factors that influence the performance effectiveness of L&REDOs

Based on their research, Maude and Beer proposed that seven factors influenced a L&REDO’s effectiveness. These were ‘adequacy of funding arrangements,’ ‘human resources,’ ‘the ability to engage in strategic planning,’ ‘legitimacy and empowerment,’ ‘engagement with the key sectors in the region’s economy,’ ‘participation by local businesses’ and ‘geographic coherence.’

Adequacy of funding arrangements

Successful local and regional economic development in Australia depends on L&REDOs obtaining adequate funding. This was confirmed by Beer, Haughton and Maude when they noted that the lack of untied funding and the absence of funding for the core businesses adversely affected 60 per cent of the Australian L&REDOs that responded to their survey in 2001. In the case of the GRC, my study found that in operational matters the Commission had adequate levels of funding for its economic development and land-use planning functions. In this aspect, the GRC was similar to the Regional Commissions in Western Australia, which reported in the survey conducted by Maude and Beer, that they

54 G. Oke, 'Albury-Wodonga Experience,' Australian Regional Developments, AGPS, Canberra, Australia, Number 5, February 1987.
55 G. A. McLean, 'Geelong Experience,' Australian Regional Developments, AGPS, Canberra, Australia, Number 7, February 1987.
56 Maude and Beer, 'Regional development agencies in Australia,' p. 11.
57 Maude and Beer, 'Regional development agencies in Australia,' p. 11.
58 Beer, Haughton and Maude, 'Local and regional economic development organisations in international comparison,' Beer et al., (Eds.), Developing Locally, p. 55.
suffered few funding constraints. However, the *Geelong Regional Commission Act* and successive Victorian Governments, constrained the GRC in its property development role by limiting grant funding in projects, other than for community museums. Instead the Governments expected the GRC Commissioners to rely on loan funds, which were to be repaid at commercial rates of interest. This was a severe constraint on the Commission throughout its lifetime.

*Human resources*

While Maude and Beer found that it was critical to have an adequate number of staff to carry out the organisation's 'core functions,' they also found that it was equally important to have staff with the appropriate skills. The GRC had an initial establishment of 30 full-time employees. This peaked at 50 between 1985 and 1990, and fell to 43 by 1992. In addition, as part of their corporate plan commitment, the Commissioners ensured that the GRC had "... the appropriate organisational, management, professional and technical skills to carry out the Commission's multi-functional tasks...". As Hansen and his colleagues noted and as we will see in chapter 7, the Commission had an adequate level of appropriately trained staff. This allowed the Commissioners to undertake a wide range of activities that served both the short and long-term needs of the community and the organisation.

*The ability to engage in strategic planning*

A L&REDO needed to have clear strategic plans to establish the organisation's vision and to allocate resources to key strategic projects and programs.

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50 Maude and Beer, 'Regional development agencies in Australia,' p. 15.
51 Maude and Beer, 'Regional development agencies in Australia,' p. 12.
53 Hansen et al., p. 187.
Blakely and Bradshaw,\textsuperscript{63} and Luke and his colleagues\textsuperscript{64} also argued that a L&REDO should be formed only after the community’s development strategy had been put in place. They felt that, initially, it was necessary to identify the purpose of the L&REDO and which groups would participate in the organisation. In their opinion there was no single correct organisational approach to managing economic development.\textsuperscript{65} Instead, they emphasised that "The organisational structure should be designed to fit the stages of development activity, the environment in which development is likely to occur and the particular needs facing the state and community."\textsuperscript{66} They also argued that other strategic factors played their part, including the size of the community and the degree of sophistication of other community organisations associated with the local economic development process.\textsuperscript{67} In the case of the GRC, the regional strategy was a contentious issue as this document was not adopted by the Victorian Government until 1988, approximately 11 years after the GRC had been established. However, there were some four years of political and community debate before the decision was made by the Victorian Government to set up the GRC in 1977. Among other things this debate engendered community ownership of the GRC and its legislation, and so it could be said that the Geelong Regional Commission Act was the strategy.

\textit{Legitimacy and empowerment}

Without enough ‘authority’ and ‘resources’ a L&REDO might not be seen to be a legitimate representative of the community by its stakeholders; nor would it be able to function successfully because of a lack of human and financial resources.\textsuperscript{68}

\textsuperscript{63} Blakely and Bradshaw, pp. 342, 343.
\textsuperscript{64} Luke \textit{et al.}, pp. 53, 54.
\textsuperscript{65} This point was also emphasised by Blakely and Bradshaw, p. 343.
\textsuperscript{66} Luke \textit{et al.}, p. 53.
\textsuperscript{67} Blakely and Bradshaw, p 343.
\textsuperscript{68} Blakely and Bradshaw, p. 346.
In addition, Maude and Beer emphasised that the organisation should be seen to be separate from government, but sufficiently close so that members of the L&REDO would be consulted by Members of Government in matters that affected the region.\(^{69}\) The Commissioners derived their authority from the Geelong Regional Commission Act and their operational resources from the Victorian Parliament and the local government authorities in the region. As such the GRC was recognised as an important and influential member of the regional community,\(^{70}\) which received resources appropriate to its ‘operational’ tasks.

Blakely and Bradshaw went further. They proposed that the legal structure of the organisation should reflect its goals. Above all, the ‘form’ of the organisation should follow its ‘function’.\(^{71}\) The organisation should be allowed to operate without interference in its internal operations; however sufficient controls needed to be in place to ensure that the organisation remained accountable to its sponsoring bodies, shareholders, stakeholders (and the community). The provisions of the Geelong Regional Commission Act addressed many of these considerations though a system of reporting to the Victorian Parliament and the Minister, as well as prescribed processes of information dissemination and consultations with the Geelong regional community, particularly in planning matters. However, while still retaining a control of budgets and expenditure, over time, Ministers allowed the Commissioners greater freedom in their choice of development and facilitation projects. In essence, the Commissioners set their own operational agendas.\(^{72}\)

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\(^{69}\) Maude and Beer, ‘Regional development agencies in Australia,’ p. 12.

\(^{70}\) On numerous occasions Ministers for Economic Development recognised the importance of the GRC by allowing the Chairman to negotiate directly with other Ministers on matters related to the Geelong region. Interview with Atkins, 6 May 2004.

\(^{71}\) Blakely and Bradshaw, p. 346.

\(^{72}\) Interview with Atkins, 6 May 2004.
Engagement with key sectors in the region's economy

If a L&REDO was to be effective it had to be involved with those community sectors, which were the 'drivers' of the local economy. Maude and Beer found that a L&REDO had to have sufficient standing to be included in the work of these 'drivers' and the projects of significance to the region.\textsuperscript{73} The GRC Commissioners had a close involvement with the region's major manufacturers, retailers, providers of social and physical infrastructure, as well as all three levels of government. As such, the Commissioners worked with the region's influential sectors on a number of specific projects, the most significant of which was the revitalisation of the Geelong CBD, known as the 'City By The Bay' plan. These are discussed in detail in chapters 8 and 9.

Participation by local businesses

Maude and Beer found that the private sector needed to be involved in the operations of L&REDOs, at board level, but should not be allowed to dominate. They pointed out that "Boards with wide representation from different groups within the local community were seen as having greater legitimacy."\textsuperscript{74} As we will see in chapter 6 the Board of the GRC was designed specifically to ensure that key community interests were represented. This gave the Commissioners legitimacy in the eyes of the Geelong regional community.

Like many others,\textsuperscript{75} Blakely and Bradshaw\textsuperscript{76} identified the need for a L&REDO to have strong links with the private sector - the so-called 'public-private

\footnotesize{\textsuperscript{73} Maude and Beer, 'Regional development agencies in Australia,' p. 13. \\
\textsuperscript{74} Maude and Beer, 'Regional development agencies in Australia,' p. 13. \\
partnerships,77 as well as developing good relations with social groups within the community. They noted that these relationships assisted a L&REDO to meet its community’s requirements and expectations and facilitated access to the community’s resources, which, in the case of the private sector could mean additional opportunities for the organisation. Regardless of the organisational structure that was chosen by the community, the public and private sectors had to work as true partners.78 Throughout the life of the GRC the relationships with private businesses, business associations and local government were generally good and all parties worked together on major issues to produce positive outcomes. This cooperation was assisted by multi-interest representation on the Commission and the Commission’s consultative committees (CCs), which were designed to advise the Commission and address issues of regional importance.

Geographical coherence

Maude and Beer found that if a L&REDO operated in a region that had common interests then that organisation had an advantage in developing and implementing strategic plans and gaining the commitment of the community on common issues and goals.79 This advantage was evident in the Geelong region. From the second half of the nineteenth century, Geelong and its hinterland was recognised as a ‘district’ by the regional community.80 In recent times the Victorian Government formally designated the region as the ‘Geelong Regional Planning Authority Area’ in its Statement of Planning Policy No. 7 (Geelong) in 1973, and confirmed it as a planning region in the Geelong Regional Authority Act of 1975 and the

76 Blakoly and Bradshaw, pp. 151-153.
78 Blakoly and Bradshaw, p. 351.
79 Maude and Beer, ‘Regional development agencies in Australia,’ p. 13.
Geelong Regional Commission Act in 1977. The association of Geelong and its hinterland was also evident in the naming of the Geelong and District Water Board (now Barwon Water), the Geelong and Region Trades and Labour Council, Geelong and District Group Apprentices (now G Force) and the Geelong and District Community Chest (now United Way).

**Measuring performance of L&REDOs**

In 2001, Beer, Haughton and Maude undertook an extensive survey of L&REDOs across Australia, England, Northern Ireland and the USA, using the same basic questionnaire. While other researchers had previously compared economic development strategies across nations, the study by Beer and his colleagues was the first to yield data that allowed for an international comparison to be conducted based on a common set of evaluation criteria.\(^{81}\) They collected data on a wide range of factors, covering aspects such as 'annual agency expenditure' through to 'most significant impediment to agency effectiveness.' Importantly, they published a 'summary of indicators of organisation performance' for all nominated countries. I will be able to compare the performance of the GRC, as identified in my study, in seven of the ten factor categories employed by Beer and his colleagues. The methodologies used for these analyses will be discussed further in chapter 4.

**Profitability verses public interest in public L&REDOs**

One of the vexed questions facing statutory authorities is how to balance the requirements of financial performance and 'public interest.' According to Mascarenhas\(^ {82}\) and Seidman,\(^ {83}\) the general move towards a profit-based

\(^{81}\) Beer, Haughton and Maude, 'International comparisons of local and regional economic development,' Beer et al (Eds.), Developing Locally, p. 10.

performance measurement of public enterprises began in the 1960s, when policy makers in Britain and France began to place greater emphasis on the commercial role of public entities, at the expense of their public interest role. This trend accelerated in the 1970s and 1980s when governments began to adopt economic rationalist thinking and emphasised the need to assess the performance of public enterprise based on, what Mascarenhas called, “a narrow concept of efficiency profit.” He challenged this approach arguing that “… the complex economic and technical reasons associated with their [the public enterprise] establishment do not offer a competitive environment for their efficient functioning. Acceptance of this fact would raise doubts about using the a rate-of-return approach to measuring performance.” On another tack, Carter argued that there was a problem in even defining profit, pointing out that “… the ‘bottom line’ turns out, on closer inspection, to be a plasticine concept, both malleable and movable across time.” KPMG Peat Marwick Management Consultants also stressed that “financial measures are not enough.” when measuring private corporate performance. Although the political realities of community service obligations, among other considerations, have driven customer service, quality and best practice in the public sector, the performance assessment of ‘commercialised’ public enterprises have been measured largely in terms of profitability.

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84 Mascarenhas, p. 67.
85 Mascarenhas, p. 60.
have addressed ROI in this study, when comparing the performance of the GRC with those of private and government business enterprises in 1990/91 and the financial indicator in the corporate plan for 1988/89-1990/91, in the main, I have adopted the viewpoints of Mascarenhas, Carter and the officers of KPMG Peat Marwick, and placed less emphasis on ROI and relied more on the financial performance indicators that are now employed by local government in Victoria. I consider that they are more appropriate measures of the Commission’s financial performance. These matters are discussed in detail in chapters 4 and 11.

Since 1990, Government legislation and associated regulations in Victoria have required local government authorities to report to the Minister for Local Government on their respective performances, as part of the annual reporting process. Among other factors, these government requirements included the reporting against five financial indicators, which focused on revenue, debt and working capital. In this study I have used the methods for three of the five indicators to assess the financial performance of the GRC.

Measuring non-financial corporate performance

While I have assessed the non-financial performance of the GRC using the organisation’s corporate planning objectives as the base measure, I considered it important to measure performance against other criteria as well. To this end I reviewed the main literature dealing with the measurement of corporate management in the private sector.

In 1982 Peters and Waterman argued that it was not only the way that companies were organised that led to good performance, but it was also the corporate culture

Entrepreneurial Management in the Public Sector, Centre for Australian Public Sector Management, Brisbane, Australia, 1996, pp. 94-102, Hodge, p. 62.
and attitude of the employees. As part of their research, they identified eight factors that underpinned corporate excellence. These included: a bias for action; being close to the customer; encouraging autonomy and entrepreneurship within the business; achieving productivity through people; being hands-on; being value driven; staying with the business that you know ('stick to the knitting'); retaining a simple form and an effective minimum of staff ('lean staff'); and possessing a balance between centralising and decentralising the business operations ('simultaneous loose-tight properties').

A decade later, Kaplan and Norton considered what should be measured to achieve an excellent performance. They noted that in the quest to make measures of business performance more relevant, some academics had concentrated on trying to find the appropriate financial measures, while others looked at improving operational measures in the belief that satisfactory financial results would follow. Kaplan and Norton argued that managers could not rely on one measure of performance. For instance, managers could not rely only on traditional financial accounting measures such as return-on-investment and earnings-per-share, as they were insufficient to guide managers on issues of continuous improvement and innovation – two key competitive requirements of modern business. As a result they developed the 'Balanced Scorecard' system. This addressed four basic perspectives of business: the financial (how do we look to shareholders?), the customer (how do customers see us?), the internal business (what must we excel at?) and innovation and learning (can we continue to improve and create value?). Whereas Kaplan and Norton originally envisaged the 'Balanced Scorecard' as a measurement system for improving business performance, they eventually developed it as a core management system.

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92 Kaplan and Norton, 'The Balanced Scorecard,' p. 72.
In the 1990s Samson and Challis conducted a study of 200 of the world’s most successful private enterprise companies in a bid to determine the reasons for their success. They found that these companies knew and accounted “... for the connections between strategy, actions, behaviour, consequences and system performance measures.”\(^\text{94}\) They associated the latter with leadership. They also found that successful companies knew that ‘how to manage’ was as important as ‘what to manage.’\(^\text{95}\) The ‘how’ element of management included gaining an orientation to the needs of customers and shareholders and addressing internal and external relationships. The ‘what’ element included the structural side of the organisation’s strategy, such as choice of products and markets, positioning in market segments, pricing policies, customer propositions, use of technologies and systems, and the methods of organising and resourcing operations. Less successful companies tended to concentrate on ‘what to manage,’ rather than taking a balanced approach to the management task. The key outcome from their research was the development of 14 actionable management principles. They argued that without principles to guide the management process the company lacked direction.\(^\text{96}\) I chose the Samson and Challis method of evaluating corporate excellence as a measure of the corporate effectiveness of the GRC in its own right and against the average performance of the private sector. This is discussed in greater detail in chapters 4 and 7.

### 2.4 Conclusion

The roles of the GRC in regional economic development were in accord with the roles of being an entrepreneur/developer, coordinator, facilitator and stimulator, described by Blakely and Bradshaw. In terms of structure the GRC was similar to the local development corporations described by Blakely and Bradshaw, and Luke


\(^{95}\) Samson and Challis, pp. 6, 7.

\(^{96}\) Samson and Challis, pp. 30, 31.
and his colleagues. In terms of functions the GRC carried out a wide and comprehensive range of economic development activities when compared with those nominated by Maude and Beer, and Beer, Haughton and Maude in their respective research projects. Using these projects as a reference, the GRC most probably undertook significantly more activities than the average L&REDO in Australia, if not in the USA, England and Northern Ireland.

The main differences between the GRC and the L&REDOs described in the latest literature are the responsibilities given to the GRC in its legislation for strategic and statutory land-use planning and the protection of the natural environment. The nearest equivalents in Australia today are the large local government authorities, such as the City of Greater Geelong Council.

The literature provided a range of research methodologies, which were applicable to measuring the performance of the GRC. The work of Maude and Beer identified the seven factors that were likely to influence the effectiveness of a L&REDO. This study showed that the GRC conformed with six of these factors. The only potential problem area was gaining adequate funding for physical development. The work of Beer and his colleagues on their comparative analysis of the economic development activities of L&REDOs in Australia, England, Northern Ireland and the USA provided a basis for assessing the economic development activities of the Commission. In terms of measuring the corporate management performance of the GRC, the 14 principles of corporate excellence developed by Samson and Challis provided a model for comparing the performance of the Commission with that of private enterprise. Finally the research of Thuy and Dalrymple on measuring the performance of Local Government in Victoria led to the government legislation and associated regulations that provided the indicators for assessing the financial performance of the GRC, based on methods other than rate of return.
This literature review has shown that outstanding research has been carried out into the roles, structures and functions of L&REDOs and the measurement of performance of these organisations. However, there remains a paucity of literature on these topics, when compared with the volume of literature on the economic development process per se.

This is not only the first systematic history of the GRC, but it is the first to measure the performance of a RDO. As such it will contribute to the existing literature by providing a detailed case study of an organisation, which incorporated the functions of a L&REDO and a land-use planning authority; and will provide an insight into a range of methods to measure the non-financial and financial performance of a L&REDO. In an Australian context, this is one of the few comprehensive histories of a development organisation that had its origins in the growth centres program of the Commonwealth Government of the early to mid 1970s – a subject which has been largely overlooked by today’s economic historians.

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7 As defined in chapter 1.
3 THEORY

3.1 Introduction

The growth theories discussed in this chapter collectively provide a theoretical background to the economic development philosophies and activities of the GRC. Theories such as 'location,' 'economic base,' 'attraction' and 'central place' were used by the economic development and planning officers in developing many of the Commission's programs and projects. Theories such as 'cumulative causation,' and 'neoclassical' were less known, but have been included here because in a number of cases the Commission's programs opposed the tenets of these theories. Growth pole theory has also been addressed, as this theory was a stimulus for the development of the Australian growth centres program, which gave rise to the Geelong Regional Authority (GRA) and ultimately the GRC. In addition, special attention has been given to the concepts of 'development from above' and 'development from below,' as these provide alternate viewpoints for considering the Commissioners' approach to regional development.

3.2 Theories that were used in developing the Commission's economic development programs

Location theory

Location theory has been widely used to explain why companies chose particular regions for their operations. The theory proposed that for-profit enterprises selected their location so that costs were minimised and opportunities to access

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1 The Commission's Economic Research Unit was largely responsible for providing this theoretical appreciation. For example, B. Salt (GRC Research Economist), 'Recent Trends in Regional Development: A Review of International Processes and Policies in Industrial and Regional Development,' a report for the GRC, April 1983; I. D. Shimmin (GRC Research Economist), 'A Review of the Economy of the Geelong Region,' a research paper for the GRC, 7 November 1985. Both of these papers contained a review of the theories of regional economic development.
markets were maximised. For manufacturers this meant selecting a location on the geographic link between the source of inputs and markets that maximised profits. This model explained the original location decisions for several large processing works, which located on or near port-related land in the Shire of Corio. Rather than importing final products from its overseas operations, the Shell Company of Australia established a refinery at North Shore to produce petroleum for Victoria and petrochemical feed stocks for its polypropylene plant from imported and Australian crude oil. Pivot Fertilizer Cooperative processed imported phosphatic rock into superphosphate at its works at North Shore, which was sold to agricultural markets in western Victoria and South Australia. In these cases the rationale for maximising profits was to locate the processing operations close to the target market. In line with the tenets of location theory, the Commissioners targeted "... port-related industries, capital intensive industries, requiring large supplies of power and resources indigenous to Geelong and its hinterland..." as part of their investment facilitation program in the early 1980s. One example of their success was the attraction of Bremner Woll Kammerer. This company located its early-stage wool processing operation near the stocks of greasy wool held in the central wool storage facilities at North Geelong, and exported its output of semi-processed wool to spinners and textile manufacturers in Europe, through the Melbourne container terminal, some 60 kilometres away.  

As Blakely has pointed out, location theory also catered for other factors such as the costs of energy and labour, the availability of suppliers, good communications and education and training, the responsiveness of government authorities and the presence of supportive infrastructure including water and sewerage disposal.  

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2 Stimson et al., p. 21.  
3 Memorandum from the Director of Economic Development to the Chairman of the GRC, entitled 'Target Industries for the Geelong Region,' 15 November 1983; G. A. McLean, Australian Regional Developments: No. 7 The Geelong Experience, AGPS, February 1987, p. 34.  
4 The semi-finished wool was exported through Melbourne's container port because the Port of Geelong did not have containers handling facilities.  
5 Blakely, p. 55.
Commissioners were mindful of these factors and addressed most of them in submissions to prospective investors.\(^6\)

Stimson and his colleagues, as well as Blakely, have argued that improvements in telecommunications and transportation technologies had reduced the significance of distance and with it the cost advantages of particular locations for manufacturing and distribution of products.\(^7\) As a result more companies had become 'footloose' through strategic alliances and business networks and by adopting new ways of organising production, such as just-in-time delivery systems.\(^8\) In addition '... less tangible variables, such as the quality of community life, now seem to overshadow the obvious advantages of large market or natural resource areas.'\(^9\)

Location-inducing factors that emphasised the quality of the environment were more important than larger-scale geographic attributes. Blakely also argued that the development of social infrastructure and social and institutional networks created an inviting climate for new businesses and contributed to economic activity.\(^10\) He reasoned that "Research resources are the base for economic development in a "knowledge intensive" world economy," and stated that "... communities must not only build jobs to fit the existing populace, they must also build institutions [in the fields of higher education and research] that expand the capabilities of this population."\(^11\) This was akin to the concept of 'institutional thickness proposed by Amin and Thrift. This condition occurs when a strong presence of institutions, chambers of commerce, training organisations and trade associations cooperated as a network for the economic development of a region.\(^12\)

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\(^{7}\) Stimson et al., p. 21; Blakely, p. 56.

\(^{8}\) Stimson et al., p. 21.

\(^{9}\) Blakely, p. 56.

\(^{10}\) Blakely, pp. 59, 60.

\(^{11}\) Blakely, p.62.

\(^{12}\) A. Amin and N. Thrift, Globalisation, Institutional Thickness and the Local Economy, cited in Beer et al., Developing Australia's Regions, p. 21.
While it is unlikely that the Commissioners and officers were aware of this evolution of location theory, from at least 1988, they were addressing similar issues through their strategic and structure planning, and coordination programs, which among other things, were aimed at increasing the educational, training and scientific research infrastructure capabilities of the region.

**Economic base theory**

The Commission’s activities in investment facilitation and project development were consistent with the tenets of economic base theory. This theory “... states that the growth of a region depends upon the growth of its export industries, implying that expansion in the demand outside of the region is a crucial determinant for growth within the region.” The Commissioners and officers gave effect to this theory, through specific export strategies, the formation of the Geelong Export Development Group and their initiation of tourist infrastructure projects, such as the National Wool Centre, Surf Coast Plaza and the Bay Link project.

Advocates of the theory argued that companies involved in export, the basic element of the region’s economy, not only generated new direct wealth from their activities, but stimulated the creation of additional jobs in the non-basic element of the region’s economy. As such, they reasoned that exporting companies had

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13 The Geelong Region Development Strategy, which contained strategies and action programs to address issues similar to the ones raised by Blakely, was released by the GRC Commissioner in June 1988.
14 See chapter 9.
15 Among others, the Commissioners were involved in gaining the Institute of Education Administration, and the Victorian Institute of Marine Sciences. Other examples are identified in chapters 8 and 10.
16 GRC, Directions: Geelong Region Development Strategy, ‘Regional Sub-goal: Competitive advantage,’ Action program 6, 1988, pp. 48, 56.
17 Butler and Mandeville, p. 44.
18 The ‘basic’ element of a region’s economy refers to the component of the economy that produced goods and services for consumption by customers who were external to the region. The ‘non-basic’ element refers to the component that produced goods and services for the intra-regional market. J. W. Alexander, The Basic-Nonbasic ‘Concept of Urban Economic Function,’ Economic Geography, Vol. 30 1954, pp. 246-261; and C. Tiebout, The Community Economic
higher job multipliers than companies producing non-basic products and/or services. Blakely warned against placing too great an emphasis in economic development strategies on the application of the economic base model, as this could lead to a 'skewed' regional economy and an over-dependence on external markets. In addition to their promotion of export, the Commissioners developed strategies in support of companies in the non-basic sector. These companies included small businesses, which collectively represented a large number of employees and were essential to the economic well-being of the region.

**Attraction theory**

This widely used demand-side theory is based on the assumption that a region can improve its market position by offering incentives, subsidies and infrastructure to attract business investment. In turn, the introduced businesses provide the region with taxes (Commonwealth Government income tax, State Government payroll taxes and Local Government rate revenue) and economic activities (employee salaries and markets for local businesses). Advocates of 'industry attraction,' or 'industry recruitment,' as it is also known, contend that the community recoups the cost of the original incentives. This has been challenged by many academics, including Eisenger who, when commenting on regional development policies in the USA, emphasised that "... the putative value of these inducements, whose efficacy economists have doubted from the beginning, have diminished as more and more states have offered them...". Porter also was critical of the

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19 Blakely, p. 55. On the other hand Jacobs argued that in cities "... the multiplier effect from import replacing is far more potent than the multiplier effect from growth of exports, because all shifted imports go to swell the local economy." J. Jacobs, *The Economy of Cities*, Random Press, New York, USA, 1969, p. 161.

20 Blakely, p. 55.


22 Beer *et al.*, *Developing Australia's Regions*, p. 22.

23 Critics of this theory have suggested that the incentives are in fact paid for by the workers and tax payers of the region. Blakely, p. 58.

24 Eisenger, p. 11.
preoccupation shown by some countries (and states) to try to attract investment through incentives. He argued that success came from regions “... investing in specialized training, building cluster-specific infrastructure, and improving business climate with streamlined regulations...” In recent times, some governments have introduced policies to prohibit industry recruitment. As cases in point, the European Union (EU) has prohibited member governments from attracting businesses from each other; and in Canada the provincial governments have signed an agreement not to offer incentives to attract businesses from one province to another.26

In the Geelong region, neither the GRC nor local government offered financial incentives. Instead, the Victorian Government offered a range of incentives to industries to locate in any of the State’s regions. Although much of the Geelong region fell within the benefits exclusion zone of 80 kilometres from Melbourne, the GRC Commissioners successfully lobbied the Victorian Government for the region to be part of the scheme. However, as the Victorian Governments did not differentiate between regions, except for Wodonga, which formed part of the Albury-Wodonga Growth Centre, the comparative advantage between Victorian regions, based on incentives, did not exist. Only when regions from different states competed for the same investment was there a difference in the level of financial incentive, and in these instances the Commissioners used them in an attempt to secure the investment. Although the GRC promoted the Victorian Government’s financial incentives,27 the Commissioners and officers relied more on packaging the region’s comparative advantages of location, amenities, quality of life attributes, work force and business infrastructure.

In the USA, during the 1970s and 1980s, there was a shift in emphasis from attracting investment to attracting entrepreneurial populations, which in turn, created knowledge centres in particular regions. This has been associated with the

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26 Boer et al., Developing Australia’s Regions, p. 162.
27 For example, GRC, ‘Submission to Barrett Burston & Company,’ 30 October 1981, pp. 25-27.
development of innovation centres such as Route 128 in Massachusetts and Silicon Valley in southern California. As we saw in chapter 2, Florida suggested that knowledge-based workers chose to locate in regions that satisfied their environmental and lifestyle needs, and in so doing established creative clusters and networks. He argued that, as a result, businesses located in regions where they could access these creative populations. Because of the benefits of agglomeration, cities were strong attractors of skilled populations, not only because of the scope and nature of employment on offer, but also for the range of amenities and cultural and leisure facilities that were available in large urban conurbations. The concept of agglomeration assumed that the size of a city was often a determinant of urban growth and that there was a minimum threshold above which growth of an urban node increased rapidly to the point where it became self-generating.

Central place theory

Central place theory, or the theory of the hierarchy of places, arose from the work of Christaller and Lösch. Christaller’s theory was based on the premise that a functional interdependence existed between major urban areas and their rural hinterland, in that “the chief profession, or chief characteristic, of a town is to be the centre of a region.” This was based on the notion that:

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28 Florida, p. 6.  
29 Butler and Mandeville, p. 51.  
30 Butler and Mandeville, p. 49.  
... urban centers are arranged in a hierarchical pattern of central places of different size and functional complexity, and that there is a systematic spatial arrangements across a large region in a pattern of distribution of central places (urban settlements). The different functions provided by central places reflects a diversity of economic activities that serve their surrounding populations.33

Based on his later work, Christaller became convinced that the marketing place principle was "... clearly dominant in determining the distribution of central places..."34

Whereas Christaller assigned functions to an assumed urban hierarchy, Lösch created a system of market regions (or networks) in a logical sequence, through the study of the demand for and supply of one good - the output from a brewery.35 The generalisation of Lösch's findings, when applied at the regional level, demonstrated that the individual market networks would overlay in such a way that there would be at least one common central location and numerous other central places. The one common central place would coincide with the regional metropolis. As King pointed out, the rotation of the networks around the one common central place produced a landscape in which there are areas with numerous urban places and some with few.36

There were many subsequent analyses and modifications of the theories of Christaller and Lösch. Among these, the work of Berry and Garrison37 marked an important new direction for the analysis of the central place theory. These researchers proposed that the data derived from the application of the theory could be used to estimate the threshold populations of the functions of a region. In turn these could be used to establish the region's hierarchy of central places as well as

32 Stimson et al., p. 21.
33 Baskin, translation of Christaller, Central Places in Southern Germany, p.166, quoted in King, p. 29.
34 King, p. 37.
35 Lösch referred to these areas as being 'rich' and 'poor,' King, p. 44.
functions. Their research on four regions in the USA confirmed the existence of
central places and commercial centres. In addition, it showed that the location of
lower-order places and centres, relative to higher-order ones, conformed to a
hierarchical pattern. This argument for the threshold of populations was used by
the officers of the GRC to determine the catchments of retailing in the Geelong
region, which underpinned the Commission's Geelong regional retail strategies.
These strategies recognised the primacy of the Geelong Central Business District
(CBD) within the region's retail market, and allocated roles to sub-regional and
lower-order retail centres throughout the region. This was the basis of the
Commissions' central place strategy, which gave rise to the City by the Bay plan.

In addition to confirming that the major urban centres were the dominant
commercial areas of the region, the Commissioners also recognised the special
roles and functions of the smaller settlements, thus ensuring that their particular
competitive advantages were maintained. This applied to the coastal areas of the
region, which were regarded to be among the leading tourism areas in Australia.

3.3 Other theories relevant to the programs of the GRC

Cumulative causation

This theory was first proposed by Myrdal, in 1957. He postulated that "... the
interplay of market forces normally tends to increase, rather than to decrease, the
inequalities between regions, and predicts a divergence of regional per capita
income [between prosperous (growing) regions and lagging (low growth or

38 King, p. 37.
39 GRC, Geelong Region Retail Strategy, Research Report Series No. 4, prepared for the GRC by
Plant Location International (Australia) Pty. Limited, December 1978; GRC, Strategy for Retail
Centre Development in the Geelong Region for the 1990s, 1990.
40 GRC, Directions, 'Regional Sub-goal: Cost effectiveness.' Action programs 3, 4 and 5, pp. 71-
73; The tourist areas included the Great Ocean Road, the Otway forests and the international
surfing area of Bells Beach.
41 G. Myrdal, Economic Theory and Underdeveloped Regions, Duckworth Press, London, UK,
1957, cited in Butler and Mandeville, p. 45.
decreasing regions)." This concentration of economic activities in prosperous regions eventually became self-sustaining. He went on to argue that, in the absence of some significant exogenous event, labour, capital and goods will flow from lagging regions to their high growth neighbours. This prediction had particular relevance for the Geelong region, which competed with Melbourne for business investors, capital and skilled labour. In the broader field of international business, Butler and Mandeville pointed out that free trade between regions works to the disadvantage of lagging regions where the patterns and development of industrialisation were suppressed. In turn, these 'backwash effects' reduced the capacity of lagging regions to revitalise themselves. Blakely has suggested that community development corporations were an appropriate institutional mechanism for rebuilding lagging areas, by "... attempting to restore the market and act as capital retainers or capital attractors. ..." The Victorian Government looked to the formation of the GRC as the means of fulfilling its commitment to the people of the Geelong region to revitalise the region. Once the Commission was established the Commissioners embarked on a broad-ranging program of economic development that often clashed with the interests of Melbourne. While the Commissioners and officers recognised the dependence of the region on the capital city, as a market and supplier of materials and investment, they worked vigorously to reduce the limiting effects of cumulative causation. This included a strategy to position the region as an entity, separate from Melbourne.

47 Butler and Mandeville, p. 45.
44 Butler and Mandeville, p. 46.
45 Blakely, p. 57.
46 Blakely, p. 57.
47 Interview with Atkins, 6 May 2004; see chapter 6.
48 For example, the success of the Commissioners in having Geelong accepted by the Victorian Government as the preferred site in Victoria for the building of the Australian submarine fleet. GRC, Annual Report 1985/86, p.12.
50 GRC, Directions, 'Regional Sub-goal: Cost effectiveness,' Action program 14, pp. 68, 82.
**Neo classical theory**

According to Stimson and his colleagues, this theory is based largely on the Solow model.\(^{51}\) Although it has no spatial perspective, neo-classical economic theory is important because it provides the concepts of equilibrium and mobility to the study of regional development. The equilibrium concept states that "... all economic systems will reach a natural equilibrium if capital flows without restriction."\(^{52}\) As Blakely pointed out, this theory assumes that "... all areas can compete in a deregulated market."\(^{53}\) Similarly, it supports the free movement of companies intra-nationally or internationally. Advocates of the theory have decried attempts by some governments to introduce regulations that affect the movement of companies. This criticism was also leveled at the GRC Commissioners, who opposed the recommendations of the Australian Industries Assistance Commission (IAC) to the Australian Government to lower import tariffs on a number of occasions throughout the 1970s, 1980s and early 1990s. The Commissioners opposed the recommendations of the IAC as it failed to take into account spatial considerations, such as the impact on the Geelong region, where the economy depended significantly on trade-exposed industries.\(^{54}\) This issue is discussed in detail in chapter 10.

Neoclassical theory also advocated that companies in decline should not be assisted and that unemployed workers should be encouraged to find work in other regions. In the case of Geelong, this inevitably meant Melbourne. Again, the Commissioners were opposed to these approaches, as they demonstrated in the financial rescue of Lunwin Products, the automotive parts manufacturer, and the successful move by the Commissioners in resurrecting the operations of International Harvester Australia Limited at North Shore. These examples are discussed in chapter 10. The Commissioners also recognised that, whereas some

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\(^{52}\) Blakely, p. 53.

\(^{53}\) Blakely, p. 53.

\(^{54}\) The trade-exposed sector of the a region's economy is the component that competes against imported goods and services and/or exports goods and services to external markets.
workers might find work elsewhere in a larger economic node, such as Melbourne, many could not afford to move, as the cost of living and housing were generally higher than in the Geelong region.

3.4 Growth pole theory

Growth pole theories were developed by Perroux and Hirschman. Perroux argued that economic strategies should concentrate on a specific industrial sector, or sectors, in order to achieve ‘propulsive’ development. The assumption behind this theory was that as the growth pole began to expand, linkages were created with other sectors as import replacement takes place. Perroux also proposed ‘... that through appropriate policies, urban centres in a multi-regional context could become growth poles.’ Growth pole models were generally used to explain the development of individual sub-state regions. It was the work of Hirschman that associated the term growth pole specifically with urban growth nodes. Hansen and his colleagues explained that growth pole theory ‘... embraced the notion that productivity can be increased by realizing the external economies of agglomeration ... to be had by clustering infrastructure and directly productive activities rather than dispersing them thinly over wide areas. Regional policy, it was held, could induce growth pole development.’ The application of growth pole theory created benefits. For instance, the pole’s own growth would promote development within its region; migrants would be attracted to lagging regions, who might otherwise be attracted to congested cities; growth poles would generate positive benefits (‘spread effects’) to their hinterlands, including the diffusion of innovation through the hierarchy of urban

55 Stimson et al., p. 16.
56 Stimson et al., p. 16.
56 Nelson, p.32.
57 Stimson et al., p. 16.
58 Hansen et al., p. 285.
areas. Growth pole theory was the basis of Neutze's concept of growth centres in Australia, which, under the Whitlam Labor Commonwealth Government, gave rise to the growth centres program of the early 1970s. Five growth centres were selected, one of which was Geelong. The application of growth pole theory did not live up to the expectations of its supporters, however. Among other reasons, it was almost impossible politically to implement a policy that favoured only one location, and as a result decision makers opted for multiple sites. This multi-site mentality was a contributing factor to the failure of the growth centres program in Australia. These matters will be discussed in detail in chapter 5.

3.5 Conceptual approaches to regional development

Up until the 1980s economic development was dominated by the 'development from above' school. Under this philosophy the central government was seen to have the main responsibility for regional economic development. According to Nelson, under this school of thought regional development was a function of the interplay between price equilibrium and disequilibrium. His justification for the price equilibrium approach was based on Myrdal's theory of cumulative causation, the growth pole theories of Perroux and Hirschman, Heckscher's theory of 'price equalisation' and Richardson's theory of 'autonomous growth

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61 Hansen et al., p. 285.
63 Hansen et al., p. 285.
65 Nelson, pp. 30-33.
centres. The theories of 'disequilibrium' drew on the work of Schumpeter and the 'regional life-cycle' theory developed by Wienstein and his colleagues.

In the 1980s the tenets of the 'development from below' school began to be accepted by central governments and as a result, regions were encouraged to undertake their own self-help development programs.

Nelson identified 'territorial development,' 'functional development' and 'agropolitan development' as the most relevant theories underpinning this school of thought.

In territorial development, regional planning caused the diffusion of development from growth centres to their hinterlands to accelerate, and in so doing moved the periphery to higher stages of development. In other words, development of the hinterland occurred through integration with the centre, upon which it becomes dependent. Jacobs went so far as to argue that "Cities' regions are not defined by boundaries, because they are wholly the artifacts of the cities at their nuclei, the boundaries move outwards – or halt – only as city economic energy dictates." Milanese and Carter demonstrated this phenomenon in their input-output analysis of the economy of the Geelong region, which showed that the Geelong region was an industrial enclave of Melbourne in the mid 1980s. Even so, these scholars

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70 Stohl, 'Subsidiarity,' p. 35; Blakely, pp. 39-40; also see discussion of the Country Centres Project in chapter 5.

71 Nelson, pp. 47, 48.


maintained that the region "... does represent its own functional economic area – despite its proximity to Melbourne."\textsuperscript{74}

The central tenet of functional development theory is that "... regional development can be achieved by harnessing selected regional resources to create the kind of generative growth envisioned by Richardson."\textsuperscript{75} Nelson cited the example of the Tennessee Valley Authority (TVA) in the southeast of the USA, where a major water catchment system was developed to produce low cost electricity and to improve water transportation. The concentration of investment in this development was responsible, in part, for attracting additional new capital, expanding the industrial base and stimulating new migration to the region. The origin of this functional development, however, came from the central government, which acted as a lead region. In a similar vein the Victorian Government invested in extensive infrastructure for the development of the Port of Geelong in the second half of the twentieth century. This not only consolidated Geelong's position as one of Australia's main ports for the export of agricultural products, but was a major factor in attracting the initial investment from Alcoa of Australia and the Shell Company of Australia, among other large manufacturers, to the region. The GRC Commissioners regarded the port as one of the region's strengths\textsuperscript{76} and actively pursued a policy of attracting further port-related investment to the Geelong region.\textsuperscript{77}

Both territorial and functional development involved the interplay of a lagging region with a leading region, upon which it was dependent. While the leading region was successful the lagging region was successful. Conversely, if the leading region failed, so did the lagging region. However, these theories did not take into account the capability of lagging regions to attain self-reliance through

\textsuperscript{74} Milanese and Carter, p. 2.
\textsuperscript{76} Hansch \textit{et al.}, p. 186; McLean, \textit{The Geelong Experience}, p. 51.
\textsuperscript{77} Examples of new port related investment attracted by the GRC included the wool processor, Bremner Woll Kammereri and the malt producer Barrett Burston.
their own efforts. Agropolitan development theory addressed that issue. According to Nelson, the theory was developed by Odum and Moore through their work on cultural regionalism.\textsuperscript{78} "In 1938 they argued that only by preserving cultural regionalism would a regional society have a chance to survive industrialization with its tendency to force cultural conformity with industrial interests."\textsuperscript{79} They proposed "national-regional social planning that would formally create a patchwork of autonomous organic territories that would be defined by natural resources, climate, certain historic elements, cultural traditions, and social structure."\textsuperscript{80} Regional planners largely ignored this approach until the middle of the 1970s. Although later scholars envisioned the main application of this theory as a mechanism to assist developing nations, Friedmann and Weaver were among the first to apply it in the USA.\textsuperscript{81} Nelson argued that "The proposed organization of an agropolitan regime, in this case, is based on common political, and economic spaces that could be reasonably defined spatially."\textsuperscript{82} The agropolitan development concept puts the region at the centre of its affairs and assumes that it will control its own destiny. Nelson reviewed some of the features of the concept. These included: greater control by the regional residents of the region's natural resources in line with longer-term sustainability; greater use of import replacement; use of labour-intensive strategies and technologies to address unemployment; development of transport systems to improve intra-regional accessibility; pursuit of export-based production that enhanced quality-of-life for regional residents; use of regional savings for regional projects; and the use of social learning to reinforce regional culture and social orientation.\textsuperscript{83} He also pointed out that, whereas the application of the theory worked in some cases, in others it had many serious limitations, in that the residents of regions often did not own the region's major natural resources and therefore could not determine how

\textsuperscript{79} Nelson, p. 48.
\textsuperscript{80} Nelson, p. 48.
\textsuperscript{82} Nelson, p. 49.
\textsuperscript{83} Nelson, p. 49.
they were to be used. In addition, cost effective development was determined generally by transportation systems that linked the region to growth centres and leading regions; and regional saving and regional mobile capital would be invested mostly where the returns were highest and this would generally be in the growth centre. Despite its limitations the ‘development from below,’ school has become the dominant school of thought on local and regional economic development today.\textsuperscript{84}

Stimson and his colleagues argued that an important concept of internal growth (endogenous) theory was that growth was a function of trade development.\textsuperscript{85} Producers in some regions became more competitive as they employed regional resources more efficiently, marketed their goods more widely, increased their scope and scale of production and adopted new technologies, all of which lowered the cost of production. They also argued that the export of these goods generated internal economic growth. The combination of these impetuses of growth gave rise to regional trade specialisation.\textsuperscript{86} Krugman pointed out that economic specialisation has been largely dependent on increasing returns, and that the difference in resources between regions (the comparative advantages) “explain only parts of trade flow and location of production.”\textsuperscript{87} In their new theory of location, trade and regional specialisation, Johansson and Karlsson identified the conditions for regional specialisation as internal economies of scale, external economies of scale, local and external markets and regional durable capacities.\textsuperscript{88}

While the work of Porter focused the attention of scholars and regional development practitioners on the importance of competitiveness in sustaining

\textsuperscript{84} It should be noted that not all ‘development from below’ was based on Odum and Moore’s agropolitan development theory.
\textsuperscript{85} Stimson et al., p. 27.
\textsuperscript{86} Stimson, et al., p. 27.
\textsuperscript{87} Stimson et al., p. 28, referring to P. Krugman, Geography and Trade, MIT Press, Cambridge, Massachusetts, USA, 1991.
economic development, Stimson and his colleagues argued that competitiveness was only part of the answer to sustainable growth. They reasoned that if the only aims of economic development were to optimise the profits of companies and lower regional costs, then the resultant economic development might not be sustainable, but detrimental to regions. They argued that, important as it is, competition must be achieved “through collaboration, strategic alliances, partnerships and resource sharing.”

Although the ‘development-from-above’ and ‘development-from-below’ schools had areas of agreement, they differed with regard to the degree of integration between leading and lagging regions. On the one hand the ‘development-from-above’ school espoused the need for there to be dominant regions, upon which other regions were dependent. On the other, the ‘development-from-below’ school held to the notion that regions can and should develop the capacity to determine their own destiny. This dichotomy could be seen in the Geelong region, where institutions, such as the GRC, formulated policies to promote the region’s independence, while others, including many bureaucrats in the Victorian Government departments and some scholars, regarded it as part of the Greater City of Melbourne.

In summary, Stöhr, argued that only a combination of bottom-up and top-down development policies worked in practice, and then only when they were embedded in “... a societal system in which those processes and decisions that can best be performed at local or regional levels ... [were] executed there and only those that cannot be satisfactorily performed at these levels ... [were] “delegated” to higher levels.”

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89 Stimson et al., p. 30.
90 Nelson, p. 52.
3.6 Conclusion

Many of the Commission's economic development programs and planning strategies were based on theories of growth. Location theory played a major part in the Commission's program to attract major industries to the region, particular those port-related enterprises that were involved in early-stage processing of indigenous and imported raw materials. While incentives, as advocated by attraction theory, were important in recruiting some of these companies, overall the Commissioners did not rely on this method as the only way of attracting investment to the region. Economic base theory underpinned the Commissioners' emphasis on export development as a major means of improving the Geelong regional economy, but this focus did not preclude the Commissioners from supporting non-basis businesses, as well. The Commission's regional retail strategies were based on central place theory, and significantly, the retail strategy released in December 1978 underpinned the City By The Bay plan. This plan was arguably the Commission's most important project.

While the Commissioners and officers did not consciously reject cumulative causation and neoclassical theories, they nevertheless developed policies and programs that opposed the tenets of these theories.

The Australian growth centres program of the early 1970s emerged from the concepts of Neutze and growth pole theory and shaped the intended purpose, structure and functions of the GRA. As we will see in chapter 6, the GRA never came into being. However, it influenced the purpose, form and functions of the GRC and endowed the Commission with features that made it unique among L&REDOs in Australia.

It could be argued that the GRC was a product of regional development philosophies based on the school of 'development from above,' in that the Victorian Government (the leading region) could be seen as imposing the
Commission on the Geelong region (the lagging region), initially as a growth
centre developer and later as an economic development and statutory planning
authority. However as this study will show, that regardless of the original intent,
the Commissioners followed ‘development from below’ philosophies and
developed policies accordingly, albeit that these were more in line with the tenets
of functional and argopolitan theories, than territorial theory. Although
Melbourne exerted considerable influence on the economy of the Geelong
region, 93 the Commissioners continued to emphasise the separateness of the
region. Accordingly, they could not be said to have operated in line with
territorial theory.

93 Milancse and Carter.
4 METHODOLOGY

4.1 Introduction

The methodologies used in this study cover two main areas: historical research and measuring the performance of the GRC.

In addressing methods of historical research, I have examined the issues of studying the subject in a wider historical context; researching a subject set in recent times; managing the dual roles of being the researcher and a key participant; understanding the bias in primary source information; and managing the study information base.

In reviewing methods of measuring the Commission's performance, I have concentrated on four aspects: the legislative requirement for the Commission to cater for the public interest; the efficiency and effectiveness of the Commissioners and staff in managing the organisation; the effectiveness of the Commission in carrying out its economic development functions; and the management of the Commission's finances.

At the conclusion of the chapter, I have discussed the issue of differentiating between measuring the performances of L&REDOs and their regions.

4.2 Historical method

Examining the subject in a wider historical context

To answer the first implied question of the 'framework statement, 'Why did the Commission do what it did?,' it was not sufficient to study the GRC in its own time. The organisation needed to be studied within a broader historical context. To this end I researched the history of the Commonwealth Governments' regional development policies from the early stages of the Second World War until the mid 1990s. In addition, I studied the regional development and decentralisation
policies of Victorian Governments in the decade leading up to the formation of the GRC in 1977.

The broader historical context approach helped me to understand the forces that drove or retarded regional development at the local level. It provided me with the knowledge of the various models for Australian regional authorities and, most importantly, enabled me to determine why some models failed and others succeeded. It gave me an insight into why the regional development policies of successive governments fluctuated so greatly over the study period and gave me an understanding of the uniqueness of the Whitlam Government’s growth centres program of the early to mid 1970s. It also clarified the role of decentralisation as a driving force behind regional development in Australia over the last 50 years. By placing the GRC within its proper historical context it was also possible to understand the influences of contemporary political ideologies in Victoria, local vested interest pressures and the economic circumstances of the day, all of which shaped the philosophy, roles, form and function of the GRC. Importantly it showed me that although the Commission was born out of the Whitlam Government growth centres policy, it was different from other growth centre authorities of the time.

*Researching a subject set in recent times.*

Hancock argued that in order to research a subject adequately, the researcher must apply the principles of attachment, justice (or fairness) and span, regardless of whether the subject is in recent or ancient times.\(^1\) He recommended that, rather than standing at a distance from a subject as Arnold Toynbee proposed,\(^2\) the researcher must “... attach himself in turn with the same sympathy and zeal to each of the contending causes.” For me attachment was not difficult because I had been involved in the Commission as a long-term employee. However, attachment

\(^1\) K. Hancock, *Country and Calling*, Faber and Faber Ltd., London, p. 221.

\(^2\) Hancock, p. 219.
was a potential problem as it could easily lead me to partisanship and bias. Accordingly, I chose to view the interplay of the Commission and associated actors at a distance, assuming the role of a detached observer in the greater majority of instances. Nevertheless I strove for justice for the various actors in this study by fairly reporting their points of view, relating these to the situation in which they arose, and measuring their effects. Again because of my stance as a distant observer, Hancock's span was not difficult to achieve when drawing conclusions.

A very real advantage of studying recent events, is that the key people are, in the main, still alive. In addition to my interviews with former employees of the Commission on matters of corporate performance, which I discuss below, I conducted a series of interviews with key players within, and associated with, the GRC. This fleshed out issues that had been identified in the research and filled in the gaps contained in the publications, minutes and working papers of the GRC. Whereas the interviewees brought a knowledge of events and circumstances, they also brought their biases and the philosophies of the groups they represented. I found that it was important to have a good working knowledge of the issues and the background of the key players before conducting interviews. In this way I was in a position to assess the value of the information.

Managing the dual roles of being the study researcher and a key participant

As Hancock has pointed out "Being an insider brings with it a knowledge of the complexity of the issues." For 12 of the 16 years of the life of the GRC I was an insider, employed to direct its economic development activities. As such, I found myself in a unique position. I understood the complexity of the Commission; I knew how the organisation functioned; I knew most of the key players; and importantly, I understood the way the filing system worked.

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3 Hancock, p 219
One of the problems of being an insider, however, is the tendency to bring the received culture and corporate myths to the research. Apart from the fault of bias, this has other attendant problems. Some of my preconceptions concerning the origins of the GRC were simply not correct. In this regard, I found that following the direction indicated by the question of *Why did the GRC do what it did?*, and the research into the history of regional development in Australia, most helpful in resolving this problem. It was imperative to assume nothing until it could be proved by historical method.

**Understanding the bias in the primary source information**

One of the main difficulties in using primary information was understanding the bias of the authors. As a case in point the Hansard reports of the debates on the draft legislation leading up to the formation of the Commission needed to be read in their entirety, because of the problem of blatant political bias. Within the conservative ranks of the Hamer Liberal Victorian Government and the National Party there were elements, which appeared to be at odds over the need to introduce a growth centre in Geelong. One element of the Liberal Party, including the Premier and the Ministers for regional development and planning, sided with the interventionist Labor Commonwealth Government, which advocated the need to introduce growth centres in Victoria. The *laissez faire* element of the same party opposed anything that suggested intervention into the market process. Some landowners, who saw themselves being adversely affected by a regional authority, were major players in the residential land development market. They sided with the free marketers of the Liberal Party. The National Party Members were against all of the legislation because they regarded Geelong as part of Melbourne. They believed that only rural centres such as Albury-Wodonga could be truly classified as growth centres. This interplay became more complex after the Fraser Liberal-National Coalition Government came to power at the Commonwealth level and reduced funding for the growth centres program. Again, without a thorough knowledge of the background and motives of the key players and groups in these
events, it was not possible to make judgments on the value of the primary information.

**Managing the information**

One of the advantages of studying the GRC was that the organisation produced comprehensive data on its functions, projects and outputs over its lifetime. This is held in the Special Collection of the Waterfront Campus of Deakin University, the Public Records Office Victoria (PROV), the Geelong Heritage Centre (GHC), the CoGGC, as well as selected documentation held by me. This information was wide-ranging and included minutes and agenda papers relating to the Commission’s 176 meetings; 56 planning studies, public discussion papers and structure plans; 84 economic, market and other technical reports; 88 planning and project reports; 12 major submissions to government inquiries; 40 promotional and information publications, as well as working papers supporting the above documentation. Most of the documents held by Deakin University and the PROV have been catalogued. The advantage of access to this information was offset, however, by the problems of managing its sheer volume efficiently and effectively.

My solution was to use the Commission’s 17 annual reports as the starting point for my research. These ‘indexes of major activities’ provided me with a broad, but comprehensive overview of the main events and issues addressed by the Commission over its lifetime. The chronology of activities contained in these annual reports directed me to more detailed information contained in the Minutes of Meetings of the Commission, which in turn, gave me reference to the supporting working papers and publications. These gave detailed accounts of the relevant activities undertaken by the Commission. This system provided me with a logical and simple method of managing the complex database.
4.3 Measuring the performance of the GRC

Measuring the public interest requirement

The measures for gauging the Commission’s effectiveness in its public interest role were, in the main, qualitative. The standards of measurement were contained in the object of the Geelong Regional Commission Act 1977; the Victorian Government’s Statement of Planning Policy No. 7 (Geelong) - the central government policy for developing the Geelong region; the goals and objectives of the Geelong Region Development Strategy; and the objectives of the Commission’s corporate plans. The difficulty of dealing with this mass of policies was how to gain measures of performance that were simple yet meaningful. To this end I used the Commission’s corporate plans as they had been designed by the Commissioners to condense the diverse range of legislation and policies into a single series of related objectives that could be measured directly. As a result, I conducted my research within the categories of the seven objectives that were common to the Commission’s four corporate plans. While most of the assessment of the Commission’s objectives was qualitative, in cases such as employment generation, the performance outcomes were highly quantitative.

Measuring corporate management performance

In order to assess the performance of the Commission, in matters such as corporate efficiency and effectiveness and its relations with Governments and the regional community at large, I turned to the literature on corporate management and adopted the Samson and Challis model discussed in chapter 2.

In their research, Samson and Challis mailed a questionnaire to the chief executive officer or senior manager of each of the 200 companies surveyed. The company representatives answered questions relating to each of the 14

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performance principles, based on a five-point scale of compliance (from 'not at all' to 'a very large extent'). They found that from a possible score of 70 (14 performance principles x 5 point scales) the average score for all surveyed companies was 47.

As the principles in the Samson and Challis model addressed the 'how' (culture, employee involvement, customer satisfaction, etc.) rather than the 'what' (industry positioning, operation systems, technology adoption, product portfolio, etc.), it was possible to use the model for evaluating the corporate management of a NPO, such as the GRC. A few questions from the Samson and Challis study related specifically to for-profit private enterprise companies. Accordingly, these were altered to meet the non-profit nature of the GRC. Unlike the method used by Sampson and Challis, where the questionnaire was directed to senior company representatives only, I used the questionnaire as the basis of interviews with ten former employees of the Commission. These represented directors, middle management staff or technical specialists. Each interviewee answered the questions listed in survey forms contained in Samson and Challis' text Patterns of Excellence. The scores for these answers were subsequently aggregated to give an average value of performance over the 14 performance principles. When this was compared with the score of 47 calculated by Samson and Challis for their survey, it was possible to obtain a quantified comparison of the Commission's performance against that of the corporations from the private sector. In addition, I was able to obtain a priority ranking of the 14 principles for the Commission's performance.

Measuring economic development performance

The Commission's corporate plan for 1988/89-1990/91 was the only plan that included performance indicators. Unfortunately I was unable to find any reports on the Commission's performance against these indicators, and so I used

information from this study to make my own assessment. This is discussed in
detail in chapter 10.

The research of Beer, Haughton and Maude in 2001 provided a base for the
comparison of the outcomes of the GRC against those of L&REDOs in Australia,
England, Northern Ireland and the USA. 968 L&REDOs participated in the
survey, with 505 coming from Australia.6 Except for the USA, where a nominated
member of each organisation's executive was asked to respond to the
questionnaire, the chief officer of L&REDOs were asked to reply to the survey
questions. Beer and his colleagues compiled outcomes for a range of factors,
which included "the number of economic development objectives," 'the number
of business development activities' and 'the number of capacity development
activities,' among others. In addition, indices such as 'the number of full-time
staff' and 'the percentage of untied income' were included as indicators of
organisational performance. Beer and his colleagues also identified additional
indices on 'the average importance of partners,' 'average score on funding
constraints,' 'average score on coordination constraints,' 'average score on
capacity constraints' and the measure of 'how effective was your organisation?'

Outcomes for all of these factors and indices were combined in a summary
statement of the research. I was able to calculate outcomes from my study of the
GRC for seven of the ten indicators listed in the summary statement. This allowed
a quantified comparison of the GRC performance in economic development to be
made against aggregates of the performances of L&REDOs in Australia and
overseas. Results from this evaluation are discussed in detail in chapter 10.

In 1986/87 the Regional Development Branch (RDB) of Department of Local
Government and Administrative Services (DOLGAS) conducted a six-months
pilot study of local economic development in 11 regions across Australia. This
study, known as the Country Centres Projects (CCP), examined the effectiveness

6 Beer, Haughton and Maude, 'International comparisons of local and regional economic
development,' in Beer et al. (Eds.), Developing Locally. p.12.
of self-help programs in rural areas of Australia. This is discussed more fully in chapter 5. The study found that for every million dollars invested in the program, $11 million was invested by the private sector in business development, which resulted in 83 businesses being started, expanded or diversified. These businesses had a combined annual turnover of $27 million and employed some 280 full-time-equivalent jobs. These statistics provided independent benchmarks, against which the investment and employment generated by the GRC could be measured. These comparisons are presented in chapters 8 and 10.

Measuring financial performance

While I have addressed ROI in this study, I have placed greater emphasis on measures of indebtedness and cash flow, as I regard these to be more relevant to the operations of a public organisation such as the GRC. To this end, I have chosen the performance indicators used by local government in Victoria as the measure of the Commission's financial performance. The Cain Labor State Government, introduced the Local Government Act 1989, which specified the form and content of financial statements to be submitted to the Government by municipal councils, as part of their annual reporting process. In 1990 the Government adopted Local Government Regulation No. 84. This specified the financial indicators (ratios) that were to be used by local government councils when reporting financial performance. These indicators covered debt servicing, debt commitment, revenue, debt exposure, and working capital. Not all of these financial indicators have been used in this study, however. The GRC did not raise income from rates, and so 'Debt Commitment Ratio' (DCR) and the 'Revenue Ratio' (RR), which involved rate revenue have been excluded. On the other hand, 'Debt Servicing Ratio' (DSR), 'Debt Exposure Ratio' (DER) and 'Working

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7 David Simmons, Minister for Local Government, 'Towards a more competitive regional Australia,' speech to the "Regional Development in the 1990s: Fact or Fiction Seminar," held at Charles Sturt University, Wagga Wagga on 14 July 1992.
Capital Ratio’ (WCR), which did not involve rate revenue were included. Inputs for these ratios were obtained from the Commission’s annual balance sheets and revenue statements.

Initially I tried to compare the financial performance of the GRC with that of the AWDC, the first growth centre established by the Whitlam Labor Government in 1973, but I found this to be impracticable. The consolidated accounts of the AWDC, published in the annual reports, incorporated the general activities of the AWDC with the activities of the Albury-Wodonga (New South Wales) Corporation and the Albury-Wodonga (Victoria) Corporation, the latter two being the development arms of the AWDC. The consolidated accounts presented only revenue statements and not balance sheets. This prevented me from making a direct comparison of financial performance between the two organisations. As a result, I compared the performances of the GRC and the CoGGC. This choice was relevant as the CoGGC assumed responsibility for many of the Commission’s functions after the GRC was abolished on 18 May 1993.

Although the use of the selected indicators provided a method for comparing the financial performances of the two organisations the respective data series had inherent problems. The most significant was that they covered different time periods. To enable the two series to be used I assumed that economic variables, such as the rates of inflation for the respective periods, did not have a major effect on the magnitude of the respective ratios. Similarly, I assumed that the categories into which the financial data from the two organisations had been aggregated contained the same types of information. Fortunately, the GRC from 1986, and

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11 The AWDC was established by agreement between the Commonwealth Government, the Victorian Government and the NSW Government. The organisation was located on the border of Victoria and NSW.

12 The periods for input data for the selected ratios was based on (1) the time the organisation had been in existence; and (2) the time for which the organisation used full accrual accounting. Accordingly, the period chosen for the GRC was 1986 to 1993, and for the CoGGC, 1994 to 2003.

13 The highest level of total revenue achieved by the GRC was some $9 million in 1989. The total revenue of the CoGGC was some $115 million in 1996. GRC, Annual Report 1988/89, p. 26; CoGGC, Annual Report 1995/96, p. 36.
the CoGGC from its inception in 1993, used accrual accounting, thus providing a common methodological approach for accounting for the inputs to the selected indicators. Accordingly, the outcomes from this analysis can only be considered as indicative of the Commission's financial performance. As a result, I have included an assessment of the cumulative value of assets over liabilities, as a gauge of overall financial performance.

4.4 Comparing the performances of a region and its L&REDO

While it is true that the activities of a L&REDO contributes to the performance of its region, I contend that the performance of a region cannot be taken as the performance of the L&REDO itself. As a case in point, between 1976 and 1991 employment in the Geelong region increased by 13,916 from a base of 60,970 in 1976 - an improvement of 22.8 percent. My study showed that the economic development activities of the GRC contributed over one-third of this increase in employment. In the same period, however, unemployment in the Geelong region increased from 5.58 to 12.79 percent. If unemployment in the Geelong region was taken as a measure of the Commission's success in creating employment, then the GRC would not be considered to be successful, when in fact, the Commission was successful as a major contributor to employment growth.15

In addition, Maude and Beer found that chief executive officers of L&REDOs in Australia believed that their organisations "... exerted [only] a small positive influence on the growth of their regions."16 Only seven of the 183 respondents to

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15 See chapter 12, conclusion.

16 Bect et al., Developing Australian Regions, p. 152.
the 1996 survey thought that their organisation had a major impact on their regions. Clearly there is a difficulty in using regional performance as a measure of the performance of a L&REDO.

The approach taken by the British Government in measuring the performance of the nine Regional Development Agencies (RDAs) established in England in 1999 and the observations of Stimson and his colleagues on L&REDOs in the USA offer some direction on this matter. The British Government directed that the RDAs report the performance of the region against 11 Core Regional Indicators, which included measures such as Gross Domestic Product (GDP) per head, proportion of the population with above living standards and International Labour Organisation (ILO) unemployment. In addition, they directed that the RDAs report on five Activity Indicators, which included the number of jobs created and safeguarded, number of business start-ups and value of private finance attracted. Although the Government required the RDAs to report on the performance of their region, they recognised that the RDAs could not be judged solely on this performance. Accordingly they introduced RDA Activity Indicators. Stimson and his colleagues also noted that in the 1980s most States in the USA introduced performance indicators as a means of assessing the economic development program outcomes and the contributions of L&REDOs. However, the States differentiated between the global performance indicators for the local regional community and the service quality indicators for the L&REDO. These examples suggest that while a L&REDO has an influence on the performance of its region, the L&REDO should be assessed against criteria which is specific to the organisation and not the region.

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18 Stimson et al., pp. 64, 65.
5.1 Regional development 1941-1949

When the Labor Party became the Government in 1941, under the leadership of John Curtin, it committed itself to providing strategic security, social justice and full employment for all Australians. The Members of the Government decided that if the strategic and defence problems facing the country were to be tackled effectively, then the country and the machinery of government had to be decentralised.¹ By 1944, the Members of the Government looked to population growth and resource exploitation as some of the means of achieving these ends.

The Prime Minister and the State Premiers held their first conference on regional matters in October 1944.² Curtin argued that the regionalisation of administration and policy implementation was important for the defence of the country. He also reasoned that each region had its own requirements and problems, which related to its particular natural resources and economic and social structure; and if national planning was to be successful it had to be based on the sum of the spatial parts. Most importantly, only through regional planning could the reconstruction of Australia be related to the "... standards of welfare of the people who live in the varied social conditions found in the many types of region in Australia."³ Significantly, the Members of the Government proposed that regional planning should occur from the ground up.

Earlier in January 1943, the Cabinet of Government had established a Ministry of Post-War Reconstruction, under Herbert Coombs as Director-General, to plan the

² The conference took place on 3rd to 5th October 1944. Commonwealth Department of Post-War Reconstruction, pp. 2, 3.
³ Commonwealth Department of Post-War Reconstruction, p. vii.
tasks to be undertaken once the war was over. Much of their planning involved economic development at the regional level.⁴

At the end of the war attitudes towards regionalism began to change. Many of the officers from Treasury and the other line departments, who felt threatened by regional planning, resisted its implementation.⁵ The high levels of unemployment predicted for the early period of the post war era did not eventuate and the Government became absorbed with finding ways of meeting the urgent and overwhelming needs of the construction industry and the private sector.⁶ The Ministry of Post-War Reconstruction was abolished and its functions were spread throughout the other line departments.⁷

5.2 Regional development 1949-1972

On winning the election in 1949 the Menzies' Liberal-Country Party Coalition began to eradicate the 'socialist' notion of regional planning at the Commonwealth level.⁸ Over the next 23 years, successive Coalition Commonwealth Governments withdrew further from regional planning and left the development and implementation of regional policy to the Australian States, exclusively.⁹

The regional policies of the states focused on dispersed decentralisation as the principal method of attracting growth to country areas.¹⁰ They did not place

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⁵ H. Coombs, p. 67.
⁶ H. Coombs, p. 66.
⁷ Even a proposed Secretariat, in the Prime Minister's Department, that was to have been responsible for reviewing the non-finance aspects of the Country's transition of from a war to a peace economy, failed to eventuate. H. Coombs, p. 29.
⁸ H. Coombs, p. 51.
⁹ Hansen *et al.*, p. 163.
limitations on the growth of their capital cities. Politically it was very difficult for them to do so. While State Governments often differed in the value of the incentives that they offered, the incentives themselves were usually in the form of loans, loan guarantees and subsidies on industrial land and buildings and the cost of electrical power and freight. As we saw in chapter 3, some academics believed that this practice was ineffective, if not counter-productive for the economic prosperity of regions. The Industry Commission (IC) came to the same conclusion when its Members investigated the impediments to regional industry adjustment in 1993.

During the late 1940s and throughout the 1950s Commonwealth Governments encouraged high levels of immigration from the UK and Europe. Most of these new immigrants settled in the capital cities. This trend was underlined by the fact that all capital cities, other than Hobart, had grown at a faster rate than the Australian average in each intercensal period between 1947 and 1971. During this period the Commonwealth Government encouraged private enterprise development and international investment in Australia through its tariff regulations, among other policies. As a result, population growth was accompanied by an ongoing period of full employment and a degree of prosperity not dreamed of by Australians in the 1930s. As the expectations of the population rose so did their demand for private and public amenities. Satisfying the need for housing led to an unrestricted spread of the suburbs, particularly in Sydney and Melbourne.

11 Vipond, ‘Australian experiments with regional policies,’ p. 66.
By the mid 1960s academics, such as Max Neutze, Head of the Urban Research Unit of the Australian National University (ANU), began to comment on the diseconomies of having Australia's population concentrated in the state capitals. While he conceded that some people believed that Sydney and Melbourne were not 'too big,' he pointed out that the problems of traffic congestion, increased travel time from home to work and pollution had become significant issues. In addition people and enterprises did not have a choice of alternative locations (to the capital cities) because Australia had few medium-sized urban centres. Even in 1971 only eight of Australia's 519 urban centres contained between 100,000 and one million people and four of these were state capitals.

Neutze published his concept of selective decentralisation in 1965. He argued that increased population growth could be achieved in country areas, at the expense of the capital cities, if the growth was directed towards a few specified non-metropolitan centres. His concept was based on the growth pole theories of Perroux and Hirschman, discussed in chapter 3.

He reasoned that medium-sized regional centres provided a wide range of attractions to new residents, similar to those available in a capital city and new businesses would face only marginally higher costs compared with those experienced in a metropolitan location. He emphasised that diverting population growth from the capital cities to a collection of small country centres would result

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15 Such as William Alonso and Alan Pred who were engaged by the Whitlam Government to advise it on urban and regional policies. Extract from Occasional Paper No. 1 of the Cities Commission, published in 1974, quoted in R. K. Wilson, Australian Resources and Their Development, Australia's Resources and their Development, Department of Adult Education in the University of Sydney, Sydney, Australia, 1980, p. 394.

16 Neutze, Urban Development in Australia, p. 117.

17 Neutze considered that Brisbane, Adelaide, Perth and Hobart were medium-sized centres.

18 Neutze, Urban Development in Australia, p. 104.

19 Neutze defined decentralisation as the process that "... is directed at diverting some of the geographically mobile activities in the economy away from the metropolitan centres in which they would otherwise locate themselves." Neutze, Economic Policy and the Size of Cities, Australian National University Press, Canberra, 1965, p. 8.

in significant costs to all. New residents would experience limited amenities and vocational opportunities and lower incomes and new businesses would face higher establishment and operational costs.

He argued that regional centres should be created from existing regional centres or on greenfield sites. They should have a population base of up to 500,000 people; possess good communications; and serve large local and regional markets, as well as the nation as a whole. Importantly, a growth centre should be central to its region and be located at a distance from the capital city, thus requiring it to possess a high degree of self-sufficiency. He did not consider centres, such as Geelong in Victoria, and Newcastle and Wollongong in NSW, to be sites for growth centres because they were located too close to capital cities. Today O'Connor considers these country cities to be part of the 'mega cities' of Melbourne and Sydney. Neutze suggested that if a port was a special requirement for a region, the location for a growth centre in NSW could be Iluka or Portland in Victoria. Conversely, if centrality was the paramount requirement, then Tamworth, Orange, Bathurst, Albury or Wagga Wagga in NSW, or Hamilton in Victoria, would be suitable locations.

To stimulate selected decentralisation, he suggested that a tax be levied on the centres where there were external diseconomies and a subsidy offered to the centres with external economies of growth. He proposed that, initially, there should be one centre in NSW and one in Victoria. Importantly, he warned that it would not be possible to encourage development to locations, other than the selected centres, because Australia lacked sufficient population growth.

Neutze proposed that independent commissions or corporations be formed to oversee the establishment and administration of growth centres. These entities

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22 O'Connor and Stimson, Appendix 1, p. 67.
23 Iluka is near Grafton.
25 Neutze, *Economic Policy and the Size of Cities*, p. 120.
would be similar to the National Capital Development Commission (NCDC) in Canberra, or the British New Towns Corporations. They would be responsible for investment facilitation, planning and the construction of public and private buildings. The Government should own growth centre sites, in much the same way that the Commonwealth Government owned the land upon which Canberra was developed. Not only would development costs be minimised, but revenue from the sale of the land could be used to finance public amenities. He suggested that co-operation between the Commonwealth and State Governments was desirable, but noted that NSW and Victoria could achieve much in their own right. He emphasised that there was a need to consult with the people who lived in the regions in which the new centres were to be established.

Neutze also reasoned that if Sydney and Melbourne were to be spared significant problems by the year 2000, planning for growth centres had to be commenced by the latter half of the 1960s, with development starting in 1975.

The Victorian Decentralisation Advisory Committee, the Development Corporation of New South Wales and the Commonwealth-State Officials Committee on Decentralization and others supported Neutze’s selected decentralisation approach. In addition, in Victoria and NSW, the Governments decided to designate selected growth centres in regional areas. Faced with this body of opinion, the McMahon Commonwealth Coalition Government adopted a selective decentralisation policy and established the National Urban and Regional Authority (NURA) in October 1972 to look into its implementation.

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29 Wilson, p. 385.
5.3 Regional Development 1972-1975

In December 1972 the Labor Government came to power, under the leadership of Gough Whitlam. The new Government brought with it economic, social and political philosophies, which were based on the objectives of promoting equality; involving the people of Australia in the Government’s decision making, and freeing the talents and expanding the horizons of all Australians. From a regional development viewpoint, Whitlam argued that “in modern Australia social inequality is fixed upon families by the place in which they are forced to live even more than by what they are able to earn.” In other words, social inequality was a function of the “. . . regional disparities in the cost of land and housing and the provision of urban and social services, education, health and community facilities.” Because Whitlam equated social inequality with geographic space, it followed that the new Government’s regional policy should embrace disadvantaged suburbs in capital cities as well as country areas.

One of the first actions of the Government was to create the Department of Urban and Regional Development (DURD) with Tom Uren as Minister. The new Government did not disband NURA, but converted it into the Cities Commission. This Commission was required to work closely with the Commonwealth and State agencies in the establishment of new cities and to provide advice to DURD on matters of physical planning. This was the administrative basis of the new Government’s growth centres program, which was to be the main vehicle of its decentralisation policy. According to Sandercock,

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32 Sandercock, p. 145.
33 Interestingly, this spatial interpretation of inequality was not in accord with the philosophy of some members of the Labor Party, who held a more Marxist view of inequality. Hanscn et al., p. 168.
34 Scott, ‘Growth centres’, p. 43.
Neutze and the Urban Research Unit were major influences on the new Government’s philosophies on urban and regional development.\textsuperscript{35}

DURD had many responsibilities in regional development. These included preparing a national strategy and a public expenditure budget for urban and regional development. In addition, it was required to provide advice on urban and regional development to all levels of government; and to administer the growth centres, once the Cities Commission had selected and planned them.\textsuperscript{36} The national strategy was intended to provide the framework for the urban and regional programs, which were based on the criteria of efficiency, equity, environmental conservation and lifestyle. Although DURD prepared the strategy, the Government never got around to adopting it. The reasons for this are unclear. Wilson argued that the programs introduced by DURD did deliver the ‘intentions’ of the strategy.\textsuperscript{37}

Originally, the Cities Commission considered growth centres in nine country and seven metropolitan locations with all states being represented.\textsuperscript{38} In the end, priority was given to those locations that would assist in containing Sydney and Melbourne. As a result, they named the three metropolitan locations of Macarthur (Campbelltown-Holdsworthy) in the south-west sector of Sydney; Geelong, south-west of Melbourne, and Monarto, east of Adelaide; and the two regional centres of Albury-Wodonga on the border between New South Wales and Victoria, and Bathurst-Orange, west of Sydney.\textsuperscript{39} The Commission and the

\textsuperscript{35} Sandercock, p. 145.
\textsuperscript{36} DURD was also responsible for providing advice on transport needs and setting up land commissions for urban areas. Wilson, Australia’s Resources and their Development, p. 385.
\textsuperscript{37} Wilson, Australia’s Resources and their Development, p. 385.
\textsuperscript{38} The Cities Commission considered the metropolitan areas of Macarthur, and Gosford-Wyong in NSW, the south-eastern area of Melbourne and Geelong in Victoria, the Moreton region of south-eastern Queensland, Monarto in South Australia, and Salvado (north-west of Perth) in Western Australia. Regional centres were, Albury-Wodonga on the NSW-Victoria border; Bathurst-Orange in NSW, Gladstone, Rockhampton and Townsville in Queensland, Albany, Bunbury, and Geraldton in Western Australia and the Tamar region of Tasmania.
\textsuperscript{39} The majority of the selected growth centres had been considered previously by the states. For instance, the NSW and South Australian Governments had declared Bathurst-Orange and Monarto, respectively, as growth centres in 1972. Also, in its 1968 Sydney Region Outline Plan,
Government did not heed Neutze’s warning that Australia’s population was not large enough to accommodate more than two growth centres. Political imperatives ruled otherwise. The Commission and the relevant State Governments set population targets for the growth centres to be attained by the year 2000. These were 600,000 people for Macarthur, 350,000 for Geelong, 180,000 for Monarto, 300,000 for Albury-Wodonga and 240,000 for Bathurst-Orange.\(^{40}\)

Over the period of 1973/74 to 1975/76 the Commonwealth Government provided NSW, Victoria and South Australia with $129.4 million to fund the development of growth centres.\(^{41}\) These funds were used mainly for land acquisition and development, water and sewerage headworks and planning. In 1975/76, 96.3 per cent of the $51.5 million allocated to the program was in the form of loans. Over the subject period, Macarthur and Monarto were allocated $25.8 and $10.5 million, respectively, but Geelong did not receive any funding. Although the Victorian Town and Country Planning Board (TCPB) had issued Statement of Planning Policy No. 7 in 1973,\(^{42}\) to plan for Geelong’s role in Melbourne’s future growth, Victorian Government legislation to authorise the formation of a Geelong growth centre authority was not passed until May 1976.\(^{43}\) This is discussed in Chapter 6. On the other hand, Albury-Wodonga and Bathurst-Orange were allocated $79.8 and 13.3 million, respectively. Thus $36.3 million, or 28 per cent of the total funding, was provided for metropolitan growth centres and $93.1 million, or 72 per cent, was provided to regional growth centres.\(^{44}\) In line with Neutze’s recommendation, the Commission created development corporations to

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\(^{40}\) Scott, ‘Growth centres’, pp. 47,49.

\(^{41}\) This is reported as $140 million in Wilson, p. 387.

\(^{42}\) Victorian TCPB, ‘Statement of Planning Policy No. 7: (Geelong),’ Victorian Government Printer, Melbourne, n.d.

\(^{43}\) Scott, ‘Growth Centres,’ p. 48.

\(^{44}\) Scott, ‘Growth Centres,’ based on, Table 3.1 Federal Government Payments to the States for Development of Growth Centres 1973/74 to 1975/76, p. 48.
coordinate the planning and development of each growth centre and pursue investment and employment opportunities.

In the end, the tasks facing the Government and DURD proved to be too great. Not only was the period of time allowed for implementation of programs too short, but after 23 years in opposition the Labor Government lacked the experience to implement major reforms quickly and smoothly. As Hansen and his colleagues pointed out, this situation had been exacerbated by the lack of a tradition or experience of regional development within the Commonwealth Government bureaucracy. 45

Other factors also played their part in the failure of the Government's regional development program. For instance, DURD never became the dominant coordinating department of the Government's urban and regional development activities. Originally many in the Labor Party thought that DURD should be responsible for all the Government's spatial activities that impacted on urban inequality. In particular this was to include the location of public-sector capital investment. 46 As Sandercock pointed out, the Labor Caucus had elected 27 people to Cabinet, and they all had to have ministries. 47 As a result, DURD had to contend with, and try to coordinate, separate Departments for Transport, Housing, Environment, Education, Services and Property, Health, Tourism and Recreation, each with their own opinions on portfolio direction and each with its ambition of empire. 48 Troy observed that DURD's failure to achieve effective coordination between ministries, resulted in contradictions in the Government's policies on regional development matters. 49 In addition, DURD inevitably clashed with

45 The officers of the former Government's Department of Post-War Reconstruction had been dispersed by the time of the Department was disbanded and they were not replaced until mid 1972, when the Liberal-National Party Coalition Government set up NURA. Hansen et al., p. 172.
46 Sandercock, p. 150.
47 Sandercock, p. 150.
48 Hansen et al., p. 171.
Treasury on Government expenditure, with Treasury nearly always emerging as the victor.  

The officers of DURD also had difficulties with the states. The Whitlam Government realised that Section 54 of the Australian Constitution did not allow the Commonwealth Government to favour one state over another, or one location within a state over another. Accordingly, the Government arranged for the states to implement Commonwealth directed regional development through Commonwealth grants created for the purpose. While the states welcomed the additional funding, they resented the interference of DURD into their realm of local government, housing and education. In particularly they resented the Government’s land commission program. The purpose of land commissions was to compete with the private sector, with the aim of stabilizing and eventually driving down the price of residential land. To this end, the commissions were required to purchase land in the major urban areas, develop estates and sell land at prices that were considered to be affordable to most Australians. This approach to the market was anathema to the conservative state governments in power in Victoria, NSW, Queensland and Western Australia after 1974. Although Victoria finally introduced the Urban Land Council, the then Minister for Local Government said that the Council’s function was to advise on and promote growth in regional Victoria. He added that “the prime objectives of government activity are to aid private enterprise to effect comprehensive and well planned development and to provide primary and sullage sewerage, and services, rather than acting as a developer in competition with the private sector.”

Part of the problem facing the supporters of growth centres was the increasing number of academics who questioned whether the capital cities were in fact ‘too big.’ Alonso pointed out that the studies that were used by the Government to

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50 Vipond, ‘Australian experiments with regional policies’ p. 68; Sandercock, p. 151.  
51 Beir et al., Developing Australia’s Regions, p. 81.  
52 Sandercock, p. 151.  
53 Quoted in Sandercock, p. 152.
conclude that Sydney and Melbourne were disadvantaged by their size, considered cost only. Drawing on cumulative causation theory, he argued that planners "... must also look at the productivity of cities of different sizes as well as costs. ... urban productivity rises with size more rapidly than the highest estimates of the rise in costs ..." 54 Pred proffered his concept of a national system of cities where the larger cities interacted more with similar sized cities, even at a distance, than the smaller cities in their respective hinterlands. 55 In a system of cities, growth and decline were transmitted through employment and product multipliers, and growth was serviced by net immigration balances and inflows of investment to increase output and support innovation. 56 Accordingly, city size was important and "... policies which restrain or prevent growth in, or divert growth from, the largest cities have an opportunity cost. They run the risk of restraining innovation ...," 57 and as Jane Jacobs has pointed out, innovation is the most important element of the product value-adding process. 58

In 1978 Borrie confirmed that the projected populations of Sydney and Melbourne, made in 1973, were unlikely to be realised because of a fall in both national fertility rates and immigration. 59 In the early 1970s the increase in population in Australia between 1973 and 2000 was forecast to be between five and nine million people. These were revised to half of these levels within the next five years. 60 This revision was based on the fact that overseas immigration in 1975/76 was half that of its level in 1973/74. 61 In addition, the demographics of the time showed that the spatial distribution of population within Australia had changed. In the first half of the 1970s the populations of Sydney, Melbourne and

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54 Extract from Occasional Paper No. 1, Cities Commission, 1974, quoted in Wilson, Australia's Resources and their Development, p. 393.
55 This was supported by Jacobs. J. Jacobs, Economy of Cities, Random House, New York, 1969, p. 4.
56 Wilson, Australia's Resources and their Development p. 394.
57 Wilson, Australia's Resources and their Development p. 395.
58 Jacobs, Economy of Cities, p. 63.
60 Borrie, p. 15.
61 Borrie, p. 15; Vipond, 'Australian experiments with regional policies', p. 68.
Hobart grew at a rate that was less than the national average (6.01 per cent). This trend was influenced by the movement of Australians to the coastal areas of northern NSW and southern Queensland.\(^{62}\)

The slower population growth of Sydney and Melbourne meant that less pressure was being placed on the outer suburbs of these cities; investment in urban infrastructure and the development of facilities, such as education and health services, were catching up; and land prices, in general, were dropping in response to decreased demand. Vipond observed that it appeared that some of the inequalities that caused concerns in the 1960s had more to do with population growth than city size.\(^{63}\)

When the Whitlam Government was re-elected in May 1974, it resumed office with the knowledge that inflation had to be treated as the priority.\(^{64}\) Their failure to deal effectively with inflation and their unorthodox approaches to raising finance on the international market undermined public confidence. At the end of 1975 the Opposition Coalition of the Liberal and National Parties called for a general election and when the Government refused, it blocked the Government’s Supply Bill. To overcome the impasse, the Governor-General appointed the Leader of the Opposition as Acting Prime Minister. In the election of December 1975 the Acting Government, led by Malcolm Fraser, was elected to office.

5.4 Regional development 1976-1996

The new Government immediately set about implementing its policy of 'smaller' government. It abolished DURD and in its place, created the Department of Environment, Housing and Community Development (DEHCD). The new Treasurer left no doubt as to the Government’s stance on regional matters. In his first Budget Paper, he stated that the “The levelling off in this expenditure reflects

\(^{62}\) Vipond, 'Australian experiments with regional policies,' p. 68.

\(^{63}\) Vipond, 'Australian experiments with regional policies,' p. 69.

\(^{64}\) D. Hughes, 'The economy,' in A. Patience and B. Head, *From Whitlam to Fraser: Reform and Reaction in Australian Politics*, Oxford University Press, Melbourne, 1979, p. 23.
reductions in staff numbers and administrative expenditure generally, consistent with the Commonwealth’s policy of reducing its involvement in the area of urban and regional development.\(^65\) Funding for the new department was reduced to $251 million from the level of $408 million for DURD in the previous year. The allocation to the growth centres program was reduced by 70 per cent, from $64 million under DURD to $19 million under DEHCD. The Government reduced funding to its new department progressively to the point where, by 1982/83, the budget for growth centres was confined to $1.3 million for the AWDC. This lack of financial and political support, among other things, caused the abandonment of the growth centres at Bathurst-Orange,\(^66\) Macarthur,\(^67\) Monarto, and that proposed for Geelong.\(^68\) Only the AWDC survived due to its legislative backing and the tripartite agreement of the Commonwealth and state governments. This gave the growth centre “...some security against the vagaries of changing governments.”\(^69\) Overall, regional development remained a minor area of policy for the Fraser Government.

By early 1983 inflation and unemployment had reached double-digit figures and the forecast of the Commonwealth budget deficit for 1983/84 had reached unprecedented levels.\(^70\) In the election held on 5 March 1983 the Labor Party, under the leadership of Bob Hawke, was elected to office.\(^71\) The centre piece of the new Government’s economic strategy was the ‘Accord’ on wages and prices, which Gruen attributed to Australia’s economic turn-around.\(^72\) By 1986 the

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65 Sandorcock, p. 154.
68 Discussed in detail in chapter 6.
economy was experiencing very high rates of growth by the standards of the Organisation for Economic Cooperation and Development (OECD) and inflation and unemployment were coming down. In economic matters, Hansen and his colleagues observed that “Hawke has been more successful in pursuing conservative policies than his predecessors: wage restraint, deregulation, privatisation, limitation of prices increases, a cautious anti-inflationary monetary and fiscal policy.”

From the outset the Government floated the Australian dollar, followed by the deregulation of the financial market and, in line with Hawke’s belief in free trade, it initiated an ongoing process of reducing import tariffs.

The Hawke Government also introduced industry plans. These were designed to stimulate the restructure of the industries involved in motor vehicle and component parts, steel processing, heavy engineering and the manufacture of textiles, clothing and footwear, in addition to improving their international competitiveness. The restructure of these industries adversely affected manufacturing investment and employment in the non-metropolitan regions of NSW and Victoria. In retrospect, in 1993, the Industry Commission (IC), acknowledged that “Unemployment . . . is becoming entrenched in some regions and disparities in economic performance appear to have increased. These developments partly reflect the fact that pressures for change – whether cyclical or structural – have not been uniform in their regional effects.”

As we saw in chapter 3, and as will be discuss in greater detail in chapter 10, the GRC Commissioners pointed out to the IC and the Government that the spatial effect of the Government’s tariff policies needed to be taken into account.

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73 Hansen et al., p. 181. Toohey pointed out that David Morgan, a former Deputy Head of Treasury, credited Treasury as a major influence on the Hawke Government; B. Toohey, Tumbling Dice: The Story of Modern Economic Policy, William Heinemann Australia, Port Melbourne, Australia, 1994, pp. 150, 151.

74 Hawke, p. 166.

75 Hawke’s approach was consistent with his economics advisor, Dr. Ross Garnaut.

76 IC, Impediments to Regional Industry Adjustment, p. xiii.
Overall the Hawke Government did little more for regional development than the Fraser Government. The Members of the new Government were at pains to distance themselves from the type of regional development programs promoted by the Whitlam Government, as they were well aware that these policies had contributed to that Government’s premature downfall. They were also careful not to antagonise the states in any area of policy that the states saw as their province. Likewise, they wanted to avoid friction with Treasury and the other major line departments, by not creating problems as DURD had done.

By April 1986 the Members of the Government recognised that action on regional problems had to be taken. Their initial response was to institute centralist labour market programs. This was followed by a program package of $210 million to address existing problems and longer-term viability of the primary industry sector and its associated rural and regional communities. While the general thrust of the package was focused on improving macro-economic and sectoral performance, it did address region-specific issues through the program, known as the Country Centres Project (CCP). The Government’s objective for the CCP was to enable local committees in rural areas to adjust positively to the cumulative impacts of economic and social change within a framework of minimal government intervention and expenditure. The program was administered by the Regional Development Branch (RDB) of the Department of Local Government and Administrative Services (DOLGAS). When DOLGAS was disbanded in the third term of the Hawke Government, the RDB moved to the newly formed Department of Immigration Local Government and Ethnic Affairs (DILGEA).

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79 Hansen *et al.*, p. 182.


81 Programs included the Community Employment Program (CEP), the Labour Adjustment Training Arrangements (LATA), and the Relocation Assistance Scheme (RAS). In 1988 the Government introduced the Office of Labour Market Adjustment (OLMA) within the Department of Employment, Education and Training. OLMA grants were provided throughout rural and regional Australia in the first half of the 1990s.
The RDB identified 75 regions across Australia that were areas of influence around urban centres with populations of 10,000 or more.\textsuperscript{82} Eleven of these regions were selected to participate in the CCP.\textsuperscript{83} In 1986/87 the Government provided $0.5 million for a pilot of the project. The RDB confined its involvement to establishing the local Country Centre Liaison Committees (CCLCs) and providing information, technical support and funding for the CCLCs. These committees involved a range of people with local community knowledge and commitment, business acumen and local government experience.\textsuperscript{84} In the majority of cases, the CCLCs were based on existing organisations. Over a period of six months the committees identified 58 business opportunities, of which 19 were considered for business planning.\textsuperscript{85}

A very important outcome of the CCP was the generation of regional data. At the conclusion of the project the RDB had identified over 500 socio-economic variables for each of the regions. Whereas ABS census data was employed extensively, the RDB also used information from a range of government organisations and universities. The compilation of this database allowed the RDB to study the impact of Government policies at the local level. The RDB also investigated the social dimension of local communities. These investigations were compiled into thirteen studies, which were published in the late 1980s, as part of the \textit{Australian Regional Development} series.\textsuperscript{86}

Members of the RDB concluded that regions across Australia varied greatly in their social and economic structure, performance, potential and needs and as a

\textsuperscript{82} Hansen \textit{et al.}, p. 182. These were different from the 60 Statistical Divisions identified by the ABS.
\textsuperscript{83} These included the Northern Rivers and Griffith/Murrumbidgee irrigation area in NSW; Ballarat, Bendigo and their hinterlands in Victoria; Bundaberg, Mackay and their hinterlands in Queensland; the Green Triangle and the Riverland area of South Australia; Geraldton Mid-west, and Merrdin in Western Australia; and Burnie, Devonport and their hinterlands in Tasmania; DILGEA, p. 14.
\textsuperscript{84} DILGEA, p. 14.
\textsuperscript{85} DILGEA, pp. 22, 23.
\textsuperscript{86} DILGEA, pp. 28, 29.
result, reacted differently to the Commonwealth Government's social and economic policies. They proposed that through a process of harnessing local knowledge and expertise and adopting a culture of self-help, regions could assist in the process of structural adjustment. They also reported that the CCP process was cost-effective. In 1991 officers of the Commonwealth Department of Local Government evaluated 13 of the 19 selected business opportunities from the 11 regions, in which the pilot had been conducted. They found that "... for a Commonwealth investment of about $1 million, $11 million in private sector investment was generated. The 83 businesses that were started, expanded or diversified had an annual turnover of $27 million and led to the creation of some 280 full-time equivalent jobs."  

The officers identified a number of impediments as well. They found that the time for the pilot had been too short to achieve the full potential of the program; members of the CCLCs needed training in business and facilitator skills; local communities needed to improve their business skills to enable them to handle complex development proposals; they also lacked access to marketing know-how and market infrastructure; in general local networks were missing; and venture capital remained scarce.

Despite the special problems in regional Australia and the finding by the RDB that the Government's policies had not met the expectations of local communities, the Government persisted with its macro-economic, whole of government approach to regional development.

87 DILGEA, p. 30.
88 DILGEA, p. 30.
89 It is unclear if the total funding from the Commonwealth Government was $0.5 million as reported by DILGEA in 1987, or about $1 million as reported by the Minister for Local Government in 1992. In both instances the sources were referring to the same six-month's pilot program. In any case the Commonwealth Government's outlay was modest compared with the amounts spent by former governments on their regional development programs.
90 David Simmons, Minister for Local Government, "Towards a more competitive Regional Australia", speech to the "Regional Development in the 1990s: Fact or Fiction Seminar", held at Charles Sturt University in Wagga Wagga on 14 July 1992.
91 DILGEA, p. 12.
By the time of the re-election of the fourth Hawke Labor Government on 4 April 1990, the country was in deep recession. The inability of the Government to correct the economic situation over the following 12 months caused concerns within Australia and the Federal Parliamentary Labor Party. On 12 December 1991, the ongoing struggle for leadership of the Government came to a head. As a result, on 20 December 1991, Paul Keating replaced Hawke as Prime Minister.

The change of leadership did not alter the Government’s initial response to the country’s regional problems. By June 1993 Keating gave recognition to the needs of regional development, though they remained subordinate to the Government’s macro and micro economic objectives. Keating defined regional development as national development on a regional basis. He envisaged it as a process of drawing the regions into a national grid, which represented a partnership between communities, businesses, the union movement and all levels of government. In this partnership, the roles of the regions and the Government were to be quite different. Keating declared that “… the starting point [of regional development] will be to ask not what can the Commonwealth Government do for a region, but what can the region do for itself.” The Government would not provide the financial means of solving all the development needs of the regions, but would assist the regions to take advantage of their potential. Thus the self-help concept of the Hawke Government was carried through into the Keating era.

Keating decided to base his regional development program on a range of research. The Industry Commission (IC) was asked to identify ways of overcoming the

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92 Hawke, p. 546.
93 On this day the worst unemployment figures for 60 years were announced. Hawke, p. 553.
94 ABS, Year Book Australia 1992.
95 The Keating Government was re-elected to office for a second term on 24 March 1993. ABS, Year Book Australia 2002, No. 84, p. 28.
impediments to industry adjustment in rural and urban regions, a Task Force on Regional Development was required to identify key economic and industry development issues, examine factors influencing regional investment, and recommend any changes that should be made to Government policies and programs; and McKinsey and Company was hired to study business investment in regional areas.

Collectively the three reports identified a number of key observations. They found that regions had the capacity to help themselves, including the capacity to contribute to local and infrastructure investment. Those regions that wished to attract investment had to concentrate on improving productivity and develop a skilled and flexible workforce. Greater economic growth could be obtained in those regions where there was community cooperation. Leadership and quality of organisation led to improved regional economic development. They recognised that an export culture was essential for business investment. Importantly they acknowledged that regions needed to integrate into the national economy.

These findings were incorporated in Keating’s White Paper *Working Nation*, in which he committed $50 million for regional development programs for 1995/96. Although modest by the Government’s budget standards, the allocation was significant by virtue of being the first instance since the Whitlam Government era that regional development had been identified as a separate budget item. The main difference between the second Keating Government and previous

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97 IC, p. xii.
98 The Taskforce was headed by Bill Kelty, President of the Australian Council of Trade Unions. Task Force on Regional Development, p. 3.
99 The Members of the second Keating Government admitted that they did not have adequate data on private sector investment, at the company level, outside of the major cities. The objective of the McKinsey consultancy was “... to obtain qualitative and quantitative data concerning the factors that influence or are likely to influence past, present and future investment patterns within regions from businesses that are located in or have investments in selected economic regions.” Terms of Reference for the Business Investment in Regional Areas Consultancy contained in McKinsey and Company, *Lead Local Compete Global*, a report for the Department of Housing and Regional Development, June 1994, Appendix 1, p. 103.
Governments was that its actions were based on well researched, bottom-up information; a definite regional development program with adequate resources; and a preparedness to use regulation and funding for infrastructure and major projects to assist the regions specifically.

The Government's new regional policies were implemented through a new Regional Development Program (RDP), which was administered by the Department of Housing and Regional Development (DHRD). In line with the recommendation of the Task Force on Regional Development, 90 Regional Economic Development Organisations (REDOs) were set up in urban and country areas. The Government allocated $150 million to the RDP over four years. Overall $21.6 million was allocated to the administration of REDOs and $7.2 million on the preparation of economic development strategies. The remaining funding of $121.2 million was allocated to supporting major capital works projects and infrastructure that had direct implications for the economic development of regions. This applied for a period of four years starting in 1995/96. The first REDOs were set up as early as December 1994, the last on 20 November 1995.

102 Calculated from data contained in DHRD, Regional Interim Strategies, Part 2 - Victoria, AGPS, Canberra, September 1996, appendix. Two REDOs were established in the Australian Capital Territory, 27 in NSW, one on the NSW/Victoria border, 21 in Queensland, nine in South Australia, two in Tasmania, 18 in Victoria, and 10 in Western Australia.


104 $240,000 was allocated, over three years, to the establishment and operational support of each REDO; and up to $80,000 was provided to each REDO for the preparation of an economic development strategy. Northern Rivers Regional Economic Development Organisation, ‘A Vision and Strategy for the Economic Development of the Northern Rivers Region of NSW’, May 1995, p. 9, contained in DTRD, Regional Interim Strategies, Part 1 – NSW and Australian Capital Territory, AGPS, Canberra, September 1996.


Officers of DHRD carried out extensive consultations with regional communities on the selection of regional boundaries; the representation on the REDOs' management committees; and the preparation of the regional vision and economic development strategies. Most REDOs were created as new organisations, while some were formed from existing bodies. DHRD conducted audits to ensure that all regions were viable.

In March 1996 the Keating Labor Government lost office. The incoming LNP Coalition Government, under the leadership of John Howard, set about dismantling the RDP. DHRD was replaced by the Department of Transport and Regional Development (DTRD); and 220 positions were removed from the former Regional Development Branch, reducing it to little more than a secretariat. On 17 July 1996 John Sharp, the new Minister for Transport and Regional Development, announced that changes in his portfolio would provide a savings of $150 million in 1996/97. He declared that the former Government’s regional development and urban management programs overlapped with the infrastructure programs of State and local governments, and as such, were unnecessary. Sharp argued that “There is no clear rationale or constitutional basis for Commonwealth involvement [in regional development].” The Minister, however, committed the new Government to providing $80 million in the 1996/97 budget for the remaining regional development programs, as well as an additional $10 million for other regional projects. The Government subsequently honoured all of the commitments made by DHRD to the REDOs. After these commitments were discharged, the Government reverted to a whole of government policy approach to regional development. Thus government policy on regional development had turned full circle.

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107 This assessment was based on staff reductions and the elimination of ‘The Better Cities Program.’ John Sharp, Minister for Transport and Regional Development, ‘Regional development’, media statement, issued 17 July 1996, TR 70/96.
110 In December 1997, the Government issued an Industry Statement, Investing for Growth, which set out the relevance of a range of industry and trade programs to regional development and
5.5 Outcomes of the Commonwealth Governments’ regional policies

Since the Second World War specific regional development policies of successive Commonwealth Governments have achieved little in the way of meaningful outcomes. The only achievements of note were the detailed information on the composition of the regions generated under the Curtin, Whitlam, Hawke and Keating Governments; the formation of the Albury-Wodonga Growth Centre, under the Whitlam Government; and some major infrastructure works, initiated under the Curtin, Chifley, Whitlam and the second Keating Governments. This low level of achievement can be traced to a lack of a shared vision for regional development by Commonwealth Governments; a policy of non-intervention by Coalition and the Hawke Governments; the basic opposition by State Governments to the Commonwealth’s involvement in regional development, other than in the Australian territories; a lack of appreciation of the degree of economic disparity between country regions and their metropolitan counterparts, at least up until the mid 1980s; a suspicion of regional development organisations by both State Governments and local government authorities; and a lack of consistency by Commonwealth and State Governments and individual government departments on defining regional boundaries.

As we have seen, State Governments in Australia regarded regional development as their responsibility. In Victoria regionalism was pursued purposefully, particularly in the 1970s. It was during this period that the convergence of the regional development policies of the Whitlam Commonwealth Labor Government and the Bolte and Hamer Liberal Victorian Governments gave rise to two growth centres, one of which was to be located in Geelong. The history of these events and the eventual formation of the GRC are presented in the next chapter.

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111 The other was located at Albury-Wodonga on the Victorian-NSW border.
6 FORMATION OF THE GEELONG REGIONAL COMMISSION

6.1 Origins of regional planning in Victoria and the Geelong region

Statutory planning in Victoria was initiated in February 1946 when the Town and Country Planning Board was set up under the provisions of the *Town and Country Planning Act 1944* ¹ The main instrument of statutory land-use planning was, and still is, the planning scheme. This sets out the policies and controls for the use, development and protection of land in every municipality of Victoria. At the outset, municipal councils developed the schemes, either individually or jointly. However, by the late 1940s, the TCPB found that it was impractical to expect councils in Melbourne to prepare and submit joint planning schemes for their municipalities and so its Members initiated action that resulted in the passing of the *Town and Country Planning (Metropolitan Area) Act 1949.* ² This enabled land-use planning in Melbourne to be coordinated through a single entity, the Melbourne and Metropolitan Board of Works (MMBW).

While the Act enabled the Melbourne area to be planned as a region, the country areas of Victoria were still dependent on joint municipal planning schemes for their regional planning. In the Geelong area, eight municipal councils formed the Geelong and District Town Planning Committee (GDTPC), with the objective of preparing a joint planning scheme for an area of 98.33 square miles covering the inner municipalities of Geelong, Newtown and Chilwell, Geelong West and portions of the municipalities of Bannockburn, Barrabool, Bellarine, Corio and South Barwon. ³ The member councils paid for the Committee’s operations. This included the engagement of Laird, Buchan and Collins, as planning consultants to

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¹ The TCPB was appointed on 27 February 1946. Letter from J. D. McNamara, Secretary of the TCPB, to the Town Clerk, City of Newtown and Chilwell, dated 1 August, 1946, held in the Geelong Historical Records Centre, (GHRC) Reference 214/1; Public Records Office Victoria (PROV), Summary Guide 2000, VA 516, Town and Country Planning Board 1946-1981, pp. 1, 2.
³ Geelong Planning Scheme map, June 1946; Reference GHRC 214/1. Copy of the Geelong Planning Scheme (1959); Reference GHRC 214/5.
the Committee. The initial meeting of the GDTPC was held late in 1945. It was disbanded when its statutory period ended on 29 August 1963.

The Committee began the preparation of the joint planning scheme on 16 September 1946. This became the Geelong Planning Scheme (1959), which was approved by the Governor in Council in August 1962. The Committee also introduced an Interim Development Order (IDO) to regulate the development of all land covered by the proposed Scheme. Under the IDO the Committee delegated responsibility to the municipal councils to deal with minor subdivisions and building projects not likely to affect the Scheme. In all other matters concerning the IDO, the GDTPC determined if an application for a planning permit would be approved or refused. Accordingly, in the 1950s the Committee was very involved in the major subdivisions in the Corio area where much of the post-war urban expansion in the Geelong region took place. While the Committee had the right to consider applications for permits, which were allowed under the IDO, only the Minister could amend the IDO, or later, the Geelong Planning Scheme (1959). After the GDTPC was disbanded the individual municipalities became the responsible authorities for their sections of the Geelong Planning Scheme.

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4 These consultants served the Committee for 17 years. Minutes of the GDTPC, 12 August 1963; Reference GHRC 214/1.
5 The GDTPC was in place prior to the establishment of the TCPB by the Minister for Public Works in early 1946. The first extant Minutes of the GDTPC were dated 11 February 1946. They referred to Minutes of a former meeting of the Committee, which was held on 25 October 1945. Reference GHRC 214/1.
6 Under Sub section 12 (3) of the Town and Country Planning Act (1961), the Joint Committee could exist for a period of 12 months after the date of the approval of the joint planning scheme by the Governor in Council. Extensions of the termination period could be granted if the member municipal councils so wished. The last meeting of the GDTPC was held on 12 August 1963. Minutes of the GDTPC, dated 12 August 1963, Reference GHRC 214/4; When thanking the Committee for its efforts over some 18 years, the Chairman, Cr. Purnell "... considered that it was a retrograde step for the future of Greater Geelong..." that member Councils did not want to keep the GDTPC in operation after its statutory period had expired. Bannockburn voted to maintain the Committee's operation, Corio proposed that the operations be extended by 12 months, and the remaining Councils voted to terminate operations. Minute of the GDTPC of 12 August 1963.
7 Extract from a letter from the Secretary of the TCPB to the GDTPC, contained in the Minutes meeting of the GDTPC, 8 July 1963; Reference GRHC 214/4.
8 The Motion to introduce the IDO was carried at the meeting of the GDTPC held on 17 February 1947, Reference GHRC 214/1.
6.2 The Geelong Regional Planning Authority

The introduction of the *Town and Country Planning Act (Amendment) 1968* marked a significant change in planning in Victoria,⁹ as it created a prescribed hierarchy of administration. At the top of the structure was the TCPB, which had responsibility for planning at the State level. At the second, or regional level, were the Melbourne and Metropolitan Board of Works and regional planning authorities, which were the responsible authorities for designated country areas of Victoria. These authorities were formed by an Order of the Governor in Council as body corporate entities; and unlike the joint committees had the right of perpetual succession. They also had the right to delegate powers, responsibilities and interim development orders to the municipalities, which comprised the third level of the new structure. As in the past the municipalities provided both the finance and representatives for the planning authorities.

The Geelong Regional Planning Authority (GRPA) was formed on 23 April 1969,¹⁰ with an area of responsibility that covered the nine municipalities of the Geelong region. Two members from each Council made up the Authority. By 1977, the GRPA was the only regional planning authority to have delegated management of the IDO to its member municipal Councils and to have completed and exhibited a final draft planning scheme.¹¹

By introducing regional planning authorities, with the same role and planning powers as the Melbourne and Metropolitan Board of Works, the Victorian Parliament had recognised the legitimacy of regional planning at the community

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level in country Victoria. Another unique feature of this new Act was the stipulation that regional authorities had to prepare and administer planning schemes in accordance with statements of planning policy. These statements were prepared by the TCPB, after consultation with the State Planning Council and the respective planning authorities. The importance of the statements was that they gave direction to land-use planning across Victoria; safeguarded the interests of the State in the conservation and development of regional resources; and ensured that planning by responsible authorities was coordinated. In preparing the statements, the Board took into account the influence of demographic, social, and economic factors on development, conservation of natural resources, characteristics of land and land-use, the environment, communications and the development requirements of public authorities.

The role for Geelong and its region was set out in Statement of Planning Policy, No. 7 (Geelong), which was approved by the Governor in Council on 23 August 1973. In this statement the Victorian Government aimed to develop Geelong as one of a number of Victorian metropolitan growth centres, which would be capable of absorbing Melbourne's expected future population expansion.

As we have seen in chapter 5, in the mid 1960s there was increasing concern that the populations of Australian capital cities were becoming ‘too big.’ In the case of Melbourne and Sydney, they held 70 and 60 per cent of their respective States’ populations in 1971. These statistics hid another trend. Unlike NSW between 1966 and 1971, where the populations of the capital city and the rest of the State increased together, in Victoria the population of metropolitan Melbourne grew,

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12 The State Planning Council was established under the Town and Country Planning (Amendment) Act 1968. Its role was to co-ordinate the planning of future works and developments by Victoria’s government instrumentalities and semi-government authorities. Section 8B, Town and Country Planning (Amendment) Act 1968.


14 TCPB, 'Statement of Planning Policy, No. 7,' p.2.
while the population of country Victoria declined.\textsuperscript{15} In addition, by 1971, not only did the eastern and southern sectors of the Port Phillip area (or region)\textsuperscript{16} contain some 55 per cent of the population, but they were growing faster than the northern and western sectors.\textsuperscript{17} This led Members of the TCPB to conclude that Melbourne's growth was becoming out of balance for services such as water supply, waste disposal, social services and transportation, and was putting pressure on the recreational areas of the Dandenong Ranges, the Yarra Valley and the Mornington Peninsula.

In order to solve Melbourne's problems of infrastructure imbalance and population growth,\textsuperscript{18} the Government adopted an approach of managing "growth by corridors of metropolitan towns [within the Port Phillip region]."\textsuperscript{19} These "metro towns"\textsuperscript{20} were "... local centres of industry, commerce, and recreation as well as places where people can work, shop, be educated and enjoy their recreation." Geelong qualified under this definition because it was a large and well-established urban centre, but importantly, it was located in the south-west of the Port Phillip region and close to Melbourne.\textsuperscript{21}

\textsuperscript{15} Between 1966 and 1971 Victoria's population grew by some 276,000, but metropolitan Melbourne grew by 280,000. This meant that the population of country Victoria actually fell. According to the TCPB, Victoria's smaller geographic size, compared with the other Australian States, facilitated greater centralisation of the population. 'Statement of Planning Policy No. 7,' p. 6.

\textsuperscript{16} The Port Phillip region has been classified by some academics as the mega city or region of Melbourne. O'Connor and Stimson, Appendix 1.

\textsuperscript{17} In the previous intercensal period, this area had absorbed three-quarters of the metropolitan area's growth. TCPB, 'Statement of Planning Policy No. 7,' p. 8.

\textsuperscript{18} The Minister for Local Government introducing the \textit{Town and Country Planning (Amendment) Act} 1968; letter from the Minister for Local Government to the TCPB, 29 June 1971; and letter from the Minister for Local Government to the TCPB, 8 March 1972; referred to in TCPB, 'Statement of Planning Policy No. 7,' p. 4.

\textsuperscript{19} The Government's planning approach was based on recommendation contained in the report by the TCPB, 'Organising for Strategic Planning,' 4 September 1967; TCPB, 'Statement of Planning Policy No. 7,' pp. 2, 3.

\textsuperscript{20} Term used by the TCPB.

\textsuperscript{21} TCPB, 'Organising for Strategic Planning,' p. 4.

\textsuperscript{22} The City of Geelong is 45 miles (72 kilometres) south-west of Melbourne.
6.3 Attempts to establish the Geelong Growth Centre

In the early 1970s Members of the Victorian Liberal Party Government, under Sir Henry Bolte, gained the agreement of the McMahon Commonwealth Coalition Government for Geelong to be developed as a growth centre.\(^{23}\) With the fall of the McMahon Government, in December 1972, the agreement ended. Members of the Victorian Government, led now by Bolte’s successor, Rupert Hamer, took this matter up again with the new Commonwealth Government.\(^{24}\) After some delay, due to the passage of the necessary Commonwealth legislation and the selection of sites,\(^{25}\) the Geelong region was designated as one of the Commonwealth Government’s five growth centres.

Officers of the Cities Commission presented their report on Geelong in September 1973.\(^{26}\) They pointed out that if Geelong’s population maintained the same rate of growth as it had between 1966 and 1971, the population would be 190,000 by the year 2000. On the other hand, if the rate of growth of 1971 over 1970 was maintained through to the end of the century, then the population of Geelong would reach 290,000.\(^{27}\) The officers assumed that if suitable incentives were offered to industry and the labour force, Geelong’s population could grow even faster and reach 400,000 by 2000. It was finally estimated that the region had a capacity to accommodate some 600,000 people.\(^{28}\) The officers argued that

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\(^{26}\) ‘Geelong the alternative,’ article by Garry Cotton, Geelong Advertiser dated 7 November 1974, p. 5.

\(^{27}\) Geelong’s rate of growth over the 12 months of 1970/71 was 2.5 per cent. Geelong Advertiser, 7 November 1974.

\(^{28}\) The Cities Commission estimated that Geelong’s population would grow by 5.5 per cent per annum by the early 1980s, and taper to three per cent per annum by the end of the century.
because of Geelong’s proximity to Melbourne, Government offices could be easily transferred to the growth centre.\textsuperscript{29} They also argued that Geelong could attract private sector jobs in administration and commerce, as well as investment in tourism and recreation, defence training and related activities. These developments would improve employment opportunities, diversify the structure of the labour force and improve Geelong’s image.\textsuperscript{30} To demonstrate its support, in 1974 the Commonwealth Government directed that the Australian Animal Health Laboratory (AAHL) and Victoria’s fourth university, Deakin University, were to be located in Geelong. In addition, the Commonwealth Government allocated $2 million in its 1973/74 Budget for the Geelong growth centre’s initial land acquisitions. This was not spent.\textsuperscript{31}

On 16 October 1973, the TCPB informed the GRPA that the Cities Commission would undertake additional studies to confirm the region’s potential as the location for accelerated urban growth. Colin Atkins, Director of Planning for the GRPA, was seconded to the Geelong Development Project Steering Committee (GDPSC), which supervised the preparation of the ‘Geelong Development Strategy’, ‘the Geelong Development Finance Study’ and ‘the Melbourne-Geelong Transportation Corridor Study.’\textsuperscript{32} These studies were to be completed by June 1974.\textsuperscript{33} The GDPSC was made up of two representatives from the TCPB, three representatives from the Cities Commission, one representative from the Victorian Department of State Development and Decentralization and one representative from the planning organisations, Loder and Bayly and the Planning Workshop. Atkins was Chairman.\textsuperscript{34}

\textsuperscript{29} Geelong Advertiser, 7 November 1974.
\textsuperscript{30} The Cities Commission noted that the male labour force contained 60 per cent “blue collar” workers compared with about 50 per cent for Melbourne. Geelong Advertiser, 7 November 1974.
\textsuperscript{31} Geelong Advertiser, 7 November 1974.
\textsuperscript{32} Letter from the TCPB to the GRPA, 16 October 1973 contained in GRPA Minutes of Meeting No. 46, 25 October 1973.
\textsuperscript{33} GRPA Minute of Meeting No. 46, 25 October 1973.
\textsuperscript{34} GRPA Minutes of Meeting No. 58, 30 January 1975.
On 23 March 1974, the Victorian Government declared 11 areas of land in the State to be subject to the *Designated Area Act*. These included some 2,000 acres of agricultural land around Geelong.\(^{35}\) At the same time, the Victorian Government declared that the whole of the Geelong region was an investigation area under the Act.\(^{36}\) The Government’s declaration of a designated area meant that the State, or its delegate(s), had the authority to exercise an option of purchasing land in the subject area over a two-year period to March 1976, at values that were current at the time of the land being proclaimed a designated area. By exercising this legislative right, the Government would be in the position to make residential land available to potential purchasers at reasonable prices and in quantities that allowed reasonable choice. When announcing the declaration, Alan Hunt, the Victorian Minister for Local Government and Planning, stated that the Government’s actions meant that land speculators “... no longer had the community over a barrel [by limiting the availability of land and thereby driving up prices].”\(^{37}\) He emphasised that the Government was firm in its resolve to open up land for development in the designated areas and pointed out that the Government would use its powers of compulsory acquisition, if necessary. Hamer was at pains to reassure developers that “[Government] Acquisition will be the exception rather than the rule.”\(^{38}\)

On 29 August 1974, Hunt met with the GRPA and advised its members that as a result of a recent meeting between Tom Uren, Commonwealth Minister for Urban and Regional Development, Murray Byrne, the Victorian Minister for State Development and Decentralization, and himself, “... it was agreed that an expanded form of the GRPA should be created to enable the planning and development of the Geelong region, in accordance with the accelerated growth

\(^{35}\) This included portions of East Grovedale, in South Barwon, the Waurn Ponds Valley in South Barwon and Barabool, and Lovely Banks in Corio. *Geelong Advertiser*, 24 March 1974 and 23 May 1975.


\(^{38}\) Press release of the Premier of Victoria, 25 March 1974, quoted in the GRPA Minutes of Meeting No. 50, 28 March 1974.
program." 39 He said the initial tasks of the Geelong Regional Authority (GRA) "... would be to set up optimum limits of growth for the Geelong region; plan the nature of the development which would take place, ensuring the existing character and environment is not destroyed; and be responsible for arrangements with developers and letting of contracts." 40 During September Hunt circulated draft legislation to give effect to these desired outcomes. 41 On 4 October 1974, Uren, Byrne and Hunt announced publicly in Geelong that the Commonwealth and Victorian Governments would work together to develop Geelong as a growth centre. 42 Under the scheme of arrangements the Commonwealth Government would provide finance for the purchase of land for development and the Victorian Government would provide infrastructure such as roads and services. 43 In support of the arrangement, the Commonwealth Government allocated $10 million to the Geelong growth centre project in its 1974/75 budget; and the Victorian Government undertook to introduce legislation in the Autumn Session of Parliament in 1975 to establish the GRA. 44 A Geelong Centre Planning Group (GCPG) was formed on 15 October 1974 to carry out a range of tasks over a period of 40 weeks in preparation for establishing the proposed growth centre. These included regional planning, structural planning, economic base studies,

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39 GRPA Minutes of Meeting No. 54, 29 August 1974.
40 GRPA Minutes of Meeting No. 54, 29 August 1974.
41 The Age, 5 April 1977, p. 4.
42 Geelong Advertiser 5 October 1974; GRPA Minutes of Meeting No. 55, 26 September 1974; Speech by Neil Trezise, Legislative Assembly, 1 October 1975, Parliament Debates (Hansard), Vol. 323, p. 7013.
43 Reply by Hamer to Questions Without Notice from Trezise, Legislative Assembly, 25 May 1976, Parliamentary Debates (Hansard), Volume 326, p. 1130.
44 Reply by the Hamer to Questions Without Notice from Trezise Legislative Assembly, Parliamentary Debates (Hansard), 10 April 1975, Vol. 321, p. 4832. Trezise stated that the funding from the Commonwealth was $20 million. The report by Garry Cotton of the Geelong Advertiser, stated that the Commonwealth Minister for Urban and Regional Development, in his meeting with the Victorian Ministers for State Development and Decentralization, and Local Government and Planning on 4 October 1974, stated that the amount was $10 million. Geelong Advertiser, 5 October 1974. Trezise continued to quote the figure of $20 million in his debates in the Victorian Legislative Assembly.
detailed planning of first demonstration projects and fiscal studies. Some $750,000 was spent on this work.

At the time Garry Cotton, a reporter for the Geelong Advertiser, raised the issue of Australia’s declining population growth and the possibility that there was a lessening demand for growth centres. In a later report on 7 November 1974, Cotton also pointed out that further investment in Geelong might be curtailed by the increasing levels of unemployment and the worsening economic conditions. He observed that under these conditions the growth centre at Albury-Wodonga would be competing with Geelong for people who wished to move to a growth centre location. On 17 October 1974 Hayden Birrell, Member for Geelong in Victoria’s Liberal Party Government, also raised the issue of decreasing population growth and questioned the need for growth centres in Geelong and Albury-Wodonga. He observed that it was unlikely that Melbourne’s predicted population levels would be attained because Australia’s birth rate was declining and the Commonwealth Government was restricting immigration from overseas. John Loder, one of the Geelong growth centre project consultants, expressed similar concerns when he addressed the GRPA in November 1974.

The Geelong Development Strategy was prepared by Loder and Bayly and completed on time in June 1974. It was exhibited for public comment at the offices of the GRPA from late October until 27 November 1974. This strategy was based on the assumption that the Geelong region could accommodate

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45 Report on Progress of the GCPG by the Director of Planning, GRPA Minutes of Meeting No. 58, 30 January 1975.
47 Geelong Advertiser, 5 October 1974.
49 Geelong Advertiser, 8 November 1974.
50 The ‘Summary Report on the Planning Options’ underpinning this report was published by the GCPG in December 1974; GRPA, the Cities Commission and the TCPB, A Development Strategy for Geelong Region: A Summary Report on Planning Options, December 1974, face page.
51 Geelong Advertiser, 19 November 1974.
600,000 people. The consultants considered five options based on models of peripheral growth, dispersal growth and the creation of new areas of growth. The preferred strategy proposed that the population of Geelong should grow modestly to 175,000 by 2000. The additional 425,000 people were to be accommodated in Lara, Leopold and the coastal towns (50,000), Clifton Springs (13,000), the region’s rural areas (12,000), and the proposed new cities of Moriac (130,000) and Paraparap (210,000). This meant that over 55 per cent of the planned population growth in the region would occur in the Shire of Barabool. Industrial growth would be concentrated at Corio and Point Henry, with a new industrial area being set up at Mount Duneed.

There were many in the regional community who opposed the proposal. From as early as 26 February 1974 the Geelong Advertiser published an editorial, entitled “Hands off the Peninsula”, which condemned the Cities Commission for “... talking about growth [for Geelong that was] similar to that which is planned for the Albury-Wodonga area.” The Geelong Advertiser claimed that “This cannot be justified even on the grounds of decentralisation, as it will undoubtedly lead to centralised growth around the Port Phillip Bay area, thus making Geelong and the peninsula suburbs of the metropolis, and achieve nothing but decentralisation in reverse.” Once the Geelong Development Strategy was exhibited, opposition to the growth centre proposal became more organised, particularly in the Shire of Barabool. Ratepayers living in the Barabool Hills, an area which encompassed Moriac, formed a committee with the view of keeping the hills free of residential

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53 Peripheral growth allows an existing city to grow by accretion around its edges; dispersal growth channels growth into many small, separate areas of different sizes; and new area growth channels growth into new cities while allowing the existing city to grow at a modest rate. This latter model can be implemented through growth corridor, independent city systems or a single major new city. GRPA *et al.*, *A Development Strategy for Geelong Region*, pp. 33, 34.
54 The limits of growth around Geelong were the Corio overpass in the north; the by-pass road reservation in the west, the shores of Corio Bay, through to Point Henry and Breakwater in the east; and growth in the south constrained to Grovedale and Waurn Ponds. Geelong Advertiser, 8 November 1974, p. 5, GRPA *et al.*, *A Development Strategy for Geelong Region*, p. 38.
56 Geelong Advertiser, 8 November 1974, p. 5.
development. At a public meeting held in the Freshwater Creek Hall on 11 December 1974, a committee of ratepayers from Paraparap was given the "... task of fighting the total principle of growth in the Geelong region."  

6.4 The Geelong Regional Authority Act

In December 1974, the Geelong Advertiser reported that there was strong opposition to the Geelong growth centre proposal within the Victorian Cabinet and cited the 'strong representations' from Aurel Smith, Liberal Party Member for Bellarine to have the proposed legislation deferred. The following month The Age quoted Smith as saying:

The proposed legislation runs counter to my ideas and beliefs in Liberalism, and unless it [the legislation] is changed, I will oppose it again. This is a free enterprise country, and I will not have a bar of anything that looks like the clenched fist of socialism.

When tracing the history of these events, Tim Colebatch and Lindsey Arkly of The Age reported that within Cabinet the interests of the rural landowners in the Geelong region and the opponents of the Commonwealth-State growth centre arrangement were championed by the conservative wing, which was opposed to the Premier.

By April 1975 the Victorian Government had not introduced the legislation. Neil Trezise, Labor Party Member for Geelong North, led the attack on the Government over the delay. He pointed out that if the required legislation was not passed in the Autumn Session, not only would the $20 million allocated to the Geelong growth centre be forgone, but future funding may not be available, as

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58 Geelong Advertiser, 12 December 1974.
59 Geelong Advertiser, 12 December 1974.
60 Geelong Advertiser, 11 December 1974
61 The Age, 5 April 1977, p. 4.
62 The Age, 5 April 1977, p. 4.
64 Reply by the Premier to Questions Without Notice from Trezise, Legislative Assembly, Parliamentary Debates (Hansard), 25 May 1976, Vol. 326, p. 1130.
the Commonwealth had forecast cut-backs for growth centres in its 1975/76 budget. The Premier would not be drawn and emphasised that the Government "... will act when we consider it appropriate to do so." On 6 May 1975 the Premier finally introduced the Geelong Regional Authority Bill into Parliament. According to an editorial in the Geelong Advertiser the Bill had come through the process of amendment relatively unscathed, but this might not have been the case "... if local people had not been prepared to stand up and bring the controversy surrounding the Bill into the open."

Importantly, the proposed legislation gave the GRA responsibilities for planning and development, as well as the role of coordinating and assisting public and private development. Unlike the Albury-Wodonga Agreement Act, however, the Geelong Regional Authority Bill made no reference to the role of the Commonwealth Government. Colebatch and Arkly claimed that this exclusion was the result of an agreement between the Liberal Party and the Victorian Cabinet.

There were many points of disagreement on the contents of the Bill, but the main areas centred on local control of the GRA, its powers of land acquisition and its rights to development in the designated areas. Such was the importance of the control of the GRA that the Geelong Advertiser reported the Premier’s speech on the Geelong Regional Authority Bill under the front-page headline “Premier emphasises local control of City’s destiny.” In fact, the Premier went so far as to state “... that local people [in the Geelong region] are placed in control of their

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68 Geelong Regional Authority Bill, 7 May 1975.
69 The Age, 5 April 1977, p. 4.
70 Motion by the Premier that the Bill be read a second time, Legislative Assembly, Parliamentary Debates (Hansard), 46th Parliament, 7 May 1975, Vol. 322, p. 6155. Interview with Atkins, 6 May 2004.
71 Geelong Advertiser, 8 May 1975; Motion by the Premier that the Bill be read a second time, Legislative Assembly, Parliamentary Debates (Hansard), 46th Parliament, 7 May 1975, Vol. 322, p. 6155.
own destiny to a greater degree than has ever occurred previously anywhere in the Western world." He pointed out each of the nine municipalities in the Geelong region was to have one representative on the Authority. In addition, there were seven nominated members, three of whom were to participate on a full-time basis. He informed Parliament that Atkins had been nominated by the GRPA to be one of the full-time members. The Premier stated that the other two would come from the Victorian and Commonwealth Governments. Of the remaining four part-time members, one was to come from the Geelong Waterworks and Sewerage Trust, one from the Victorian Department of State Development and Decentralization, and one from the Geelong community. The remaining position was unallocated. In the Act, the original seven nominated members were reduced to five.

While nominal control of the GRA was in the hands of local councils, because they held nine of the 16 positions, the two Governments held the ultimate control, because they regulated the Authority's funding and expenditure. For example, under the provisions of the Bill expense budgets had to be approved by the Minister for State Development and Decentralization in advance and loans undertaken by the GRA for land acquisition and development were subject to prior approval by the Victorian Treasurer. In addition, DURD had to be satisfied with the Authority's performance before the GRA could be assured of Commonwealth funding into the future.

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72 Motion by the Premier, Parliamentary Debates, Legislative Assembly, 7 May 1975, Vol. 322, p. 6155.
73 The Commonwealth Government's nominee was to be approved by the Victorian Government, however. Motion by the Premier, Parliamentary Debates, Legislative Assembly, 7 May 1975, Vol. 322, p. 6154.
74 Geelong Regional Authority Act, 9 December 1975, Section 7 (1) (a).
75 This majority position was further strengthened when the number of members to form a quorum at meetings of the Authority was altered from ten in the Bill to only eight members in the Act.
76 The Geelong Regional Authority Bill Section 22 and Section 23 (3).
77 Because of the requirements of the Australian Constitution, the Commonwealth Government had to provide funding for the Geelong growth centre through the Victorian Government.
The Authority's statutory planning controls, under the *Town and Country Planning Act* 1961, remained essentially the same as they were for the GRPA. Only the Minister for Local Government and Planning had the authority to approve planning schemes, including any amendments. Being a responsible authority under the Act, the GRA had the right to refuse a rezoning or planning permit application. Under such circumstances the applicant had the right of appeal. When the Authority undertook its own development, however, it had to seek permits and consent from statutory authorities for works that it wished to undertake. Planning permits for these works had to be obtained from the relevant municipalities, as well. (These conditions were incorporated in the *Geelong Regional Commission Act* 1977.)

A mutually agreed amount was to be provided each financial year by the member municipal councils as a contribution towards the cost of the Authority carrying out its responsibilities under the *Town and Country Planning Act* 1961. The costs of economic development were to be covered by funding provided by the Victorian and Commonwealth Governments.

The Victorian Houses of Parliament controlled the process by which land became designated under the Act, not the GRA. While the draft legislation gave the Authority the power to recommend to the Minister which land should be designated, the power of declaration of the designated areas rested with the Governor in Council, who acted on the recommendation of the Minister. This declaration, however, could be disallowed if either House of Parliament so wished. As Clyde Holding, Leader of the Victorian Labor Party Opposition observed that this provision could be a “useful weapon for obstruction by vested interests.”

The major sticking point for the land developers and some Government Members was the Authority's powers to acquire and develop land within the designated

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areas. At the time of introducing the Bill, the Premier assured members of the private sector that they would be able to carry out developments in the designated area and stated that the GRA was expected to use private contractors to the maximum extent in its own development work. The Premier conceded that the GRA had been given the power of compulsory acquisition in the Bill, but added that this was intended to be a reserve power only. He pointed out that the AWDC had not resorted to compulsory acquisition of land, but had always used negotiation to the satisfaction of landowners. He emphasised that in any case, the legislation would not allow the Authority to become "... an overweening, all-powerful or bureaucratic organisation." It is interesting to note that the Authority's powers to acquire land compulsorily (with the consent of the Minister), which were set out in the Bill, were absent in the Act; and the allowable limit of the Authority's borrowing was reduced from $250 million to $100 million. In addition, the consequential powers of the GRA under the *Lands Compensation Act* 1958 and the *Valuation of Land Act* 1960, as identified in the Bill, were transferred to the Minister of Lands.

On 11 September 1975 Trezise asserted that a meeting of "faceless men", working with developers in Geelong, had gained the support of the Victorian Cabinet to defer the Bill. The Premier denied this assertion. On 16 September 1975, however, in reply to another question from Tresize, the Premier stated that the Government had decided not to proceed with the Bill at that time. Instead, discussions were to be held with representatives of the Commonwealth Government on the Government's intentions concerning finance for the Geelong growth centre. He reminded Parliament that the Commonwealth Treasurer had not made an allocation for the Geelong growth centre in its 1975/76 Budget and that

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80 Geelong Regional Authority Bill Sections 15 (1) (c), 17 (1) and 22 (2), *Geelong Regional Authority Act*, Section 21 (2).  
81 Geelong Regional Authority Bill, Sections 17 (2) and 18 (1).  
82 Reply by the Premier to a question from Tresize, during the debate on the *Appropriation (No. 1) Bill, 1975-76*, Legislative Assembly, *Parliamentary Debates (Hansard)*, 46th Parliament, 1 October 1975, Vol. 323, p. 7013.
the Victorian Government had to step in and pay for work and personnel which
had been the responsibility of the Cities Commission up until 30 June 1975. 83 He
re-emphasised that "... the [Victorian] Government is not prepared to proceed
with the establishment of a development authority which has no funds with which
to act." 84 The Victorian Opposition contended that the Commonwealth
Government had promised to provide funding once the Victorian Government had
passed the necessary legislation to set up the regional authority and, because of its
constant deferral of the Bill, the Victorian Government had foregone the
opportunity of obtaining some $23 million from the Commonwealth Government
for the Geelong growth centre project. 85

At this time the Whitlam Commonwealth Government was reining in its
expenditure and adopting a stringent approach to its economic policies in an
attempt to lower the growing levels of unemployment and inflation. 86
Nevertheless, the Government still remained true to the existing growth centres,
allocating $84 million to them in its 1975-76 Budget. 87 No funding was allocated
to the Geelong growth centre.

The impasse on proceeding with the Bill was broken as a result of a special
meeting, held on 30 September 1975, by representatives of the municipalities of

83 On 26 June the GRPA warned the Premier that "The impending hiatus in the flow of funds to
provide the necessary continuity of skilled staff and materials will seriously impede successful
progress in all facets of the Growth Program. The current funding ceases on Monday 30th June.
" Telegram from the GRPA to the Premier of Victoria, Minutes of Meeting No. 63, 26 June 1975.
84 Question Without Notice from Trezise, Legislative Assembly, Parliamentary Debates (Hansard), 46th Parliament, 16 September 1975, Vol. 323, p. 6571.
85 Statement made by Trezise during the debate on the Appropriation Bill (No. 1) 1975-76,
Legislative Assembly, Parliamentary Debates (Hansard), 1 October 1975, Vol. 323, pp. 7013,
7104. Statement on the Appropriation Bill (No. 1) 1976-77, Parliamentary Debates (Hansard),
Presumably the $23 million represents the total funding allocated by the Commonwealth
86 W. G. Hayden, Treasurer of Australia, 'Budget Speech 1975 - 76', House of Representatives,
concerning the second reading of the Appropriation Bill (No. 1) 1975-76, 19 August 1975, pp. 1, 3
and 7.
87 The Commonwealth spent $6.6 million on growth centres in 1973-74; $64.7 million in 1974-75
and it allocated $84.0 million in its 1975-76 Budget. Tom Uren, Minister for Urban and Regional
Development, 'Budget Speech 1975-76', House of Representatives, concerning the second reading
of the Appropriation Bill (No. 1) 1975-76, 19 August 1975, p. 58.
Geelong, Geelong West, South Barwon, Corio, Newtown, and Queenscliff, the Geelong Waterworks and Sewerage Trust, Geelong and Region Trades and Labour Council, the interim Council of Deakin University and other interested parties. From this meeting a lobby group was formed to pressure the Victorian Government to have the *Geelong Regional Authority Bill* passed. ⁸⁸ Accordingly, the Bill was reintroduced to Parliament during November. ⁸⁹

In the subsequent Parliamentary debates, Trezise emphasised the benefits of the GRA as a vehicle for economic change. ⁹⁰ While Geelong’s persistent high unemployment had been raised previously in the Victorian Parliament and in the *Geelong Advertiser*, the issue had now become critical. Trezise reminded Parliament that in January 1975 Geelong’s unemployment had risen to 8.3 per cent, while unemployment in Australia and Victoria was 5.24 and 5.57 per cent respectively. ⁹¹ Many people were beginning to see the GRA as an instrument for stimulating economic development and creating jobs, rather than being just an agent for absorbing Melbourne’s supposed population expansion.

The Victorian Opposition continued to press the Premier and, on 27 November, the Legislative Council passed the Bill. The Governor in Council gave assent to the Act on 9 December 1975. In the Act, funding for the GRA was to be controlled by the Victorian Government alone, although it was expected that the Commonwealth Government would provide loan funds. The Authority’s borrowing limit for its land acquisition and development activities was set at $100 million. Additional grant funds were to be appropriated by the Victorian Parliament for the Authority’s administration and operations, and grants were to be supplied by the municipalities for the Authority’s function as a responsible authority under the *Town and Country Planning Act* 1961.

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⁸⁸ *Geelong Advertiser*, 1 October 1975.
⁹⁰ *The Age*, 5 April 1977, p. 4.
⁹¹ Trezise, Member for Geelong North, during the debate on the * Appropriation Bill (No. 1) 1975-76*, Legislative Assembly, 1 October 1975, *Parliamentary Debates*, 46th Parliament, Vol. 323, p. 7015.
Although the Act was given assent at the beginning of December 1975, it was not proclaimed. A number of matters intervened. On 13 December 1975 the Commonwealth Labor Government lost office and, as we saw in chapter 5, the new Liberal-National Coalition Government began to wind back the growth centres program. In addition, the Victorian election was held on 20 March 1976, in which the Liberal Government was returned to office.\textsuperscript{92}

In the lead up to the election, Members of the National Party in Geelong promoted a series of anti-growth, anti-planning policies. Members voiced their opposition to the land acquisition and development powers of the GRA,\textsuperscript{93} as well as arguing that the policies of the GRPA in rural planning were inappropriate. In particular, they were against the proposal in the draft Geelong Regional Planning Scheme that there be a 75 hectare minimum subdivision limit for rural general farming land.\textsuperscript{94} The objective of the GRPA was to prevent the random small lot subdivision on farmland, as its Members believed that without this provision, orderly planning in rural area would be impossible. Not all agreed. In February 1976 a group of ratepayers in the Shire of Bannockburn petitioned the Shire Council to withdraw from the GRPA in protest against the planning proposals.\textsuperscript{95}

Despite the pressure applied by the Victorian Opposition during the Autumn Session and into the Spring Session of 1976 for the Act to be proclaimed,\textsuperscript{96} the

\textsuperscript{92} The region was represented by three Government members in the Legislative Assembly and one in the Legislative Council, whereas the Opposition was represented by only Trezise in the Legislative Assembly. ABS, Victorian Year Book, 1978, Vol. 92, pp. 105-107.

\textsuperscript{93} The Geelong Advertiser, 18 February 1976.

\textsuperscript{94} The Geelong Advertiser, 18 February 1976.

\textsuperscript{95} The Geelong Advertiser, 18 February 1976.

Government held to its line that without Commonwealth funding it would not proceed with the GRA. During November 1976 the opposition to the Act from within the Liberal Party intensified. At the Geelong area conference of the Party, held on 7 November, a resolution was passed that the GRA become an advisory body with no powers and that planning be handed back to the municipalities of the Geelong region. This was an amendment to the original resolution that the GRPA and the GRA be abolished.  

6.5 Formation of the GRC

Despite the Commonwealth Government’s reluctance to make a financial commitment to the Geelong growth centre and the lobbying of the opponents to the Act, the Victorian Government still had to find a way of meeting its commitment to the people of Geelong, especially at that time of economic recession. Accordingly on 6 December 1976, James Balfour, Minister for Fuel and Power, tabled the Geelong Regional Commission Bill – the legislative vehicle to replace the Geelong Regional Authority Act.

The first significant difference between the former Act and the new Bill was that reference to “...the development of a growth centre in the Geelong region...” was deleted. The second was that the development role of the new GRC was confined to “...industrial, commercial and other business undertakings...”

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*Interview with Atkins, 6 May 2004.

*Section 28 of the Geelong Regional Commission Bill repealed the Geelong Regional Authority Act 1975; Geelong Regional Commission Bill, 3 May 1977.

*Motion by the Premier that the Geelong Regional Authority Bill be read a second time, Legislative Assembly, Parliamentary Debates (Hansard), 46th Parliament, 7 May 1975, Vol. 322, p. 6154.

*G.R.C. Geelong Regional Commission Act 1977, Section 3(c).
The Authority's power to undertake residential development in its own right was withdrawn and the concept of designated areas was abolished. In addition the Commission's borrowings were limited to $50 million. The Minister explained to Parliament that without loan funds from the Commonwealth the Victorian Government was unable to implement the Geelong Regional Authority Act. He argued that the high cost of residential development, in the early years of the authority's operations, was beyond the resources of the Victorian Government. As a result, the Members of the Government regarded the Act as an inappropriate means of developing of the Geelong region. The third change was the move of operational focus of the Authority from attracting population away from Melbourne to addressing the problems of unemployment and the need to restructure the regional economy. One of the first tasks that the Government set the Commission was the development of fully serviced industrial allotments on industrial land located in South Geelong. In the previous financial year, the Government had provided the GRPA with a grant of $82,000 to produce an industrial investor marketing package, and the Members of Government expected the GRC to use this to attract investment from interstate and the outer metropolitan areas of Melbourne. In its land-use and strategic planning functions the Commission simply took over from the GRPA, which was abolished in the new Bill.

The Commission had 14 Members, with each of the nine municipal councils of the region having one representative and five other Members being nominees of

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102 The Government did allow the Commission the concession of participating in residential development through arrangements with the Housing Commission, the Decentralized Industry Housing Authority or the Teacher Housing Authority. The Geelong Regional Commission Bill, 3 May 1977, Section 15 (1) (h).
103 Geelong Regional Commission Act 1977, Section 20(2).
the Victorian Government. Unlike the board structure in the *Geelong Regional Authority Act*, where three of the Government nominees held full time positions, the *Geelong Regional Commission Bill* specified that only one nominated member would hold the full-time position of Chairman. It was clear that the Government was determined to control the way that the Geelong region was to be developed by the Commission. Fundamentally the Members of Government regarded the GRC as a creature of the Government rather than of the Geelong regional community. In essence this was a ‘development from above’ approach by the Government.

The Members of the Victorian Labor Party Opposition objected strenuously to the introduction of the Bill, advocating that the Government should proclaim the existing *Geelong Regional Authority Act*. They argued that if new legislation had to be introduced, then it should contain provisions that were similar to the Act, especially with regard to the powers of the GRC to acquire land compulsorily. They claimed that there was strong local support for their stance on these issues. The Opposition reserved its most strident attacks for what it saw as the Government’s intent to protect the interests of a small number of rural landholders through the new legislation.

In this regard the Members of the Opposition objected to Section 15 (6) of the first draft of the Bill, which required that any land acquired by the GRC must be paid for at the value the land would attain after it had been rezoned for its

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109 *Trezise in the debate on the Geelong Regional Commission Bill, Legislative Assembly, Parliamentary Debates, 19 April 1977, Vol. 331, pp. 7548-7550. In November 1976, W. Whiteside, Chairman of the Geelong Waterworks and Sewerage Trust, claimed that “...there would be fewer than 50 people with interests opposed to the concept of central planning, and they should not be allowed to press their views to the disadvantage of the 150,000 people now in Geelong.” Geelong Advertiser, 11 November 1976.*
intended use.\textsuperscript{110} This was contrary to the practice followed by the AWDC and all Victorian councils, where the financial benefit arising from the difference between the value of the land, when purchased and when rezoned for development, went to the Government body. Apart from being discriminatory towards to the GRC, Trezise argued the inclusion of Section 15(6) would drive up the price of land acquired for industrial purposes, making the Geelong region uncompetitive in the race for industrial investment and become an unwanted precedent for Government bodies.\textsuperscript{111} The Government withdrew section 15(6) on 3 May, on the grounds that rural landowners would make windfall profits.\textsuperscript{112} Representations from the municipalities of Corio, Geelong, Geelong West, Newtown and Queenscliffe, and the Town and Country Planning Association, among others, played a major part in changing the thinking of the Government on this matter.\textsuperscript{113}

In the original Bill Section 15 (3) gave municipalities the power of veto over the Commission for any development activity, which involved the Commission acquiring land compulsorily. On 3 May the Minister for Fuel and Power argued that this was not appropriate and introduced a new Section 15 (3). The amended Section stated that when the GRC wanted to acquire land compulsorily that the council, in whose municipality the land was located, was given the right to comment to the Minister for Lands on the proposed acquisition. After considering the comments of the council, the Minister had also to be "... satisfied that there was no reasonable prospect of the purpose for which the land is required being effected on the land otherwise than by the Commission compulsorily acquiring


\textsuperscript{111} Trezise in the debate on the Geelong Regional Commission Bill, Legislative Assembly, Parliamentary Debates, 19 April 1977, Vol. 331, p. 7551.


\textsuperscript{113} Balfour, the Geelong Regional Commission Bill, Legislative Assembly, Parliamentary Debates, 3 May 1977, Vol. 332, p. 8426; Geelong Advertiser, 4, 15 April 1977.
the land,\textsuperscript{114} before he would recommend the acquisition to the Governor in Council. In other words the Commission could initiate compulsorily acquisition of land for industrial, commercial or other business undertakings if the councils and landowners supported the proposal. At face value the odds seemed against the Commission being able to compulsorily acquire land. Despite vigorous calls by Trezise and other leading Opposition Members to remove Section 15 (3),\textsuperscript{115} the Government prevailed and the Legislative Assembly passed the Bill with the contentious Section intact.

During the debates in the Legislative Council, Glyn Jenkins, Government Member for the Geelong Province, made a number of general, but important observations. He pointed out that one of the historical problems of the Geelong region was its structure. It was not one entity but nine municipalities. With such a complex structure it was not easy to convey the feelings and needs of the regional community to outsiders.\textsuperscript{116} He argued that the GRC:

will be able to convey to Governments and departments, both Federal and State, the considered views of the whole of the [regional] community. We should be able to work in co-operation with Governments and ensure that what is done is in the best interests of the people and ensure that the sort of services required, such as transport, education, social welfare support, recreational and other services, are available in anticipation of development.\textsuperscript{117}

Jenkins was an advocate for the need to have one regional plan, which drew together the planning priorities and needs of the nine constituent municipalities. He saw the Commission as a vehicle for achieving this end, as he reasoned that no single municipal council could plan in such a way that all regional considerations

\textsuperscript{114} Motion by Balfour to amend Section 15 (3) contained in the debate on the Geelong Regional Commission Bill, Legislative Assembly, Parliamentary Debates, 3 May 1977, Vol. 332, pp. 8410, 8411; Geelong Regional Commission Act 1977, 15 (3).


\textsuperscript{116} While the nine councils acted politically as separate entities, the community at large regarded the region as Geelong and its District. See chapter 2.

were taken into account. On the other hand, he advocated that the detailed administration of the plan should be delegated to the councils.118

Jenkins suggested that the opposition to the Geelong Regional Authority Act had more to do with the community’s reaction against the planning processes than the provisions of the Act itself. He observed that 1975 was not a propitious year in which to establish a regional planning and development authority. First, the public review of the draft Geelong Regional Planning Scheme yielded a number of adverse reactions in many parts of the regional community, which resulted in the lodging of some 1000 objections. Second, the Commonwealth Government, under Whitlam, had been “hell bent on changing the social, economic and Government patterns in Australia, and this had unsettled many people.”119 Third the Cities Commission and its consultants, when promoting the establishment of the two new cities of Paraparap and Moriac, had caused considerable uncertainty and misunderstanding among rural people and landowners. He asserted that these events had done little to engender people’s confidence in the new authority. In fact, they had not only caused unrest in the rural community, but had created fertile ground for the opponents of the Act.

The Legislative Council passed the Bill on 4 May 1977, with Parliament giving its assent on 24 May 1977.120 The GRC commenced on 1 August 1977. On this date Digby Crozier, Minister for State Development, Decentralization and Tourism, announced the appointment of Atkins as Chairman, for five years on a full-time basis, and four part-time Commissioners, each to hold office for three years. These Commissioners were Mr. R. W. Whiteside, Chairman of the Geelong Waterworks and Sewerage Trust; Mr. B. Backwell, Managing Director of Backwell IXL Pty. Ltd. and a nominee of the Geelong Chamber of Commerce and the Geelong Branch of the Victorian Chamber of Manufactures; Mr. B. G.

D’Arcy, Secretary of the Geelong and Region Trades and Labour Council; and Cr. (Mrs) A. Edgar, of Barrabool Shire Council, who was active in community and rural affairs. Council representatives, and a substitute member, were appointed for a term, which was determined by the respective council. Substitute members had the right to vote.

6.6 Conclusion

The origins of the GRC were rooted in the regional planning organisations established by the Victorian Government and the Geelong municipal councils in the initial decades after the Second World War. In the first half of the 1970s, when Geelong became one of Australia’s five growth centers, the Commonwealth and Victorian Governments proposed that the GRPA be replaced by the GRA, which was to have responsibilities for land-use planning and economic and physical development in the proposed Geelong growth centre. After the Commonwealth Coalition Government began phasing out the growth centres program in 1976/77, the Victorian Government took over the responsibility for the GRA and the venture. The Government soon realised that the cost of establishing a growth centre was beyond its resources and abandoned the proposal. Instead the Victorian Government established the GRC, with the aim of revitalising the slowing economy in the Geelong region and conducting regional strategic and statutory planning. Although cost was undoubtedly a major consideration in the Victorian Government’s decision not to proceed with the establishment of the growth centre and the GRA, other factors played their part. These included: a diminished priority for decentralisation in Victoria; the onset of economic recession; non-interventionist political ideologies; and pressure from vested interest landowners in the Geelong region.

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121 Geelong Advertiser, 2 August 1977.
122 Gerry Smith, former Mayor of the Shire of Corio, regarded this broad representation as a strength of the GRC. Interview with Smith, 28 September 2004.
According to Atkins, former Chairman and Chief Executive of the Commission, the combination of economic and physical development with regional strategic and statutory land-use planning made the GRC unique.\textsuperscript{123}

The Commission’s major initial roles were to reduce unemployment and diversify the regional economy using, among other things, development as a vehicle. This development excluded the residential market, which the Act specifically denied to the Commission, except when carried out in conjunction with other statutory authorities.\textsuperscript{124} Although the Victorian Parliament provided grants for the general operations of the GRC and the member councils provided grants to part-fund the Commission’s statutory and strategic planning, grants were generally not provided for the Commission’s development activities.\textsuperscript{125} The Commissioners were expected to access loans from the commercial market and Commonwealth and State Government loan programs, subject to the prior approval of the Victorian Treasurer.\textsuperscript{126} The significance of these arrangements was that in its development activities the GRC was required to operate as a commercial public enterprise. This had an attendant high risk, given that the Commissioners began with next to no equity.

Although the Act gave nominal control of the GRC to the councils through their collective majority on the Commission, the real control was vested in the Victorian Government through its supervisory power over the Commission’s funding.

Many of the functions expected of the GRA were retained in the \textit{Geelong Regional Commission Act}. These included the “. . . attraction promotion development and improvement of industrial, commercial and other business

\textsuperscript{123} Interview with Atkins, 6 May 2004.
\textsuperscript{124} The Housing Commission, the Decentralized Industry Housing Authority and the Teacher Housing Authority: \textit{Geelong Regional Commission Act}, Section 15 (h).
\textsuperscript{125} The Victorian Government provided a grant to part-fund the construction of the National Wool Centre.
\textsuperscript{126} \textit{The Geelong Regional Commission Act 1977}, Section 20 (f).
undertakings and employment opportunities to and in the Geelong region; the planning, management, integration and coordination of development in the region, including the protection of areas of natural beauty or special significance, and the provision of services and facilities. In addition, the Act required the Commission to provide for the participation of the people in planning the future development of the region and determining the nature and limits of that development.

127 The Geelong Regional Commission Act 1977, Section 3 (c).
7 PERFORMANCE OF THE GRC IN CORPORATE MANAGEMENT AND PUBLIC PARTICIPATION

7.1 Introduction

In 1981/82 the Victorian Public Bodies Review Committee (PBRC) made recommendations on how legislative directions should be translated into the roles, conduct, structure and programs of statutory authorities, such as the GRC. In addition, the Committee recommended that statutory bodies introduce corporate planning systems that incorporated planning and implementation of objective-based programs, and that performance be measured. Specifically, the PBRC recommended that statutory authorities should:

- Possess objectives set by Statute and Government Policies and worthy of pursuing in contemporary society.
- Be so structured as to be able to pursue these objectives efficiently, effectively and economically.
- Be considerate of public interest when performing activities and encourage public participation.
- Be responsive to the effects of their activities.
- Meet community needs and include mechanisms for identifying needs and setting priorities as a basis for allocating resources.
- Be in harmony with funding arrangements and other planning and development processes.
- Ensure technical and administrative competence is brought to bear in achieving its objectives.
- Be responsive in direction and structure to take account of immediate and long term economic climates.¹

The response of the Commissioners and staff to the recommendations of the PBRC on corporate planning, organisational structure and public participation are discussed in this chapter. In addition, the Commission’s performance in corporate management, community and organisational leadership, and the Commission’s relationship with the Victorian Government and local government in the Geelong region are also reviewed.

¹ GRC, Corporate Plan 1982/83-1984/85, pp. 9, 10.
7.2 Corporate planning

The Commission's corporate plans were three-year rolling plans, which set out the corporate goal (or mission), objectives, policies (or strategies) and action programs. The third corporate plan was the only plan to include performance indicators. Generally performance was measured by assessing the outcomes of the action programs.

The Commissioners produced four corporate plans over the lifetime of the GRC. The initial plan covered the period of 1982/83 to 1984/85. This was initiated by the Commissioners to "... ensure the efficient, economic and effective operation of the Commission." It took into account the recommendations of the PBRC. The second plan, covering 1986/87 to 1989/90, was never adopted. The reasons for this are not clear. The second plan was replaced in part by a new plan, which spanned the period of 1988/89 to 1990/91. This third plan was produced at the direction of Robert Fordham, Minister for Industry, Technology and Resources, and was based on guidelines set by the Victorian Treasurer. Among other reasons, this plan was produced so that "... close alignment [could be achieved] between economic development initiatives and policy at State and regional level[s]." At this time the Commissioners adopted a corporate planning cycle, which focussed on the preparation of annual and long-term budgets and performance reviews for general operations, physical development, human resources and marketing. The Commissioners also produced the Geelong Region Development Strategy (GRDS), which set out a range of specific strategic tasks for the GRC and other organisations. Collectively these plans gave direction to the activities of the Commission through to the end of the GRDS in

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4 GRC, Forward Plan 1988/89-1990/91, preamble
5 GRC, 'Corporate Planning Cycle for 1987/88 and 1988/89.'
1992, when the fourth corporate plan was produced. This plan was never implemented as the Commission was abolished in May of the following year.

Between 1976 and 1981, the Australian economy had deteriorated and unemployment had increased. As we saw in chapter 6, these conditions were magnified in the Geelong region. At this time the Commissioners defined the goal of the GRC to provide security for the region, particularly in the area of employment.

This intent was repeated in the goal of the first corporate plan, which the Commissioners adopted on 24 June 1982. It read:

To economically, socially, physically and environmentally secure the future of the community of the Geelong Region by identifying needs and facilitating the improvement, enhancement and protection of the Region by the Commission's own initiatives and by the coordination of and cooperation with local government, other authorities and organisations.

The Commissioners drew up the following related corporate objectives:

**Economic Objective**
Generate, broaden and diversify economic development with a significant emphasis on creating and maintaining employment opportunities.

**Promotion Objective**
Present and promote interests and undertakings of the Geelong Region and promote the Region as a place to visit, live, work and invest.

**Development Objective**
Initiate and undertake research, planning and development and coordinate projects through the provision of technical services and infrastructure to meet the needs of existing and incoming industrial, commercial and community undertakings.

**Planning Objective**
Establish and maintain a strategic and statutory framework for the preservation, development and enhancement of the Region and administer the Geelong Regional Planning Scheme as an effective and responsive planning control.

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Coordination Objective
Coordinate and facilitate the provision of services, facilities and information for the encouragement of existing businesses, planned development within the Region and the improvement, enhancement and protection of significant areas.

Management Objective
Manage the corporate activities of the Commission effectively efficiently and economically and fulfil statutory responsibilities.

Finance Objective
Secure the necessary funds to facilitate economic and community development in the Region, properly utilise and invest these funds and provide sound and accountable financial management systems.\(^\text{10}\)

Collectively these seven objectives gave rise to seven action programs covering 117 specific actions to be undertaken over the three-year period. In addition to the quarterly reviews, the Commission's performance was reported annually in separate publications.\(^\text{11}\) The success or otherwise in achieving the objectives was determined by the outcomes from the nominated actions.

Despite the improvement in the national economy after 1986, the Commissioners held to their quest to provide security for the people of the Geelong region. This is shown in the mission statement for the third corporate plan, which read:

*The Geelong Regional Commission shall endeavour to secure the future of the community of the Geelong Region, insofar as it has the capacity and resources to do so and in accordance with its statute.*

*The Commission shall seek to achieve this by identifying the economic, social, physical and environmental needs of the region; by facilitating and encouraging new development initiatives when appropriate and by the effective planning, promotion and coordination of activities of demonstrable benefit to the region in the short and long-term.*

*The Commission in undertaking this mandate shall cooperate with State and Local Government and other authorities, organisations and individuals.\(^\text{12}\)*

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While the third corporate plan retained the seven objectives set out in the first and second plans, albeit with different wording, the Commissioners introduced an additional objective addressing 'community development.' These eight objectives were supported by 29 key strategies. Significantly, this corporate plan included 11 performance indicators.13

Despite the fact that Australia was again experiencing severe economic conditions in the early 1990s, the Commissioners placed the emphasis in the fourth corporate plan on the need to give effect to the functional requirements of the *Geelong Regional Commission Act*, as the means of providing economic, social and environmental security for the regional community. The Mission Statement in the plan adopted by the Commissioners in September 199214 read:

> To provide for the planning, coordination and facilitation of development to enhance the economy and community environment of the Geelong Region.15

The Commissioners reverted to the original seven objectives. While the wording of these objectives had changed, the intents remained essentially unaltered. Unlike the lists of detailed actions for each objective used in the first corporate plan, the fourth plan only identified 20 action programs spread over eight 'key result areas.'

The seven objectives, common to all the corporate plans, were used as the foci for the Commission's operations and were reviewed in all annual reports published after 1981.

### 7.3 Corporate structure

The Commissioners incorporated the intent of the recommendations of the PBRC in the functional restructure of the Commission. This resulted in the creation of

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13 These are referred to as 'indicative measures' in the plan.
four divisions, each controlled by a director, all of whom reported to the Chief Executive. The role of the Administration Division remained unchanged, but the role of the Planning Division (known later as Planning and Design) was expanded to include architecture, as was the Division of Engineering and Development (known later as Development and Construction), which was expanded to include major employment, development and enhancement projects. The most significant change was the creation of an Economic Development Division, which amalgamated the functions of regional economics and research, regional development, business development, promotions and property sales. This corporate structure was maintained throughout the remaining life of the Commission, except for the addition of a Special Projects Director in 1988/89.\(^\text{16}\)

The restructuring involved the creation of five new internal committees. These were the Finance Committee (the Chairman, four Commissioners and the Director of Administration), the Executive Committee (the Chairman, all directors and the Commission’s Secretary), the Management Committee (all directors and the Commission’s Secretary), Special Projects Teams (the relevant project managers and team members) and the Staff Committee (all staff).\(^\text{17}\) Among other things, the Finance Committee was responsible for reviewing the operational and development budgets prior to presentation to the Commission; examining the justification and feasibility of development proposals; overseeing the Commission’s borrowing and re-borrowing programs; and examining the long-term financial requirements of the Commission.\(^\text{18}\) The Executive Committee ensured the Commission functioned as an effective organisation. It facilitated communications between the Commissioners and staff members of the divisions; considered major proposals affecting the performance of the Commission; and acted as a project review group, particularly with regards to the allocation of project priorities and the Commission’s resources.\(^\text{19}\) The Management Committee

\(^{16}\) GRC, Annual Report 1988/89, p. 3.

\(^{17}\) GRC, Corporate Plan 1982/83 to 1984/85, pp. 45-50.

\(^{18}\) GRC, Corporate Plan 1982/83 to 1984/85, p. 47.

\(^{19}\) GRC, Corporate Plan 1982/83 to 1984/85, pp. 47, 48.
managed the organisation under the delegations of the Chairman/Chief Executive. This applied to matters such as preparing financial budgets, implementing corporate plans, coordinating projects, preparing the Commission’s three-year programs and budgets, preparing annual reports, and overseeing administrative matters including staff, training, office procedures and job specifications. Special project teams were formed for each major activity. The teams drew on those members of all divisions, who possessed the skills appropriate to the activities being undertaken. This practice fostered team spirit and was a major source of personal development for all staff. By 1984 the Staff Committee had evolved into the Staff Association, which was involved in a range of social and industrial relation matters.

Atkins held the dual positions of Chairman and Chief Executive of the Commission. He had been the Director of the GRPA between November 1971 and July 1977 and Chairman of the GRC from August 1977 to 23 December 1992. When Lewis Opie was appointed as Chairman on 24 December 1992, Atkins remained as Chief Executive and a Commissioner of the GRC.

Opie qualified as a Civil Engineering at the Royal Melbourne Institute of Technology, after which, in 1966, he came to Geelong to work for Alcoa of Australia as a 22 year old. In 1975 he moved to Alcoa’s plant in North Carolina for 12 months, as part of his professional development. In 1985 he was transferred to Alcoa’s plant in Western Australia for two years. In 1988, Opie retired from Alcoa after 22 years service and formed an engineering consultancy with Wilbur Harvey in Geelong. In addition to his consultancy work he undertook the role of executive officer of the Geelong Business Leadership Team, a not-for-profit private economic development organisation. From here he was appointed to the

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20 GRCA, Corporate Plan 1982/83 to 1984/85, pp. 48, 49.
21 Author’s observation.
22 GRCA, Annual Report 1983/84, p. 34. By way of comparison, the NCDC did not appear to have had a Staff Association in place by the mid 1980s. NCDC, Annual Report 1985/86, pp. 41-43.
23 Geelong Advertiser, 2 August 1977.
The Commissioners employed a multi-disciplined team of professionally trained staff, who were skilled in engineering, town planning, architecture, drafting, marketing, accountancy, demography, economics, regional science, graphic design, geography, transport and financial and project management. When the GRPA was abolished on 31 July 1977 the staff was transferred to the GRC, thus providing continuity for the regional planning function. When the Commission was formed the maximum establishment was set at 30. As activities expanded the number of full-time equivalent staff numbers increased steadily up until 1985 and stayed at 50 until 1990. After this time numbers were decreased in line with the replacement of some positions by part-time positions and decreased development activities.

The staff was employed under the Geelong Regional Commission Act 1977, which had no industrial award status. As a means of redressing this situation, members of the Staff Association negotiated an independent Federal Geelong Regional Commission Award in 1988. As the members of the staff were employed under a specific Act of the Victorian Parliament, they were not

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26 GRC, Annual Report 1992/93, p. 8. From my experience, all staff members lived in the Geelong region. Although this was not a stated policy, it was interesting to note that those who were hired from outside of the region, shortly took up residence in one of the nine municipalities of the region. This meant that staff members had a first-hand awareness of regional matters, which was integrated into day to day workings of the Commission. Interviews with Atkins, 6 May 2004 and G. R. Cowling, former GRC Director of Finance and Administration, 12 August 2004.
29 Members of the Commission’s Staff Association, along with members of the Municipal Officers’ Association, the State Public Service Federation, the Association of Professional Engineers of Australia and the Australian Journalists’ Association, negotiated the establishment of the Geelong Regional Commission Award, which began operation on 14 June 1988 as a federal award. GRC, Annual Report 1986/87, p. 20; Annual Report 1987/88, p. 20.
classified as public servants, as defined by the Public Service Act 1974, nor were they local government employees employed under the Local Government Act. As a consequence, when the Geelong Regional Commission Act was repealed on 18 May 1993 the staff was left without employment. The Minister for Regional Development and the Commissioners of the City of Greater Geelong, the successor-in-law for many of the functions of the GRC, did not redeploy the Commission’s staff members. Considerable effort was expended by others in trying to gain re-employment for the retrenched staff.

7.4 Measuring corporate management performance

As we have seen, the original management objective of the GRC was to “Manage the corporate activities of the Commission effectively and economically and fulfil statutory responsibilities.” By 1992 this objective emphasised the role of the staff to a greater degree. It read:

To provide an effective and efficient management, and to secure and retain the appropriate management, organisational, professional and technical skills to perform the Commission’s functions.

A review of the performance against the action plans supporting the management objective in the first corporate plan, showed that by the end of three years all major actions had been completed or were ongoing. These actions were specific, in that they referred to particular activities such as implementing training programs, completing corporate restructure, ensuring satisfactory legal advice was always available; etc., and so could be used as a measure of progress. This approach was similar to that adopted by local government municipalities in Victoria, when they established their corporate plan action programs and monitored the resultant performance.

30 Geelong Regional Commission Act Clause 12 (3).
32 Author’s observation.
34 GRC, Corporate Plan 1992-95, p. 3.
Although the third corporate plan identified performance indicators for economic development, physical development, strategic planning and financial management, no indicator was included for corporate management. With this in mind, I adapted the Samson and Challis model of 14 corporate performance principles for measuring the management outputs of the GRC. The background to this model and the methodology of its adaptation to this study were discussed in chapters 2 and 4, respectively. The use of this model allowed a direct comparison to be made against corporate enterprise in the private sector.

The results of this analysis are presented in Table 7.1. This showed quantitatively that, on average, the corporate management performance of the GRC was some ten percent better than the average for the 200 private sector enterprises studied by Samson and Challis. When taking into account errors introduced through the adaptation of the methodology, it would be reasonable to say that the performance of the GRC was at least equal, if not slightly superior to that of private enterprise in general. The average value of all private enterprise performance principles studied by Samson and Challis was 3.36. Accordingly the GRC demonstrated that it was superior to the average private enterprise business for 13 of the 14 principles. It only lagged in its propensity to embrace change.

In an additional performance assessment, each of the principles surveyed were graded using the scale of: 1 – very low, 2 – low, 3 – average, 4 – high, and 5 – very high. The principles that ranked as ‘high’ for the GRC were the openness and integrity of its employees; and the alignment of their approaches to the job with the stated corporate values of the GRC. The next set of principles were ranked as ‘above average.’ In order of highest ranking these included the employees’ acceptance of responsibility for operational decision making; the employees’ knowledge of how their individual efforts contributed to the overall corporate performance; the proactive leadership of the GRC Commissioners and staff in matters of industry standards and practices; the capability of

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Table 7.1  Samson-Challis index of corporate performance averaged factors compared with the assessments of factors by former employees of the GRC.

<table>
<thead>
<tr>
<th>Performance principles (Factors)</th>
<th>Study Average</th>
<th>Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Integrity and openness</strong>&lt;br&gt;(Did all employees demonstrate integrity and openness in all areas of their work and dealings with others? Were relationships highly valued?)</td>
<td>4.23</td>
<td>1</td>
</tr>
<tr>
<td><strong>Alignment</strong>&lt;br&gt;(Were employees’ behaviours aligned with stated company values?)</td>
<td>4.05</td>
<td>2</td>
</tr>
<tr>
<td><strong>Distributed leadership</strong>&lt;br&gt;(Were individuals and work teams assigned, and did they accept responsibility for operational decision-making and performance improvement?)</td>
<td>3.90</td>
<td>3</td>
</tr>
<tr>
<td><strong>Micro to macro</strong>&lt;br&gt;(Did the employees know how their particular activities and individual efforts contributed to the ‘big picture’ of business success?)</td>
<td>3.85</td>
<td>4</td>
</tr>
<tr>
<td><strong>Corporate leadership</strong>&lt;br&gt;(Did the GRC strive proactively to lead in all industry standards and practices, safety, customer service, product and process design, environmental management, etc?)</td>
<td>3.81</td>
<td>5</td>
</tr>
<tr>
<td><strong>Resourcing the medium term</strong>&lt;br&gt;(Was the GRC able to balance effectively the short-term operational requirements and medium-term development and growth issues?)</td>
<td>3.77</td>
<td>6</td>
</tr>
<tr>
<td><strong>Time based</strong>&lt;br&gt;(Was time developed as a critical organisational value? Did the GRC practice the principle of time-based competition?)</td>
<td>3.69</td>
<td>7</td>
</tr>
<tr>
<td><strong>Capability creation</strong>&lt;br&gt;(Did the GRC define and prioritise business and organisational core (unique) capabilities and use these capabilities to drive critical development and investment decisions?)</td>
<td>3.64</td>
<td>8</td>
</tr>
<tr>
<td><strong>Measuring &amp; reporting</strong>&lt;br&gt;(Did the GRC measure and report to all employees the financial and non-financial performance information needed to drive improvement?)</td>
<td>3.62</td>
<td>9</td>
</tr>
<tr>
<td><strong>Discipline</strong>&lt;br&gt;(Did the GRC have policies, procedures and standards and apply a strong systems perspective in everything that it did?)</td>
<td>3.58</td>
<td>10</td>
</tr>
<tr>
<td><strong>Customer value</strong>&lt;br&gt;(Did all employees understand what was required to achieve customer satisfaction and strive to achieve this end?)</td>
<td>3.58</td>
<td>10</td>
</tr>
<tr>
<td><strong>Learning focus</strong>&lt;br&gt;(Did all employees demonstrate a willingness to develop skills and knowledge and be involved in a learning/development program?)</td>
<td>3.51</td>
<td>11</td>
</tr>
<tr>
<td><strong>Integration</strong>&lt;br&gt;(Was the GRC focused on value-creation and process management, not functional needs and hierarchies?)</td>
<td>3.46</td>
<td>12</td>
</tr>
<tr>
<td><strong>Embracing change</strong>&lt;br&gt;(Did all employees demonstrate a willingness to embrace change and accept change as an essential part of doing business?)</td>
<td>3.28</td>
<td>13</td>
</tr>
<tr>
<td><strong>Total out of 70</strong></td>
<td>51.97</td>
<td></td>
</tr>
<tr>
<td><strong>Samson and Challis’ average out of 70 (from their survey of 200 private sector businesses in the late 1990s)</strong></td>
<td>47.0</td>
<td></td>
</tr>
</tbody>
</table>
Commissioners and senior staff to balance short term needs with longer term resource requirements; a culture that considered time as a critical corporate resource; the Commissioners' focus on core capabilities as a way of progressing business; the distribution of performance information to all employees throughout the enterprise; the use of a system's perspective to all operations; a strong customer orientation; a willingness by employees to develop their skills and knowledge and adopt a learning culture; a focus on adding value to the job rather than emphasising hierarchy and functional needs; and last, a willingness to embrace change as a part of doing business.

The Commissioners and staff also managed the Commission's general operations economically. In June 1981, when the GRC was restructuring into its divisional form, the operational expenditure was $989,346\textsuperscript{36} for 34 officers,\textsuperscript{37} or $29,098 per officer. In June 1986 and June 1991 the corresponding expenditures were $30,048\textsuperscript{38} and $30,051\textsuperscript{39} per officer in 1980/81 dollars, respectively. Hayden Spurling, former Mayor of the City of Geelong, reported that the GRC was "...able to get things done."\textsuperscript{40} It was "...really good at doing a lot with a little."

7.5 Leadership

The Geelong Regional Commission Act placed the GRC in a pivotal position within the regional community, and as such, provided the Commissioners with an important leadership role. Atkins, the Commissioners and the staff were thorough in carrying out their tasks and acted with the conviction that their work was

\textsuperscript{36} See Table 11.1.
\textsuperscript{37} GRC, Annual Report 1989/90, p. 43.
\textsuperscript{38} Operational expenditure at June 1986 was $2,234,070, which equates to $1,502,400 in 1980/81 dollars for 50 officers. Table 11.1; ABS, Australian Economic Indicators, January 1992. Table 7.1, p. 76; GRC, Annual Report 1985/86, p. 43.
\textsuperscript{39} Operational expenditure at June 1991 was $2,991,580, which equates to $1,404,497 in 1980/81 dollars for 48 officers. Table 11.1; ABS, Australian Economic Indicators, January 1992. Table 7.1, p. 76; GRC, Annual Report 1990/91, p. 28.
\textsuperscript{40} Interview with Spurling, 11 August 2004.
worthwhile and contributed to the good of the Geelong region.\footnote{Author's observation.} Atkins, in particular was passionate about the task and remained so throughout the life of the Commission.\footnote{Ellen Anderson, Profile," interview with Colin Atkins, Geelong News, 12 February 1985. In a separate interview with John Loughnan in 1983 he said "I'm committed to the promotion of the region, and I am an enthusiastic advocate for the region at all levels of government." John Loughnan, "Business Profile," 'Man for the job,' interview with Colin Atkins, Geelong Advertiser, 26 May 1983.} In 1985 in an interview with Ellen Anderson of the Geelong News, he stated that he "...loves it - I am committed to this region, always have been and always will be."\footnote{Anderson, 'Profile,' 12 February 1985.} This commitment to the region was widely recognised. In September 1988 the Geelong Advertiser editorial stated that:

Even Mr. Atkins' most vehement critics do not doubt his integrity, his concern for and commitment to Geelong, and his capacity not only for hard work and long hours but for opening the doors in the corridors of power [the Commonwealth and Victorian Governments]. He is totally devoted to the task of creating an environment of growth and progress, and also a lifestyle which will make Geelong an attractive place in which to live. While he is certainly not alone in setting and wanting to achieve these goals, he is possibly set apart by his single-minded commitment to them. An alleged unwillingness to listen to the points of view of others has caused resentment among some Geelong City Councillors as well as a number of local businessmen, most of them probably Liberal sympathisers who believe the GRC is competing with them in its role as a development authority.\footnote{The editorial was written on the criticism of the GRC by Liberal Opposition leader Kennett, opposition Members and candidates in the pre-election period of 1988. Geelong Advertiser editorial dated 17 September 1988; In March 1993, when commenting on Kennett's criticism of Atkins and the Commissioners, Daryl McLure, the former Editor-in-Chief of the Geelong Advertiser Group, declared that "...I do know Mr. Atkins and I know he is a believer in Geelong. He wouldn't have stayed so long and taken so much personal flak if he wasn't, he has nothing personal to gain out of any of this." Daryl McLure, 'In my view,' Geelong Advertiser, 26 March 1993.}

His commitment to the task was matched by his enterprising and innovative approach to problem solving, which in turn drew upon his in-depth knowledge of land-use planning, urban design and development in general, and as Yukl has argued "... technical knowledge is the fertile ground in which the seeds of
inspiration take root to yield innovative products.\textsuperscript{45} This certainly applied to Atkins.

Atkins was a civil engineer who gained his diploma at the Gordon Technical College in Geelong in 1953. Initially he worked as an engineer in local government with the Sale and Melbourne city councils, followed by a period with the Country Roads Board in Geelong. In 1961 he applied for, and was awarded, the Averling Barford Scholarship to study highway and traffic engineering as a postgraduate student at Birmingham University in England. At Birmingham he was awarded a Diploma in Graduate Studies and a Master of Science in transport and environmental planning.\textsuperscript{46} His thesis, ‘People and the Motor Car’ was well received and he was invited to speak to an All Party Roads Study Group of the British House of Commons.\textsuperscript{47} In 1965 he was appointed as a lecturer in the Department of Architecture and Civic Planning at Nottingham University and became involved with a consulting practice within the University conducted by Professor Arthur Ling. Atkins regarded Ling as “... one of Britain’s most important architect planners in the ‘60s...”\textsuperscript{48} The University, through the consultancy, was commissioned to design the master plan for Runcorn, a new town of 100,000 people, which was built on the Mersey River near Liverpool. The uniqueness of this town was that it was planned around the people’s transport needs and as such, Atkins became deeply involved in the project. He stayed with Ling for three years.\textsuperscript{49} During this time Ling and Atkins also worked with 800 property owners in Edinburgh in a bid to defeat a road construction proposal, which threatened the environment, historic areas and buildings of Edinburgh.


\textsuperscript{46} As the scholarship was for 12 months Atkins had to find the extra funding to continue his studies. Loughman, ‘Business Profile,’ 26 May 1983

\textsuperscript{47} Anderson, ‘Profile,’ 12 February 1985.

\textsuperscript{48} While Atkins was writing his thesis, Ling invited him to present a paper at Nottingham University. Ling, Head of Nottingham’s Department of Architecture and Civic Planning, was responsible for the rebuilding of Coventry after the Second World War. Anderson, ‘Profile,’ 12 February 1985.

Atkins’ work led to the proposal being re-thought by the Edinburgh Council. Later, Nottingham University was given the commission to develop a plan for Cyprus and Atkins was asked to design the transportation system. As a result of his work, the Cyprus Government requested that the British Government offer Atkins a contract to continue his work with the Cypriots. As Atkins said, to accept this work would end up living overseas and being “... locked into World Bank work.”

Instead he chose to return to Australia in 1968, after securing employment with the National Capital Development Commission in the Australian Capital Territory. Later he joined Clarke Gazzard, urban economic engineering consultants in Melbourne, where he worked on the concept plan for Yanchep in Western Australia and the Sydney Strategic plan. In 1971 Atkins returned to Geelong as Director of the GRPA. This was followed by his appointment as Chairman and Chief Executive of the GRC in 1977.

Because Atkins held the position of Chairman and Chief Executive he was involved at all levels within the GRC, and therefore had a strong influence on the direction of the organisation. Atkins upheld the concept of the dual positions arguing that “... [The] pace of business today and the needs of city planning and development call for a rapid implementation of the board’s decisions. [and] In my position I can do that.”

His determination and vision, particularly in the tough decisions, were critical to many of the Commissioners’ major undertakings. As a case in point, in 1979 the Commission refused a proposal by major retailer, Myer, to locate its Target Department Store in North Geelong as it did not accord with the Geelong Region Retail Strategy. It was Atkins’ casting vote, as Chairman, which defeated the motion to accept the proposal. This decision was crucial as it opened the way for

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53 Interview with Spurling, 11 August 2004.
55 GRC, Minutes of Meeting No. 28, held on 25 October 1979. Resolution No. 28.7.
the City By The Bay development some nine years later. Likewise his strong leadership was evident in the Commission's rapid development of industrial estates and unit factories. Another example was the Commissioners' purchase of the defunct International Harvester Australia Limited factory (IHAL) in June 1983 and the creation of multiple new factories, many of which employed former IHAL workers. Atkins' central role in achieving this result was widely recognised. The introduction of the authoritative Geelong Region Economic Indicator Bulletin was a bold and highly successful move, as this provided for the first time, an accurate source of information concerning the economic state of the region. In turn, Atkins became the regional authority on economic matters and remained so throughout the life of the Commission. This regional leadership position was strengthened when Atkins and the Commissioners opposed the Commonwealth Government's trade liberalisation policies on automotive parts and textile, clothing and footwear during the 1980s and early 1990s. In the end the Commissioners' endeavours to maintain a pro-regional and apolitical position proved to be an impossible task, because the LNP Opposition used the GRC as a 'political football' in their attempts to undermine successive Labor Governments, particularly in the lead-up to the Victorian elections of 1985, 1988 and 1992.

Much of the criticism of the GRC was directed at Atkins. In an editorial in December 1992, the Geelong Advertiser stated that:

... Mr. Atkins, is a strong-willed person, and both councils and many local businessmen — most of whom refused to be named — criticise him for being confrontationist and for having a crash or crash-through approach. He is also accused of not involving people and organizations in enough consultation before major decisions are taken. By the same token, a lesser man, a person who lacked Mr. Atkins' strength of character, may well not achieved as much for Geelong as he has done.

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57 GRC, Annual Report 1982/83, p. 9; Geelong Advertiser, 2 June 1983; see chapter 8.
As an experienced bureaucrat, Atkins was scrupulous in ensuring that the requirements of the Geelong Regional Commission Act were adhered to by the Commissioners and staff. My study of the Minutes of the GRC found no instance where major activities had not been sanctioned by the Commissioners by resolution, or the authority for such actions had not been delegated to the Chairman/Chief Executive by the Commissioners.

7.6 Relationship with local government

The relationship between the officers of the member councils and the officers of the Commission was generally good.61 It was in the area of policy that conflict arose.

The Geelong Regional Commission Act required the nine councils to contribute to the cost of the Commission’s planning functions with the provision that, in the absence of agreement with any one council, the Commissioners could determine that council’s contribution based on a prescribed formula.62 This led to debates over the Commission’s annual operational budgets, copies of which were provided by the Commissioners for the information of councillors. The following are cases in point. In 1984 the Geelong City Council and the Bellarine and Corio Shire Councils raised questions about the Commission’s budget for 1984/85.63 Some councillors accused the Commissioners of “empire building” and questioned their planned expenditure of $285,000 on the Geelong Region Development Strategy.64 A spokesman for the Commission pointed out that the Commission’s total budget was not submitted to councils for their approval, this was the prerogative of the Minister. Some councillors claimed that it was their right to criticise the GRC. The theme was taken up in an editorial by the Geelong

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61 Interviews with Atkins, 6 May 2004 and Spurling, 11 August 2004.
63 Geelong Advertiser, 28, 30 June 1984.
64 Geelong Advertiser, 28 June 1984.
Advertiser,\textsuperscript{65} which added to the friction between some councillors and the Commissioners. The matter arose again in 1986, when Councillors at the Shires of Bannockburn and Corio challenged the Commissioners over increases in the total GRC budget for 1986/87.\textsuperscript{66} In a response to these concerns Atkins pointed out that the contributions from councils were used only for planning and that their criticisms of the total budget dealt with items that were not related to planning. Although the municipal members always paid their contributions, funding for the GRC remained an ongoing issue for some councillors.\textsuperscript{67} This was further highlighted by the spirited opposition that the Commissioners faced when they attempted to introduce a Regional Improvement Levy, through the member councils in 1986. This is discussed more fully in Chapter 11.

In 1969 there were 17 planning controls administered by the nine municipal councils in the Geelong region.\textsuperscript{68} This led to inconsistencies in land-use planning across the region. After 1969 the GRPA began a review of the planning scheme for the region\textsuperscript{69} and the councils progressively handed over their authority to administer their own planning schemes. By 1977, when the GRC had assumed the responsibilities of the GRPA, councils operated with delegated authority from the regional authority, which had the sole right to recommend amendments to the planning scheme to the Minister. This practice continued throughout the life of the Commission. Nevertheless, some councillors felt frustrated at what they saw as the loss of their planning powers. This was highlighted by Trevor Neil, Town Clerk and Chief Administration Officer for the Geelong City Council in February 1985, when he stated “In our particular case [the Geelong City Council] it was of concern that councils themselves, following the introduction of the GRC, were denied the right to prepare their own planning schemes.”\textsuperscript{70} Despite that these arrangements were introduced by the Victorian Government through the Town

\textsuperscript{65} Geelong Advertiser, 30 June 1984.
\textsuperscript{66} Geelong Advertiser, 11 July 1986, 28 August 1993.
\textsuperscript{67} Geelong Advertiser, 17 April 1986.
\textsuperscript{68} ‘Planning to Put Geelong on the Map’ an interview with Atkins, Geelong Living, 6 September 1985.
\textsuperscript{69} ‘Planning to Put Geelong on the Map,’ Geelong Living, 6 September 1985.
\textsuperscript{70} Geelong News, 19 February 1985.
and Country Planning Act (Amendment) 1968, some councillors equated their loss of planning power with dissatisfaction with the Commission.

In the eyes of some the GRC was a fourth tier of government in the region, operating between the State Government and the local government councils. In fact the GRC was a statutory authority with a status equivalent to a government department, which worked in parallel with the councils.

Some councillors and LNP politicians also asserted that the GRC interfered in council affairs, without generally specifying the nature of the interference.⁷¹ In the case of the Geelong City Council, however, this issue was the dispute between the Commissioners and the Councillors over some of the elements of the Bay Link project on the Geelong foreshore.⁷² In 1985 a reporter of the Geelong News interviewed the senior officers of the municipalities of South Barwon, Geelong West, Newtown and Queenscliff and found that they were generally in accord with the Commission; while the senior officer of the Corio Shire conceded that the Commission had been a great help to the region, but he did have some criticisms of the organisation. The senior officer of the Geelong City Council was critical of the Commissioners, and asserted, among other things, that "... the democratic process can best be achieved by local government;" while the officers of the municipalities of Bannockburn, Barabool and Bellarine preferred not to be quoted.⁷³ In a way, this profile of opinion could be seen as the state of the relationship between the Commission with local government on the policies discussed above. On the other hand, at the Commission table the nine Council nominees and the five government appointees collectively resolved planning matters in a positive manner. As an example, between July 1979 and April 1993, 88.6 per cent of the Commissioners' 1,961 resolutions on planning matters were

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⁷¹ Comment by Jeff Kennett, Leader of the Coalition Opposition, Geelong Advertiser, 14 June 1984; Bruce Chamberlain, Opposition spokesman for Planning and the Environment, Geelong Advertiser, 22 February 1985; article by Loughnan, Geelong Business, March 1985; Geelong Advertiser, Editorial, 17 September 1988;

⁷² Interview with Spurling, 11 August 2004.

unanimous decisions.\(^{74}\) In the assessment of the Commission’s relationship with local government this cannot be ignored.

### 7.7 Relationship with the Victorian Government

In the early years of the GRC, the relationship with senior Members of the Victorian Liberal Party Government and officers in departments such as Treasury, were very positive.\(^{75}\) In particular, there was a good rapport between Atkins and Hamer, who was Minister for State Development, Decentralization and Tourism in the late 1970s as well as Premier of the State.\(^{76}\) As such he was particularly influential. Because the Liberal Government was determined to reduce the impact of unemployment on the Geelong region,\(^{77}\) the Minister supported the Commission’s early initiatives to create industrial estates and unit factories.\(^{78}\) This was followed in 1981, by the Government’s adoption of the GRPS and the declaration of the City By The Bay project as a project of special significance to the economic development of the State of Victoria.\(^{79}\) The good relationship with Ministers of the Liberal Government was a source of some difficulty for the Commissioners when the Cain Labor Government took office on 8 April 1982.\(^{80}\) After a short period of adjustment,\(^{81}\) relations between the Chairman and the Labor Government Premier, Ministers and Members became very positive.\(^{82}\)

By 1985, however, the GRC had become a “political football,”\(^{83}\) with B. A. Chamberlain, the Opposition spokesman for Planning and Environment, attacking

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\(^{74}\) Based on the author’s count of the Commissioners’ resolutions on planning matters contained in the Minutes of the GRC from July 1979 to April 1993. The resolutions for the period of August 1977 to June 1979 did not identify if resolutions were unanimous.


\(^{76}\) The Minister for State Development and Decentralization was responsible for the Geelong Regional Commission Act; Interview with Atkins, 6 May 2004.

\(^{77}\) GRC, Annual Report 1978/79, p. 3


\(^{79}\) Geelong Advertiser, Special edition for the City by the Bay project, 6 November 1981, p. 4.

\(^{80}\) ABS, Victorian Year Book 1985, Number 99, p. 81.

\(^{81}\) The incoming Labor Minister required some changes to the City by the Bay project plan


the GRC in the lead up to the March 1985 elections. Chamberlain claimed that municipal councils regarded the GRC as being too intrusive, and that the Commission was competing against private enterprise "too much." He warned that, as the new Government, Members of the Opposition would request the PBRC (of which he was the Deputy Chairman) to investigate the powers of the GRC and pointed out that the Committee had the power to recommend that "... the GRC go out of business." Somewhat paradoxically, in the same interview he conceded that "... There is no doubt the GRC has a very impressive record." The day after Chamberlain made his assertions, the Commissioners announced that the GRC had purchased the Commonwealth Government Offices, an action which prompted further adverse comments, this time by Mr. Pugh, Liberal candidate for Geelong. LNP politicians made similar assertions in the lead up to the Victorian election of October 1988, which saw the Cain Labor Party Government returned to office. At this time there was controversy over a proposal by the Commissioners to change the traffic routing required for the Bay Link project. This became the focus of a political attack by the LNP Coalition Opposition. However, it was the lead up to the Victorian election, held on 3 October 1992, which was particularly damaging for the GRC.

In his pre-election comments to the Geelong media, Jeff Kennett, Leader of the Opposition made wide-ranging criticisms of the Commission. He asserted that the Commission had delayed the development of the Bay Link project by not making decisions and argued that the next step in expediting the matter was to "dissolve the GRC." The Geelong Advertiser noted that Kennett had "... conveniently overlooked the contribution to 10 years of stalemate by the Geelong City Council. The problem is not a matter of people not being prepared to make a decision -- it

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84 Geelong Advertiser, 20 July 1984.
87 Geelong Advertiser, 26 September 1988, and Editorials, 17 September and 1 October 1988.
is a matter of two local organisations not being able to resolve their differences.\textsuperscript{90}

He also stated that the Commissioners had "been wasting the public's money" on its developments (and in particular the purchase of the Imax theatre, a major attraction proposed for the Bay Link project).\textsuperscript{91} However, he did not inform the media that the funding for these developments had not been given to the Commission as grants by the Government, but in the main had been borrowed by the Commissioners from financial institutions with the approval of the relevant Minister and the Treasurer. (It is true that the Victorian Government provided a guarantee for such funds under Section 20 (3) of the Geelong Regional Commission Act.)

At the same time Kennett and the Coalition heralded the introduction of municipal council amalgamations, claiming that among other things, there would be significant financial savings. Previously there had been a number of official inquiries into the amalgamation of councils in Geelong, the latest at that time being the Heath Report released in early 1991.\textsuperscript{92} Shortly after coming to office in October 1992, the Coalition Government commissioned consultant, KPMG Peat Marwick, to prepare another report. Like the Heath Report, the KPMG Report recommended that one large municipal council be formed in the Geelong region. The consultant argued that under such an arrangement the economic development and planning functions of the GRC should be absorbed by the new council. They predicted that this amalgamation would result in cost savings of between $17 and $23.8 million, including the $2 million provided by the Victorian Parliament for the operations of the Commission.\textsuperscript{93} In light of the Kennett Government's cost

\textsuperscript{90} Geelong Advertiser editorial, 10 September 1992.
\textsuperscript{91} Geelong Independent, 11 September 1992.
sensitive approach to government administration, the saving of $2 million would have been welcomed.

The issue that precipitated Kennett’s actions was a dispute between the licensee of the Torquay hotel, some members of the Torquay community and the Commissioners over a proposal to develop a tavern, bistro and bottle shop at the Surf Coast Plaza in Torquay. This began in May 1990, when the Shire of Barrabool granted the GRC a planning permit for a tavern and bistro, which led to objectors lodging an appeal with the Administrative Appeals Tribunal (AAT). This set off a chain of counter appeals and another permit hearing by the Barrabool Shire Council, which changed its position and refused to issue a permit to the Commission. A subsequent decision by the AAT in March 1991, to overturn the Shire’s decision, was opposed by the objectors, who lodged their appeal with the Supreme Court. At this time matters became confused when the proposed licensee for the tavern, bistro and bottle shop applied for a liquor licence from the Liquor Licence Commission (LLC). The hearing was held in August 1992, amidst a demonstration of placard waving protesters. After some three weeks of deliberation the LLC refused the application.

Kennett, the newly elected Premier, attacked the Commissioners and Atkins, in particular, for their apparent intransigency and claimed that the Commission

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94 In 1993 the Kennett Coalition Government brought in a stringent financial budget; Geelong Advertiser, 19 May 1993.
100 The Bellarine Echo, 23 September 1992; Photo in the Geelong Advertiser, 10 August 1992.
101 The LNP Coalition Government was elected to office in Victoria on 3 October 1992.
102 As a letter to the editor from Peter Loney, a former Commissioner, and a member of the then Labor Opposition, showed the decisions to pursue the permit were those of the Commissioners and not Atkins alone. Geelong Advertiser, 22 December 1992.
had exceeded its charter. Kennett reacted particularly to a report that the Commissioners intended to apply for a general liquor licence for the facility. An investigation by the Geelong Advertiser showed that this claim was unfounded. Nevertheless, on 23 December 1992 the new Government replaced Atkins with Opie, who concluded negotiations with the objectors. The first official notice from the Government of Atkins’ dismissal from the position of Chairman came in a letter dated 5 January 1993, 13 days after the event.

The fate of the Commission was sealed by the KPMG Peat Marwick report and, despite debate by some prominent citizens and the Commissioners, the Government abolished the GRC. The Victorian Parliament gave assent to the City of Greater Geelong Act on 18 May 1993. This legislation amalgamated six of the nine former councils making up the Geelong region into one large council, which became responsible for the economic, planning and development functions of the Commission.

### 7.8 Public participation

As we saw in chapter 2, Kane and Sands argued that economic development organisations must engage the community in their undertakings, if they were to be successful in their role. The Parliament of Victoria also placed great emphasis on the participation of the people in the operations of the Commission, as was demonstrated by the fact that the statement on participation comprised the first

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107 Interview with Atkins, 6 May 2004.
110 Apart from some annexure of some portions of lands, the Shires of Bannockburn and Barrabool and the Borough of Queenscliffe were excluded from the amalgamation which formed the City of Greater Geelong.
111 Kane and Sands, cited in Blakely, p. 284.
part of the Object of the *Geelong Regional Commission Act 1977*. This was reinforced, in 1982, when the PBRC emphasised the need for all statutory authorities in Victoria to encourage public participation in their activities.

Public participation was built into the workings of the Commission and the relevant Acts dealing with land-use planning. The normal statutory planning process was transparent, with 96.8 per cent of the Commissioners’ resolutions on amendments to the ordinance, issue of permits and related matters being held in open meeting. Those decisions that were held “in committee” related to matters such as land compensation, government reports for comment, boundary inquiries, some residential rezonings and structure plans.

The Commissioners also encouraged public participation through exhibitions of proposed amendments, structure plans and strategies (the Geelong Region Development Strategy in 1988), major development proposals (City by the Bay project in 1981) and environment effects statements (application by ICI Australia for its proposed world-scale petrochemical plant at Point Wilson in 1978). Individual members or groups from the community were able to comment on the proposals through this exhibition process. To ensure that planning issues were fully understood, staff discussed proposals with interested people and groups and in many cases the exhibitions were augmented by public addresses by staff members. In addition, the Commissioners regularly published reports and studies that underpinned the Commission’s major planning activities. These were made available at low cost. While the Commissioners involved the people of the region in planning the future development of the area, they limited

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114 Based on the author’s count of the resolutions of the Commissioners on planning matters contained in the Minutes of Meetings held between July 1979 and April 1993.
their consultations on the corporate plans to the relevant Consultative Committees (CCs). If the Commissioners had consulted more widely the regional community might have gained a greater understanding of the GRC and its activities, with consequential longer-term benefits for the organisation.¹¹⁹

During the time of the GRPA, locally appointed Community Liaison Committees had been formed to assist the Authority to carry out its functions under the Victorian *Town and Country Planning Act*.¹²⁰ After the formation of the GRC the Commissioners adopted the practice and appointed CCs to assist the Commission in its work.¹²¹ The CCs provided another avenue for the community to participate in the region's development. Over the life of the Commission some 15 CCs were established. These committees are presented in Table 7.2.

<table>
<thead>
<tr>
<th>Consultative Committee</th>
<th>Tenure</th>
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<tbody>
<tr>
<td>Recreation CC</td>
<td>(1978 – 85);</td>
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<tr>
<td>Promotions CC</td>
<td>(1978 – 89);</td>
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<tr>
<td>Caravan Parks CC</td>
<td>(1978 – 82);</td>
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<tr>
<td>Business and Employment CC</td>
<td>(1978 – 80)</td>
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<tr>
<td>Economic Development CC</td>
<td>(1980 – 85);</td>
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<tr>
<td>Rural Affairs CC</td>
<td>(1978 – 80);</td>
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<tr>
<td>Technical Advisory Committee – Farming</td>
<td>(1978 – 93);</td>
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<tr>
<td>Wool Selling and Handling CC</td>
<td>(1980 – 81);</td>
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<tr>
<td>CC for the Disabled</td>
<td>(1981 – 83);</td>
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<tr>
<td>Manpower Planning Task Force</td>
<td>(1981);</td>
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<tr>
<td>Geelong Convention Bureau</td>
<td>(1983 – 88);</td>
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<tr>
<td>Geelong Convention and Visitors Bureau</td>
<td>(1989 – 93);</td>
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<tr>
<td>Geelong Standard Gauge Steering Committee</td>
<td>(1992);</td>
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<tr>
<td>Geelong Economic Conference Board</td>
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¹¹⁹ Interview with Gary Cowling, 12 August 2004.
¹²¹ This was allowed under Section 13 (2) to (5) of the *Geelong Regional Commission Act 1977*.  

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Many CCs were formed to meet a specific need, such as lobbying to have the national standard gauge rail line come through Geelong, or to oversee the development of a report, such as the Geelong Recreation Strategic Plan. Some, such as the Farming Technical Advisory Committee and the Committee for the Disabled, were introduced to bring expertise to the Commission's planning activities. Others were supervising committees for operations of the GRC, such as Geelong Convention and Visitors Bureau or the National Wool Museum. Overall the CCs played an important role in the management and operations of the Commission.

The Commissioners also kept the regional community informed about the activities of the GRC through the Commission's "Good News Spot" on local radio station 3GL (1981/82), its print media columns 'Geelong Region On the Move' (1984/85) and 'News from the GRC' (1985/86) (1986/87), newsletters the 'Geelong Report' (1983/84) (1985/86) and 'Geelong Directions' (1992/93), and the widely-read Geelong Region Economics Indicator Bulletin (1978–1993). These were augmented by special supplements in the Geelong print media on subjects such as the 'City By The Bay' project and the 'Geelong Region Development Strategy.'

The Chairman, directors and key Commission personnel also addressed service clubs, business organisations, local government and community committees, and meetings at Deakin University and local secondary schools on subjects of regional interest. In addition to these endeavours, the Chairman encouraged senior staff to be members of regional community organisations, such as Rotary. In these ways the staff not only informed the community of the Commission's activities, but received feedback from residents and business persons alike. Nevertheless, as McLure reported, there were some in the community that accused the Chairman and officers of not consulting enough. He observed that "...this perception
caused a lot of resentment which was damaging to the Commission in the longer term.\footnote{122}

The major difficulty that the Commissioners faced with the policy of public participation was that much of the Commission’s facilitation of private investment into the region was considered to be commercial-in-confidence.\footnote{123} In many cases the private companies, with whom the staff were negotiating, insisted on confidentiality to protect their competitive position. A particularly case in point was the establishment of the Elders IXL Woolstores in Lara, where the Commission acted for Elders in the purchase of privately owned land for the company.\footnote{124} Other examples of commercial-in-confidence arrangements were the establishment of L’eggs Australia (women’s hosiery)\footnote{125} and Bremmer Woll Kammerei (wool processing)\footnote{126} in Lara north of Geelong. These, and other examples of the Commission’s investment facilitation activities, are discussed in Chapter 10. This need for confidentiality was also applied to the initial development of the City By The Bay project, as it involved extensive negotiations with private investors.\footnote{127} The Commissioners were well aware of the problems caused by the confidentiality that surrounded certain aspects of their decision-making, and in the 1992 corporate plan identified this as an area for improvement.\footnote{128}

When it came to acquisitions of properties for the Commission’s developments, the Commissioners generally conducted the preliminary negotiations in committee, but made the results public subsequently. However, when the Commissioners made purchases of property that were regarded as being in the sphere of private enterprise, they were often accused of being secret. Such a case

\footnote{122} Interview with D. McLure, 11 August 2004.
\footnote{123} Geelong Advertiser, 4 September 1986. Sections 12 and 13 of the Geelong Regional Commission Act 1977 allowed this type of business to be discussed in committee.
\footnote{125} GRC, Annual Report 1982/83, pp. 9, 10.
\footnote{127} Geelong Advertiser, Special Edition for the City By The Bay project, 6 November 1981, p. 4.
was the Commissioners' purchase of the Commonwealth Offices building in Brougham Street, Geelong, in February 1985, referred to in chapter 8.\footnote{Geelong Advertiser, 27 February 1985; GRC, Minutes of Meeting No. 85, 31 January 1985, Resolution No. 85.C13; Geelong Advertiser, 23 February 1985.}

7.9 Conclusion

While the Geelong Regional Commission Act set out the Commission's key operational areas and reporting processes, the Commissioners were left to determine the standards of performance for the organisation. As with many public sector organisations of the time they adopted the corporate planning system, with its structure of goals (missions), objectives and action plan programs. While the system incorporated a monitoring process, this was generally geared to determining if the specified task had been completed successfully. Only the third corporate plan included performance indicators. My investigations showed that the action programs in the Commission's first corporate plan were completed successfully, or were ongoing. The Commission's performance against the indicators of the third corporate plan was positive overall. This will be discussed in more detail in chapter 10. Because the corporate plans did not address the Commission's performance in corporate management, an analysis using the Samson-Challis model was conducted. This showed that the Commission's corporate management performance was at least as competent as the average private corporate enterprise, if not slightly better. The highest-ranking performance factors were the openness and integrity of the staff in carrying out their tasks and in their dealings with customers and stakeholders, and the alignment of the employees' behaviour to the Commission's stated values. Although the employees' propensity for embracing change was rated as above average, it was the lowest ranked corporate characteristic of the 14 principles.

The Act required the Commissioners to involve the people of the regional community in planning the future development of the region. This was done through statutory and strategic planning processes, or the CCs that were set up for
specific tasks, or as advisory bodies to the Commissioners on operational matters. In addition, the Commissioners conducted a series of intra-regional public awareness campaigns, but as we shall see in chapter 10 this activity suffered from funding limitations. At the community level the Commissioners encouraged the directors and staff to be members of regional organisations. Because the GRC was central to the planning, economic and development activities of the region, its meetings were scrutinised closely by the local media. This provided an important window to the workings of the Commission. However, the Commissioners’ need for confidentiality on development matters remained an ongoing source of concern for some in the private sector.

The relationship between local government and the Commission was generally cooperative at the officer-level, but ran into difficulties on issues of policy. Two policy areas were of particular concern to some councils. One was the level of funding supplied by the municipalities to the GRC for carrying out its role as the region’s responsible authority under the Town and Country Planning Act. The other was the lack of legislative power for councils to prepare their own planning schemes. In the case of the Geelong City Council the concern also included planning on the Corio Bay foreshore, known as the Bay Link. ¹³⁰

From the start, Atkins and the Commissioners took the lead in tackling the region’s unemployment problems. One of Atkins’ strengths was the way in which he worked constructively with both the Liberal Party and Labor Party Ministers responsible for the administration of the Geelong Regional Commission Act. This allowed the Commission to grow steadily and develop its commercial interests. By 1993 the problem for the Commissioners was that Members of the new LNP Coalition Government in Victoria had decided that there was no need for a regional planning and economic development statutory authority in the region. As a result, they did not give the GRC their support. Some suggested that the Government’s thinking was influenced by businessmen with close links to the

¹³⁰ Interview with Spurling, 11 August 2004.
Coalition, who claimed that the GRC was a competitor to private enterprise. A *Geelong Advertiser* editorial provided a different slant to this view when it stated that, according to Wal Whiteside, Chairman of the Geelong and District Water and Sewerage Trust, it was "... people with a vested interest in seeing Mr. Atkins' wings clipped and a more sympathetic approach to their interests taken by a more pliable GRC." Although these influences cannot be ignored, other forces were also at work.

Mascarenhas argued that public enterprise in industrialised countries were "... subject to a concerted attack in the 1980s from critics largely influenced by the ideologies that advocated cutting back the role of the state in the economy." The new Victorian Government fell into this category. Its Members regarded the Geelong region as "... one of the most over governed areas of Australia" and thought that government influence in the region should be rationalised and reduced. This involved the amalgamation of councils and the abolition of the Commission. The circumstances that gave rise to the Commissioners' particular problems with the Councillors of the Geelong City Council over Bay Link and the objectors to the tavern/bistro proposal at the Surf Coast Plaza were sources of concern for the new government, and played their part, but they were primarily the precipitants of the government's action, not the cause.

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131 Comment by Mr. W. Whiteside, Chairman of the Geelong and District Water and Sewerage Trust and former Commissioner of the GRC; *Geelong Advertiser*, Editorial, 18 December 1992; Daryl McLure, 'In my view' column, *Geelong Advertiser*, 26 March 1993.
133 Mascarenhas, p. 67.
PERFORMANCE OF THE GRC IN PHYSICAL DEVELOPMENT

8.1 Introduction

While the Geelong regional workforce had grown steadily between 1976 and 1981, unemployment remained above the Australian average. The basic problem was that employment in the traditionally strong area of manufacturing was in decline. Accordingly, the Commissioners decided that they would make this their priority and set about building and promoting serviced industrial estates and unit factories. To assist this endeavour, the Victorian Treasurer classified the GRC as a ‘local statutory authority’ and permitted the Commissioners to borrow up to $1 million per annum from the financial market. Throughout the 1960s and 1970s statutory authorities in the USA and the UK addressed unemployment problems by building and promoting industrial properties as the means of attracting new investment. It was logical for the Commissioners to do likewise.

In June 1981, the Commission’s development objective was:

To initiate and undertake research, planning and development and coordinate projects through the provision of technical services and infrastructure to meet the needs of existing and incoming industrial, commercial and community undertakings.

By June 1988, the development objective had become:

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1 Unemployment in the Geelong region in 1976 and 1981 was 5.6 to 7.7 per cent respectively, while in Australia the figures were 4.4 and 6.0 per cent. ABS Census data contained in City of Greater Geelong, Current State of the Geelong Region, April 1994, pp 9, 10.
4 The Treasurer provided local government with the same authority. GRC, Minutes of Meeting No 3, 29 September 1977, Item 3.7, p. 2; GRC, First Annual Report 1977/78, p. 28. The level of authorised borrowing was progressively increased over the years, and peaked at some $2 million by the time the GRC was abolished in May 1993. Interview with Cowling, 12 August 2004.
5 Blakely, p. 157.
6 Statement of objectives as set out in the Commission’s first Corporate Plan adopted in 1982. GRC, Annual report 1981/82, p. 44.
To be actively engaged in the development of land and buildings in the [Geelong] Region and to manage physical assets in a commercial manner so that further private sector investment can be stimulated.\(^7\)

The fundamental aim of physical development was to attract more investment to the region as the means of generating more employment. The Commissioners deliberately set high standards for the GRC industrial estates and unit factories in an endeavour to make industrial investment more attractive to new and existing businesses in the region.\(^8\) In addition, the performance indicator in the Commission’s corporate plan for 1988/89-1990/91 required the GRC to undertake $40 million of development in 1988/89 on and around the waterfront, adjacent to the Geelong CBD.

The projects examined in this chapter provide an insight into the scope of the Commission’s development activities in response to these objectives. The bottom line of performance is to assess to what extent did the Commission generate new jobs from its development program? This is explored in detail.

The Commissioners conducted their development activities in a number of fields. These included ‘industrial estates,’ ‘factory complexes,’ ‘community projects,’ ‘tourism projects,’ ‘commercial sector development’ and ‘inner urban centre development.’ Only activities in the first four categories are discussed in this chapter. The last two are discussed in chapters 9 and 10, respectively.

### 8.2 Perceptions of the GRC in industrial land developments

In April 1978 Walter L. Carr & Sons and Plant Location International (Australia) Pty. Ltd. (PLIA) recommended that, because of the limited market in Geelong and the depressed state of manufacturing in Australia, the Commissioners develop industrial estates and rental factory accommodation on a modest scale. They also pointed out that, in such a restricted market, the GRC might pose a significant

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\(^7\) GRC, Annual Report 1987/88, p. 4.

\(^8\) Interview with Atkins, 6 May 2004.
threat to private enterprise and therefore the Commissioners should not allow the GRC to become the dominant supplier.\textsuperscript{9} They advised that the GRC "... could attract criticism... if it adopts a too aggressive stance in some parts of the urban area."\textsuperscript{10} While the Commissioners recognised the important role of the private sector, they regarded themselves as 'seeders,' and therefore leaders of development in the region.\textsuperscript{11} As such, the GRC was acting in the role of a 'stimulator,' as described by Blakely and Bradshaw in chapter 2.\textsuperscript{12}

This study found that the Commission was a significant owner of industrial land, but held only a minor share of the market, compared with the private sector. Over its lifetime the GRC owned 363 hectares of industrial land, with 234 hectares being held at the Corio Bay Industrial Park. As of June 1987 the region contained 2,030 hectares of industrial land, of which 742 hectares was vacant.\textsuperscript{13} This meant that, excluding the land holding at Corio Bay Industrial Park, the Commission’s other holdings represented some 25 per cent of the region’s available industrial lands market in 1986/87.\textsuperscript{14}

Attention was focussed on this concern in July 1984, when the Geelong President of the Master Builders Association of Victoria (MBAV) criticised the Commissioners' 'interventionist stance' in the development of industrial land. He complained that:

\ldots the GRC uses public sector resources to subsidise its land developments, then markets the land in direct competition with private developers who must operate on a commercial basis. Potential purchasers of development sites are then swayed to GRC land by the GRC's advisory

\footnotesize{\textsuperscript{9} Walter L. Carr & Sons and Plant Location International (Australia) Pty. Ltd., \textit{A Study of the Demand for Light Industrial Accommodation in the Geelong Region}, GRC Research Report Series No. 1, May 1978, pp. 69-70.}

\footnotesize{\textsuperscript{10} PLIA, \textit{Market Review, Industrial Leased Factory, Geelong}, draft report for the GRC, August 1978, p. 23.}

\footnotesize{\textsuperscript{11} GRC, \textit{Annual Report 1985/86}, p. 3.}

\footnotesize{\textsuperscript{12} Blakely and Bradshaw, pp. 84-88.}

\footnotesize{\textsuperscript{13} W. Horsfall, (GRC Research Economist), \textit{Analysis of Industrial Land and Buildings in Geelong 1987}, GRC, June 1987, pp. 15,16.}

\footnotesize{\textsuperscript{14} This ratio was obtained by dividing the Commission's land holding of 363 hectares, less the 234 hectares at Corio Bay Industrial Park, by of the region's total vacant industrial land holding of 742 hectares, less the 234 hectares at the Corio Bay Industrial Park.}
team. Apart from the philosophical argument about whether a planning agency like the GRC, should stick to planning, there is the real problem of encouraging private land developers into a region where a government instrumentality can use public money to compete on an unfair basis.\textsuperscript{15}

This study found that, except for the City Side Estate, the Commissioners did not use public monies for the purchase and servicing of its industrial estates and factories; rather they used loan funds from a variety of sources, which were paid for at negotiated interest rates. This study also found that the Commission paid municipal rates on all the development properties that it owned.\textsuperscript{16} In the matter of the City Side Estate, this Crown land was transferred to the Commission from other local statutory authorities, and a Government grant was provided for the site’s restoration. No evidence was found that private interests wished to develop this flood-prone former rubbish tip. It was true, however, that the wages of the officers, who worked on industrial development matters, were paid from funds appropriated by the Victorian Parliament for the GRC.

In other areas, this study found that the Commission’s community projects, the National Wool Centre and the Surf Coast Plaza projects were subsidised by grant monies. These were novel projects or community facilities, which would not have worked financially without a subsidy. When the Commissioners promoted the concept of the Surf Coast Plaza in the early 1980s they found that private enterprise was not interested in the development. Certainly the building of museums, such as the Surfing Hall of Fame and the National Wool Centre, did not and have not been attractive to private developers in Geelong. There is no evidence that private developers objected to the Commission’s involvement in these cases.

In his rebuttal of the complaints of the Geelong President of the MBAV, Atkins pointed out that, as of mid 1984, 92 businesses had been assisted by the GRC to set up in the region. Of these, 51 per cent had chosen to locate on private

\textsuperscript{15} \textit{Geelong Advertiser}, 21 July 1984.
\textsuperscript{16} \textit{Geelong Advertiser}, 13 June 1986.
development sites. Further, between 1981 and 1984, the Commission's investment facilitation had generated approximately $1.5 million in sales for local real estate agents. This study found that, between August 1977 and June 1992, 164, or 63.6 per cent of the 258 businesses investing in the region with the assistance of the GRC, chose Commission-owned sites. On balance therefore, it could be said that officers showed some bias towards the Commission's estates and properties. However, as Atkin's observed "... private enterprise will establish where it can maximise its profit. ..."

8.3 **Industrial estates**

In 1977/78 the Commissioners borrowed $750,000 from private lending institutions and took out two low interest loans, totalling $1,044,000, from the Commonwealth Decentralisation Assistance Program. These funds were used to construct unit factories and cover the costs of installing services on the industrial estates at North Geelong, Breakwater and South Geelong. The urgency that the Commissioners gave to the program was demonstrated by the fact that, by June 1981, they had spent $5 million in setting up six industrial estates and 22 unit factories. These developments created 550 new jobs in the region and represented some 14 per cent of the new jobs generated in the Geelong region during the Commission's first five years.

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18 See Table 8.1.
19 In the subject period, 258 businesses came to the region with the assistance of the Commission. This figure excluded the retail businesses at the National Wool Centre and the Surf Coast Plaza, and excluded the netball stadium and the thoroughbred training complex. Memorandum from the GRC Director of Economic Development to the Chairman of Commissioners of the City of Greater Geelong, 2 July 1993.
20 Speech by Colin Atkin, Chairman of the GRC, to the Australian Local Government Women's Association Conference, held on Saturday 14 May 1988 (no venue specified).
23 Between June 1977 and June 1981, the Geelong regional workforce increased by some 3,800 persons. The 550 new jobs created by the Commission's industrial estate development program in the same period, represent 14.5 per cent of the new jobs in the region.
Inner-city industrial developments

On 1 April 1978 the GRC Commissioners purchased 6.33 hectares of land in North Geelong from the Geelong Harbour Trust, for $258,000.24 This land was developed as the Cowie Industrial Estate at a total cost of $445,000.25 By June 1982 all 11 serviced allotments had been sold. One additional allotment was reserved for the Commission’s unit factories.26 As at 30 June 1982 nine companies, employing 105 persons, had set up their operations on the estate.27

In 1979 the Commissioners bought 15.04 hectares of land at Breakwater from the Harbour Trust for $316,000.28 This became the Breakwater East Estate. In the same year, the Commissioners bought another 8.665 hectares of land in Leather Street for $181,500 and established the Breakwater West Estate.29 As a result of the successful sales on these estates, the Commissioners purchased a large parcel of adjacent land in October 1987.30 This was augmented by a further purchase of 6.27 hectares of Crown land from the Department of Conservation and Environment. By the late 1980s the demand for industrial land in Breakwater had begun to slow, and by 30 June 1991, the nation-wide recession had reduced demand dramatically. When the Commission was abolished on 18 May 1993, some 70 hectares of land south of Leather Street remained unsold.31 Of this

25 GRC, Minutes of Meeting No. 9, Item 9C.2, p. 1; The land was zoned as Industrial B. This zoning provided for ‘... industrial purposes, which may be the source of particular forms of pollution requiring special consideration.” GRC, Geelong Regional Planning Scheme, Reprint, 25 February 1991, Section 31; GRC, ‘Development Projects Management Report,’ 28 November 1984 - No 3, Project 29.
29 The land was zoned as Industrial A. This zoning provided for ‘... a range of manufacturing and associated industrial and service activities that will not adversely affect the environment or the amenity of nearby land.” GRC, Geelong Regional Planning Scheme, Reprint 25 February 1991, Section 30; GRC, Annual Report 1981/82, p. 14.
30 The size of the land was not specified in the literature. GRC, Annual Report 1989/90, p. 9.
around 58 hectares of the land was purchased by the Geelong and District Water Board and the remaining 12 hectares sold to the CoGGC for $300,000. In June 1990 there were 38 businesses on the Breakwater Estates, employing some 600 people.\(^{32}\)

In early 1978 Commissioners took over 25.26 hectares of Industrial A land in South Geelong from the Geelong City Council, the Victorian Lands Department and the Geelong Harbour Trust, who, up until that time, had acted as joint developers. This crown land had been a former garbage dump, built on flood-prone ground.\(^{33}\) Although it was an expensive project the Commissioners recognised the significance of the estate's location, being less than two kilometres from the commercial centre of Geelong. The Victorian Government provided grants totalling $230,000 to cover part of the cost of servicing the City Side Industrial Estate.\(^{34}\) Three hectares of this land, which was not subject to flooding, was released in 1981. One allotment was set aside by the Commissioners for unit factories. The remaining land was developed in stages into 67 allotments, all of which were sold by June 1989. In 1989/90, 58 businesses were located on the estate, including the unit factories. Collectively these businesses employed 360 people.\(^{35}\)

The Commission's remaining inner-city industrial estate was located at Furner Avenue. The 3.185 hectares used for this development was purchased from Dennys Lascelles in 1978 for $111,475.\(^{36}\) All four allotments on this estate were sold by 1983/84.

\(^{32}\) GRC, Annual Report 1 July to 3 December 1993, p. 15.
\(^{34}\) By February 1983, these grants totalled $230,000. GRC, 'Development Project Management Report,' Section 4.23.
\(^{36}\) GRC, Annual Report 1981/82, p. 16.
Broad acre industrial land

While the inner-city industrial estates attracted small and medium sized enterprises (SMEs), the Commissioners were keen to attract large industries as well. The opportunity came in the late 1970s, with the resources boom. In 1980 the Australian Institute of Urban Studies estimated that between $40 and $70 billion of investment in intensive energy industries was being planned for the nation.37 By 30 June 1981 officers of the GRC were negotiating with 18 companies, which had plans for projects totalling some $1.2 billion. Importantly, these projects represented around 1,500 new full time jobs.38 By way of example, Kaiser Aluminium and Chemical Corporation of Australia Limited planned to build a $60 million silicon smelter in Geelong;39 a consortium of Hoechst Australia, Sergi Elektrographit and Alcoa of Australia planned to build a $40 million carbon cathode and carbon products plant in Geelong or Altona,40 and BHP Pty. Ltd. was conducting a feasibility study for a $50 million mini steel mill in North Geelong.41 In addition to these projects, ICI Australia Pty. Ltd. had purchased 766 hectares of land at Point Wilson in 1979/80 and announced plans to build a $500 million petrochemical plant and caustic soda and chlorine processing works.42

In September 1980 the Commissioners purchased 234 hectares of broad acre land in Heales Road, Lara, from private interests for $981,600. The land became the Corio Bay Industrial Park and was rezoned Reserved Industrial.43 This land was considered to be of strategic importance to Victoria’s industrial growth because it

40 Altona is a western suburb of Melbourne. The carbon cathodes produced at the plant were to be used by Alcoa in their aluminium smelting process. GRC, Annual Report 1980/81, p. 8.
42 GRC Minutes of Meeting No. 38, held on 25 September 1980, Resolution Nos. 38. C 1 to 6; Minutes of Meeting No. 40, 4 December 1980, Resolution No. 40.6. The Estate was commonly known as Heales Road Industrial Estate.
was close to the highway and main rail line to Melbourne, Avalon Airfield and the Port of Geelong; could be serviced easily for energy intensive industries; and was only 12 kilometres from Geelong. The importance of this land was further enhanced when the 500 KVA power lines, feeding Alcoa's aluminium smelter at Portland, were built near the estate.

With the demise of the 'resources boom' none of the promised projects eventuated, other than Shell's expansion into polypropylene manufacture at its North Shore refinery and Alcoa's aluminium smelter expansion at Point Henry. Because of its strategic nature the Commissioners decided to retain the land and to pay for its holding charges from the surpluses of other GRC projects. The first sale of significance came in 1988/89 when Bremmer Woll-Kammerei (BWK) of West Germany purchased 79 hectares for a $145 million wool scouring and combing plant. The GRC still held 130 hectares of unsold land when the estate was sold to the CoGGC in 1993 for $1,470,000 after the GRC was abolished.

Community industrial and service business estates

Because of planning regulations, residents in the urban areas of the region were prohibited from conducting manufacturing and service businesses from their homes. This was a particular problem for residents in the southern coastal towns, who were isolated from the industrial estates in central and northern Geelong. To correct this problem the Commissioners developed light industrial and service estates in Ocean Grove and Torquay.

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46 GRC, Annual Report 1 July 1993 to 3 December 1993, p. 15.
In 1979 the Commissioners purchased 3.85 hectares of land in Grubb Road, Ocean Grove, for $21,000.\textsuperscript{48} 0.7 hectares was sold initially to the Bellarine Sewerage Authority. The remaining 3.2 hectares was subdivided and released in 1983, at a development cost of some $189,000.\textsuperscript{49} Initially there was a high demand for industrial land, which paralleled the rapid expansion of the Ocean Grove township. Encouraged by this, the Commissioners purchased an additional 8.27 hectares, late in 1986, at a cost of $205,000.\textsuperscript{50} In June 1990 there were 25 businesses on the estate employing 130 people.\textsuperscript{51} By June 1992 the recession had curtailed the demand for land and 40 per cent of the new allotments remained unsold.\textsuperscript{52} When the Commission was abolished the CoGGC purchased 4.9 hectares of this estate for $160,000.\textsuperscript{53}

The directors of Rip Curl Pty. Ltd. made representations to the Commissioners in 1980/81 to help them find land in Torquay to expand their surfing apparel and equipment business.\textsuperscript{54} The Commissioners saw the opportunity of meeting the Commission's need to establish a service business estate in Torquay by developing a surfing business centre around Rip Curl.\textsuperscript{55} At the time Rip Curl had 56 employees, which represented around one-third of the employment in the surf-related industry in Torquay.\textsuperscript{56} The Commissioners purchased 5.73 hectares of land on the western side of Geelong Road (later known as Surf Coast Highway) in

\textsuperscript{51} GRC, Annual Report 1989/90, p. 9.
\textsuperscript{53} GRC, Annual Report 1 July to 3 December 1993, p. 16.
\textsuperscript{54} Rip Curl had been developed by Brian Singer and Doug Warbrick from a back yard business in Torquay to Australia's largest manufacturer of wet suits, and, by June 1981, a major exporter of surfing equipment.
\textsuperscript{55} GRC, Annual Report 1980/81, p. 15.
early 1980 for $65,200.\textsuperscript{57} By December, Rip Curl had built its factory, showroom and office complex on a freehold section of 0.8 hectares.\textsuperscript{58} In November 1982 Piping Hot leased an additional office and showroom on the estate, and by June 1987 Strapper, Watercooled Surfboards, Beach Crew and Quicksilver had also located in the vicinity of the Estate.\textsuperscript{59} The Commissioners also developed a service business area of 2.65 hectares for other Torquay businesses at a cost of $270,000.\textsuperscript{60} Although the initial stage of the development was sold out by January 1983, it took until 1991 to sell all allotments on the estate. In June 1992 the estate was home to 22 businesses employing 75 people (excluding the employees of Rip Curl).\textsuperscript{61}

8.4 Factory complexes

In the late 1970s a trend had begun for SMEs to lease their premises. This was driven by the high cost of land and interest rates, the need for businesses to conserve capital and the taxation benefits of leasing.\textsuperscript{62} PLIA had found that the demand for leased premises in Geelong was modest. Most significantly they had found that the supply was some 1.8 times greater than existing demand.\textsuperscript{63} In the light of these findings they had recommended that the Commissioners delay construction of rental unit factories on the Cowie Industrial Estate and South Geelong for some six months. These were promoted as business incubators.\textsuperscript{64} However, faced with the need to attract industrial investment and generate revenue for its development programs, the Commissioners proceeded with the construction of the unit factories.

\textsuperscript{58} GRC, Annual Report 1980/81, p. 15.
\textsuperscript{59} GRC, Annual Report 1986/87, p. 9.
\textsuperscript{60} GRC, Annual Report 1982/83, p. 13.
\textsuperscript{64} Manufacturing business incubators were factory spaces developed for small manufacturers, who were commencing new businesses and need small factories at reasonable rents. Over time some incubator businesses developed into viable enterprises and stayed on at the complexes.
Edols Place and City Side Unit Factories

The Commissioners established Edols Place Unit Factories on the Cowie Industrial Estate at a total cost of $912,000.\textsuperscript{65} Units at the complex were released progressively in July and August 1979 and mid 1980.\textsuperscript{66} This development was unique, in that it provided unit factories at a standard of quality and amenity that had not been seen previously in the region.\textsuperscript{67} The consultant's caution proved to be unfounded as, by June 1981, the factories were fully let, with a total annual rental income of $99,950. In June 1983 the 13 tenants in Edols Place employed around 150 people.\textsuperscript{68} The Commissioners built six unit factories at the City Side Estate for $382,880. All units were occupied by May 1981, with tenants paying a combined annual rental of $42,090 in the following 12 months.\textsuperscript{69} Within three years some 60 people were employed on site.\textsuperscript{70} When the GRC was abolished the Edols Place and City Side units were sold on the open market, with existing tenants being given first right of purchase.

Harbourside Factories Complex

The adverse effect of the depressed world farm machinery market on the business of International Harvester Australia Limited (IHAL) caused the directors to retrench one-third of the 1522 employees at its North Shore plant in 1981.\textsuperscript{71} Such was the alarm in the Geelong community that, in October of that year, the Commissioners resolved:

\textsuperscript{66} GRC, Minutes of Meeting No. 25 held on Thursday 26 July 1979, Item 25.9, p. 3; GRC, Minutes of Meeting No. 26, 30 August 1979, Item 26.10, p. 4; GRC, Annual Report 1979/80, p. 16.
\textsuperscript{67} GRC, First Annual Report 1977/78, p. 23. The Commission adopted the recommendation from the report of the consultants and set the floor space of these modules at between 200 and 400 square metres.
\textsuperscript{69} GRC, 'Development Projects Management Report,' Development Project Review – City Side Unit Factories (No. 3), 28 November 1984.
\textsuperscript{70} GRC, Annual Report 1984/85, p. 11.
\textsuperscript{71} GRC Minutes of Meeting No. 50, 29 October 1981, Resolution No. 50C.5; GRC, Annual Report 1982/83, p. 8; GRC, Geelong Region Industrial Register 1980, p. 106.

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That the Commission, as its highest priority, make every effort possible to secure the 1,100 jobs at the International Harvester Company's Geelong plant, by using all available Commission resources, including the use of Commission finances for investigations, to encourage the acquisition of the plant by the Government or any other purchaser.  

Attempts by officers of the Commission, the Geelong Branch of the Victorian Chamber of Manufactures and Geelong and Region Trades and Labour Council to avert the loss of jobs were to no avail. In October 1982 the IHAL went into receivership. In the following December the receiver announced that the North Shore plant was to be shut, with the loss of 600 workers. Atkins led the attempts to save the threatened IHAL jobs. He requested Day Neilson, Geelong's largest accounting company, to convene a meeting of investors who might be interested in forming a new company to take over the work of IHAL. This resulted in the establishment of Geelong Agricultural and Engineering Company (GAEC). His subsequent negotiations with the Minister for Economic Development and the management of IHAL resulted in the Commission buying the complete North Shore works on 2 June 1983 and establishing the Geelong Harbourside Factories Complex. The Commissioners bought the plant on a walk-out/walk-in basis for $5.8 million. The Victorian Government provided a $5.0 million loan from the Victorian State Development Fund, which had to be repaid at commercial rates over six years. The remainder came from the Commission's Development Account.

GAEC occupied approximately one-third of the factory's 150,000 square metres floor space. Under a special arrangement GAEC supplied IHAL with its farm equipment needs in Australia. Within 12 months 170 workers were employed by

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72 GRC Minutes of Meeting No. 50, 29 October 1981, Resolution No. 50C.5.
75 Atkins reported that without the agreement to form GAEC and lease the IHAL factory space, it would not have been feasible for the GRC to purchase the IHAL plant. Interview with Atkins, 6 May 2004.
the new company. Up until 1987/88, the Complex was occupied at various times by GAEC (ceased operation on 3 December 1987); Australia Wide Homes Pty. Ltd., which employed some 30 people in the manufacture of transportable homes; the Candy Footwear Division of Dunlop Australia Pty. Ltd., which employed an estimated 25 people to manufacture footwear components; and the Ford Motor Company, which employed 80 people in packing vehicle components for export to New Zealand, and in the plant’s foundry, which Ford leased while its Geelong foundry was being upgraded. In the late 1980s Gatic Australia Pty. Ltd. and Midway Wood Products Pty. Ltd. became the occupiers of the complex. The management of Gatic purchased the plant’s foundry and associated land in May 1987; and Midway purchased 5 hectares at the Complex in March 1988, as well as the last parcel of 6.25 hectares, containing some 15,000 square metres of building space, in mid 1990. This brought the Commission’s involvement with this project to a close. Employment at the complex peaked in 1985, when some 330 people worked on site.

8.5 Community projects.

One of the methods used by the Commissioners to sell land and at the same time contribute to the diversification of the economy, was to build community infrastructure projects on the Commission’s estates. These projects included the Geelong Truck Park at City Side Industrial Estate, which was built to improve safety on residential streets by providing low cost and secure parking bays for trucks; a high quality indoor netball stadium at City Side to improve facilities for women’s sport; and a thoroughbred training complex at the Breakwater Industrial Estate to provide improved facilities for Geelong thoroughbred trainers and employ more young people in the horseracing industry. These projects were planned, designed and managed by the officers of the GRC.

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78 GRC, Annual Report 1883/84, p. 9.
81 Author’s calculation.
8.6 Tourism projects

In June 1986 Atkins pointed out:

The recreation sector, in particular, has considerable opportunity for the Geelong Region. In order to ‘seed’ development in this [recreation] area the Commission has, among other projects, undertaken to establish the National Wool Centre in Geelong and commenced development of the foreshore area of the City By The Bay project. 82

In addition, the Commissioners capitalised on Torquay’s special status in the surfing world by establishing the Surf Coast Plaza. These projects were important because they offered the opportunity to diversify the regional economy, while providing significant employment, particularly for young people.

The Bay Link Project

The Bay Link project formed part of the City By The Bay plan, which gave effect to the Geelong Central Area Strategy. This strategy had been developed by the GRC in the late 1970s in consultation with the City of Geelong. The City By The Bay plan had three elements, namely, the existing retail centre, based on the Market Square; 83 the new retail precinct, based on the old wool stores; 84 and the tourist precinct, known as Bay Link. 85 The City By The Bay concept is shown diagrammatically in Figure 8.1 and discussed in detail in chapter 9.

In December 1982 the Myer Group withdrew as the sole developer of the City By The Bay project for financial reasons and concentrated on the development of their wool store properties. 86 As a result, the Geelong City Councillors decided to

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82 GRC, Annual Report 1985/86, p. 3.
83 Market Square was located between Moorabool, Yarra, Ryrie and Little Malop Streets.
84 The retail precinct was located between Moorabool, Yarra, Malop and Brougham Streets.
85 The tourist precinct was located between Moorabool, Yarra, Brougham and the shore line of Corio bay.
86 Interview with Atkins, 6 May 2004.
develop Council's Market Square site.\textsuperscript{87} Also at this stage the Victorian Government asked the Commission to proceed with the assembly of all the foreshore land abutting the Geelong CBD.\textsuperscript{88}

In October 1983 the Commissioners entered into an agreement with the Mission to Seamen (Victoria) to acquire the Sailors' Rest building on the corner of Eastern Beach Road and Moorabool Street, in exchange for new premises. To this end they purchased the British Phosphate Commissioners Building in North Shore for $150,000 and converted it for use by the Mission.\textsuperscript{89} In addition, on 22 February 1985, they purchased the Commonwealth Government Offices in Brougham Street for $500,000.\textsuperscript{90} Concurrent with these property acquisitions, officers of the Commission managed the landscaping of the foreshore, which formed Steam Packet Gardens. Between November 1984 and May 1985 a terraced amphitheatre and a brick paved promenade along the shoreline were built using a Community Employment Program (CEP) grant of $422,000.\textsuperscript{91} By 13 December 1986 the second phase of the landscaping was completed at a cost of $750,000. This was part-funded from an additional CEP grant of $530,000, with the balance coming from the Port of Geelong and the Commission.\textsuperscript{92}


\textsuperscript{88} Interview with Atkins, 6 May 2004.

\textsuperscript{89} GRC, Annual Report 1983/84, p.13. GRC, Minutes of Meeting No. 72, 27 October 1983, Resolution No. 72C.2

\textsuperscript{90} GRC, Minutes of Meeting No. 85, held on 31 January 1985, Resolution No. 85.C.13. Geelong Advertiser dated 23 February 1985.

\textsuperscript{91} The Commissioners followed the plan developed by American landscape designer Eldon Beck. Beck and a team of consultants, who were engaged by the Commissioners early in 1984, drew up a plan of beautification of the foreshore area between Cunningham and Yarra Street piers. GRC, Geelong – City By The Bay The Bay Link, July 1988, p. 10; GRC, Annual Report 1983/84, p. 24; GRC, Annual Report 1984/85, p. 3.

\textsuperscript{92} GRC, Annual Report 1986/87, p. 11.
Figure 8.1 City by the Bay Concept Plan

While the Commissioners had started the consolidation of the Bay Link in late 1983, the feasibility study for the area did not commence until June 1985. After some delay the final plan was published in July 1988 and exhibited for public comment in the following month. It contained landscaping with terraces and a broadwalk, a multi-purpose space with a covered amphitheatre, a festival market with international Food Court, a waterfront marine cafe, a conference/entertainment centre, an Imax theatre, a tavern, the Sailor’s Rest restaurant, a commercial block and parking for 500 cars. Of particular significance in the plan was the closure of Eastern Beach Road, between Moorabool and Yarra Streets. The Commissioners believed that, for the plan to work satisfactorily, the Bay Link site needed to be pedestrianised.

The Road Traffic Authority was in support of this approach and stated that the closure of the road, in conjunction with the proposed fringe arterial system “... would not cause noticeable increases in delay nor adverse reaction from motorists.” The total cost of the Bay Link development was estimated to be $60 million, which the Commissioners expected to be finished by 1991. Before the plan could be implemented, however, the Geelong Regional Planning Scheme had to be amended to sanction the mix of intended uses for the site.

The Commissioners’ aim was for all the foreshore land to come under Government control. This had driven their program of property acquisition. In this vein, in August 1987, they purchased the Waterside Workers Federation’s Eastern Beach site. As part of the agreement the Commissioners built a modern two-story office block at the bay end of Gheringhap Street as the new home for the

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64 GRC, Geelong City By The Bay – Bay Link, Preface; GRC, Annual Report 1988/89, p. 5.
65 GRC, Geelong - City By The Bay - Bay Link, p. 12.
66 GRC, Annual Report 1989/90, p. 6; GRC, Geelong - City By The Bay The Bay Link, p. 21.
67 Quote from ‘City By The Bay Shopping Centre Study’ by the Road Traffic Authority, dated February 1987, contained in GRC, Geelong - City By The Bay The Bay Link, p. 23.
69 GRC, Geelong - City By The Bay The Bay Link, p. 26.
Federation.\(^{100}\) One of the Commissioners' most difficult relocation negotiations involved the Geelong Returned Servicemen's League (RSL) Club, which had its clubroom and bowling greens on the south eastern edge of the Bay Link area. These were key to the project. Negotiations started in 1987 and continued over the next 18 months. Matters were only resolved when the Victorian Government declined to renew the Club's leasehold of its Crown land site.\(^{101}\) The Club was relocated to new freehold facilities built and provided by the GRC in Barwon Heads Road in Belmont. On 29 September 1988 the Commissioners bought the Crown allotment, which the RSL Club had occupied, for $1.05 million.\(^{102}\)

Concurrently the Commissioners purchased the Crown allotment occupied by the Australian Employers of Waterside Labour (AEWL) for $0.44 million.\(^{103}\) By late 1988 the Commissioners held the freehold of all five properties on the foreshore development precinct, thus opening the way for the GRC to develop the Bay Link site. The final parcel of Crown land was gained, when on 27 February 1992, the Commissioners accepted the transfer of some 3.8 hectares of land on and next to the Bay Link site from the Port of Geelong Authority.\(^{104}\)

One of the Commissioners' most daring actions was taken in April 1988, when they purchased an Imax high technology projection system, with the exclusive right to operate the system in the Port Phillip region for five years.\(^{105}\) This $1.8 million projection system was to be located in the Commonwealth Offices on the southern boundary of the site. The housing of this equipment was subject to a building permit, but did not require rezoning.\(^{106}\) This purchase was still a

\(^{100}\) GRC, Annual Report 1988/89, p. 6.
\(^{103}\) GRC, Minutes of Meeting 126, 29 September 1988, Resolution 126.C10.
\(^{104}\) GRC, Minutes of Meeting No.163, 27 February 1992, Resolution No. 163.C10.
\(^{105}\) This was only the third Imax system licensed for operation in Australia, at the time. GRC, Minutes of Meeting No. 118, 28 January 1988, Resolution 118.C12.
\(^{106}\) The site, being former Commonwealth land, did not need to be rezoned to accommodate its new use. GRC, Geelong – City By The Bay The Bay Link, July 1988, p. 17.
considerable gamble given that the planning scheme amendment to sanction other associated developments on the Bay Link area had not been processed.\textsuperscript{107}

The Commissioners exhibited Planning Scheme Amendment R9 from 23 August to 24 November 1988.\textsuperscript{108} The Minister for Planning and Environment had previously approved the Commission to be the Responsible Authority for this amendment. However, he retained responsibility for the final approval.\textsuperscript{109} The fact that the GRC was the Responsible Authority for the amendment, which covered one of its own projects, left the way open for public suspicion and criticism. The Minister exercised his authority cautiously, for when he was requested by the Commissioners to form a panel to hear the 103 submissions to the proposed amendment, he asked the Commissioners to consult further with the Port of Geelong Authority and the Geelong City Council. Finally some 10 months later, in October 1989, the Panel held its preliminary hearing where legal issues, raised by the Geelong City Council, became sticking points.\textsuperscript{110} The stalemate was broken only when the Chairman of the GRC gained the agreement of the Mayor of the Geelong City Council to set up a joint working party to determine the contents of the Bay Link project.\textsuperscript{111} Consequently the Commissioners agreed to rescind Amendment R9 and withdraw the proposal to include a dry goods supermarket or a fruit and vegetable market on the Bay Link site.\textsuperscript{112} Although there is no stated evidence, it would appear that the Councillors wanted to protect the interests of the retailers in its recently built $30 million Market Square development. By 30 June 1990 most matters of difference had been resolved.

\textsuperscript{108} Amendment R9 proposed that the area be rezoned from mixed uses to the City By The Bay Foreshore Development Zone.
\textsuperscript{109} GRC, Minutes of Meeting No. 120, 31 March 1988, Resolution 120.C15, referring to the letter from the Minister for Planning and Environment, 31 March 1988.
\textsuperscript{110} GRC, Minutes of Meeting No. 138, 26 October 1989, Resolution No. 138.C9.
\textsuperscript{111} The committee, established in March 1990, was comprised of three GRC Commissioners, three Councillors, and one representative each from the Victorian Department of Industry and Economic Planning, and the Department of Planning and Urban Growth. GRC, Annual Report 1990/91, p. 14.
\textsuperscript{112} GRC, Minutes of Meeting No. 142, 29 March 1990, Resolution No. 142.C2.
except for the closure of Eastern Beach Road. Faced with an impasse on the issue the Commissioners decided, on 8 November 1990, to close the road by using the Commission’s powers contained in Section 16 of the Geelong Regional Commission Act, in conjunction with Section 16(1)(b) of the Housing Act 1983. Of the many formal objections the Commissioners received, most dealt with the effect on the Geelong Speed Trials, held annually at Ritchie Boulevard. No solution was found that satisfied the Trial organisers. Even an eight-week road closure trial, organised by the Commissioners, failed to defuse the situation with the Council.

The Independent Assessor, appointed by the Minister to hear objections to the road closure, conducted public hearings between 23 January and 13 March 1991. On 30 May 1991, after receiving the Assessor’s recommendations, the Commissioners resolved to close the road, but committed the GRC to continue to work with the organisers of the Geelong Speed Trials. As part of their resolution they also decided to involve the private sector in the development of the Bay Link site. To this end they undertook to engage marketing consultants to attract further development proposals to the site; to involve the Geelong City Council in the design and content of the private expressions of interest; and to subject any proposed development to full public consultation and planning approval process.

The Commissioners forwarded these resolutions as recommendations to the Minister. He again deferred action on the matter and directed that a firm site development proposal be prepared by a project steering committee, comprising representatives of the Commissioners and the Council, under an independent

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114 GRC, Minutes of Meeting No. 149, 8 November 1990, Resolution No.149A.C2.
116 GRC, Minutes of Meeting No. 150, 6 December 1990, Resolution No.150.30.
117 The appointed Assessor was Mr. Basil Elms. GRC, Annual Report 1990/91, p. 14.
118 GRC, Minutes of Meeting No.155, 30 May 1991, Resolution No.155.12.
chairman whom he appointed. The Bay Link Steering Committee was established in September 1991. Over the next nine months the Committee met on seven occasions, but little was achieved other than the commissioning of consultants to prepare the 'Central Geelong Foreshore and Environ Framework Plan' and the preparation of a proposal to establish a casino on the foreshore land. The latter proposal was finally rejected on the grounds that the Victorian legislation allowed only one casino in Victoria, and that was in Melbourne.

By August 1991 the Commissioners were concerned over the cost of servicing the loans covering the properties on the Bay Link site. In May 1992 the Auditor-General estimated that the project had lost $1.0 million. This was made up of holding costs and property devaluation. In addition the Imax had incurred $1.2 million in holding costs, including a reduction in value, due to the progressive loss of the Commission's exclusive right. The Commissioners tried unsuccessfully to obtain funding from the Victorian Government to make the Imax operational and so, on 3 December 1992, they began negotiations to sell the equipment back to the Imax Systems Corporation. This was concluded in the same month that the GRC was abolished. Subsequently the Government-appointed Administrator sold the five freehold properties to the CoGGC for $3.6 million. The Victorian Government 'gifted' Steam Packet Gardens as Crown land to the City Council, while the 3.8 hectares of land, transferred to the GRC by the Port of Geelong Authority, was surrendered to the Crown with Council being appointed the Committee of Management.

120 GRC, Minutes of Meeting No. 158, 29 August 1991 Resolution No.158.C11.
122 Baylink Steering Committee, Geelong the Place for a Casino, September 1992.
123 GRC, Minutes of Meeting No.158, 29 August 1991, Resolution No.158.C11.
125 Geelong Advertiser dated 19 November 1992; GRC, Minutes of Meeting 172, 3 December 1992, Resolution No. 172.C11, GRC.
127 GRC, Annual Report 1 July to 3 December 1993, pp.17, 18.
The National Wool Centre

The Commissioners first identified the concept of the National Wool Centre in the City By The Bay plan published in December 1981. Their objectives in establishing the Centre in the C. J. Dennys wool store were to provide "... the Region with a key tourism attraction and strengthening Geelong as a focus of the Australian Wool industry." After negotiations with Myer Properties Pty. Ltd., the Commissioners purchased the National Trust classified bluestone building in November 1984 for $300,000. In June 1986, they also purchased the Annex to the wool store from Myer Properties Pty. Ltd for $300,000. This was used as an off-street car park for the facility. Initially the Centre was to have a wool industry display, a wool museum and wool related retailing. In its final form the Centre included a licensed restaurant, convention facilities, space for fashion parades and touring exhibitions, a tourist information centre and the Geelong Wool Exchange, where Geelong fine wools were auctioned.

The Commissioners were very successful in obtaining tied government grant funding for this project. On 7 February 1985 they obtained grants from the Australian Bicentennial Authority and the Victorian Government, totalling $800,000. These funds were used to establish the museum. A CEP grant of $260,000 was used to offset the cost of conducting the research for the Museum and to undertake refurbishment of the building. In February 1987 the Victorian Government provided a further grant of $4.5 million for the project, which

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128 GRC, Geelong - City By The Bay, December 1981, pp. 74-76.
130 GRC Minutes of Meeting No. 84, 29 November 1984, Resolution No. 84. C5.
131 GRC Annual Report 1985/86, p. 10. The Annex was located at 40 Brougham Street, Geelong.
132 GRC, Geelong City By The Bay, December 1981, pp. 74-76.
133 GRC, Submission to the Australian Bicentennial Celebration Committee.
135 This work was done in consultation with officers of the Museum of Victoria and officers of the Historic Buildings Council. GRC Annual Report 1985/86, p. 10.
allowed the restoration of the building to commence.\textsuperscript{136} The ultimate cost of the National Wool Centre and Museum was $10.14 million.\textsuperscript{137} In all the Commonwealth and Victorian Governments provided grants of $5.56 million. The remaining $4.58 million was funded through the Commission's development account. The Commissioners planned to repay the loaned funds from rental income from the shops, the restaurant, conventions, touring exhibitions, the wool auction floor and revenue from the museum and sponsorship.

The National Wool Centre came into operation in stages. The Geelong Wool Exchange was opened in October 1987, in time for the first sale of the Geelong Wool Brokers Association.\textsuperscript{138} The retail outlets were let progressively over 1987/88, with the basement restaurant being leased on 7 October 1988.\textsuperscript{139} One of the highlights of this period was the visit to the Centre by Her Majesty the Queen and the Duke of Edinburgh in April 1988, which focused international attention on the Centre. When the museum opened on 21 December 1988, only two of the three floors had been developed as a formal museum. The third, which was set up initially as a wool show floor, was also used for temporary exhibitions. These provided new experiences for repeat visitors, while creating additional revenue for the project. In its first four years of operation the centre and its museum won the Victorian Tourism Commission (VTC) award for Heritage and Cultural Tourism on three occasions.\textsuperscript{140} In house surveys showed that visitors to the museum came from a variety of locations. In 1989 32 per cent came from Melbourne, 28 per cent from Geelong, 23 per cent from country Victoria and seven per cent from overseas.\textsuperscript{141}

\textsuperscript{136} GRC Annual Report 1986/87, p. 11.
\textsuperscript{139} GRC, Minutes of Meeting No. 127, 27 October 1988, Resolution No. 127 6. Affixing the Commission's Common Seal. In April 1988 the Victorian Government declared the Centre to be a 'Tourist Precinct,' which allowed the retailers to trade for seven days a week.
\textsuperscript{140} The first award was in July 1989. GRC, Annual Report 1989/90, p. 6; Annual Report 1992/93, p. 41.
\textsuperscript{141} GRC, Minutes of Meeting No. 141, 22 February 1990, Resolution No.141.C6,
The project’s feasibility study budgeted for 100,000 visitors to the museum per annum,\(^{142}\) but it attracted only half of that number.\(^{143}\) This contributed to the Centre’s operating loss of some $250,000 over the 1991 to 1992 period.\(^{144}\) A number of factors were responsible for this loss. At the outset the Commissioners were unable to provide off-street parking for cars and tourist buses because the Annex site had been alienated by a protective fence, which surrounded the neighbouring historic Bow Truss Building. Following lengthy negotiations with the building’s owners, and the issue of a Supreme Court writ from the Commissioners, the unsound building was demolished in 1990 and the car park established.\(^{145}\) The number of international visitors began to increase after this time.\(^{146}\) By June 1992 the Bay Link element of the City By The Bay project had not materialised, beyond the beautification of the foreshore and the acquisition of properties. This meant that the National Wool Centre and Museum were forced to operate without the benefit of an active cluster of nearby tourist operations, which, collectively, would have acted as a significant tourist attractor. Finally the general recession of the early 1990s caused visitor numbers to fall and forced some retail tenants to delay paying their rents, and others, to wind up their businesses.\(^{147}\)

In a bid to reduce costs the Commissioners cut rentals,\(^{148}\) retrenched staff, instituted greater resource sharing with the Commission’s administration, increased admission prices to the Museum, upgraded the souvenir shop and increased the operational responsibilities of the museum’s 90 honorary

\(^{142}\) Statement by the GRC Director of Corporate Services, *Geelong Advertiser*, 5 November 1992.

\(^{143}\) Author’s calculation. Between December 1988 and June 1992, only 175,000 visitors came to the Museum. This equated to an annual average attendance of some 49,000 visitors. Based on attendance figure reported in GRC, *Annual Report 1991/92*, p. 25.

\(^{144}\) *Geelong Advertiser* dated 5 November 1992.; The Chairman of the GRC gave the figure of $246,000 in GRC, *Annual Report 1991/92*, p. 27.

\(^{145}\) GRC, Minutes of Meeting No. 127, held on 27October 1988, Resolution No. 127.20.

\(^{146}\) GRC *Annual Report 1991/92*, p. 25.


\(^{148}\) The Commissioners reduced rentals by 25 per cent in 1991, and held them steady throughout the following year. GRC Minutes of Meeting No.162, 30 January 1992, Resolution No.162.C11.
(volunteer) staff.\textsuperscript{149} The Commissioners also began discussions with executives of the Museum of Victoria, with the view of it taking over the operation of the Museum. Despite these actions the centre and its museum continued to make a loss.\textsuperscript{150} In October 1993, after the GRC had been abolished, the Board of Museum of Victoria agreed in principle to operate the National Wool Museum.\textsuperscript{151} On the 23 November the centre, museum and the adjacent car park were transferred to the Crown and the CoGGC made the Committee of Management.\textsuperscript{152} The Council was then responsible for the staff, costs and operation of the centre and museum.

\textit{Surf Coast Plaza}

While the surfing fraternity had long recognised Torquay as a major surfing venue, particularly because of the unique structure of the waves at nearby Bell's Beach, the presence of Rip Curl and the other leading surf equipment manufacturers, the promotions of the GRC and the creation of the Surf Coast Plaza helped focus the attention of tourists on Torquay and the Surf Coast.\textsuperscript{153} In a study undertaken in August 1981 officers of the GRC identified the opportunity for developing motel accommodation, surf-related retailing, a restaurant, local

\textsuperscript{150} Comment by the Administrator of the GRC recorded in GRC, \textit{Annual Report 1 July 1993 to 3 December 1993}, p. 10.
\textsuperscript{151} GRC, \textit{Annual Report 1 July 1993 to 3 December 1993}, p. 10.
\textsuperscript{152} In May 1993, the Victorian Valuer-General valued the National Wool Centre and Museum at $2.4 million, assuming best commercial use. The Valuer-General did not take into account that "A major value of the National Wool Centre is as a tourism attraction in the interests of the economic and cultural development of the Region as a whole." Auditor-General Report on Ministerial Portfolios (May 1992) contained in GRC, Agenda Paper D(a) for GRC Meeting No.166, 28 May 1992, p. C48.
\textsuperscript{153} GRC, \textit{Annual Report 1982/83}, p. 13; GRC, \textit{Major Projects of the Geelong Regional Commission}, December 1984, Project 19. This reference contains a photograph of a billboard advertisement for tenants for Surf Coast Plaza, in which Torquay is given the title of "Surfing Centre of Australia." Officers of the GRC coined the term 'Surf Coast' for the coastline from Point Lonsdale to Lorne. Subsequently, the street directory \textit{Melways} named the same area on its maps as the 'Surf Coast', and Vic Roads named the highway from Geelong to Torquay the 'Surf Coast Highway.' In line with this theme, the Commissioners named the centre 'Surf Coast Plaza' and promoted Torquay as Australia's 'Surfing Centre of Australia.' The Commission undertook a wide range of promotions in support of the Plaza. This included sponsorship of the inaugural Australia/ United States of America Surfing Challenge, which formed part of the International Surfing Titles at Bells Beach over Easter in 1990. GRC, \textit{Annual Report 1992/93}, p. 38.
shops and a surf museum on a 1.64 hectares portion of the Torquay Service Business Estate, adjacent to the surf equipment manufacturers. The Commissioners called for private developers, but without success. As a consequence, they decided that the GRC would undertake the development. In June 1983 the Victorian Treasurer approved a loan of $829,000 from the State Development Fund for the project.

The first stage of Surf Coast Plaza was comprised of retail and office facilities for the surfing industry and a skateboard ramp. This was completed in late 1985. Stage two commenced in September 1987 and was completed eight months later. It was made up of a multi-purpose hall for the Torquay community, a building for the ‘Surf World’ surfing museum and the ‘Surfing Hall of Fame,’ the headquarters of the Australian Surfriders’ Association, additional retailing outlets, a paved plaza, and car parking. This cost $3 million. Again, the Victorian Government provided an equity loan of $800,000, as part funding for the work. By mid 1991 the nation-wide recession had made it difficult for the Commissioners to raise sponsorship for the Surfworld Museum and the Surfing Hall of Fame. This was only solved by a grant of $500,000 from the Commonwealth Local Capital Works Program, and support from Rip Curl, Quicksilver and Oakley. The project was completed at the end of 1993.

As we saw in chapter 7, the project was dogged for some 40 months by the legal challenges of opponents to the bid to establish a tavern, bistro and bottle shop at the Plaza. In December 1992 the Commissioners accepted a compromise over the scope of the proposed licence.

156 The hall was funded by the Commission, and the Shires of Barrabool and South Barwon. This facility also operated as the local cinema. GRC, Annual Report 1986/87, p. 9.
The involvement of the Commissioners in Surf Coast Plaza ceased with the abolition of the organisation in May 1993. After this time responsibility for Surfworld was assumed by the CoGGC initially, and then by the Shire of Barrabool. In late 1993 the Administrator of the GRC sold the freehold of the Plaza and its leases, Surf World and the community hall to the CoGGC for $1,667,000.\textsuperscript{160} When the Surf Coast Shire Council was formed in 1994,\textsuperscript{161} and Torquay annexed to this new local government area, the Commissioners of the CoGGC sold the City’s interests in the development to the new shire.

8.7 Conclusion

The prime objectives of the Commissioners’ development program were to create employment and to attract business investment. According to Peter Johnstone, the Administrator appointed by the Victorian Government to wind up the GRC, “... [between August 1977 and June 1993] the Commission directed some $46 million into its own projects which created some 1900 direct new job opportunities.”\textsuperscript{162} This study showed that the Commission’s projects created 2,103 direct jobs, some 200 jobs more than Johnstone’s estimate. Based on the latter figure, the Commission generated 45.7 jobs for each million dollar of investment. This study also showed that in total the Commission assisted 183 businesses to set up their operations in the region through its development program. In chapter 5 we saw that in the late 1980s the CCP generated 280 new jobs from 83 businesses for a total of $11 million of new investment. This equates to 25.5 new jobs per million dollars of investment and 3.4 jobs per business. Accordingly, it can be seen that the Commission’s development program was some 80 per cent more effective in generating new jobs per unit of investment than the CCP. Likewise, the Commission’s program exceeded the CCP’s performance of an average of 3.4 new jobs per business. Viewed by segment, the study showed that the program’s

\textsuperscript{160} GRC Annual Report 1 July to 3 December 1993, p. 16.
\textsuperscript{161} Surf Coast Shire was formed on the 9 March 1994.
most successful generator of total jobs and businesses for the region was the industrial estates segment, with 1,505 jobs and 141 businesses. This translated to 10.7 jobs per business, which is roughly on par with the ratio of 11.5 for the total program. The Community projects had a ratio of 6.5 and tourism projects 2.6. In the latter case, the ratio is not indicative of performance, as the Bay Link project was not completed and therefore not included in this aspect of the study. Over all, the factories complexes segment was the most effective generator of employment per business, yielding a ratio of 23.5. Based on a total investment of $7 million, this segment generated 77 jobs per million dollars, making it very cost effective compared with the CCP or the Commission's program over all. Details from this study are given in Table 8.1.

Table 8.1: Job opportunities created and business investment attracted through the development program of the GRC

<table>
<thead>
<tr>
<th>Date of Estimating Jobs/ Businesses</th>
<th>Project</th>
<th>Jobs Created</th>
<th>Businesses Located</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 1982</td>
<td>Cowie Industrial Estate</td>
<td>(1) 105</td>
<td>(1) 9</td>
</tr>
<tr>
<td>June 1990</td>
<td>Breakwater Industrial Estate</td>
<td>(2) 600</td>
<td>(2) 38</td>
</tr>
<tr>
<td>June 1990</td>
<td>City Side Industrial Estate</td>
<td>(3) 300</td>
<td>(3) 53</td>
</tr>
<tr>
<td>June 1990</td>
<td>Furner Avenue Industrial Estate</td>
<td>(4) 15</td>
<td>(4) 3</td>
</tr>
<tr>
<td>October 1993</td>
<td>Corio Bay Industrial Park</td>
<td>(5) 100</td>
<td>(5) 1</td>
</tr>
<tr>
<td>June 1992</td>
<td>Torquay Service Business Estate</td>
<td>(6) 255</td>
<td>(15) 13</td>
</tr>
<tr>
<td>June 1990</td>
<td>Ocean Grove Industrial Estate</td>
<td>(7) 130</td>
<td>(7) 25</td>
</tr>
<tr>
<td>June 1982</td>
<td>Edols Place Unit Factories</td>
<td>(8) 150</td>
<td>(8) 13</td>
</tr>
<tr>
<td>June 1985</td>
<td>City Side Unit Factories</td>
<td>(9) 60</td>
<td>(9) 6</td>
</tr>
<tr>
<td>June 1985</td>
<td>Harbourside Factories Complex</td>
<td>(10) 330</td>
<td>(10) 4</td>
</tr>
<tr>
<td>June 1985</td>
<td>Geelong Nat Ball Stadium</td>
<td>(11) 3</td>
<td>(11) 1</td>
</tr>
<tr>
<td>June 1983</td>
<td>Thoroughbred Training Complex</td>
<td>(12) 10</td>
<td>(12) 1</td>
</tr>
<tr>
<td>June 1992</td>
<td>Surf coast Plaza</td>
<td>(13) 30</td>
<td>(16) 9</td>
</tr>
<tr>
<td>June 1992</td>
<td>National Wool Centre</td>
<td>(14) 15</td>
<td>(14) 7</td>
</tr>
<tr>
<td>Project unfinished</td>
<td>Bay Link</td>
<td>?</td>
<td>?</td>
</tr>
<tr>
<td>Total Jobs/ Businesses</td>
<td></td>
<td>2,103</td>
<td>183</td>
</tr>
</tbody>
</table>

(3) The number of businesses and employees are shown separately for the City Side Estate and unit factories. These add up to the totals of 58 and 360, as shown in GRC, Annual Report 1989/90, p. 9.

(4) Author's estimate based on 5 persons per business, which is half of the ratio for the aggregate of the number of employees on the Cowie, Breakwater and City Side Industrial Estates.

(5) Estimate of start-up employment at the BWK plant in 1993 based on City of Greater Geelong, Geelong Region Manufacturing and Processing Register, May 1999, p. 60.

(6) GRC, Annual Report 1991/92, p. 24 gives the total number of businesses on the service business estate as 22, with employment at 75. (There is no earlier reference in the available literature to the number of businesses and employment on this estate.) The latter employment figure appears to be exclusive of Rip Curl, which had 180 employees as of June 1992 (GRC, Geelong Region Industrial Register 1991/92, December 1991, p. 112.) The author has assumed, therefore, that total employment on the estate is 255.


(9) Author's estimate.

(10) Author's estimate.


(12) Author's estimate.

(13) Author's estimate, based on 3 jobs per business.

(14) Author's estimate, which excludes all volunteer staff.

(15) GRC, Annual Report 1991/92, p. 24, gives the total number of businesses on the estate as 22. The author has assumed that 9 are retail/food outlets in Surf Coast Plaza, leaving 13, including Rip Curl, on the estate. GRC, 'Briefing Paper for the GRC Administrator,' April 1993 stated that 9 shops were leased as of April 1993.

(16) The author has assumed that this includes 10 retailers and food outlets on Surf Coast Plaza, with an average of three employees per business.

In their endeavours to generate jobs and new investment in the Geelong region the Commissioners showed considerable flexibility. This ranged from using the conventional approach of providing serviced land and building unit factory incubators; to building community facilities on industrial estates; and undertaking major themed tourism developments in an attempt to diversify the regional economy. Overall Atkins and the Commissioners demonstrated an entrepreneurial spirit. This was best exemplified by the purchase of the IHAL plant at North Shore and converting it into a factory complex; and developing Surf Coast Plaza around the surfing manufacturing and retailing businesses located on its Torquay Service Business Estate. Cowling reported that project management was a strength of the Commission. 163

163 Interview with Cowling, 12 August 2004.
The Commissioners and staff also carried out the organisation’s development policies with drive and perseverance. There is little doubt that this was why they were able to attract 183 businesses through these developments and in so doing, generate 2,100 jobs; consolidate the ownership of the Bay Link site over a period of 100 months; and create the National Wool Centre from a concept to an award-winning tourist facility over a seven year period. Drive was also a source of vulnerability for Atkins and the Commissioners and it generated antagonism from some elements of the Geelong community and opportunistic politicians.\textsuperscript{164} In the case of the prolonged legal battles over the planning permit for the tavern at the Surf Coast Plaza, the Commissioners fought the matter to the point where the Minister intervened. In the case of the Bay Link project, although the Commissioners compromised on a number of points, the closure of Eastern Beach Road became an issue that divided the Commissioners and the Councillors of the City of Geelong irreconcilably. This led to the largest and most expensive project undertaken by the Commissioners to be stalled, at great cost to the GRC.

The performance indicator for physical development in the Commission’s third corporate plan was for the GRC to undertake $40 million of development in 1988/89. This included the National Wool Centre, City By The Bay projects (Bay Link) and possibly a ‘Transport Museum.’\textsuperscript{165} The GRC did not achieve this target because the Bay Link element of the City By The Bay plan and the Transport Museum did not eventuate. The feasibility study for the latter project showed that it was not practicable. The Dalgety’s Wool Store, which was marked for the project, was finally transferred to Deakin University to house its Waterfront Campus.

It has not been possible to confirm the financial performance of each of the segments of the Commission’s development program, but this study has shown that the Commissioners’ venture into tourism projects was fraught with financial

\textsuperscript{165} GRC, ‘Forward Plan 1988/89-1990/91,’ Section 5 Indicative measures.
problems. Compared with the Commission's other developments these had the highest financial exposure, making them the most critical to the total program's viability. Nevertheless the Commission's overall development program was still able to operate with a surplus to the end. As the Administrator noted in the final GRC Annual Report:

The retirement of Geelong Regional Commission debt was a key focus of the wind up process and was dependent on the successful sale of properties. Total debt at market value as at 23 November 1993 was some $10 million. Sales under contract and negotiations as at 3 December 1993 will permit full retirement of that debt.\(^{166}\)

This result had been achieved despite a "substantial reduction in the value of the [Commission's] property portfolio,"\(^{167}\) which resulted from a revaluation of assets that was carried out as part of the wind up of the organisation.

Overall, the Commissioners met the corporate plan objectives for physical development and were successful in their aim to generate new investment and employment from their development program.

\(^{166}\) GRC, Annual Report 1 July 1993 to 3 December 1993, Administrator's Foreword.

PERFORMANCE OF THE GRC IN PLANNING AND COORDINATION

9.1 Introduction

Because the GRC was based on a growth centre model, statutory and strategic land-use planning were mainstream functions of the organisation, along with economic development. This differentiated the GRC, and local government, from other L&REDOs, which were designed to carrying out economic development only.

The Commission’s planning objectives focused mainly on adhering to the processes of planning. In 1982 the objective was:

[To] Establish and maintain a strategic and statutory framework for the preservation, development and enhancement of the Region and administer the Geelong Regional Planning Scheme as an effective and responsible planning control.

By 1992 the wording had changed, but the intent remained the same.

In the Commission’s corporate plan for 1988/89-1990/91, the strategic planning performance indicator was “The release of at least 12 years of developable land to support the attraction, expansion and diversification of the Region’s economic base.”¹

The Commission’s statutory and strategic planning processes had definite and significant outcomes for the Geelong region. This study examines some of these outcomes and presents an assessment of the performance of applying the process against the planning objective of the Commission’s corporate plans. In addition the allied functions of coordination and protecting the natural environment are reviewed.

¹ GRC, ‘Forward Plan 1988/89-1990/91,’ Section 5, Indicative measures
9.2 Statutory planning

The GRC administered the Geelong Regional Interim Development Order (GRIDO) and its successor, the Geelong Regional Planning Scheme (GRPS). These instruments controlled the use of all the land in the Geelong region. When the Victorian Government approved the GRPS on 4 November 1981, the Scheme replaced the 17 planning schemes that had formerly applied to the region. Some of the Commission’s statutory planning responsibilities included recommending the rezoning of land to allow for residential subdivisions; implementing rezoning outcomes of structure plans; introducing outdoor advertising controls; implementing the adopted recommendations of major studies; providing controls for the preservation of historic buildings and areas and objects of natural beauty or interest; introducing detailed urban conservation controls; and making changes to correct anomalies in the GRIDO or GRPS. In 1981 the GRPS was the only regional planning scheme in Victoria that was fully delegated to municipal councils, and was one of only two statutory regional schemes operating in the State. Overall, the Chairman and the staff were highly regarded for their competence in statutory planning.

Many amendments had major ramifications for organisations, corporations and residents of the region. For example, in the late 1970s the Commissioners approved the reservation for the outer freeway, thus ensuring the long term tenure of the Geelong urban area by-pass road system; and rezoned 766 hectares of land at Point Wilson for the then proposed $500 million petrochemical plant to be built by ICI Australia Ltd. The other significant matter from these times involved Myer Shopping Centre Pty. Ltd. In this case the Commissioners rejected a proposed rezoning of 4.622 hectares of land in North Geelong from Industrial A

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to District Business zoning, which would have allowed Myer to develop a 10,000 square metres discount department store adjacent to the head office of its subsidiary, Target Australia Pty. Ltd. Executives of the Myer Group argued that it was necessary to build the new store next to the Target head office to facilitate staff training. They also argued that a modern discount store needed to be freestanding with a surrounding car park. At a 'stormy' meeting on 25 October 1979, the Commissioners resolved to uphold the objections to the proposed change to the GRIDO. This decision was made by the narrowest of margins, with Atkins deciding the matter with his casting vote. In taking this action he supported the Commission's planning staff, who had recommended against the proposed rezoning on the grounds that it was contrary to the Commission's Geelong Region Retail Strategy. This policy was based on the tenets of central place theory and opposed indiscriminate development of shopping centres in the region, as this type of development would retard the growth of the Geelong Central Business District (CBD). Garry Brennan, a reporter with the Geelong Advertiser estimated that some $10 million of retail revenue would have been syphoned from the CBD if the Target discount store had been established in North Geelong.

The Commissioners’ resolution heightened tension over what was already a strained community situation. In April 1979, prior to the Commissioners’ decision, the Geelong City Council had agreed to allow Myer to proceed, subject to the rezoning. Brennan, suggested that the council ignored the policy of the ‘Geelong Region Retail Strategy,’ because a Myer executive told a meeting of council that “. . . the company would pull its [Target] head office out of Geelong and mothball plans for expansion of the [Myer] city department store unless Myer

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5 Geelong Advertiser, 'City By the Bay supplement,' 6 November 1981, p. 7.
6 GRC, Minutes of Meeting No. 28, held on 25 October 1979, Resolution No. 28.7; Geelong Advertiser, 'City By The Bay supplement,' 6 November 1981, p. 7.
7 The Commissioners adopted the strategy in December 1978.
8 The Commissioners contended that "... there were adequate provisions for new discount retailing operations, either in existing centres or in a new centre south of the Barwon River." GRC, Annual Report 1979/80, p. 5.
had its way.” 10 Brennan describes the period of the objection hearings as one in which “Supreme Court writs were waved about like confetti and highly paid legal wizards descended on Geelong to represent various interests at the GRC objection hearings.”11 He observed that the tied vote of the Commissioners had mirrored the opinion of the community, and suggested that “... few issues in modern times have split a town down the middle like the Target discount store row.”12 In essence the supporters of Target feared that if the store was not allowed to be built in North Geelong, then Target would leave Geelong. On the other hand, the anti-Target faction feared that if Myer had its way, retailing in the CBD would never recover. The executives of Myer and their supporters fought the decision of the Commissioners vigorously. Brennan reported that:

... the antagonists took their causes to the streets of the city. The company’s local [Target] head office staff launched a campaign to have the decision overturned, Geelong city councillor Anne Fuller, the wife of a Target executive, set a private campaign rolling which involved letter-boxing 47,500 households in the Geelong region. All this time, the company fought tooth and claw with a no holds-barred publicity campaign in the local press.13

The matter was reviewed again by the Geelong City Council, which reversed its former decision and dropped its support for the proposed amendment. The executives of the Myer Group then applied directly to the Minister for Planning for a ministerial amendment to allow the development to proceed. After some eight months of deliberation, and a consultation with the Cabinet of the Victorian Government, the Minister rejected the Myer Group’s bid for the rezoning. Brennan noted that during this period the small business lobby in Victoria had pressured the Minister to stop the proliferation of discount stores in Victoria.14 As I discuss below, the Myer Group did not let the Commissioners’ decision influence them unduly as they agreed with the Victorian Government to be the developer of the City By The Bay project, based, in large part, on their acquisition
of the waterfront wool stores.\textsuperscript{15} There is little doubt, however, that if the Commissioners had let Myer proceed with the Target discount store in North Geelong, the City By The Bay development would have been seriously compromised, or as Brennan suggested, never been built.\textsuperscript{16} Atkins concurred with this assessment.\textsuperscript{17}

9.3 Strategic planning- structure planning

The intent of structure planning was to "... provide a long-term framework [up to 15 years] for the future developments of specific areas and thus give certainty to residents and the business community that towns and areas will develop in accordance with the principles of good town planning practice."\textsuperscript{18} The plans were prepared from comprehensive community consultation and analysis, and among other aspects, set out residential, industrial and commercial zones, as well as identifying the community and physical infrastructure that was needed to support development. In this way the Commissioners gave effect to the objective of the Geelong Regional Commission Act to involve the people in planning the future development of the region,\textsuperscript{19} and significantly, involved the people in enhancing the region and its natural assets.\textsuperscript{20} While preparing these plans the staff of the Commission also worked closely with officers of the relevant municipal councils and statutory authorities and government departments, such as the Geelong and District Water Board, the Ministry of Education and the Department of Conservation and Environment.\textsuperscript{21} Between 1977 and 1993 the staff prepared structure plans for seven country towns,\textsuperscript{22} eight coastal towns,\textsuperscript{23} three new

\textsuperscript{15} Atkins reported that, while the relationship between Myer’s executives and himself were strained after the Target issue, by the time Myer had accepted responsibility for the City By The Bay project, both he and Jim Cox, Myer’s Property Director, were working cooperatively. Interview with Atkins, 6 May 2004.
\textsuperscript{16} Geelong Advertiser, 6 November 1981, p. 7.
\textsuperscript{17} Interview with Atkins, 6 May 2004.
\textsuperscript{18} GRC, Annual Report 1979/80, p. 6.
\textsuperscript{19} GRC, Annual Report 1979/80, p. 6; Geelong Regional Commission Act 1977, Section 3 (a).
\textsuperscript{20} GRC, Annual Report 1979/80, p. 6; Geelong Regional Commission Act 1977, Section 3 (b) (ii).
\textsuperscript{21} GRC, Annual Report 1991/92, p. 28.
\textsuperscript{22} Bannockburn, Inverleigh, Lara, Lethbridge, Meredith, Moriac and Wallington.
Geelong suburbs\(^{24}\) and five inner-city locations,\(^{25}\) including the Geelong central area.\(^{26}\) Through these activities, the Commissioners exceeded the strategic planning performance indicator in the corporate plan for 1988/89-1990/91. The provision of developable land was further reinforced by the implementation of the land-use planning projects of the Geelong Region Development Strategy (GRDS).

### 9.4 Strategic planning - The Geelong Region Development Strategy

In April 1984 the Minister for Industry, Technology and Commerce, Ian Cathie, announced new industrial and regional policies for Victoria, which required regions, such as Geelong, to prepare economic development strategies.\(^{27}\) This announcement coincided with the Commissioners’ decision to review the planning scheme in the context of the region’s future needs.\(^{28}\) Accordingly, in June 1984, the Commissioners began the process of preparing the first ten-year regional strategic plan in Victoria.\(^{29}\) Significantly, they decided to include strategies for selected human services as well as economic and land-use planning. They stated that “By setting the Region’s physical, economic and social direction through the Development Strategic Plan . . . it will mean that Geelong’s development will be created from its own impetus and will not be so vulnerable to external factors.”\(^{30}\) This view shared common ground with the Hawke and subsequent Commonwealth Government’s philosophies of regional self-help.

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23. Airey’s Inlet, Anglesea, Barwon Heads, Belbrae, Drysdale/Clifton Springs, Jan Juc, Ocean Grove and Portarlington.
25. Belmont Shopping area, Geelong City Centre, Pakington Street Shopping Centre, City of Geelong West and West Fyans Street.

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initially enunciated in April 1986. It also foreshadowed the trend to sustainable development that became a worldwide practice from the early 1990s.

While the Victorian Government’s policies and the Commission’s plans played a central part in formulating the GRDS, the strategy also included the community and the private sector. The responsibilities for implementing the 133 tasks in the GRDS were spread between local government, regional offices of state government departments, statutory authorities, private organisations and the Commission.

In structure, the strategy provided a ten-year vision, which set out the broad direction of the region’s development. This was supported by a five-year implementation plan that identified goals, action programs, tasks, timelines, responsibilities and priorities. Each year the programs were developed into a detailed set of costed tasks for the work to be undertaken. Performance against the GRDS was assessed by the Commission’s planners in 1989/90, 1990/91 and 1991/92, and published in special reports for the community.

The goal of the GRDS was:

To increase the capacity of individuals within the community to exercise choice, principally through the generation of wealth in the regional economy and through optimum development of community resources.

This goal was supported by three sub-goals, which covered competitive advantage, cost effectiveness, and the achievement of quality in both the physical and social environments of the region.

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32 Stimson et al., pp. 9, 10; McLean and Grant maintained that before the formation of the GRC, the GRFA had "a strong belief in the integration of economic, physical and social planning, and that "it [the GRFA] had acted as a facilitator, advocate and promoter of and for the Geelong region in its economic development role." McLean and Grant, 'Geelong Regional Commission's Role in Planning and Development.'
34 The GRC was responsible for 59 tasks. Calculated by the author from GRC, Directions, pp. 49-99.
35 GRC, Directions, p. 43.
The main thrust in competitive advantage was "To increase employment and maximise linkages and skills in those industries . . . where an existing competitive strength is identified." In taking this approach the planners were adopting Porter's concept of competitive advantage as the prime method of facilitating economic development, and giving effect to the contention of Blakely and Bradshaw that the prime goal of economic development is "to increase the number and variety of job opportunities available to local people." Under this, sub-goal there were 13 action programs and 51 tasks. The programs covered items such as adding value to the region's primary base, facilitating technology transfer, developing 'sunrise' industries, developing exports, diversifying the economic base, developing tourism, improving business related educational resources, developing communications infrastructure and promoting the region. The economic planners calculated that to reduce unemployment levels it was necessary to increase the absolute number of jobs in the region by 1000 per annum over the decade, starting in 1988/89. This was stated as one of the performance indicators of the strategy. In the first year the regional work force increased by 1,072 jobs; in the second the increase was 558; but in the third year (1990/91), when the recession was at its worst, the number of jobs in the Geelong regional work force decreased by 1,084. Other indicators included a minimum two per cent per annum increase in employment by employers that derived more than 40 per cent of their revenue in the trade exposed sector, and an increase in private non-residential investment in the Geelong region, as a proportion.

26 GRC, Directions, p. 43.
27 Porter, pp. 77, 78.
28 Blakely and Bradshaw, p. 55.
39 Calculated by the author from data contained in GRC, Geelong Region Economic Indicators Bulletin, Vol.14, No. 2, June 1992. The officers of the GRC carried out similar calculations using ABS data for the South Western Victoria and found that the figures for the second and third years were 600 and 1,500. The variations between the two sets of figures are due to the different methodologies used and the fact that different geographic areas were used, that is, the Geelong region and the South Western Victorian ABS Statistical Division.
40 The trade exposed sector is that area of business that derives its revenue from overseas exports or is in competition with imported products.
compared with Victoria. These measures were based on the assumptions in the GRDS that the economy would not become "... significantly worse than ... [it was in 1988];" and that the manufacturing workforce would "... remain relatively stable." In light of subsequent events, these assumptions proved to be very optimistic. The first public review document on the implementation of the GRDS, published in December 1989, showed the change in employment of those businesses in the trade-exposed sector, for the period of 1988/89 to 1990/91, was plus 3.5 percent. In the second public review document published in June 1992, the figure had dropped to minus 21.6 per cent. This reflected the position in the total Geelong regional workforce. Despite the fact that the regional labour force increased by 6,592, or 8.3 per cent over the period, the workforce experienced a decline due to the rapid increase in the number of unemployed. This was due mainly to the adverse affects of the recession and the ongoing restructure of the manufacturing sector. The change in private non-residential investment between 1887/88 and 1988/89 was plus 27.4 per cent for the Geelong region and plus 14.3 per cent for Victoria. Between 1988/89 and 1989/90 the proportions were minus 11.9 and minus 15.7 per cent, respectively. In the following year the proportions were minus 29.8 and minus 44.4 per cent. While the Geelong region fared better than the Victorian economy in investments in private non-residential development, after 1988/89, the region suffered from the poor investment climate of the times.

The sub-goal of cost effectiveness, dealt mainly with land-use planning and the provision of infrastructure. Its aim was:

To provide and utilise basic community infrastructure such as roads, sewerage, water, hospitals, schools and parks, at least cost and in a manner

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42 GRC, Directions, p. 31.
which will maximise the choice available to the people who want to live work and recreate in the Region.\textsuperscript{45}

This sub-goal was made up of ten action programs and 43 tasks covering matters such as, the City By The Bay project; the limits of growth of the region; innovative higher density housing in urban Geelong; the direction of growth of industrial and residential development; the development of coastal towns; the provision of long-term physical services; the priority of implementing major infrastructure; as well as traffic management and car parking in urban Geelong. To measure the performance for this sub-goal the planners chose the reduction in recurrent expenditure on urban services, such as water supply, over the period of the plan. Because the planners expected that it would take up to five years to gauge the effectiveness of the programs, the performance of this sub-goal was never measured.

The aims of quality of the physical environment sub-goal were:

To protect the main natural features and assets of the region including the ocean and bay coasts and the Barwon-Mooreanoo River system, and to enhance the use or appreciation of landscapes, buildings and open spaces which are, or could be, of recognised importance to the community.\textsuperscript{46}

This sub-goal had six action programs and 30 tasks covering matters such as protecting the river systems from urban encroachment; protecting significant flora and fauna habitat; improving the visual aspect of the urban environment; improving the quality of access to natural and man-made features of the region; and limiting outward urban expansion in all coastal towns, except for those designated for growth. These programs recognised the importance of a balance between the needs to conserve the environment and cater for appropriate development. It was therefore not surprising that the performance measurements were to increase visitations to the region over the life of the strategy; and to achieve an increase in the proportion of land set aside for passive recreation and development. The planners envisaged that this reserved land would include state

\textsuperscript{45} GRC, Directions, p. 31.  
\textsuperscript{46} GRC, Directions, p. 46.
parks and fauna reserves. Between 1988/89 and 1989/90 visits to the region increased to 1.1 million, an increase of 14 per cent compared with the previous year, and, as we shall see in chapter 10, there was a further increase of 11 per cent between 1989/90 and 1992/93. With regard to the creation of land for recreation, there was an additional 53.3 hectares of public open space created in the region between 1989/90 and 1990/91, much of which was due to the Commissioners’ acquisitions. This is discussed below.

The aim of the quality of social environment sub-goal was much more modest, in that the planners sought “To ensure that the social development of the region is assisted by the efficient planning and delivery of human services.” The strategy contained two action programs and ten tasks. As the second largest city in Victoria, Geelong had a well-established system of social services, which were provided by local government, Victorian and Commonwealth Government Departments and a range of public and private service facilities. As a result, the planners were more concerned with improving the coordination of the delivery of services and the provision of data to assist decision-making, than the operation of the individual services. The intent of the strategy was to develop a pilot study for a central body to assist in the coordination of individual human services across the region. A limited number of services were chosen for the study. These included housing, residential childcare, care of the elderly and people with disabilities, and post-secondary education. The performance indicators for this sub-goal were “The existence of agreed regional plans in the areas of public housing provision, care for children at risk and care for the aged and persons with a disability,” and “a 10% increase in the participation rate of young persons in tertiary educations or vocational training programs over the period of the plan.” By June 1992 the objectives had been achieved. Plans were completed for the Home and

47 GRC, Directions, p. 83.
50 GRC, Directions, p. 46.
51 GRC, Directions, p. 31.
52 GRC, Directions, p. 83.
Community Care Program, Residential Child Care Intellectual Disabilities, Child Protection and Support Accommodation for the Homeless. In the tertiary education field enrolments at the Waurn Ponds campus of Deakin University, between 1988/89 and 1991/92, had increased by 33.7 per cent, while enrolment at the Gordon Technical College had risen by 10.9 per cent over the same period.53

The inclusion of a limited number of services in the study was criticised by some municipal councils. They demanded that more of the services that were delivered by local government should be included.54 Their criticism was justified because the chosen services were mostly those that were delivered by state government departments.

The initial stages of the preparation of the GRDS was devoted to comprehensive research by consultants and extensive consultations with regional organisations and businesses, local government, Victorian Government Departments and key individuals. In April 1985 the Commissioners released a public discussion document entitled 'Regional Overview and Issues.'55 Data from consultants' reports and community submissions were then coordinated by the planners and compiled into three documents dealing with economic development, urban and township development and human services initiatives. A fourth drew all three documents together and provided the basis of the development strategy. These documents were released by the Commissioners in January 1986 and distributed widely throughout the region under the title of 'Geelong Region Framework for the Future.'56 In concert with this, planners held wide-ranging discussions with interest groups, including all municipal councils in the region.57

53 Calculations by the author from GRC, Geelong Region Economic Indicators Bulletin, Vol. 1, No. 1, March Quarter 1993, p. 5.
54 Geelong Advertiser, article in 'Town and Country' column, 20 May 1986.
56 GRC, Directions, p. 15.
57 The Commissioners distributed 500 sets of these documents to organizations and interested individuals in the region. 79,000 copies of newspaper supplement entitled 'Geelong Region Towards 2000,' were distributed through the Geelong Advertiser and the Bellarine Echo.
The public discussion phase lasted for six months, after which, 52 submissions were received. As part of the process every submitter was interviewed. After taking these submissions into account Directions: the Geelong Region Development Strategy was prepared. This document was adopted by the Commissioners in early 1988, and released by the Victorian Government on 19 August 1988.58 In all, it took some four years to prepare the GRDS.

Apart from specific concerns by some members of local government on the choice of human services and the proposal for a special levy to fund the Commission’s involvement in tourism promotion and the purchase of public open space, the public discussion papers issued as ‘Geelong Region, Framework for the Future’ drew criticism from Philip Maxwell, the noted Australian economist. In 1986, Maxwell reviewed a number of the identified competitive strengths contained in the draft strategy and concluded that “While supporting its [the strategy’s] general approach, I feel that the GRC has tended to be ambitious in its growth projections, and perhaps a little too parochial in singing the praises of the region.”59 Among other things, Maxwell was referring to the population growth projections made by the planners, who forecast that by 2001 the population of the region would be between 206,000 and 229,000.60 In fact the estimated population of the Greater Geelong region in 2001 was 234, 259.61 In retrospect, the planners had been too conservative. Hansen and his colleagues also reviewed the GRDS in its final form in 1989 as part of their research for the preparation of Regional Policy in a Changing World. They concluded that “The document might well be regarded as a model of long-term planning for the development of a small but

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61 City of Greater Geelong, Geelong Region Economic Indicators Bulletin, 2001/2002, p. 16. The Geelong region in 2001 was larger, geographically, than the Geelong region before amalgamation of councils in the region on 18 May 1993. The 'larger' region included the township of Winchelsea and the small towns in the western end of the Shire of Golden Plains. These additional areas had a total population of 2,582 in 2001.
dynamic regional economy and its community.” They went on to say “The thoroughness, care and professional competence with which the background studies were carried out is apparent from the documents themselves. Equally evident is the prudence with which the people ultimately interested in the implementing of the strategy were brought into the planning process itself.”62 The ultimate test of success of the strategy was in its implementation. Of the 91 tasks to be undertaken in the first four years of the plan, 67 were completed (73.6 per cent), 18 deferred (19.8 per cent) and 6 were not achieved (6.6 per cent).63 This is a credible performance.

1992/93 marked the end of the first five years of the strategy’s implementation plan. Accordingly, the Commissioners initiated a major review of the document in late 1992, but this work was never finished, as the Commission was abolished in May 1993.

9.5 Strategic planning - studies.

Because of its central position in the use of land in the region and the technical competence of its staff, the Commission often undertook the lead role in making submissions on planning issues, as well as coordinating studies on major regional land-use and economic matters. Some of the submissions on state planning matters included the Victorian Government’s proposal to relocate the petrochemical storage facilities at Coode Island to West Point Wilson (1991/92), the Geelong waste water review (1991/92); the Victorian code for residential development (1991/92); the Geelong outer ring road planning study (1991); and the Victorian Government’s development strategy ‘Shaping Victoria’s Future’ (1992).

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62 Hansen et al., P. 188.
Regional studies were often the foundation of the Commission's strategic plans and major projects. For example, the staff undertook studies of the industrial land needs of the community, which were used to determine the policies and actions for the Commission's industrial estates and unit factories. Likewise, the Commissioners used extensive research to develop the 'Rural Area Study' (1978/79), which confirmed the 60 and 20 hectares subdivision minimum allotment size for general and intensive farming respectively, and the studies for the 'Rural Residential Strategies' (1983 and 1993), which prescribed specific locations as nodes for rural residential development in the region. The 1983 strategy became the model for rural residential planning in Victoria. The staff was also involved in environmental protection studies. These included the 'Barwon River Management' (1981), 'Sand Island' (1987) 'Historic Places' (1985/86), 'Flood Land' (1982), 'Foreshore Reserves' between Barwon Heads and Queenscliff (1978), Painkalac Creek Environment' (1988/89) and Salt Lagoon' (1988/89). The Commissioners undertook other studies such as the 'Geelong Regional Recreation Study' (1982), the Caravan and Camping Study (1980/81) and the studies underpinning the Retail Shopping Centres Strategies (1978 and 1990). In regard to these types of activities, Spurling observed that the GRC Commissioners and staff "... were very good at putting in place how growth would develop over a period of time." Among the many significant studies undertaken by the Commissioners, the Geelong Central Area Study (1979) stands out. This provided the basis of the Commissioners' major project – the City By The Bay development plan.

In December 1976 a Steering committee, made up of members of the then GRPA and the Geelong City Council, was established to oversee the development of a strategy for the Geelong Central Area. The strategy was aimed at providing

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66 GRC, Annual Report 1992/93, p. 34.
67 Interview with Spurling, 11 August 2004.
short and medium term guidelines for the development of the Geelong CBD up to the year 2000. Concurrently, the Commissioners engaged PLIA to prepare a report on a strategy for future retail development in the Geelong region. This gave rise to the ‘Geelong Region Retail Strategy,’ which was adopted in principle by the Commissioners in December 1978.\textsuperscript{69} Among other things, the strategy stated that “. . . the Geelong Central Area should continue to be the only true regional centre within the region and should be continually upgraded to ensure maximum attractiveness and shopper amenity.”\textsuperscript{70} In the meantime, the Central Area Study Committee consulted with stakeholders in the Geelong CBD and compiled an extensive array of research.\textsuperscript{71} In January 1979 the Councillors of the Geelong City Council and Commissioners adopted \textit{The Central Area Study – Preferred Strategy Public Discussion Paper}, which supported the ‘Bay Front’ development option.\textsuperscript{72} This option:

provides for the replacement of the obsolete wool stores precinct with the growth of the retail “core” northwards with related office development. . . This has a number of other implications on the city structure such as promoting the recreation/commercial role of the waterfront and allowing for development of substantial areas of medium density development.\textsuperscript{73}

The preferred strategy also recognised that the existing retail area within the CBD was in decline, and the redevelopment and integration of the old wool stores, which had until then acted as a barrier between the ‘retail core’ and the Corio Bay shore line, were the key to revitalising the Geelong Central Area.\textsuperscript{74} The public exhibition of the preferred strategy was launched by the Premier of Victoria on 20 March 1979 and adopted subsequently by the Commissioners and the Councillors after public comment.\textsuperscript{75}

\textsuperscript{69} GRC, Minutes of Meeting No. 18, 7 December 1978, Resolution No. 18.10.
\textsuperscript{70} GRC, Geelong Region Retail Strategy; Research Report Series No. 4, prepared for the GRC by PLIA, December 1978, p. iii.
\textsuperscript{71} The results of the consultation and the previous research resulted in 14 working papers. GRC, Geelong Central Area Study – Preferred Strategy, Foreword; GRC, Annual Report 1978/79, p. 10.
\textsuperscript{72} GRC, Geelong Central Area Study – Preferred Strategy, Foreword.
\textsuperscript{73} GRC, Geelong Central Area Study – Preferred Strategy, p. 17.
\textsuperscript{74} GRC, Annual Report 1980/81, p. 10.
\textsuperscript{75} GRC, Annual Report 1978/79, p. 11.
Importantly, this strategy proposed that the "... future development of Geelong's CBD be directed towards Corio Bay to make use of the commercial/recreational potential of the bay front." 76

In the second half of 1980 Myer Shopping Centres Pty. Ltd. purchased two major wool stores and the old Geelong electric power station in Brougham Street, with the view to developing a new shopping complex. This complex was designed to house its existing Malop Street store and a range of new speciality shops. In all Myer purchased some 30,000 square metres of property across the northern section of the Geelong CBD between Gheringhap and Yarra Streets. 77

Concurrently, the Geelong City Council was undertaking a review of its Market Square site, as many of the long-term leases with existing retailers were due for renegotiation in 1983. Market Square was especially important, as it occupied the retailing centre of gravity in the Geelong CBD, and the Myer development held the potential of shifting the retailing core too far to the north of the CBD. At the same time as these development were taking place, a committee comprising the Geelong Harbour Trust and the GRC among others, was developing the concept of a Marina to be located between Cunningham and Yarra Street piers. The Commissioners and the Ministers for Economic Development and Planning recognised the need to coordinate development activities within the Geelong CBD to avoid conflict between the developers of these projects. Accordingly, the Ministers requested the Commissioners to initiate the City By The Bay study of Geelong's inner city redevelopment. This was done with the support of Myer and the Victorian Government. 78

As part of the study, Atkins visited the bay side cities of San Francisco, Los Angeles, Atlanta, Baltimore, Detroit, Chicago, Boston, Toronto and sites in the

76 GRC, Geelong - City By The Bay, December 1981, p. 10.
77 GRC, Annual Report 1980/81, p. 6, 10.
United Kingdom during April and May 1981. In particular, the waterfront developments at Baltimore influenced the final plan for the Geelong foreshore.

The Victorian Liberal Government adopted the City By the Bay concept on 13 October 1981 and in the following month, declared the project to be of special significance to the economic development of the State of Victoria. The development concept went on exhibition on 5 November 1981. At the same time the Geelong Central Area Redevelopment Interim Development Order (IDO) was declared. This IDO reduced the main retail zone in the Geelong CBD, in line with the provisions of the Geelong Central Area Strategy. The IDO was necessary... to prevent speculative applications for land use and development which may eventually negate the intention of the formalised [Geelong Regional Planning] scheme amendment between the time of public exhibition and final approval.

Stage 1 of the project focused on the area bounded by Ryrie Street in the south, the Corio Bay shoreline in the north, Yarra Street in the east, and Moorabool Street in the west. It was made up of the existing retail centre based on the Market Square (located between Ryrie and Little Malop Streets), the new retail precinct, based on the old wool stores (located between Malop and Brougham Streets), and the new tourist precinct, located between Brougham and the shore line. These are shown in figure 8.1. The Myer Group was to be the sole developer of the new retail precinct and the foreshore area, with the Geelong City Council retaining responsibility for its Market Square site. The Commissioners estimated Stage 1 would be... firmly in place by 1985.

The development plan proposed that these three elements be linked by a north-south, all-weather pedestrian spine. In addition, the concept of Stage 1 identified
projects such as the National Wool Centre, an aquarium on the foreshore, an industry technology centre, a hotel-convention centre, a tavern, a restaurant on Cunningham Pier, a marina east of Yarra Street Pier and medium density housing along Western Beach. On the foreshore, the plan called for the Eastern Beach Road to be closed to provide an uninterrupted area for a passive park, international market, Farmers’ market, food hall, broadwalk and multi purpose entertainment space. In all, Stage 1 of the project was costed at $66 million. The Geelong City Councillors endorsed and supported the concept.

Officers of the GRC estimated that, as a result of the implementation of the first stage of the development, an additional 780 jobs would be created in retailing, some 200 new jobs in tourism and another 600 to 1450 new jobs in Geelong’s service sector. They also estimated that there would be approximately 450 construction jobs on-site and 325 jobs off-site at the peak building period.

On 8 April 1982 the Cain Labor Government was elected to office. The new Minister for Economic Development, Bill Landeryou, placed the City By The Bay plan under review and directed that the Commissioners consult with the Government and the Geelong City Council regarding other options for the foreshore development. As a result the plan was refined to reduce public expenditure; retain the Commonwealth Offices and the Port of Geelong Authority Building on Brougham Street, which had been identified for demolition; and add more public space to the project. With these exceptions, the development concept remained the same. On 7 October 1982 the new Victorian Premier confirmed that the City By The Bay was a project of special significance to the economic development of the State of Victoria.

87 GRC, Geelong City By The Bay, December 1981, p. 64, 73.
88 GRC, Geelong City By The Bay, December 1981, p. 64.
89 Geelong Advertiser Special Edition dated 6 November 1981; Geelong Advertiser, 3 June 1983.
91 Australian Bureau of Statistics, Victorian Year Book 1985, p. 81.
93 GRC, Geelong – City By The Bay - The Bay Link, July 1988, p. 7.
On 9 December 1982 executives of the Myer Group informed the Minister for Economic Development that it was unable to fund its part of the City By The Bay plan and would develop only its own land. This prompted the Geelong City Councillors to proceed with the construction of Market Square. The plan, drawn up jointly by officers of the GRC and the Council, required the floor space to be increased from 9,290 to 21,300 square metres. The $30 million development contained a department store, supermarket, specialty shops, restaurants and on-site parking for 600 cars. Because of the size of the project, the Victorian Parliament had to pass the Market Square Act on 30 March 1983 to enable the Geelong City Council to borrow enough funding. Rod McKenzie, the Minister for Lands, stipulated that the State Government had to have involvement through the GRC. As a result the Commissioners and Councillors agreed that Atkins would be the Project Manager of the development. As part of this arrangement, Atkins was able to draw on the resources of the Commission. The State Government gave its approval to finance the venture on 14 June 1984 and construction began in September. By 13 November 1985 the shopping complex was trading. In addition to the action taken by the Councillors, the Commissioners had decided, in late 1983, to begin the implementation the foreshore element of the City By The Bay plan. This was discussed in detail in Chapter 8.

By June 1985 the Perron Development Group (from Western Australia) became the joint venture partner of the Myer Group in the development of the new retail precinct. This development, known as Bay City Plaza, was completed in April

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96 Interview with Atkins, 6 May 2004.
98 GRC, Minutes of Meeting No. 73, 1 December 1983, Resolution No. 73.C7.
100 GRC, Annual Report 1984/85, p. 20.
102 Geelong Advertiser, 8 December 1983.
1988 at a cost of $45 million. It contained Myer’s expanded department store, a Target and Treasureway discount stores, a Coles New World super market and specialty retailers. The 35,000 square metres shopping complex was built behind the wool store façade along Brougham Street, between Moorabool and Yarra Streets. The construction drew much criticism from the Geelong Environment Council and individuals in the conservation movement, as the wool stores were largely demolished (except for the façades of the buildings) and the project had absorbed the section of historic Corio Street, between Moorabool and Yarra Streets. With the completion of Bay City Plaza the retail element of the City By The Bay plan was finalised. However, as we saw in Chapter 8, the momentum of the project was lost with the problems encounter with the Bay Link element, despite the best endeavours of the Commissioners.

9.6 Public open space

As we have seen, the Geelong Regional Commission Act empowered the GRC to plan, coordinate, integrate and manage the “improvement and enhancement of the region and the protection of areas within the region of natural beauty or of special significance to the region.” To this end the Commissioners received an annual grant from the Victorian Government to purchase land that had been reserved in the GRPS for its landscape and/or environmental value to the region or the State. Over the lifetime of the GRC the Commissioners acquired land of significance at Airey’s Inlet, along the Barwon River, in Ceres, Fyansford, Ocean Grove, Point Wilson, Swan Bay and St. Leonards, on the flood plain at South Geelong and along the Waurum Ponds Valley. Although the Victorian Government provided the majority of the funding for the public open space

105 The Geelong Regional Commission Act 1977, Section 3.
program, the GRC provided some funding, as did the Barrabool Shire Council in the case of Mellor’s Swamp at Airey’s Inlet.\textsuperscript{108}

The intent of the Commissioners was often solely to protect coastal areas or native habitat. Between 1977 and 1988 the Commissioners undertook the reconstruction of an inappropriate beachfront development in Ocean Grove, to obviate the need to build an esplanade on the fragile foreshore sand dunes.\textsuperscript{109} In 1978 the Commissioners negotiated with ICI Australia Limited to reserve land along the eastern and southern shoreline of Corio Bay, which abutted the company’s proposed petrochemical plant at Point Wilson. This was done to protect the habitat of the rare Orange-Bellied Parrot.\textsuperscript{110} The Commissioners also entered into a joint venture agreement with the Shire of Barrabool, in 1979, to purchase 4.95 hectares of land known as Mellor’s Swamp. This land abutted the mouth of the Painkalac Creek, the Great Ocean Road and the shoreline of Bass Strait at Aireys Inlet\textsuperscript{111} In St. Leonards, in 1980, the Commissioners purchased 26.32 hectares abutting Salt Lake. 18.8 hectares was zoned as Rural (Conservation) and 7.5 hectares became public open space. This ensured that the whole of the southern shore of the lake was in public ownership.\textsuperscript{112} Much of the other land acquired by the Commissioners was converted into public open space. 2.5 hectares of land adjacent to the Ceres Lookout became Drewan Park in 1980.\textsuperscript{113} Seven acres of land in Ocean Grove, known as Kingston Park, was ‘unlocked’ when the Commissioners purchased allotments in Ocean Throughway to provide access to the beachfront.\textsuperscript{114} Between 1985 and 1990 the Commissioners undertook a program of acquisition in the Waurn Ponds Valley to provide a permanent open space spine along the environmentally sensitive valley. In this way the Commissioners preserved public land in the midst of an area marked for future development. Although the GRC retained ownership of this

\textsuperscript{108} GRC, \textit{Annual Report 1 July to 3 December 1993}, pp. 20-22.
\textsuperscript{111} GRC, \textit{Annual Report 1978/79}, p. 11; Interview with Atkins, 6 May 2004.
\textsuperscript{112} GRC, \textit{Annual Report 1979/80}, p. 10.
\textsuperscript{113} GRC, \textit{Annual Report 1979/80}, p. 16.
\textsuperscript{114} GRC, \textit{Annual Report 1981/82}, p. 35.
land, it was managed by the Victorian Department of Conservation and Natural Resources and the relevant Shire Council.\footnote{115} It was generally the responsibility of the management group to pay for recurrent costs and capital works on the land. When the GRC was abolished, most of the Commission’s public open space was transferred to the Greater Geelong City Council, which became the Committee of Management. In the case of Salt Lake, the Department of Conservation and Natural Resources assumed responsibility and as part of this arrangement, some five hectares of land was excised for sale as residential allotments.\footnote{116} In the case of Mellor’s Swamp, the Barabool Shire Council declined to become the Committee of Management. As a result the Urban Land Authority took responsibility for the Commission’s 50 per cent share.\footnote{117}

9.7 Coordination

The objective of coordination was:

[To] Coordinate and facilitate the provision of services, facilities and information for the encouragement of existing and new businesses, planned development within the Region and the improvement, enhancement and protection of significant areas.\footnote{118}

By the early 1990s this objective had been broadened to include the implementation of government directives and the initiation of actions to improve social and economic development and the growth of the region.\footnote{119}

Atkins reported that “... Business, councils, local community groups and individuals came to us [the GRC] seeking our leadership or assistance regarding an extremely diverse range of issues.”\footnote{120} In addition to strategic planning matters such as those discussed above, issues included developing the Geelong Bike

\footnote{115} Interview with Atkins, 6 May 2004.
\footnote{116} GRC, Annual Report 1 July to 3 December 1993, pp. 21.
\footnote{117} The Urban Land Authority assumed the ownership of the Commission’s share of the land as the Crown was precluded from being a part owner of property. GRC, Annual Report 1 July to 3 December 1993, pp. 21, 22.
\footnote{118} GRC, Corporate Plan 1982/83-1984/85, p. 11.
\footnote{120} Interview with Atkins, 6 May 2004.
plan;\textsuperscript{121} coordinating the advisory service of the Royal Australian Architect's Institute, which was assisting the victims of the bushfires in the Otway Ranges in February 1983;\textsuperscript{122} initiating the National Aquatic Festival on the foreshore;\textsuperscript{123} and being the designer and prime fund raiser for the Geelong Sailing and Water Safety School.\textsuperscript{124} In another vein, the Commissioners and staff coordinated the tasks of influencing the National Rail Authority to direct the standard gauge railway line through Geelong,\textsuperscript{125} and managing the economic summit, in the wake of the collapse of the Farrow Group of Building Societies.\textsuperscript{126} Not all of the Commission's coordination projects were successful. The Commissioners did not succeed in their bids to establish a casino and a tabaret on the Corio Bay foreshore,\textsuperscript{127} or to establish a television service for the Geelong region.\textsuperscript{128} Likewise they were unsuccessful in attracting the project to build the Royal Australian Navy's Collins Class submarine fleet,\textsuperscript{129} or gaining scheduled passenger and freight air services into Geelong.\textsuperscript{130} Some of these successes and failures are discussed in greater detail below.

In the late 1980s, after some 120 years of cost inefficiencies due to the use of different railway gauges, the governments of Queensland, New South Wales, Victoria and South Australia agreed with the Commonwealth Government to establish a standardised gauge to connect their respective state capital cities. The GRC Commissioners headed a Committee, including the Port of Geelong Authority, Shire of Corio, Geelong and Region Trades and Labour Council and the Australian Chamber of Manufactures (Geelong Branch), which aimed to have

\textsuperscript{122} GRC, Annual Report 1982/83, p. 21.
\textsuperscript{123} GRC, Annual Report 1985/86, p. 12.
\textsuperscript{127} GRC, Annual Report 1990/91, p. 15.
\textsuperscript{130} GRC, Annual Report 1991/92, p. 20.
Geelong included on this line. The Commissioners believed that if the region was to ultimately realise its potential of being a transport hub in South-Western Victoria, the inter-capital standard rail line had to go through Geelong. At the start the National Rail Corporation (NRC) indicated that the main line should go via Ballarat, with Geelong being connected by a spur line. The Commission’s staff successfully lobbied officers of the NRC, government ministers, local politicians and senior government department officers to have this changed in Geelong’s favour.\(^{131}\) The staff proved to the officers of the NRC that it was more cost effective to locate the main line from Melbourne to Adelaide through the flatter regions of Geelong and Cressy, rather than have it routed though the western highlands of Ballarat. Today, the line is in operation through Geelong and the NRC has agreed to spur connections to the Port.\(^{132}\)

After the collapse of the Farrow Corporation in June 1990\(^{133}\) and the rapid downturn in the national economy, many businesses and families in the Geelong region suffered significant hardship, and community morale fell. As a consequence the Victorian Government appointed a Ministerial Task Force for Geelong in August 1990.\(^{134}\) Jim Kennan, the Task Force leader, asked the Commissioners to host and facilitate an economic summit to address the concerns voiced by the regional community.\(^{135}\) The Commissioners assembled representatives from private enterprise, the union movement, and the Mayor’s Liaison Committee to form the Geelong Economic Conference Board with the objective.

\(^{133}\) In June 1990, the Victorian Government-appointed administrator announced that the assets of the Farrow Group of Building Societies had been frozen; GRC, *Annual Report 1990/91*, p.5.
\(^{134}\) GRC, *Annual Report 1990/91*, p.5. Up until this time the GRC Commissioners had coordinated a community and business advisory service with community welfare and Small Business Development representatives for businesses, organisations and individuals experiencing financial difficulties.
To identify the opportunities and means of strengthening the Geelong Regional economy in the short term by mobilising indigenous resources, expertise and community linkages.\textsuperscript{136}

Atkins was chosen to be chairman of what was called the ‘Action 91’ conference.\textsuperscript{137} The conference was conducted in two stages. First, the Board held an Opportunities Workshop on 13 December 1990, in which 80 persons from the community took part. These represented State and local government, statutory authorities, private businesses, education, sport and recreation groups, welfare organisations and interested individuals. The moderator of the conference was Colin Carter, principal of Pappas, Carter, Evans and Koop, and a member of the Boston Consulting Group, who participated at no cost to the community. The conference held workshops within the areas of ‘new industries,’ tourism and leisure,’ ‘health and well being,’ ‘education and training,’ ‘research and information’ and ‘value-adding.’ As the objective of the project was to gain immediate solutions to the community’s problems, the criteria for selecting an opportunity were:

- Can the opportunity be realised from within the community’s resources?
- Is the opportunity practicable and of benefit to the community? and
- Can the opportunity be developed or implemented in 1991?\textsuperscript{138}

In addition to the outputs from the conference, the Board advertised in the regional print media for ideas from the community at large, as well as conducting field research to obtain the opinions of individuals and organisations with expertise in the targeted opportunity categories. As a result 47 submissions were received.\textsuperscript{139} To provide continuity to the process and impetus to the outcomes

\textsuperscript{136} GRC, Action Geelong 91, Geelong Economic Conference Action Program, March 1991, Chairman’s comments.
\textsuperscript{137} GRC, Annual Report 1990/91, p.5.
\textsuperscript{138} GRC, Action Geelong 91, Geelong Economic Conference Action Program, Chairman’s comments.
\textsuperscript{139} GRC, Annual Report 1991/92, p.5.

The second stage involved the investigation of the ideas to ascertain their commercial viability. To this end Deakin University provided scholarships for seven postgraduate students to conduct the evaluations. This process yielded 23 potentially viable projects. These included a casino for Geelong, a female tradesperson’s register, a Geelong Achievers’ exhibition, solar panel assembly and wind turbine manufacture, a Geelong development bank, promoting the region to retirees, manufacturing wall board from raw sewage (derived from the Geelong Water and Sewerage Trust), and consortium networking.

On 27 March 1991 the projects were presented to the Geelong regional community at a novel launch at the Geelong Performing Arts Centre. Action programs from the final projects were integrated into the 1991/92 program of the GRDS. Responsibility for the implementation of these projects was accepted by key leaders in the community, who were supported by the individuals from the conference. By April 1992 six projects were in operation, nine were in the throes of implementation and eight were still under investigation.\footnote{GRDC, Annual Report 1991/92, p. 5}

This project showed that in a time of great economic need the leaders of the Geelong regional community were prepared to work together to develop a collaborative advantage for the region.\footnote{Stimson et al., Regional Economic Development: Analysis and Planning Strategy, p. 8.} Organisations that normally competed with each other, or did not become involved in general strategic issues, were prepared to cooperate and create an economic benefit for all. This not only yielded substantial projects but also demonstrated that a community working together could achieve positive results. It also showed that the process needed a champion, like the GRDC, to motivate the participants and provide focus for their
endeavours. It was telling that when the GRC was abolished and the GRDS was allowed to run down, the impetus for completing the 'Action 91' projects petered out.

The Geelong region was the "... only region of its size and population not to access a non-metropolitan television service." This came about because Geelong was included in the Melbourne broadcasting catchment, as defined by the Commonwealth Department of Communications in 1961, and therefore did not qualify for a television licence. From 1982 onward the Commissioners tried to redress this situation, because they regarded the lack of such a service placed the region's traders at a promotional disadvantage compared with their Melbourne counterparts and exacerbated the escape of retail expenditure to the capital. This amounted to some $39 million, or 10 per cent of total retail revenue in the region in 1981. In January 1982 the Commissioners made a submission to the Australian Broadcasting Tribunal's Enquiry into cable television. The Commissioners suggested that Geelong was an appropriate location to conduct a trial of cable television. They also argued that an ultra high frequency (UHF) transmission service was more suited to the needs of Geelong. To support their case they published a feasibility study in June 1982, which showed that a UHF service was both technically and commercially feasible. Based on this the Commissioners began the process of applying for a licence for Geelong, but the Commonwealth Minister for Communications did not direct that a hearing be convened for this application. Instead in early 1986, he began a review of television in regional Australia. The Commissioners took this opportunity to pursue proposals for a translator service from nearby regional stations and the establishment of a local consortium to operate a Geelong station. The Minister,

16 GRC, UHF Television Feasibility Study for the Geelong Region, June 1982.
however, would not "... invite applications for a commercial television licence to serve Geelong," and went on to state that "... there was little value in the [Geelong Regional] Commission pursuing the matter further." Undeterred the Commissioners took their case to the Senate Select Committee on Television in early 1987, which unanimously found "... that the Geelong region had a right to a television service [of its own]." Subsequently, the Minister agreed to study the technical and engineering aspects of providing such a service, but in the meantime, the Commonwealth Government adopted a policy of aggregating television stations. The Commissioners realised that this move sealed the issue, particularly as Tricom (BCV8 Bendigo) and Associated Broadcasting Services (BTV 6 Ballarat) withdrew from negotiations with the Department for Communications to provide a service for Geelong. In essence, aggregation "... effectively excludes any change to the metropolitan stations' dominance of the Geelong market." The situation remains the same today. Despite the persistent lobbying and the support of the Senate Select Committee, the Commissioners were unable to convince the Minister and the Officers of the Commonwealth Department of Communications that the grip of the Melbourne television broadcasters should be broken. In October 1995 Nigel Dick, a Director of Southern Cross Media Group, summed up the situation from the Melbourne operators' point of view. He believed that a Geelong television service would not be cost competitive with the Melbourne-based stations; nor would these stations provide a Geelong-specific service. He suggested that they did not feel obliged to do other than what they were doing, as "They regard Geelong, rightly or wrongly, as their territory." 

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150 GRC, Minutes of Meeting No. 104, 25 September 1986, Resolution 104.25; Letter from the Minister for Communications to the Chairman of the GRC, 4 September 1986; GRC, Annual Report 1985/86. p. 12.
152 GRC, Minutes of Meeting No. 117 held on 2 December 1987, Resolution No. 117.28.
9.8 Conclusion

There is little doubt that the work of the planning staff of the GRC, under the leadership of Atkins, was highly regarded by their peers and the regional community at large.\footnote{Geelong Advertiser, Editorial, 18 December 1992.} As the long-time Editor-in-Chief of the Geelong Advertiser Group stated "The Commission has been praised, even by its enemies, for its planning function."\footnote{Geelong Advertiser, 'In My View 'Column, 26 March 1993.}

In addition to the competence of its planners, the Commission gained this recognition through providing certainty for land-use in the Geelong region. Atkins stated that "... I've always felt that our [GRC] strategic and structure planning were important to give the community, the investors and traders a sense of certainty and a sense of place."\footnote{Interview with Atkins, 6 May 2004.} This was based on thorough research, working within an integrated system of strategic and statutory planning, and adhering to planning principles. This latter consideration took courage, which was evident in the 1979 decision against the proposed rezoning of land in North Geelong for the Target discount store. Recognition of the planning competence of the Chairman and the Commission’s staff was also evident when the Department of Planning and Environment entrusted the responsibility for the integrated GRPS to the Commissioners after the introduction of the Planning and Environment Act in 1988.\footnote{GRC, Annual Report 1987/88, p. 17; Minutes of GRC Meeting No. 118, 28 January 1988, Resolution 118 13; Minutes of GRC Meeting No. 119, 25 February 1988, Resolution 119.17.}

The only anomaly in the implementation of the planning function was the delay in completing the GRDS. This occurred because the Commissioners were required by the State Government to complete the GRPS and tackle the region’s economic problems, as their initial priorities. In addition, the extensive research and public consultations for the GRDS led to a four-year period of preparation. The Commission’s management of the GRDS was generally successful, in that most
tasks were completed. However, the performance under the competitive advantage sub-goal in the recession period of the early 1990s was below the performance indicator level.

The absence of the GRDS until 1988 did not deprive the region of strategic planning direction, as the structure planning program gave certainty to planning in the economic and environmentally sensitive areas. This was supported by the Commissioners' public open space program. In addition, the statutory planning system gave direction and certainty to residential and industrial development through a policy of preserving stocks of zoned land for up to 15 years into the future. In this way the Commissioners exceeded the strategic planning performance indicator in the corporate plan for 1988/89-1990/91.

It was logical for the Commission to have played a major role as a coordinator of events and activities in the Geelong region. In the first place the Geelong Regional Commission Act put the Commissioners at the centre of statutory and strategic land-use planning in the region. The Commissioners took a leadership position in strategic planning, particularly on matters such as community structure plans, the GRDS and urban development projects, such as the City By The Bay plan. They were also leaders in economic development and were a considerable influence on the direction of industrial and commercial development in the region. In addition, the Commission was a prolific source of technical information on and for the region, which was backed up by the information management skills of the staff of the Economic Research Unit (See chapter 10). McLure, Cowling and Atkins considered that this Unit, and its databases, were among the main strengths of the GRC. This was a source of great credibility for the Commission in its coordination role. As a result, the Commissioners and staff were involved in most of the major activities that influenced the direction and fortunes of the region during the lifetime of the GRC.

10 PERFORMANCE OF THE GRC IN ECONOMIC DEVELOPMENT

10.1 Introduction

Within a year of the formation of the GRC the Commissioners defined the economic development role of the organisation to be:

... the stimulation of the Geelong economy by encouraging an increase in capital investment in premises and plant to increase and diversify economic activity at both the private and governmental levels. Success in these areas would generate employment opportunities in both the secondary and tertiary sectors.

In the Commissioners' first corporate plan, promotion was added to the economic development role. The relevant objectives read:

*Economic objective*

[To] generate, broaden and diversify economic development with a significant emphasis on creating and maintaining employment opportunities;

*Promotion objective*

[To] present and promote interests and undertakings of the Geelong Region and promote the region as a place to live, visit, work and invest.  

In line with international trends, the Commissioners introduced the concept of competitiveness to the promotion objective in the Commission's corporate plan for 1988/89-1990/91, but essentially the two objectives retained the same intent. In the corporate plan for 1992-1995, the Commissioners again maintained the theme of job generation in the economic development objective, but introduced the concepts of advocacy and public participation to the promotion objective.

The corporate plan for 1988/89-1990/91 also included five performance indicators for economic development and three for promotion. A detailed discussion of the Commission’s performance against these indicators is presented in this chapter.

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1 GRC, *First Annual report 1977/78*, p. 26; This role was derived from the third part of the Object of the Geelong Regional Commission Act 1977.
In June 1982, Atkins said “The primary challenge before the Commission at this time is to reduce unemployment in the Geelong Region.” As the objectives showed, this remained the primary challenge of the Commission throughout its life. The anomaly that the Commissioners faced was while unemployment in the region continued to grow, overall employment increased in line with the region’s population growth. The task that the Commissioners undertook in their economic development role was to contain unemployment, while stimulating ongoing growth in the region’s tertiary sector. The employment trends in the Geelong region are shown in Table 10.1.

Table 10.1: Change of employment characteristics in the Geelong region 1976 to 1991

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>%</td>
<td>Number</td>
<td>%</td>
<td>Number</td>
</tr>
<tr>
<td>Agriculture</td>
<td>1,845</td>
<td>1,726</td>
<td>1,642</td>
<td>1,322</td>
<td>-523</td>
</tr>
<tr>
<td>Mining</td>
<td>171</td>
<td>159</td>
<td>169</td>
<td>236</td>
<td>+65</td>
</tr>
<tr>
<td>Total Primary</td>
<td>2,016</td>
<td>1,885</td>
<td>1,811</td>
<td>1,558</td>
<td>-458</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>19,356</td>
<td>18,905</td>
<td>17,404</td>
<td>15,280</td>
<td>-4,076</td>
</tr>
<tr>
<td>Total Secondary</td>
<td>19,536</td>
<td>18,905</td>
<td>17,404</td>
<td>15,280</td>
<td>-4,076</td>
</tr>
<tr>
<td>Electricity/gas/water</td>
<td>927</td>
<td>1,053</td>
<td>1,016</td>
<td>901</td>
<td>-26</td>
</tr>
<tr>
<td>Construction</td>
<td>4,555</td>
<td>4,413</td>
<td>5,046</td>
<td>4,858</td>
<td>+303</td>
</tr>
<tr>
<td>W’se/electronic trade</td>
<td>10,603</td>
<td>10,687</td>
<td>12,611</td>
<td>14,490</td>
<td>+3,887</td>
</tr>
<tr>
<td>Transport/storage</td>
<td>2,827</td>
<td>2,945</td>
<td>3,146</td>
<td>2,858</td>
<td>+31</td>
</tr>
<tr>
<td>Communications</td>
<td>882</td>
<td>1,133</td>
<td>1,242</td>
<td>1,126</td>
<td>+244</td>
</tr>
<tr>
<td>Fin/Property/Business</td>
<td>3,075</td>
<td>3,859</td>
<td>5,107</td>
<td>6,171</td>
<td>+3,096</td>
</tr>
<tr>
<td>Public admin/defence</td>
<td>1,769</td>
<td>2,564</td>
<td>3,249</td>
<td>3,320</td>
<td>+1,551</td>
</tr>
<tr>
<td>Community services</td>
<td>8,500</td>
<td>10,714</td>
<td>12,929</td>
<td>14,430</td>
<td>+5,930</td>
</tr>
<tr>
<td>Rec/personal services</td>
<td>2,570</td>
<td>2,945</td>
<td>3,482</td>
<td>5,050</td>
<td>+2,480</td>
</tr>
<tr>
<td>Total tertiary</td>
<td>35,708</td>
<td>40,313</td>
<td>47,828</td>
<td>53,204</td>
<td>+17,386</td>
</tr>
<tr>
<td>Other &amp; not stated</td>
<td>3,890</td>
<td>4,844</td>
<td>2,619</td>
<td>4,844</td>
<td>+954</td>
</tr>
<tr>
<td>Total workforce</td>
<td>69,976</td>
<td>85,947</td>
<td>69,662</td>
<td>74,886</td>
<td>+12,916</td>
</tr>
<tr>
<td>Unemployed</td>
<td>3,603</td>
<td>5,486</td>
<td>6,338</td>
<td>10,983</td>
<td>+7,380</td>
</tr>
<tr>
<td>Total labour force</td>
<td>64,373</td>
<td>71,461</td>
<td>76,024</td>
<td>85,506</td>
<td>+21,296</td>
</tr>
<tr>
<td>Unemployment rate</td>
<td>5.5%</td>
<td>7.6%</td>
<td>8.3%</td>
<td>12.7%</td>
<td>N/A</td>
</tr>
</tbody>
</table>


This chapter describes the performance of the Commission in undertaking a range of economic development activities. These include economic research; recruiting, attracting and facilitating new business investment; expanding the existing businesses; diversifying the region’s economic base; attracting public sector organisations; introducing new technologies; promoting the region; and acting as the region’s advocate on economic issues. In a bid to quantify outputs and characteristics of the Commission, I have also attempted to measure the Commission’s structure and economic development activities against those of L&REDOs in Australia, England, Northern Ireland and the USA, and assessed the effects of the Commission’s activities on employment generation.

10.2 Economic research and information services

The Commission’s Economic Research Unit was the primary source of demographic and socio-economic data for the Geelong region. ABS census data were used to develop comprehensive data time series, which the Commissioners published for each census. In addition, data were collected from other sources and developed similarly. These sources included local government (building approvals); the Commonwealth Employment Service (unemployment statistics); statutory authorities, such as Telecom Australia (telephone connections), Gas and Fuel Corporation (gas consumption), Vic Roads (car registrations and traffic counts) and the Port of Geelong (trade through the port); the banks and building societies in the region (housing loans); and the Commission’s staff who compiled advertised job vacancy numbers from the Geelong Advertiser. In order to measure the region’s business performance, the staff negotiated with Geelong accountancy company, Day, Neilson, Jenkins and Johns, to create an index of aggregated gross sales (totalling 200 million dollars) from its top customers in retailing, manufacturing, service businesses and real estate. In all, the Unit maintained approximately 20 standard bases of demographic, economic and other data over the period of 1971 to 1993.
Much of these data were used for the 'Profile of the Geelong Region,' which was customised for investor submissions. The staff also provided statistical information on the region in a number of regular publications. These included the *Geelong Region Quarterly Economic Indicators Bulletin* and *Employment Trends in the Geelong Region*. In 1992/93, there were 697 subscribers to the *Bulletin*.4 In addition, the Unit published three issues of *Facts - Geelong Region* and the *Geelong Region Industrial Register* over the life of the Commission. These publications were designed to provide for the needs of a wide range of inquirers. The staff also handled a substantial number of inquiries directly. As an example, in 1991/92, the Commission received 610 inquiries for statistical information from businesses (39 per cent), students and teachers (28 per cent), Local, State and Federal Governments (19 per cent), Geelong regional community groups (8 per cent), and others (6 per cent).5

The Commissioners relied heavily on the Unit for information for regional strategies; statutory and structure planning; evaluation of major economic development issues, such as the introduction of the car and passenger ferry service between the Bellarine and Mornington peninsulas;6 and submissions made to Government on matters, such as Inquiries of the IC.7 The Unit’s staff also undertook long term forecasting of population for the region’s future residential and retailing needs. Apart from providing research for the Commission and satisfying the informational needs of inquirers, the Unit provided the Commission with credibility in the wider technical community and additional general exposure in investor markets. As mentioned in chapter 9, many considered the Unit to be one of the strengths of the GRC.8

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4 GRC, report on 'Information and Economic Research Services,' prepared by the staff of the GRC for the Commissioners of the CoGGC in 1993, p. 4a.
5 GRC, report on 'Information and Economic Research Services,' prepared by the staff of the GRC for the Commissioners of the CoGGC in 1993, p. 3; GRC, Annual Report 1991/92, p. 21.
10.3 Facilitating new business investment

Recruiting new businesses

As we saw in chapter 2, scholars today do not advocate the practice of recruiting new business investment, or ‘bidding for jobs’ as Becc and his colleagues described it.\(^9\) However, in the 1970s and 1980s, the Commissioners and staff recruited new investment aggressively. As we saw in chapter 8, they made submissions to Australian and overseas manufacturers in 1977/78 for investments valued at approximately $1.5 billion.\(^10\)

While the GRC Commissioners did not offer incentives to recruit investment *per se*, they did proffer the Victorian Government’s decentralisation incentives to new investors as one of the means of promoting the comparative cost advantage of the Geelong region. These incentives included payroll and land tax rebates, negotiated power tariffs, capital works cost offsets for supplying power, grants for employee family removal expenses, and long term loans, at ‘favourable interest’ for the purchase of land, buildings and plant.\(^11\) In the late 1970s and throughout the 1980s, these low interest loans were provided by the Victorian Economic Development Corporation (VEDC), which operated as the State Government’s development bank. Decentralisation benefits were normally available only to investors who chose to locate their businesses at a distance greater than 80 kilometres from Melbourne. To accommodate the Geelong region, much of which fell within the exclusion zone, the Government declared the region to be a Special Area, allowing new investors to apply for decentralisation benefits. From my experience, the local government authorities in the region did not offer incentives to new investors.

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\(^9\) Becc *et al.*, *Developing Australia’s Regions*, pp. 21, 22.
In the early to mid-1980s the staff began to target new investment,\textsuperscript{12} which included:

\ldots those [enterprises] that will benefit from the natural advantages that the Geelong Region has to offer. These include [those involved in] port related industries, capital intensive industries, requiring large supplies of power and resources indigenous to Geelong and its hinterland, resource-based services industries, leisure and tourism industries related to the region's surf coast, and down stream industries related to textile, metal processing, petrochemical, machinery manufacture, and the indigenous agriculture and mariculture products.\textsuperscript{13}

These were based on the region's identified competitive strengths of:

\begin{itemize}
  \item the stability and linkages of the industrial skills base;
  \item the presence of leading scientific and tertiary education institutions;
  \item the specialised agricultural, mineral and marine resources that were linked to the industrial skill base;
  \item the port of Geelong, with its comprehensive bulk handling facilities;
  \item the proximity of Melbourne;
  \item the presence of quality tourism and recreational facilities, particularly the surf beaches, Corio Bay and the Otway Ranges; and
  \item quality of life factors.\textsuperscript{14}
\end{itemize}

Porter cautioned against intervention by explicit targeting, as was undertaken by the Commissioners, citing the problems encountered by the Government of South Korea, where resources were concentrated in a few large industries, to the detriment of fostering entrepreneurship in emerging ones.\textsuperscript{15} On the other hand, Hansen and his colleagues considered that part of the sophistication of the Commission was its targeting program.\textsuperscript{16}

\textsuperscript{12} Memorandum from the Director of Economic Development to the Chairman of the GRC entitled 'Target Industries for the Geelong Region, 15 November 1983; McLean, \textit{Geelong Experience}, p. 34.

\textsuperscript{13} McLean, \textit{Geelong Experience}, p. 34.

\textsuperscript{14} McLean, \textit{Geelong Experience}, pp. 51, 52.

\textsuperscript{15} Porter, p. 676.

\textsuperscript{16} Hansen \textit{et al.}, pp. 185, 186.
By the mid 1980s the Commissioners had begun to move from promoting 'basic' to 'advanced' competitive advantages, although they still clung to the outmoded target of capital-intensive industries requiring large supplies of power. The Commissioners also upheld the importance of the Port of Geelong in the region's traditional role of being the home to manufacturers that added value to raw materials through their processing operations. The basic problem, as Stimson and his colleagues pointed out, was that the oil crises of the 1970s, the introduction of stricter environmental standards and increased international competition had militated against new investment in energy-intensive large-scale processing operations.\(^7\) It is true that Shell invested some $600 million to modernise and extend its North Shore refinery in 1992,\(^8\) and Alcoa\(^9\) and Ford\(^10\) had invested heavily in upgrading their Geelong plants, but in reality, the chance of attracting new world-scale processing operations to the Geelong region, or to Victoria for that matter, had evaporated with the collapse of the resources boom.

Although the Commissioners' efforts were not successful in recruiting new large-scale operations, they did succeed in recruiting investment from 20 medium-scale\(^11\) (and slightly larger) enterprises and organisations, which collectively employed 1144 people.\(^12\)

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\(^7\) Stimson et al., p.8.
\(^8\) Geelong Advertiser, 27 June 1992.
\(^9\) Alcoa undertook a $60 million refurbishment of its smelter at Point Henry in 1989; GRC, Geelong Region Economic Indicators Bulletin, Vol. 11, No. 2, June Quarter 1989, p. 2.
\(^11\) The Regional Development Division of Victorian Business Centre (Geelong) defined a micro business as one that employs up to five people; a small business as one that employs between five and 20 people; a medium sized business (manufacturing) as one that employs between 20 and 100 people; and a large business (manufacturing) as one that employs over 100 people.
\(^12\) Computer spreadsheet of GRC investment facilitation program from June 1978 to June 1987, held by the author: GRC, Geelong Region: Industrial Register 1991/92; Memorandum from the Director of Economic Development of the GRC to the Chairman of Commissioners of the CoGGC, 2 July 1993. This correspondence identified 58 new medium-sized businesses that were established in the region by outside and local investors between August 1977 and June 1992. Based on the information contained in the spreadsheet and the industrial register, the author estimated that for those businesses that were set up by outside investors, 20 were recruited to the region, 14 were attracted without financial incentives and five could not be classified as being recruited or attracted without incentives. The remaining 19 new businesses were established by local investors.
Some of these companies set up operations, which added value to the region’s indigenous and imported raw materials. As an example, staff assisted Barrett Bros and Burston to locate its malt processing plant close to the Victorian Grain Handling Authority’s barley storage facilities at the Port of Geelong. This provided the company with an ongoing access to raw material and helped offset its storage costs. Another example was the wool scourer and top maker, Bremner Woll Kammerci (BWK), which located at Lara, close to Victoria’s largest wool holding facilities in North Geelong and Altona.\textsuperscript{23} Likewise, the staff assisted companies, which built upon the region’s traditional operations and skills in textile manufacture, metal fabrication, machinery and transport equipment manufacture. These included Basford Textile, (lace making); L’eggs Australia, (women’s hosiery); Comeng, (public transport vehicle manufacture); and McDonald Douglas (aircraft construction). In addition to this recruited investment, outside investors established 14 new medium-sized businesses without receiving financial investment. These 14 businesses collectively generated 1,160 jobs.\textsuperscript{24}

From the start the Commissioners credited the Commission’s success in new-investment facilitation to the offer of a ‘complete package,’\textsuperscript{25} or by being a ‘one-stop business centre’ as Blakely termed it.\textsuperscript{26} For example, the Commission’s staff provided assistance on a range of matters, including confidential advice on site location, availability of raw materials, planning requirements, potential local markets and suppliers. The staff also negotiated with organisations, such as the Gas and Fuel Corporation, the Geelong Water and Sewerage Trust and the State Electricity Commission and the Gordon Institute of Technical and Further Education (TAFE) on behalf of the investing company, as well as preparing

\textsuperscript{24} Computer spreadsheet of GRC investment facilitation program from June 1978 to June 1987; GRC, Geelong Region: Industrial Register 1991/92: Memorandum from the Director of Economic Development of the GRC to the Chairman of Commissioners of the CoGGC, 2 July 1993. See footnote 21.
\textsuperscript{25} GRC, Annual Report 1977/78, p. 27.
\textsuperscript{26} Blakely, p. 181.
studies and submissions for investors. In the case of Elders IXL, the Commission acted for the company in the purchase of the land for its wool store in Lara; and with L'eggs Australia, the Commission purchased the property at 1 Melbourne Road, Lara, and fitted it out for the company's operation. The Commissioners recovered the financial outlay through a lease-back arrangement with L'eggs.

**Attracting new local investment**

The Commissioners also assisted local investors to establish 19 new medium-sized businesses, which collectively employed some 1240 people. The greatest number of new businesses formed by local investors came from the micro and small categories. A major source of micro businesses was the New Enterprise Incentive Scheme (NEIS), for which the GRC was the managing agent in the Geelong region. Under this Scheme people who were eligible to receive Social Security Benefits, by virtue of their unemployment or disability, were given income support for 12 month if they undertook a seven-week training course in business practice and 43 weeks of implementing their business plans under the guidance of business mentors. Funding came from the Commonwealth Department of Employment, Education and Training (DEET). In Geelong the Scheme was very successful because the staff maintained a high standard of participant selection and the 36 business advisers, who mentored the new businesses, were committed and competent. Of the 3,660 inquirers looking for a place in the program only 283 were selected to participate in the 13 programs up to June 1993. Of the 97 applicants accepted for the business implementation phase, 76 were still operating viable businesses 12 months after their respective

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courses had finished.\textsuperscript{30} This is an example of the Commissioners' involvement in aspects of community development as part of their economic development activities.\textsuperscript{31}

After the GRC was abolished the Australian Business Development Centre, a private Geelong company, assumed responsibility for the Scheme.\textsuperscript{32} One of the important additional outcomes of the NEIS program was the formation of the Women's Network, which attracted 34 women conducting small businesses in the region.\textsuperscript{33} This tapped an important entrepreneurial resource in the regional community that Blakely observed was one of the most 'underutilised'.\textsuperscript{34}

Over the life of the GRC the staff assisted in the start-up of 331 businesses and organisations in the region. These included those businesses that established on the Commission's industrial estates, in unit factories, or became tenants in the Commission's projects. Of the new businesses started in the region by outside investors, 20 were recruited by the GRC, 14 were attracted without financial incentives and five could not be classified. Local investors established the remaining 292 businesses.\textsuperscript{35} Some 83 per cent of the total new enterprises were micro and small businesses. In all, 3,018 jobs were created as a result of the Commission's new-investment facilitation program.\textsuperscript{36}

10.4 Assisting local business

A significant part of the Commission's overall investment facilitation program was directed at assisting existing businesses in the region to expand. In the early

\textsuperscript{31} See chapter 1.
\textsuperscript{32} Author's knowledge.
\textsuperscript{33} GRC, \textit{Annual Report 1992/93}, p. 17.
\textsuperscript{34} Blakely, p. 187
\textsuperscript{35} Undoubtedly this total involved some micro and small businesses recruited to the region. However, the GRC records do not provide information on this matter. Accordingly, it has been assumed that the number of these businesses is small, given that the GRC staff generally concentrated their recruitment efforts on companies that yielded a high number of jobs.
\textsuperscript{36} GRC, \textit{Annual Report 1992/93}, p. 15.
1980s the Commissioners recognised that renewed economic growth would not come from the introduction of new businesses alone, but must involve existing businesses as well.\textsuperscript{37} McKinsey and Company demonstrated the importance of expanding the existing base in their 1994 study of Australian regional centres, where they found that 67 per cent of a region's new business investment came from companies that had been founded in the region.\textsuperscript{38} Luke and his colleagues claimed that, in the USA in the late 1980s, 90 per cent of business activity was created through endogenous growth factors, rather than through the attraction of new companies to a region or city.\textsuperscript{39} In the case of the GRC, between 1977 and 1993, the staff assisted 114 local businesses to expand, creating 2,288 new jobs.\textsuperscript{40} As we have seen, the Commission assisted local investors to establish 292 new companies in the region, giving a total of 406 companies and organisations involved in endogenous growth. This represented 91.2 per cent of the total 445 companies and organisations assisted through the Commission's overall investment facilitation program. This outcome was in line with the observations of Luke and his colleagues.

As part of their policy of assisting local businesses the Commissioners undertook a wide range of activities. One was to identify opportunities for local businesses using the Commission's tender review program. This involved matching tender information against the capability statements of companies listed in the Geelong Region Industrial Registers and notifying the relevant company. As an example of this activity, over 100 companies were provided with sales leads in the first half of 1992.\textsuperscript{41}

The Commissioners also used local trade shows to support existing businesses. This activity provided a forum to promote locally made goods and services to

\textsuperscript{38} McKinsey, p. 35.
\textsuperscript{39} Luke \textit{et al.}, p. 182.
\textsuperscript{40} GRC, \textit{Annual Report 1992/93}, p. 15.
\textsuperscript{41} GRC, \textit{Annual Report 1991/92}, p. 18.
Geelong residents, and invited business people from interstate and overseas. The Commissioners sponsored the Geelong Trade Exhibitions, conducted by the Barwon Jaycees, in 1978, 1981 and 1985.\(^\text{42}\) These events were very well attended, with over 25,000 people visiting the event in 1981.

The staff of the Commission helped to improve the capacities of local businesses through the use of seminars and workshops. Generally these were held in conjunction with a government department or regional groups. Examples include the ‘Business Growth Through Export’ Seminar for potential exporters conducted by the Geelong Export Development Group (1984),\(^\text{43}\) the ‘Entrepreneurs Workshop’ program for small businesses, conducted by the David Syme Business School at the Chisholm Institute of Technology (now part of Monash University) (1986), Defence Procurement Seminar conducted by the Department of Defence Support (1984) and the ‘Surf Coast Tourism Workshop’ for tourism operators, conservationists and local and state government bodies, conducted by Professor Edward Blakely, an internationally renowned expert in local and regional development (1986).\(^\text{44}\) Other seminars included Ford’s procurement policy and programs, the Victorian Government’s Quality Victoria Program and food processing marketing services, Austrade services, business networking and a series of seminars to keep local businesses abreast of international trends.\(^\text{45}\)

The Commissioners also showed a strong support for industry training, particularly in the area of TCF. In 1981 the clothing industry in the Geelong region was experiencing problems in obtaining enough sewing machinists. In a bid to overcome this situation the staff of the Commission convened meetings of representatives from the industry, the Gordon Technical College and the Commonwealth Employment Service. This resulted in a four-weeks training program being started in June of that year. Overall more than 60 people gained


\(^{43}\) GRC, Annual Report 1984/85, p. 28.


full-time employment in Geelong's fashion industry, as a result of this activity. As part of an employment and training study conducted by the Commission in 1986, the staff of the GRC identified the need for textile operators to be better trained in new process technologies and improved quality control standards. In September 1988 the Commissioners approved a grant of $55,000 to the Gordon Technical College to undertake a pilot operator training program. In addition to these activities the Commission's staff played a key role in establishing the Australian Organisation for Quality Control in Geelong.

In the late 1980s the Commission's staff became involved directly in training disadvantaged people. In addition to its work with NEIS, the Commission was appointed as the Geelong managing agent for the Commonwealth's Job Placement and Employment Training (JPET) pilot project on 3 April 1993. This pilot provided support and work training for young people identified to be at risk. Before the GRC was abolished staff had devised a training program, recruited mentors, begun establishing a network of prospective employers and commenced the training of 12 young people. This was another example of the Commissioners' involvement in community development. On 15 October 1993 the Brotherhood of St. Laurence took over the Commission's role as managing agent for the project.

The Commissioners also exerted considerable effort and expense in assisting regional companies to survive and retain jobs. The case of the Commissioners' attempts to retain the work force of the IHAL at North Shore, discussed in

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46 Applicants were engaged through the Commonwealth's 'Skills in Demand' program. GRC, *Annual Report 1981/82*, p. 12.
47 The Commissioners used funding held on behalf of the State Training Board, Training was conducted by the Gordon Technical College and the Melbourne Collage of Textiles; GRC, *Annual Report 1988/89*, pp. 13, 14.
chapter 8, was a prime example. Others included the successful bid to retain the IHAL foundry in regional ownership, and the retention of Lunwin Products in Geelong. Lunwin was one of the few Victorian automotive components manufacturers skilled in casting aluminium. In the late 1970s, the company experienced cash flow problems as a result of upgrading its aluminium piston casting operations to meet the world car standards. Because of its strategic importance to the State of Victoria, and the Geelong region, the VEDC and the Victorian Government facilitated the Commissioners’ purchase of the company’s premises in 1981. This allowed the company to continue its operations under a leasing arrangement with the Commission.

Until the 1980s it was unusual for clusters of competing small enterprises to be formed from the business community. The notable early example of this horizontal clustering was the co-operating networks of small manufacturers in Italy in textiles and apparel and associated machinery, furniture and household goods, among other endeavours. The Commission was also an early facilitator of horizontal clusters. In 1980 the Commission’s staff created a formal group of companies in an attempt to overcome a marketing limitation in the region’s engineering industry. The consortium of companies became Geelong Consolidated (Engineers) Pty. Ltd. Experience had shown that individual engineering companies were constrained by their management and financial capacities to take up sales opportunities in excess of $500,000. The formation of a structured cluster allowed participating companies to tender collectively for large projects, which they did successfully throughout the early 1980s.

The Commissioners’ next bid to create networks of manufacturers was in the late 1980s, when the trend for horizontal clustering had become more common in Australia. The Commission’s staff was involved with the TCF, food processing

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54 Porter, pp. 421, 422.
55 Geelong Consolidated Engineers was an initiative of John Adlam.
56 GRC, Annual Report 1980/81, pp. 9, 10.
and furniture networks. These were identified from a market analysis carried out by the Economic Research Unit, and others. A network committee comprised of representatives of TCF manufacturers, the Commission, the Shire of Corio and the Australian Chamber of Manufactures identified a number of activities that the TCF businesses could conduct for their collective benefit. In August 1992 the Commission managed a TCF Awareness Week to promote locally made fashion to local residents and industry buyers, and stimulate employment in the industry. This was followed by a program of certified export training for 20 TCF businesses conducted by the Australian Chamber of Manufactures and funded by DEET. The concept of a marketing centre was also developed. This centre was designed to provide a showcase for Geelong region's TCF products; act as a resource centre for information on design, prices, suppliers, and sharing staff and equipment; as well as being the organiser of Geelong TCF factory shopping tours, workshops and exhibitions. Although the staff of the Commission was successful in gaining a government grant to establish this centre, the TCF businesses decided not to proceed with the venture. This was an example of the general lack of cohesion and trust between competing companies in the Geelong region, which from my observation was prevalent at the time. The Commission's other clustering ventures failed to come to fruition. Despite the market potential for processed food in South-east Asia, identified by the Victorian Government, the Geelong food-processing network did not identify any major product with immediate potential. The potential of the furniture cluster was not developed before the Commission was abolished.

The Commissioners were strong in their support for developing exports from the region. This was underpinned by the work of the officers of the Economic Research Unit, who based their industry analyses on economic base theory,

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among others.\textsuperscript{61} One example of the Commissioners' support was the Geelong Export Development Group, which the staff established in 1984.\textsuperscript{62} In 1985/86 the Group compiled a register of 155 exporters from the region and western Victoria and produced a range of promotional material. \textsuperscript{63} This was followed up with a series of seminars conducted by the Australian Institute of Export, and the Australian Chamber of Manufactures International Trade Council, as well as gaining the agreement of the Gordon Technical College to have an Export Practices Certificate incorporated in the business curriculum.\textsuperscript{64} By 1989/90 the Group had assisted Austrade to build a bank of 50 key Geelong clients.\textsuperscript{65} The Group still continues to operate in 2005, through the sponsorship of the CoGGC. Over the life of the Commission the export orientation of the region's manufacturing sector improved markedly, with the number of regional companies exporting overseas increasing from 11.3 in 1980 to 18.3 percent in 1991/92. Concurrently, those companies exporting from the region to Victorian and interstate locations increased. These changes are shown in Table 10.2.

### Table 10.2: Change in export orientation of the manufacturing sector of the Geelong region - 1980 and 1991/92

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Mfrs Surveyed</th>
<th>Number Exporting from the Region</th>
<th>Number Exporting Interstate</th>
<th>Number Exporting Overseas</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No.</td>
<td>%</td>
<td>No.</td>
</tr>
<tr>
<td>1980</td>
<td>362</td>
<td>240</td>
<td>66.3</td>
<td>117</td>
</tr>
<tr>
<td>1991/92</td>
<td>388</td>
<td>331</td>
<td>85.3</td>
<td>174</td>
</tr>
</tbody>
</table>

*Source: Author's calculations based on GRC, Geelong Regional Industrial Register 1980 and 1991/92.*

\textsuperscript{62} The Group was made up of representatives from the Australian Chamber of Manufactures, the Metal Trades Industry Association, the Victorian Employers Federation, the Port of Geelong Authority, Austrade, Geelong and Region Trades and Labour Council and the GRC. McLean, Geelong Experience, p. 46.
\textsuperscript{63} This included a video titled 'Geelong the Golden Opportunity,' which formed part of the Group's 'Ambassadors Kit' for local business people travelling overseas. GRC, Annual Report 1985/86, p. 14.
The Commissioners were also strong advocates of import replacement. This was consistent with Jacob's argument that import replacement was important because its multiplier effect was greater than that of exporting.\textsuperscript{66} In 1984 the Chairman and staff of the Commission facilitated an agreement between the Ford Motor Company and the Victorian Government to establish the Industrial Skills Training Centre as part of an upgrade of the Ford Geelong Apprentice Training Centre.\textsuperscript{67} Subsequent discussions between the representatives of the Commission, Ford and the Victorian Department of Education and Training identified opportunities for Australian manufacturers to supply equipment for the Centre. From this came the formation of the Industrial Supplies Office (ISO) in Geelong in September 1984.\textsuperscript{68} The staff of the ISO compiled a register of capabilities of Victorian manufacturers and actively promoted them to Australian companies and organisations using imported products. By 1989 the ISO concept had been adopted in all Australian States and the Northern Territory.\textsuperscript{69} In the years immediately following its formation, the ISO moved to Melbourne. This prompted the Commissioners to refocus import replacement in Geelong, by entering into an agreement with ISO (Victoria) Limited in May 1991 for the Commission to be the representative of the ISO in the region.

10.5 Diversifying the economic base

The Commission consistently attempted to diversify the regional economic base in a bid to lessen the effect of employment losses from the manufacturing sector.\textsuperscript{70} At the outset the Commissioners looked to the redevelopment of the Geelong CBD, as the means of stimulating the retail and tourism sectors. Their main contribution was the initiation and implementation of the City By The Bay plan, as discussed in chapters 8 and 9. Another project was the redevelopment of the

\textsuperscript{66} Jacob, \textit{The Economy of Cities}, p. 161.
\textsuperscript{68} GRC, \textit{Annual Report 1983/84}, p. 10. The idea for this came from Peter Hocking, Regional Economist for the GRC.
\textsuperscript{70} GRC, \textit{Annual Report 1985/86}, Chairman's Foreword, p. 3.
central area site of 1.24 hectares, formerly occupied by Heath Motors. In 1981 the Commissioners purchased the site for $1.5 million, with the view of redressing the inappropriate use of land in the CBD; to obtain a site for the City of Geelong parking station; and to facilitate the development of the Capital Permanent Building Society offices.\textsuperscript{71} These sales were concluded within the following 12 months.\textsuperscript{72} The rest of the land was sold to private interests for new Commonwealth Offices, a commercial office and retail outlets.\textsuperscript{73}

As we saw in Chapter 8, the Commissioners initiated a wide range of sporting and tourism projects. These included building the Geelong Indoor Netball Centre, the Thoroughbred Training Complex, the Surfing Hall of Fame, the National Wool Centre, the Surf Coast Plaza and the consolidation of the Bay Link site. Other tourism projects, included the All Ages Playground, a recreation facility and tourist attraction built in partnership with the Shire of Corio at Seagull Paddock, North Geelong; the Geelong Boulevards Project, which involved planting 15,000 trees along the major entry roads to urban Geelong; and building the second-stage floating-tyrc breakwater for the Geelong marina. These projects were financed with a $608,900 Employment Initiatives Program (EIP) grant from DEET in 1982.\textsuperscript{74}

The Commissioners were also involved in the promotion of tourism, initially, through the Geelong Convention Bureau. Funding for this venture came from the Victorian Ministry for Tourism and the GRC.\textsuperscript{75} In 1983-84 the Bureau attracted 11 conventions, which contributed some $1.4 million of direct expenditure to the regional community.\textsuperscript{76} Following the restructure of the Victorian Tourism Commission (VTC) in early 1989, the Bureau changed its name to the Geelong Otway Convention and Visitors Bureau to reflect its broader role in tourism.

\textsuperscript{72} GRC, Annual Report 1981/82, p. 18.
\textsuperscript{73} GRC, Annual Report 1984/85, p. 10.
\textsuperscript{74} GRC, Annual Report 1982/83, p. 20.
\textsuperscript{76} GRC, Annual Report 1984/85, p. 29.
marketing. Its office was in the National Wool Centre.\textsuperscript{77} When West Coast Tourism Ltd. ceased its operations on 30 June 1989 the Commissioners brokered an agreement with the region’s tourism operators and the local government authorities for the Bureau to become the official tourism promotions body for the region.\textsuperscript{78} From that time it operated under the trading name GO Tourism. As part of the agreement, the new entity received triennial funding of $174,650 per annum.\textsuperscript{79} This was boosted in the following year by a sponsorship of $35,000 per year for three years by Telecom Australia.\textsuperscript{80}

GO Tourism was launched officially on 23 November 1989. The new body promoted the Geelong Otway area aggressively in the Melbourne market, such that day visits to the region’s tourist attractions in 1990 increased by 14 per cent over the previous year.\textsuperscript{81} This growth was assisted by the $1 million Great Ocean Road promotional campaign conducted by the VTC.\textsuperscript{82} In 1992 staff of GO Tourism initiated the formation of Victoria’s Great Southern Touring Route, with Wimmera, Ship Wreck Coast and Great Ocean Road Tourist Associations. By combining mutual interests, individual associations made their promotions more cost effective and provided visitors with a greater number of attractions, thus inducing them to stay longer. As one of their final acts, the Commissioners renewed the funding agreement for GO Tourism in December 1992.\textsuperscript{83} After the Commission was abolished, the functions of GO Tourism were taken over by the CoGCC, which formed its own tourism body known as Geelong Otway Tourism. In April 1993, GO Tourism personnel estimated that visits to the region had

\textsuperscript{77} GRC, Annual Report 1988/89, p. 11.
\textsuperscript{78} In June 1990, further local government representation was achieved with the admission of the Shire of Winchelsea; GRC, Annual Report 1990/91, p. 15.
\textsuperscript{79} Funding contributions came from the GRC ($60,000), local government ($49,557), the Victorian Tourism Commission ($44,313) and memberships fees from the regional tourism organisations ($20,691); GRC, Annual Report 1989/90, p. 7.
\textsuperscript{80} GRC, Annual report 1990/91, p. 16.
increased by some 11 per cent from late 1989, when the GRC took over responsibility for the promotion of tourism.\textsuperscript{84}

In the short period that the Commission was responsible for tourism promotion it undertook a range of imaginative promotional programs and created a sound administrative foundation for its successor organisation. However, the Commissioners could not arrest the decline. Between 1982 and 1994, while the number of hotels, motels and units in the Geelong region increased from 51 to 56, the number of caravan site decreased from 8,973 to 6,506. Overall visitor nights fell from 4.62 to 3.74 million.\textsuperscript{85}

10.6 Attracting public sector organisations

Traditionally, employment in the public sector in the Geelong region lagged that of Australia. This can be seen in Table 10.3.

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Geelong Region</td>
<td>2.9%</td>
<td>3.9%</td>
<td>4.7%</td>
<td>4.4%</td>
</tr>
<tr>
<td>Australia</td>
<td>5.6%</td>
<td>5.6%</td>
<td>6.0%</td>
<td>5.7%</td>
</tr>
</tbody>
</table>


As part of an employment strategy\textsuperscript{86} the Commissioners attempted to address this situation by attracting government organisations to the region. Cases in point were

\textsuperscript{84} Briefing note to the Administrator appointed by the Victorian Government to windup the GRC, April 1993.


the Commissioners’ bids to have the Victorian Institute of Education Administration (IEA),\(^7\) a branch of the Australian Taxation Office (ATO),\(^8\) the headquarters of the Victorian Department of Agriculture and Rural Affairs (DARA)\(^9\) and the manufacturing operations of the Australian Defence Industries (ADI) locate in the Geelong region.\(^{10}\) The first two were achieved. The remainder were not.

Overall the Commissioners’ strategy was successful, as the public sector work force in the region increased from 2,564 to 3,320, a rise of 29 per cent, between 1981 and 1991.\(^{11}\) One third of this increase was due to the establishment of the ATO branch in Geelong.

10.7 Introducing new technologies

The Commissioners and staff consistently tried to increase the technical capacity and capabilities of the region. Initially they focussed on attracting research and development (R&D) organisations to the region. The predecessor of the Commission, the GRPA, led the way, when in the early 1970s, it and other Geelong regional community interest groups successfully lobbied to have the Commonwealth Science and Industry Research Organisation’s (CSIRO) Australian Animal Health Laboratories (AAHL) and Deakin University located in the region. The Commissioners built on the work of the GRPA and the Borough of Queenscliff and persuaded Ministers in the Victorian Government to locate the Marine Science Laboratories (MSL) and the Victorian Institute of Marine Science

\(^7\) The Commissioners built the headquarters of the IEA in East Geelong as part of the inducement for the organisation to locate in the region. The IEA repaid the GRC in full for the cost of the development. GRC, ‘Development Projects Review,’ November 1984, project No. 1, GRC, Annual Report 1982/83, p. 11; GRC, Annual Report 1984/85, p. 11;

\(^8\) The Commissioners led an active campaign by the Geelong business community to have the ATO establish a branch office in Geelong. GRC, Annual Report 1989/90, p. 11; GRC, Geelong Region Economics Indicators Bulletin, Vol. 12, No. 3, September Quarter 1990, p. 2;


\(^11\) Table 10.1.
(VIMS) at Queenscliff. In 1978 the Commissioners made a bid to attract the Victorian State Laboratories to a site, adjacent to Deakin University. However, these laboratories were set up in Werribee some 45 kilometres north of Geelong.

All of these activities were part of the Commissioners' goal of making Geelong a 'Science City.' This was a realistic aim, given that in the 1970s CSIRO's Division of Wool Technology, AAHL, MSL, VIMS and Deakin University's research facilities were contained within the local government areas of Bellarine, Geelong, Queenscliff and South Barwon. Collectively, these organisations were leaders in animal health research in Australia. Despite the efforts of the Commissioners and staff, and the intent of the GRDS, this strategic collaboration was rarely achieved in practice. Although evidence is difficult to find, it is my impression that in the 1980s the decision makers in the individual R&D organisations viewed operational strategy only from an organisational perspective. The R&D facilities may have been located in the region, but operational considerations were focussed on the nation or the state, not on the region. The Commissioners referred to this problem in February 1992, in their submission Geelong Region Framework for the Future, when they asked the Prime Minister "... to stimulate such [public organisation] research [in Geelong] and foster cross-organisation co-operation ..."

In March 1985 the Commissioners tried a new approach to promoting technological innovation for the benefit of Geelong businesses, when they funded an Innovators' Competition, as part of the 1985 Geelong Trade Exhibition. Their aim was to provide the Geelong manufacturing sector with innovative product development opportunities. The Competition was promoted across Australia and attracted 52 entries from Queensland, NSW, South Australia and Victoria. In the

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end, Deakin University’s research company, DURAC Pty. Ltd., won the
compensation with its microwave treatment process. Prizes were provided by the
Commonwealth Department of Industry, Technology and Commerce (DITAC),
Victoria’s DITR and the Commission.

In 1988 the Commissioners addressed the issue of technology transfer in
carnist. One outcome was the formation of the ‘Geelong Technology Centre’
(GTC) in December 1988. The aims of this incorporated body was to encourage
Geelong companies to use local R&D organisations; create a forum for technical
information exchange; and market the region’s R&D capabilities outside of the
region. The GTC was a cluster made up of regional R&D organisations,
employer bodies, Victoria’s DITR, Deakin University, the Gordon Technical
College and the Commission. The regional survey conducted by the GTC found
that there were 55 companies and organisations in the region providing R&D
services and using 300 items of equipment specifically designed for research. The
personnel employed by these organisations possessed 500 R&D-specific skills.
The Centre developed a detailed register of these organisations, equipment and
skilled personnel in the form of a computer data-based program. This was funded
by Victoria’s DITR and the Commission. The Register was made available to
clients of the Centre through the Computing Services Section of Deakin
University, with access being paid through the annual membership of $150.
The members of the GTC found that the Register was used sparingly by the
region’s manufacturing sector and, as a result, after 12 months was discontinued.
This experience was mirrored in an economic study of the Geelong region carried
out by the NIEIR in 1998, when researchers found that the region was ranked
third in all 60 local government areas in Australia as a supplier of R&D, but the

96 GRC, Annual Report 1984/85, p. 27.
97 GRC, Directions: the Geelong Region Development Strategy, Competitive Advantage Sub-
Goal, Action Program No 5, pp. 54, 55.
99 Geelong Technology Centre Inc., Geelong Research & Development Capability Register: Users
Guide to R&D in Geelong, n.d.
100 Geelong Technology Centre Inc., Geelong Research & Development Capability Register, n.d.
region had a very low conversion of R&D capabilities to commercial use.\textsuperscript{101} Late in 1984 the Commission and the Geelong Chamber of Commerce tried to address this problem by facilitating the formation of GeeTech Pty. Ltd. The company was formed in February 1985 with the view of commercialising a Remote Field Analyser developed by Alan Bond and Henry Hudson of Deakin University. DURAC Pty. Ltd. was the major shareholder in GeeTech.\textsuperscript{102} Again the venture failed to achieve its aims.

Although these attempts were largely unsuccessful, they were nevertheless examples of the Commissioners' intention to build 'institutional thickness' in the Geelong region. 'Institutional thickness' is a concept developed by Thrift and Amin, where a large number of institutions such as chambers of commerce, training organisations, trade associations, etc. work cooperatively within an established pattern of interaction for a common regional enterprise.\textsuperscript{103} Thrift and Amin argued that 'institutional thickness' was an important ingredient of successful regional growth.\textsuperscript{104}

10.8 Promotion

The Commissioners' main promotional thrust was in support of the investment facilitation programs. Intra-national promotions were conducted by the staff, but promotions to overseas markets were undertaken by representatives of the Victorian Promotions Committee\textsuperscript{105} and later the Victorian Department of State Development and Decentralization and its many successor Departments.\textsuperscript{106} These Departments maintained offices in the USA, the United Kingdom, Europe, Japan

\textsuperscript{101} NIEIR, Geelong's Economy in the Context of the Emerging Knowledge Economy: Strengths and Weaknesses; A report for the Geelong Manufacturing Council, 2002.
\textsuperscript{102} Other significant shareholders included public companies such as Cheetham Salt, Trans West Transport and Blakiston Transport. Each private Geelong companies held minor shareholdings. Geelong Advertiser, 7 February 1985; GRC, Annual Report 1984/85, p. 8.
\textsuperscript{103} Beer et al., Developing Australia's Regions, p. 21.
\textsuperscript{104} Beer et al., Developing Australia's Regions, p. 21.
\textsuperscript{106} GRC, Annual Report 1983/84, p 32.
and Hong Kong. The Commission regularly provided the representatives of these bodies with promotional literature, orientation sessions and updates on the Geelong region.\textsuperscript{107} Because the GRC was largely dependant on Victorian Government departments for its investment leads from overseas, Atkins and the staff maintained a very close working relationship with all of the key officers in the Victorian departments involved in investment facilitation.

The Commission’s promotional literature was based on twin publications, which dealt with the benefits of investing in the Geelong region and the amenity and quality of life advantages of the region. These publications were produced initially in 1981\textsuperscript{108} and, in a different format, in the late 1980s.\textsuperscript{109} These series were supported by registers of manufacturers published in 1980, 1985 and 1991/92.\textsuperscript{110} A promotion film and video entitled ‘Port, Power and People’ was also produced by Film Victoria for the Commission in 1984/85.\textsuperscript{111}

In 1982 research conducted in the Melbourne and Sydney markets, identified that there were “worrying misconceptions” of the Geelong region held by people and investors outside of Geelong, especially those located interstate.\textsuperscript{112} In summary the research found that the:

General perception of Geelong included the belief that it was an industrial city and an unattractive relocation alternative to upper white collar workers. The lifestyle, recreational facilities, innovative planning and historical preservation benefits were not well known and the Geelong Regional Commission was not sufficiently known outside of Geelong.\textsuperscript{113}

In 1983 additional tourism research conducted by a consultant confirmed the outcomes of the previous research. In essence, “. . . the further away potential

\textsuperscript{107} GRC, 	extit{Annual Report 1981/82}, p. 40.
\textsuperscript{108} GRC, 	extit{Geelong Region: The industrial location}, n.d. (approximately 1981); GRC, 	extit{Geelong Region: The living working environment}, n.d. (approximately 1981)
\textsuperscript{109} GRC, 	extit{Uniquely Geelong: Your business opportunity} n.d. (approximately 1988) and GRC, 	extit{Living Geelong: Meet its people}, n.d. (approximately 1988).
\textsuperscript{110} GRC, 	extit{Geelong Region Industrial Register}, 1980; GRC, 	extit{Geelong Region Industrial Register}, 1985; GRC, 	extit{Geelong Region Industrial Register}, 1991/92.
\textsuperscript{111} GRC, 	extit{Annual Report 1984/85}, p. 28.
investors are located from Geelong the less their knowledge about Geelong and their desire to invest..."114 As a result, the Commissioners initiated the first of the Commission's Regional Awareness Campaigns, which was funded by a $30,000 grant by the Victorian Minister of Economic Development.115 The program included the publication of the newsletter The Geelong Report, which dealt with major activities in the region, including those of the GRC; the promotional video referred to above; ongoing research into the perceptions of the region held by target audiences; and a major tourism seminar for operators in the tourism industry.116 The second campaign was conducted in 1984/85, when the Commissioners provided $20,000 of support for a $120,000 national campaign for raising the profile of the Geelong region, which was conducted by Barton Advertising Pty. Ltd.117 This was followed in 1986/87 by a national print media campaign conducted in the national newspapers the Australian, the Australian Financial Review and Business Review Weekly. Concurrently, the Commissioners undertook a regional television campaign throughout Victoria, featuring a series of 30-second advertisements promoting the advantages of investing in the region.118

Early in 1987 the staff of the Commission carried out another survey, which showed that most residents of Melbourne did not want to live in Geelong, due to the perception of distance from Melbourne. While Melbourne residents regarded Geelong as a 'growing city,' the negative view of Geelong's high unemployment and other economic problems was as extensive as in 1982. The GRC researchers stated that this negative perception of Geelong would be the view of Melbourne investors and investment advisors as well. They concluded that "...the Commission's advertising promotions expenditure in the period 1982 to 1987 has not had a significant impact. This is not surprising considering the [low] level of

115 GRC, Annual Report 1982/83, p. 26
117 GRC, Annual report 1984/85, p. 28
The interstate component of the survey was undertaken in Adelaide rather than Sydney. The research found that Adelaide people had a better understanding of Geelong than people in Sydney some five years before; and they equated Geelong more with Mt Gambier than the industrial towns of South Australian industrial centres of Whyalla and Elizabeth.119

Following the collapse of the Farrow Corporation in 1990, the Commissioners undertook another promotional campaign to try to reverse investors' negative perception of Geelong. The seven-week national campaign was comprised of a series of 15-second television advertisements screened on the Channel 9 Network programs Business Sunday, Sunday and Wide World of Sport. This was backed up by print media advertisements in the Australian Financial Review. The campaign generated 126 inquiries, which came from Melbourne (65 per cent), Geelong (21 per cent), country Victoria (5 per cent) and interstate (9 per cent). After the staff reviewed the inquiries, 15 were included in the Commission's investment facilitation program.121

On the other hand some considered that the Commission had done a reasonable job at promoting the region.122 McLure argued that the Commission's problem was with the local media, which he stated was very much on side. He felt that this was not recognised by the Commissioners and led to them taking a polarised position against the media on a number of issues.123

The lack of promotional funding was identified in the Commission's 1982-84 marketing plan, which proposed that the matter be rectified by obtaining special government grants, sponsorship, or diverting funds from development projects. The first two proposals were acted upon to some degree over the life of the

119 GRC, Minutes of Commission Meeting No. 113, held on 30 July 1987, Resolution 113C7, and Agenda Paper B2(b), 'Awareness Survey.'
120 GRC, Minutes of Commission Meeting No. 113, held on 30 July 1987, Resolution 113C7, and Agenda Paper B2(b), 'Awareness Survey.'
122 Interview with McLure, 16 August 2004.
123 Interview with McLure, 16 August 2004.
Commission. The fact remained that the Commission’s activities were so widely spread that there simply was not enough money to meet the Commission’s promotional needs.\textsuperscript{124} This resulted in a spasmodic approach to general advertising, which contributed to the Commission’s low profile in the general Australian market. The Commissioners were aware of this situation and in their corporate plans for 1988/89-1990/91 and 1992-95 they identified that promotion of the region and the GRC needed improvement.\textsuperscript{125}

Despite this apparent lack of awareness of the Geelong region and the GRC, the level of investment facilitation inquiries was significant in number and outcome. Between August 1977 and May 1993 the staff of the Commission processed 1,587 major inquiries, each of which represented an investment of at least $100,000, or created jobs in the region. These inquiries resulted in 445 businesses and organisations investing in the region, by way of setting up new operations or expanding existing ones.\textsuperscript{126} Overall, the Commission’s rate of conversion of inquiry to decision to invest was 28 per cent. In the first eight years of the Commission, the conversion rate averaged 15.1 per cent. In the last eight years the rate was 48.0 per cent. This improvement in efficiency was a result of better screening of major inquiries.

10.9 Advocacy

As we saw in chapter 6, those who supported the formation of the Commission\textsuperscript{127} argued that there was a need to move away from the fragmented approach to advocacy that was associated with the efforts of nine councils to the situation where one organisation, the GRC, spoke for the region on issues of common

\textsuperscript{124} GRC, ‘GRC Marketing Strategy for the Geelong Region 1982-1984,’ p. 7. Cowling contended that the lack of a sustained communications strategy was a shortcoming. Interview with Cowling. 12 August 2004.
\textsuperscript{126} GRC, Annual report 1992/93, p. 16.
interest.\textsuperscript{128} This interest generally focused on trying to change industry policy, or minimise the adverse effects of government legislation and regulations on the region. Some of these activities are discussed below.

Late in 1991 the Australian Wool Corporation (AWC) promoted the idea of consolidating the wool selling centres in Melbourne, Adelaide, Launceston and Geelong into a single centre in western Melbourne.\textsuperscript{129} In concert with the Geelong wool brokers and growers in the Western District, the Commissioners made representation against this proposal. The Commissioners argued that show floors and facilities in Geelong cost less that those in Melbourne and that the loss of wool selling would destroy the integration of the wool industry in Geelong. In addition, they argued that the internationally recognised name of ‘Geelong Wool,’ and its associated higher price premiums, would not be preserved in a centralised system.\textsuperscript{130} The Commissioners took their arguments to the leaders of the Australian Wool Industry and as a result, the AWC revised its stance on centralising wool selling. After the Commission was abolished in 1993, the Australian Wool Exchange (AWE) took over the issue of centralising wool selling in Australia.\textsuperscript{131} The advocacy role in the region was taken over by a Wool Industry Task Force established by the Commissioners of the CoGGC late in 1993. This Task Force successfully promoted the arguments of the GRC Commissioners and retained wool selling in Geelong until the late 1990s, when the AWE consolidated all wool selling centres in South-Eastern Australia into a single site in Melbourne.\textsuperscript{132}

Another issue that occupied the Commissioners for over a decade was that of trying to influence the IAC, and its successor, the IC, on matters of trade liberalisation in Australia. By their actions, the Commissioners showed that they

\textsuperscript{128} Interview with McLure, 16 August 2004.
\textsuperscript{132} Observations of the author.
opposed the tenets of neoclassical economic theory through their attempts to maintain tariff protection for the TCF and automotive components industries.

In August 1979, when the IAC published its recommendations on lowering tariffs for the TCF Industry, the Commission’s staff analysed the implications for the Geelong region. Atkins presented the Commission’s findings to the IAC hearing in Sydney in December. He argued that:

...the changes proposed by the IAC are untimely, rely excessively on the hope of economic recovery, pay insufficient attention to the real benefits and costs of change, and take insufficient account of regional difficulties with structural adjustment or industrial adaptation.\(^{133}\)

As a result, the IAC Commissioners asked the GRC Commissioners to carry out additional investigations. This supplementary information, provided in January 1980, showed that 54 per cent or 1810 jobs in the industry were at risk.\(^{134}\) The GRC Commissioners finally took the position of not opposing change, but asked that reforms be introduced over a longer term and with greater sensitivity.\(^{135}\)

In 1985 the IAC held an inquiry into the level of tariff protection that should apply to the TCF Industries in Australia between 1989 and 1996. In June 1986 the IAC recommended to the Commonwealth Government that protection be reduced from 134 to 50 per cent. This was attacked vigorously by the GRC Commissioners, who argued that, once again, the IAC had not considered the regional impact of its proposals, which would result in large jobs losses for the Geelong manufacturing sector. In addition, the GRC Commissioners argued that there was a need for a national policy for wool yarns and textiles to ensure added value through downstream processing, and that the bounty inequity between man-made and natural fibres should be reduced.\(^{136}\) In its final policy, handed down in November 1986, the Government opted for a compromise seven-year plan, where

\(^{133}\) GRC, ‘Submission to Industry Assistance Commission Inquiry into the Textiles, Clothing and Footwear Industries,’ November 1979, p. 16


the tariffs for textiles and clothing, and footwear were reduced to 60 and 50 percent, respectively. In addition, the Government accepted the GRC Commissioners’ arguments for encouraging greater value-adding to natural fibres and reducing the difference in the bounty provisions between man-made and natural fibres.¹³⁷

When the IAC drew up draft recommendations in 1981 on lowering the level of protection for passenger vehicles and components in the post-1984 period, the GRC Commissioners made a strong representation on behalf of the Geelong community. In their submission they pointed out that the adoption of the recommendations of the IAC would threaten the livelihood of up to one-third of the manufacturing workforce in the Geelong region.¹³⁸ To support their contention, the GRC Commissioners noted that the IAC acknowledged in its report that Geelong had the highest ratio of manufacturing employment in motor vehicle production of any region in the nation.¹³⁹ In the light of this, they argued that:

... it was the IAC’s responsibility to report on specific measures of regional adjustment assistance, where it was shown that a region would suffer as a result of IAC’s proposals being adopted as Government policy.¹⁴⁰

In mid 1990 the Commonwealth Government required the IC to recommend the levels of reduction in tariff protection that should apply to the Australian Automotive Industry for the period of 1993 to 2000.¹⁴¹ The GRC Commissioners’ submission to the IC, made in August 1990, was based on extensive discussions with the automotive components manufacturers in the region. The GRC Commissioners argued that, among other things, it was important that Australian design, production engineering, and tool production capabilities be sustained to

¹³⁸ Of the approximately 19,000 workers in the Geelong manufacturing sector, some 6,500 were employed by businesses directly related to passenger vehicle and components production. GRC, Annual Report 1980/81, p. 18.
enable the local industry to remain competitive and capable of adapting the new technologies for future production. They also argued that the regional implications of any reduction must be taken into account. In its September draft report the IC recommended that the tariff be reduced from 35 per cent as of 1 January 1993 to 15 per cent in 2000; that export facilitation be simplified; and that there be no consideration for value adding. The GRC Commissioners took particular exception to the contention of the IC that:

Only in Geelong does the automotive workforce account for a major proportion of total employment... [but the IC] considers that these figures [derived from the ORANI model] suggest that no region would suffer unmanageable disruption from implementation of its [the IC] proposals... [although] there will obviously be some lumpiness in the adjustment process.

Again this was a rejection of the GRC Commissioners' arguments. As a result they made further written and verbal submissions to the IC arguing that the IC had not taken the Commonwealth Government's social and economic goals into account; there was no recognition of the Government's goal to recognise the interests of industries, consumers and the community; and the IC had not demonstrated how its recommendations would contribute to making the Australian Automotive Industry viable and internationally competitive. As part of their defence of Geelong interests, Atkins and the staff joined with parliamentarians and other representatives of the community in making representations to Commonwealth Government Ministers. On 21 January 1991, the IC made its formal recommendations to the Government. The scale of tariff reduction remained unaltered, but export facilitation was included, albeit in a less restrictive form. No mention was made of the GRC Commissioners' recommendations on retaining technology and skill capacities, and reintroducing minimum Australian content provisions. On 14 February Atkins, Joan Kirner, the Victorian Premier, and representatives of industry and the unions met with the

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142 The ORANI model was the econometric model used by the staff of the IC to predict the impact of introducing tariff changes for Australian industries.


Prime Minister, the Treasurer and the Minister for Industry, Technology and Commerce to try to influence the Government on the position of the IC. The Government was not swayed, and on 12 March 1991 Prime Minister Hawke adopted the recommendations of the IC in his Industry Statement. This was hardly surprising given the Prime Minister’s abhorrence of what he saw as “Australia’s excessive protectionism.” 145 Such was the reaction in the Geelong community that 12,000 people (a large gathering for Geelong) marched from the Ford Motor plant in North Geelong to Rippleside Park to demonstrate against the tariff cuts.146 The delegation’s worst fears came sooner than later. By 30 June 1991, 1,900 jobs had been lost from the automotive workforce of 6,700 of the year before.147

The Commissioners continued to battle the dismissive approach of their regional interests by the Commonwealth Government. This led them to take an aggressive position in their submission to Paul Keating, the new Prime Minister, on his ‘Economic Statement for Australia,’ in February 1992. While discussing the reasons for the economic difficulties facing the Geelong region the Commissioners asserted that:

... the [Geelong] community perceives that the Commonwealth Government does not recognise the worth of the contribution that the region has made and is making to the nation, and, through its economic and industrial policies, is devaluing the asset base of the region. To rectify these situations, not only are new national-level policies needed, but specific regional-level policies are also required. Only a commitment, backed by tangible programs and projects, will convince non-metropolitan regions, such as the Geelong Region, that the Commonwealth Government is sincere in recognising the intrinsic value of regions to the nation.148

10.10 Performance in economic development activities

The corporate plan for 1988/89-90/91 listed eight performance indicators for economic development and promotion collectively. The Commission’s

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performance against these indicators is presented in Table 10.4. Unfortunately I was unable to find any documentation from the GRC dealing with its economic development performance against the indicators of the corporate plan. Instead I have evaluated the performance of the Commission against the plan using outcomes from this study.

In terms of employment generation the GRC exceeded the plan's target of 900 new jobs. Although I was unable to link the number of companies in the region that started exporting during the period of the plan directly with the activities of the GRC, a comparison of the listings in the Geelong Region Industrial Registers for 1985 and 1991/92 showed that 20 companies started exporting activities during the period. In terms of bringing new investment to the region, the officers of the GRC exceeded the target of $15 million by 300 per cent. With regard to the target of facilitating a total of $6 million of new investment in the service business sector, I could identify only two successful projects. It was most probable that the GRC did not achieve this target. It was also unlikely that the GRC achieved its target of facilitating $15 million in the coastal tourism-related infrastructure, as only $5 million of investment was identified. No assessment was possible for the attraction of $3 million of income to the region from conventions, as no information was available. The Commission did not budget, let alone spend, its promotion's expenditure target in the period of the plan. As we saw earlier in this chapter, this caused the Commission to adopt a spasmodic approach to advertising, which resulted in a low profile of the GRC in the Australian market. The target for an increase of at least five per cent in the number of visits to the Geelong region in the period of the plan was more than doubled.
<table>
<thead>
<tr>
<th>Indicator</th>
<th>Total for plan</th>
<th>GRC Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Economic development</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Create at least 300 new jobs annually over the period of the plan.</td>
<td>900 jobs</td>
<td>1,000 new jobs were created as a result of the Commission's facilitation.</td>
</tr>
<tr>
<td>Gain the commitment of at least 10 companies in the region to commence or re-commence export operations.</td>
<td>10 companies</td>
<td>This study found that 20 Geelong companies commenced exporting overseas between 1985 and 1991/92, not necessarily with GRC assistance.</td>
</tr>
<tr>
<td>Facilitate at least $5 million of new investment in the region annually.</td>
<td>$15 million</td>
<td>75 new companies/projects started operations in the plan period with the Commission's assistance. These included Austrim Seafoods, Basford Textiles, Geelong Galvanising, the National Wool Centre, Elders Wool and Air Radiators with a total investment of some $45 million.</td>
</tr>
<tr>
<td>Facilitate at least $2 million of new investment in the service business sector annually.</td>
<td>$6 million</td>
<td>This study identified that the ATO branch office and First National Real Estate came to Geelong through the facilitation of the GRC. No info. on investment was available.</td>
</tr>
<tr>
<td>Facilitate at least $5 million of new tourism-related investment in coastal areas of the region annually.</td>
<td>$15 million</td>
<td>This study identified that the Southern Rose restaurant and Surf Coast Plaza established due to the GRC. Total investment for these projects was some $5 million.</td>
</tr>
<tr>
<td><strong>Promotion</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Facilitate at least $1 million direct expenditure from conventions into the regional economy each year.</td>
<td>$3 million</td>
<td>No information available.</td>
</tr>
<tr>
<td>Target $0.5 million in Commission expenditure on promotion of regional development.</td>
<td>$0.5 million</td>
<td>The combined advertising budget for 1988/89 and 1989/90 was $162,500. On this basis only $244,000 would have been allocated to advertising over the period of the plan.</td>
</tr>
<tr>
<td>Increase the number of visitations to the region by at least 5% over the period of the plan.</td>
<td>5% growth</td>
<td>From November 1989, when Go Tourism was formed, to April 1993, visits to the region were reported to have increased by 11%</td>
</tr>
</tbody>
</table>
As discussed in chapter 2, the GRC showed the potential of being an effective L&REDO by conforming to six of the seven factors that influenced the performance of a successful L&REDO.\(^{149}\) Further in chapters 2 and 4, I discussed the research of Beer, Haughton and Maude, where they measured the performance of L&REDOs in Australia, England, Northern Ireland and the USA,\(^{150}\) using a series of indicators of economic development performance. Based on information from my study, I found that it was possible to calculate scores for the GRC for a number of the indicators developed by Beer and his colleagues. These indicators included the ‘number of full-time staff,’ ‘the percentage of untied funding,’ ‘the number of economic development objectives,’ ‘the number of business development activities,’ ‘the number of capacity development activities,’ and ‘the average importance of partners.’ These analyses are presented as Appendices 1-4. A measure has also been made for the question of ‘How effective is your organisation (in economic development)?’ I asked five former employees of the Commission’s Divisions of Economic Development and Development and Construction to rate the Commission’s overall economic development

\(^{149}\) Maude and Beer, ‘Regional development agencies in Australia,’ p.11.

\(^{150}\) Beer, Haughton and Maude, ‘International comparisons of local and regional economic development,’ pp. 10-13; Beer, Haughton and Maude, ‘Local and regional economic development organisations in international comparison,’ pp. 37-60; Beer, Haughton and Maude, ‘Local and regional economic development: improving our understanding and advancing our policy frameworks,’ pp.169-171; all in Beer et al., Developing Locally.
performance using the same scale as that employed by Beer and his colleagues. Although the methodology used for my survey of this question was different from that used by Beer and his colleagues, my limited survey gave a useful indication of performance of the GRC. The outcomes of my surveys compared with the findings of Beer and his colleagues are presented in Table 10.5.

This assessment showed that the GRC had more staff involved in economic development than the average L&REDO in Australia, Northern Ireland or the USA. Only in England were there larger numbers of full time staff, on average. This assessment also shows that in its economic development activities, the GRC received less tied funding than the average L&REDO in the USA, was on par with the average L&REDO in Australia and was markedly above those in England and Northern Ireland. With regards to the measures of the ‘number of objectives,’ the ‘number of business development activities’ and the ‘number of capacity development activities,’ the GRC was shown to have a greater scope of objectives and activities than the average L&REDOs studied by Beer and his colleagues. This outcome is not surprising based on the above case studies of the scope of the Commission’s activities and the Commissioners’ involvement in endogenous growth and regional capacity development. In evaluating the importance of partners, I assessed each partner group against the outcomes from this study and allocated a score based on its perceived importance using the scale developed by Beer and his colleagues. While every endeavour was taken to avoid subjectivity, in the end the score for each group was based on my judgement. This must be taken into account when considering the score allocated to the Commission. The evaluation showed that the GRC had a marginally higher score than the average L&REDOs in England, Northern Ireland and the USA, but a markedly higher score than the average L&REDOs in Australia. In line with the findings of Beer and his colleagues, I found that the partners of the GRC were most likely to come from the public sector. In terms of overall effectiveness my survey yielded an average of 5.5 out of seven. This was marginally higher than
the perceived effectiveness of the average L&REDO in the USA, England and Northern Ireland, but markedly better than the average L&REDO in Australia.

### Table 10.5: Summary of indicators of organisation performance

<table>
<thead>
<tr>
<th>Function performed</th>
<th>Aus</th>
<th>Eng</th>
<th>N Ire</th>
<th>USA</th>
<th>GRC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of full-time paid staff (median)</td>
<td>7.0</td>
<td>70.0</td>
<td>4.0</td>
<td>4.0</td>
<td>12 (1)</td>
</tr>
<tr>
<td>Percentage of untied income (median)</td>
<td>63.0</td>
<td>11.5</td>
<td>12.0</td>
<td>75.0</td>
<td>61.8 (2)</td>
</tr>
<tr>
<td>Number of objectives (median)</td>
<td>9.0</td>
<td>11.0</td>
<td>10.0</td>
<td>9.0</td>
<td>15 (3)</td>
</tr>
<tr>
<td>Number of business development activities (median)</td>
<td>10.0</td>
<td>12.0</td>
<td>6.0</td>
<td>10.0</td>
<td>22 (4)</td>
</tr>
<tr>
<td>Number of capacity development activities (median)</td>
<td>7.0</td>
<td>8.0</td>
<td>5.0</td>
<td>7.0</td>
<td>13 (5)</td>
</tr>
<tr>
<td>Average importance of partners (median) [a]</td>
<td>1.3</td>
<td>1.6</td>
<td>1.5</td>
<td>1.6</td>
<td>1.8 (6)</td>
</tr>
<tr>
<td>Average score on funding constraints (median) [b]</td>
<td>4.4</td>
<td>4.5</td>
<td>5.4</td>
<td>3.2</td>
<td>I.N.A.</td>
</tr>
<tr>
<td>Average score on coordination constraints (median) [b]</td>
<td>3.3</td>
<td>3.3</td>
<td>4.6</td>
<td>2.9</td>
<td>I.N.A.</td>
</tr>
<tr>
<td>Average score on capacity constraints (median) [b]</td>
<td>3.3</td>
<td>3.1</td>
<td>3.4</td>
<td>3.0</td>
<td>I.N.A.</td>
</tr>
<tr>
<td>How effective is your organisation? (mean) [c]</td>
<td>4.7</td>
<td>5.0</td>
<td>4.9</td>
<td>5.3</td>
<td>5.5 (7)</td>
</tr>
</tbody>
</table>

**Source:** Beer, Haughton and Maude, 'Local and regional economic development: improving our understanding and advancing our policy frameworks,' in Beer et al., (Eds.), Developing Locally, p. 170.

I.N.A. means information not available.

[a] Scale 0 = Not a partner. 1 = Mildly important, 2 = Moderately important, 3 = Very important

[b] Scale 1 = Strongly disagree that constraint is a problem, to 7 = Strongly agree that constraint is a problem.

[c] Scale 1 = No impact to 7 = Major impact.


(2) In 1992/93 the GRC received $1,209,469 for its economic development function. $747,719 came as untied grants from the Victorian Government, $317,000 came from the Commonwealth Government as grants for specific projects and $144,750 was allocated to the Commission’s tourism promotion from local government, the VTC, and corporate sponsorship. Letter from the GRC Director of Economic Development to the Chairman of Commissioners of the CoGGC, 18 June 1993.

(3) Appendix 2.

(4) Appendix 3.

(5) Appendix 4.

(6) Appendix 1.

(7) Survey of five GRC officers from the Commission’s Divisions of Economic Development and Development and Construction.

255
10.11 Conclusion

During the life of the Commission the staff assisted 114 regional businesses to expand and 331 enterprises to establish their operations in the region, all of which resulted in some $650 million of new investment and the generation of 5,300 new jobs.\textsuperscript{151} Because of a paucity of data on growth in the total number of businesses in the region and a lack of disaggregation in the Commission's statistics, it was not possible to measure the Commission's performance in enterprise development. In terms of creating jobs the statistics show that the Commission was involved in generating over one-third of the regional workforce growth between June 1976 and June 1991. In this period the workforce in the Geelong region grew by 13,916 persons,\textsuperscript{152} while the Commission was involved in the generation of 4,912 new job opportunities between August 1977 and June 1991.\textsuperscript{153} This equates to a share of 35.3 per cent. This is a significant performance.

We saw in chapter 5 that the CCP pilot program facilitated the establishment of 83 small businesses and created 280 new jobs.\textsuperscript{154} This is a ratio of 3.37 jobs per enterprise. In the case of the GRC over its lifetime the corresponding ratio was 11.91.\textsuperscript{155} This comparison demonstrated that businesses expanding or establishing in the region had a higher jobs component.

This research also showed that the Commissioners' activities in assisting existing businesses to expand created more jobs per enterprise (2,288 jobs from the 114 business expansions, or 20 jobs per business) than their program of attracting new

\textsuperscript{152} Table 10.1
\textsuperscript{153} GRC, Annual Report 1992/93, p. 15.
\textsuperscript{154} David Simmons, Minister for Local Government, "Towards a more competitive Regional Australia", speech to the "Regional Development in the 1990s: Fact or Fiction Seminar", held in Wagga Wagga on 14 July 1992, conference proceedings.
\textsuperscript{155} Calculated by the author by dividing the total jobs (5,300) by the total number of businesses (445), which invested in the region by way of expansion or establishing with the assistance of the GRC.
businesses to the region (3,018 jobs from 331 business start-ups, or 9 jobs per business).\textsuperscript{156} The lower employment per enterprise ratio for new businesses had been influenced by the inclusion of the 97 small companies generated by the NEIS program, which were mostly owner operated. These results suggest that assisting existing businesses to expand is a very effective method of generating new jobs in a region like Geelong.

The Commissioners’ industry recruitment activities yielded only 20 new companies out of the total of 331 businesses that set up new businesses in the region. Collectively these 20 companies generated 1144 new jobs, or 57.2 jobs per business. In terms of job generation industry recruitment was successful, despite its high cost to the community. Overall, however, 91.2 percent of all the 445 businesses and organisations assisted by the GRC were involved in endogenous growth of the region.

In terms of diversification, the main contribution of the Commission was through the City By The Bay program. Between June 1986 and June 1992 retail floor space in the Barwon Region increased by 53 per cent to 493,000 square metres, while the number of retailers increased by 16 per cent, to 2,314.\textsuperscript{157} Between 1986 and 1991 employment in the wholesale and retail trade in the Geelong region rose by 15 per cent to 14,490. While the remainder of the tertiary sector, other than tourism, were not the specific targets of the Commissioners’ activities, the Commission’s involvement in determining the environment for business development would have played its part. Between 1981 and 1991 employment in the Geelong region’s community services rose by 35 per cent to 14,430; finance property and business services rose by 60 per cent to 6,171; and the recreation, entertainment and personal services area rose by 71 per cent to 5,050. Overall employment in the Geelong region’s tertiary sector during this period rose by 32

\textsuperscript{156} Based on information contained in GRC, Annual Report 1992/93, pp. 14, 15.
per cent to 53,204.\textsuperscript{158} This represented a change from 61 per cent to 71 per cent of the work force. Although employment in manufacturing dropped by 19 per cent to 15,280 over the period, the number of manufacturers increased from 362 to 388.\textsuperscript{159} This indicates that the Commission's activities contributed positively to the growth of all industry sectors and the diversification of the regional economy.

With regards to establishment cost, the Commissioners spent some $19 million of development funds and grant monies on land, buildings and plant for its tourism projects.\textsuperscript{160} However, the National Wool Centre did not achieve viability; Surf Coast Plaza operated as a complete entity for a short time only, before the Commission was abolished; and Bay Link was stalled due to differences between the Commissioners and the Councillors of the City of Geelong. There is little doubt that without the Commission's involvement the Bay Link site would not have been consolidated, thus paving the way for the recent waterfront developments by the CoGGC and the Victorian Government; and it is unlikely that the National Wool Centre and Surf Coast Plaza\textsuperscript{161} would have been built. Today, all of these projects are recognised for the importance of their contribution to the tourism infrastructure of the region. At the time the Commissioners' entrepreneurship in tourism had a high cost to benefit outcome. Blakely observed that:

\begin{quote}
Although tourism can be a asset, it does not provide the solution for most of the regional/urban areas currently in a state of no-growth or decline and should not be promoted as such a solution. Indeed, available research on regional economics indicates that local demand for goods and services is more important than visitor demand.\textsuperscript{162}
\end{quote}

\begin{footnotes}
\item[158] Table 10.1.
\item[160] Author's calculations based capital expenditure on the Bay Link project (including the Imax System), the National Wool Centre and Surf Coast Plaza, as detailed in Chapter 9.
\item[161] \textit{Geelong Advertiser}, editorial, 18 December 1992.
\item[162] Blakely, p. 189.
\end{footnotes}
In this sense, the Commissioners' involvement in the retail elements of the City By The Bay project, with its associated commercial benefits, made a greater economic impact than their tourism projects.

The Commission's performance against the indicators of the corporate plan for 1988/89-1990/91 were mixed. While the Commission's performances in employment generation, the attraction of tourists and overall investment exceeded the nominated targets markedly, the Commission did not achieve its targets for investments in the service business and tourism sectors. The number of new exporting companies in the region and income from conventions could not be asseses because of a lack of information. This evaluation identified the shortfall in budgeting expenditure on promotions, which as I conclude below, led to the low profile of the GRC in the Australian market.

When compared with the average of the L&REDOS surveyed by Beer and his colleagues in Australia, England, Northern Ireland and the USA in 2001, the GRC demonstrated a comparable, if not superior, performance in a range of economic development functions and organisational characteristics. These included staff establishment, untied funding, range of objectives, economic and capacity development activities, importance of partners and effectiveness in carrying out economic development.

The Commissioners and staff were also skilled at attracting businesses and were very competent at converting enquiries to investment. They were not as successful at creating favourable images of the region and the GRC in the minds of the wider audiences in Melbourne and the rest of Australia. This was due to an inability to turn around the entrenched image of the region being an industrial centre. Despite the attempts to redress this situation, the Commissioners and staff did not mount the sustained promotions program that this situation required. This was due to a lack of funding.
Some considered that the Commissioners and staff could have managed media relations and communications with the community better.\textsuperscript{163} This might have reduced community support over the longer term.

The community had confidence that the Commissioners would defend the interests of the region vigorously, as was the case in tariff protection issues. In doing so, the Chairman and Commissioners used their extensive network within Government and the private sector to achieve the region's ends. This was evident in 1990 when Atkins and the Premier of Victoria took the Geelong and Victorian cases on tariffs directly to the Prime Minister, Treasurer and the Minister for Industry. It is also of note that while the Commissioners argued from a regional perspective in industry matters, they could, and often did, espouse wider sectoral causes. This scope of appreciation often provided a basis for cooperation with the private sector on those issues where there was a mutual interest. It is also interesting to observe that the assertiveness and entrepreneurial spirit that were so often criticised by the detractors of the Commissioners in development matters were the very qualities that the leaders of the Geelong regional community expected from the Chairman and Commissioners in their championing of the region's causes.

\textsuperscript{163} Interviews with Cowling, 12 August 2004 and McLure, 16 August 2004.
PERFORMANCE OF THE GRC IN FINANCIAL MANAGEMENT

11.1 Introduction

The Commissioners operated two separate businesses. One dealt with the routine operations of the Commission and the other with development projects. While the governments of the day generally did not become involved in the specific activities of these businesses,¹ the Ministers (of economic development) and the Treasurer maintained control through budgetary, audit and loan approval processes.² Budgets were submitted to the Minister annually³ and the Commission's accounts were audited independently each year,⁴ including an assessment by the Victorian Auditor-General.⁵ The Commission’s Finance Committee acted as an internal monitoring body for the Commissioners.

Although the Commissioners operated two businesses, the Commission’s 1982 financial objectives concentrated on the development business and financial management. It read:

[To] Secure the necessary funds to facilitate economic and community development in the Region, properly utilise and invest these funds and provide sound and accountable financial management systems.⁶

By 1992 the wording had changed, but the intent remained essentially the same.

The Commission's corporate plan for 1988/89-1990/91 specified the performance indicator for financial management as an average rate of return of five per cent on

¹ Interview with Atkins, 6 May 2004.
³ Geelong Regional Commission Act 1977, Section 21 (2).
⁴ Geelong Regional Commission Act 1977, Section 21 (3).
assets employed. This included new capital projects.\textsuperscript{7} For this study I have used return on investment (ROI) for rate of return, which is defined as:

\begin{equation*}
\text{Profit before tax (or surplus in the case of the GRC) } \times \frac{\text{100}}{\text{Total funds employed}}
\end{equation*}

This chapter examines the structure of the financial management of the GRC, and addresses the aspects of securing funding to conduct development projects and the profitable use and investment of funds. In addition to comparing the ROI of the Commission with the private sector and government business enterprises (GBEs) in Australia, I have attempted to convert the Commission’s account figures into a series of financial performance indicators, in a bid to explain the financial performance of the GRC and compare it against that of the CoGGC.

The Commission’s financial accounts were prepared and reported under the categories of ‘Operations and Promotions’, Development Activities’ and ‘Community Properties’.\textsuperscript{9} The Commissioners had a policy of using the historical cost accounting convention.\textsuperscript{10}

### 11.2 Operations and promotions

‘Operations and Promotions’ referred to the general activities of the GRC and covered items such as salaries of staff, administration, investment facilitation activities, promotions, planning and expenditure on consultants. The costs of these functions were funded from grants appropriated by the Victorian Parliament. The items were contained in annual budget estimates, which as we

\textsuperscript{7} GRC, ‘Forward Plan 1988/89-1990/91,’ Section 5, Finance.


\textsuperscript{10} Between 1979 and 1986 these categories were reported in the Balance Sheet and the Revenue Statement separately. From 1987, when the reporting was consolidated in these statements, the categories were reported separately in the notes to the accounts.

\textsuperscript{10} The historical cost convention recorded the value of items at their original costs. The exceptions to this practice, such a revaluations of land and buildings, were referred to in the notes to the accounts. These variations were included in accordance with Australian Accounting Standards, GRC, \textit{Annual Report 1987/88}, p. 25, Note 1.1.
saw above, were subject to approval by the Minister (for economic
development). Because the GRC operated under its own statute, its budget did
not come within the Minister’s departmental budget estimates, but was a separate
line item in the Ministerial estimates forwarded to Parliament for adoption and
appropriation.

The nine member municipalities of the Geelong region also contributed monies,
which funded part of the cost of the Commission’s functions as a responsible
authority under the Town and Country Planning (Amendment) Act 1968, and the
Planning and Environment Act, after 1987. These funds were used exclusively
for regional land-use planning activities. Each year the Commissioners were
required by the Act to provide all member councils with a copy of the annual
accounts within three months of the close of the financial year. The only other
income included in the ‘Operations and Promotions’ category was revenue from
the sale of publications, maps and supplementary services.

From 1978/79 to 1992/93 grants appropriated by the Victorian Parliament
increased steadily from $630,000 to $2,168,001. The proportion of total income
attributable to State grants over this period decreased from 77.4 to 67.3 per cent.
Concurrently, contributions by member municipalities increased from $150,000 to
$417,367, with the proportion of total operational and promotional income
decreasing from 18.4 to 13.0 per cent. The major factor contributing to the

---

11 Geelong Regional Commission Act 1977, Section 21(3); GRC, Annual Report 1980/81, p.45. Each year the Commissioners were required to provide a copy of the accounts to the Minister responsible for economic development “as soon as practicable.” These accounts were tabled by the Minister in both Houses of the Victorian Parliament. Geelong Regional Commission Act 1977, Section 24.
12 The Planning and Environment Act 1987 replaced the Town and Country Planning Act 1961; GRC, Annual Report 1980/81, p. 24. The contributions made by member municipalities were determined on the basis of the proportion of the to the Net Annual Value (NAV) of all rateable properties in each municipality as a proportion of the total NAV of the rateable properties within the region. In 1980/81 municipal contribution amounted to 0.1449 cents in the dollar of NAV. Incremental changes year to year were generally adjusted to increases in the Consumer Price Index.
14 Geelong Regional Commission Act 1977, Section 23.
16 GRC, Annual Reports 1979 to 1993, Revenue Statements.
decreasing dependence on appropriated grants and local government contributions was the income derived from the operations of GO Tourism, which had been set up by the Commissioners after the GRC became responsible for the promotion of tourism on 23 November 1989.\footnote{GRC. Annual Report 1989/90, p. 8; See chapter 10.} As Table 11.1 shows the Commissioners utilised grant income to the utmost, with marginal deficits being recorded in nine of the 15 years studied. Over the period of the life of the GRC, the 'Operations and Promotions' account showed a cumulative surplus of $281,406 as of June 1993.

Table 11.1: Operations revenue and expenditure of the GRC – 1978/79 to 1992/93

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<tbody>
<tr>
<td>Revenue ($)</td>
<td>813,626</td>
<td>773,744</td>
<td>970,739</td>
<td>1,181,637</td>
<td>1,408,935</td>
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<tr>
<td>Expend. ($)</td>
<td>790,465</td>
<td>862,762</td>
<td>989,346</td>
<td>1,180,802</td>
<td>1,409,818</td>
</tr>
<tr>
<td>Surplus ($)</td>
<td>23,161</td>
<td>(89,018)</td>
<td>(18,607)</td>
<td>835</td>
<td>(883)</td>
</tr>
<tr>
<td>Cumulative Surplus ($)</td>
<td>108,150</td>
<td>19,132</td>
<td>525</td>
<td>1,361</td>
<td>478</td>
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<tbody>
<tr>
<td>Revenue ($)</td>
<td>1,608,237</td>
<td>1,989,938</td>
<td>2,186,727</td>
<td>2,191,326</td>
<td>2,376,266</td>
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<tr>
<td>Expend. ($)</td>
<td>1,577,819</td>
<td>2,033,094</td>
<td>2,234,070</td>
<td>2,129,783</td>
<td>2,391,625</td>
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<tr>
<td>Surplus ($)</td>
<td>30,418</td>
<td>(43,156)</td>
<td>(47,343)</td>
<td>61,543</td>
<td>(15,359)</td>
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<tr>
<td>Cumulative Surplus ($)</td>
<td>30,896</td>
<td>(12,760)</td>
<td>(49,603)</td>
<td>1,940</td>
<td>(13,419)</td>
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<tbody>
<tr>
<td>Revenue ($)</td>
<td>2,414,453</td>
<td>2,724,258</td>
<td>2,991,580</td>
<td>3,307,857</td>
<td>3,219,786</td>
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<tr>
<td>Expend. ($)</td>
<td>2,469,281</td>
<td>2,737,615</td>
<td>3,072,460</td>
<td>3,191,951</td>
<td>2,891,802</td>
</tr>
<tr>
<td>Surplus ($)</td>
<td>(54,828)</td>
<td>(13,357)</td>
<td>(80,880)</td>
<td>115,906</td>
<td>327,984</td>
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<tr>
<td>Cumulative Surplus ($)</td>
<td>(68,247)</td>
<td>(81,604)</td>
<td>(162,484)</td>
<td>(46,578)</td>
<td>281,406</td>
</tr>
</tbody>
</table>

Source: GRC, Annual Reports 1978 to 1993, Revenue Statements. ( ) denotes deficit

11.3 Development projects

As we saw in chapter 8, the Commissioners undertook development activities with the aim of stimulating employment in the region.\footnote{Comment of Colin Atkins quoted in Geelong Business, March 1985, p. 16. Interview with Atkins, 6 May 2004.} A major concurrent
benefit was that the Commissioners added important infrastructure in the region’s manufacturing, retailing and tourism sectors. In general, the Commissioners undertook developments that were high risk and therefore not attractive to the private sector. ¹⁹

The Commissioners were successful in generating increasing equity in the Commission’s development program. ²⁰ As can be seen in Table 11.2, the Commission’s equity rose to a maximum of $24,784,453 in 1989/90.

### Table 11.2: Equity from development projects of the GRC – 1978/79 to 1992/93

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<tbody>
<tr>
<td>Surplus/(Deficit) ($)</td>
<td>422,764</td>
<td>648,835</td>
<td>862,887</td>
<td>982,305</td>
<td>548,376</td>
</tr>
<tr>
<td>Contributed Capital ($)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Reserves ($)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Equity ($) (1)</td>
<td>422,764</td>
<td>648,835</td>
<td>862,887</td>
<td>982,305</td>
<td>548,376</td>
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<tbody>
<tr>
<td>Surplus/(Deficit) ($)</td>
<td>(373,010)</td>
<td>220,834</td>
<td>(281,801)</td>
<td>574,986</td>
<td>2,183,593</td>
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<tr>
<td>Contributed Capital ($)</td>
<td>605,137</td>
<td>1,005,137</td>
<td>1,815,969</td>
<td>2,758,887</td>
<td>8,691,196</td>
</tr>
<tr>
<td>Reserves ($)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4,126,265</td>
<td>7,612,071</td>
</tr>
<tr>
<td>Equity ($) (1)</td>
<td>232,127</td>
<td>1,225,971</td>
<td>1,534,168</td>
<td>7,460,138</td>
<td>18,488,860</td>
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<tbody>
<tr>
<td>Surplus/(Deficit) ($)</td>
<td>2,439,970</td>
<td>3,703,377</td>
<td>4,690,321</td>
<td>3,769,742</td>
<td>(2,813,303)</td>
</tr>
<tr>
<td>Contributed Capital ($)</td>
<td>8,438,696</td>
<td>8,438,696</td>
<td>9,223,330</td>
<td>11,023,330</td>
<td>9,209,021</td>
</tr>
<tr>
<td>Reserves ($)</td>
<td>8,445,702</td>
<td>12,642,380</td>
<td>2,740,388</td>
<td>3,420,388</td>
<td>3,734,843</td>
</tr>
<tr>
<td>Equity ($) (1)</td>
<td>19,324,368</td>
<td>24,784,453</td>
<td>16,654,039</td>
<td>18,213,460</td>
<td>10,130,561</td>
</tr>
</tbody>
</table>

Notes: (1) Equity represents the value of retained surpluses + contributed capital (grants from government sources for capital works) + reserves.

²⁰ Interview with Cowling, 12 August 2004. Equity was defined as the sum of retained cumulative surpluses (cumulative annual total income less total annual expenditure), contributed capital (grants from government sources for capital works) and reserves (monies put aside for items such as devaluation of properties values at the times of revaluation).

This was due mainly to the significant capital grants (contributed capital) from the Victorian Government in 1986/87 for specific projects, such as the National Wool Centre; a tripling of reserves from the appreciating values of properties and land, resulting from revaluations in 1987 and 1990; and the steady increase in the surpluses made from the sale of industrial land and properties, such as the factories at the Harbourside Complex.

Each year between June 1981 and June 1989 the Commissioners borrowed the annual maximum allowed by the Victorian Loan Council and continued to re-borrow those amounts of principal repaid to lenders each year. By 1988/89 the loan liability of the GRC was $20,931,677 - the highest level of borrowing undertaken by the Commissioners during the lifetime of the GRC. This loan liability represented only 42 per cent of the maximum $50 million allowed by the Geelong Regional Commission Act. Loan funds were used exclusively for development activities and were not allocated to the ‘Operations and Promotions’ account.

The Commissioners’ policy of maximising their annual borrowings ensured the continuity of the development program, particularly in those years when the requirements for project funding were in excess of the allowable borrowing limits. To offset the holding costs of borrowings the Commissioners invested excess loan funds in short-term investments. For example, in 1988/89 the Commissioners earned $1,971,080 from investments, while paying interest of

---

22 Initially the limit was $1 million per year. GRC, Annual Report 1977/78, p. 28. This was adjusted annually over the lifetime of the Commission.
23 Prior to June 1981 the accounts do not record whether the annual borrowings were the maximum allowed by the Loans Council. GRC, Annual Report 1989/90, p. 19
24 GRC, Annual Report 1988/89, p. 19. It should be noted that the total liability of the GRC in 1989 was $22,686,065, of which $20,931,677 was loan liability.
$2,759,677 on all borrowed funds. Over the study period much of the cost of borrowing for development activities was capitalised into the total cost of the projects.

From 1989/90 to 1992/93, the Commissioners reversed their policy and refrained from borrowing any funding for development. At this time the opportunity for development had slowed, due mainly to the downturn in the economy and the stalled Bay Link element of the City By The Bay project. In 1990/91 the Commissioners initiated a program of retiring debt by relinquishing a loan of $829,000. In the following year, they entered into an agreement with the Victorian Department of Planning and Housing to retire $5 million of loans to allow Housing and Construction Victoria to build urgently needed public housing in the inner urban area of the Geelong region. As we saw in chapter 8, the GRC Administrator stated that the Commission’s total debt of some $10 million (at market value) was covered by sales of properties under contract or in negotiation, as at 1 December 1993. This allowed for the Commission’s debt to be fully retired. Over the life of the Commission, the Commissioners directed some $46 million into development projects.

11.4 Community properties

The Commissioners acquired lands that were important to the Geelong regional community and preserved them as public open space. In the early years the Commissioners received an annual grant for the acquisition of land that had been reserved under the GRPS for its landscape and/or its environmental value to the

---

28 This practice commenced on 1 July 1987. The policy applied to developments, which took place over a period greater than 12 months. In these cases the borrowing costs were capitalised into the total cost of the projects. Borrowing costs were capitalised, however, only to the extent that the current value or estimated realisable value of the property exceeded the book value.
31 GRC, Annual Report 1 July 1993 to 3 December 1993, Administrator’s Foreword.
33 GRC, Annual Report 1988/89, p. 19. This land was not used for the Commission’s development activities. GRC, Annual Report 1991/82, p. 49.
Geelong region and the State of Victoria.  

In the later years the Commissioners applied for grant funding for these acquisitions. In 1992 the value of the Commission’s community lands was $9,796,651.  

11.5 Measuring financial performance

In the industrialised nations of the world, the general move towards a profit-based measurement of performance of public organisations started in the 1960s, when policy makers in Britain and France, among others, began to place greater emphasis on the commercial role of public enterprises at the expense of their public interest role. This trend was accelerated in the 1970s and 1980s when governments adopted economic rationalist thinking and emphasised the need to assess the performance of public enterprise based on rate of return criteria. While Gary Cowling, the former Director of Finance and Administration for the GRC, pointed out that the Commissioners operated "... a non-profit budget ... with no requirement to make a profit, but ... a deficit had to be guarded against ..." the Commissioners did include a rate of return performance indicator of 'five per cent on assets employed' in the corporate plan for 1988/89-1990/91. The Commission's ROI performances between 1980/81 and 1991/92 are presented in Table 11.3. This shows that for the period of the plan, the Commission's average ROI was 3.3 per cent, or some two-thirds of the plan's performance indicator of five per cent.

In 1990/91 the average ROI for the GRC was 4.6 per cent. This was lower than the average ROI performances of private companies listed on the Australian Stock Exchange and GBEs in Australia. These were 10 and 6.5 per cent respectively.

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35 After re-evaluation in June of the following year they amounted to $6,616,000. GRC, Annual Report 1992/93, p. 63, Note 13.
36 Mascarenhas, p. 60.
37 Interview with Cowling, 12 August 2004.
38 Hodge, p. 64.
39 This figure included losses from bank failures. Hodge, p. 64.
### Table 11.3: ROI for all GRC businesses - 1980/81 to 1991/92

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<tbody>
<tr>
<td>Operating surplus ($) (1)</td>
<td>214,054</td>
<td>119,416</td>
<td>(433,929)</td>
<td>(355,398)</td>
<td>593,844</td>
<td>(502,634)</td>
</tr>
<tr>
<td>Funds (2) employed ($)</td>
<td>6,525,463</td>
<td>6,736,543</td>
<td>9,480,197</td>
<td>14,571,632</td>
<td>19,248,292</td>
<td>21,358,742</td>
</tr>
<tr>
<td>ROI (%)</td>
<td>3.3</td>
<td>1.8</td>
<td>Negative</td>
<td>Negative</td>
<td>3.1</td>
<td>Negative</td>
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<tbody>
<tr>
<td>Operating surplus ($) (1)</td>
<td>646,644</td>
<td>3,410,723</td>
<td>1,088,008</td>
<td>1,370,048</td>
<td>1,811,459</td>
<td>(920,579)</td>
</tr>
<tr>
<td>Funds (2) employed ($)</td>
<td>29,547,928</td>
<td>43,022,362</td>
<td>43,092,326</td>
<td>46,657,021</td>
<td>39,146,757</td>
<td>35,297,243</td>
</tr>
<tr>
<td>ROI (%)</td>
<td>2.2</td>
<td>7.9</td>
<td>2.5</td>
<td>2.9</td>
<td>4.6</td>
<td>Negative</td>
</tr>
</tbody>
</table>

**Source:** GRC Annual Reports 1981-1992.

Note (1) Operating surplus (deficit), before abnormal items, is total revenue less total expenditure.

Note (2) Funds employed include total equity (contributed capital grants, reserves and retained surpluses) plus current liabilities (creditors, borrowings, provisions, loans, advances, etc.) plus non-current liabilities (provisions, loans, advances, etc.) plus deferred revenue (grants in advance).

Mascarenhas challenged the profit performance approach for public sector enterprises, arguing that “... the complex economic and technical reasons associated with their establishment do not offer a competitive environment for their efficient functioning. Acceptance of this fact would raise doubts about using a rate-of-return approach to measuring performance.”

Ross Clare and Kaye Johnston, in their report to the Australian Economic Planning Advisory Council, voiced the need for caution when comparing the financial performances of GBEs with private enterprises because of the GBEs’ requirement to meet community service obligations. In his study of the history of public enterprise in Britain, Peter Curwen also pointed out that whereas private enterprise relied heavily on public dividend capital as a source of funding, public enterprise derived most of

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40 Mascarenhas, p. 65.
its funding from interest-bearing loans. \(^{42}\) This applied to the GRC in the 1980s, when the Commissioners undertook projects that the private sector would have regarded as high risk, \(^{43}\) using interest-bearing loans, in their attempts to generate employment. Examples include the development of the City Side Industrial Estate, Edol’s Place Factory Units, Corio Bay Industrial Park, Harbourside Factories Complex, the Thoroughbred Training Complex and the National Wool Centre.

In chapter 4, I argued that the assessment of the financial performance of not-for-profit public corporations, such as the GRC, should address the management of their indebtedness and cash flow primarily. As a result I chose debt service ratio (DSR), debt exposure ratio (DER) and working capital ratio (WCR) for comparisons of the financial performances of the GRC and the CoGGC.

The DSR compared the debt servicing costs with total revenue and thus measured the capacity of the organisations to service their outstanding debts. In this exercise total annual borrowing and revenues for the respective organisations were used for the calculation of DSRs. The DER compared the total indebtedness with the total realisable assets and thus identified the organisations’ exposures to debt. The WCR compared current assets and current liabilities from the balance sheets and assessed the organisations’ abilities to meet their current financial commitments. In June 1991 the Commissioners adopted the practice of classifying the value of properties, which could be sold, as current assets. For the sake of continuity I have excluded the value of these properties from the current assets in the Commission’s balance sheets from 1990/91 to 1992/93, inclusive. The comparison of DSR, DER and WCR for the Commission and the CoGGC is shown in Tables 11.4, 11.5 and 11.6 respectively.


Table 11.4: Debt servicing ratios for the GRC for 1985/86 to 1992/93 and the CoGGC for 1993/94 to 2002/03

<table>
<thead>
<tr>
<th>Organisation</th>
<th>85/86</th>
<th>86/87</th>
<th>87/88</th>
<th>88/89</th>
<th>89/90</th>
<th>90/91</th>
<th>91/92</th>
<th>92/93</th>
<th>Ave</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRC (%)</td>
<td>38.1</td>
<td>39.2</td>
<td>25.6</td>
<td>33.2</td>
<td>24.2</td>
<td>20.5</td>
<td>38.3</td>
<td>17.8</td>
<td>29.6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Org</th>
<th>93/94</th>
<th>94/95</th>
<th>95/96</th>
<th>96/97</th>
<th>97/98</th>
<th>98/99</th>
<th>99/00</th>
<th>00/01</th>
<th>01/02</th>
<th>02/03</th>
<th>Ave</th>
</tr>
</thead>
<tbody>
<tr>
<td>CoGG (%)</td>
<td>4.30</td>
<td>3.62</td>
<td>3.71</td>
<td>3.67</td>
<td>3.61</td>
<td>2.40</td>
<td>1.90</td>
<td>1.29</td>
<td>1.00</td>
<td>0.77</td>
<td>2.63</td>
</tr>
</tbody>
</table>


Table 11.5: Debt exposure ratios for the GRC for 1985/86 to 1992/93 and the CoGGC for 1993/94 to 2002/03

<table>
<thead>
<tr>
<th>Organisation</th>
<th>85/86</th>
<th>86/87</th>
<th>87/88</th>
<th>88/89</th>
<th>89/90</th>
<th>90/91</th>
<th>91/92</th>
<th>92/93</th>
<th>Ave</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRC</td>
<td>0.97</td>
<td>1.52</td>
<td>2.01</td>
<td>1.86</td>
<td>2.12</td>
<td>1.55</td>
<td>1.51</td>
<td>1.36</td>
<td>1.61</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Org</th>
<th>93/94</th>
<th>94/95</th>
<th>95/96</th>
<th>96/97</th>
<th>97/98</th>
<th>98/99</th>
<th>99/00</th>
<th>00/01</th>
<th>01/02</th>
<th>02/03</th>
<th>Ave</th>
</tr>
</thead>
<tbody>
<tr>
<td>CoGG</td>
<td>2.50</td>
<td>3.20</td>
<td>3.29</td>
<td>2.90</td>
<td>3.37</td>
<td>3.91</td>
<td>5.88</td>
<td>6.71</td>
<td>6.06</td>
<td>5.36</td>
<td>4.32</td>
</tr>
</tbody>
</table>


Table 11.6: Working capital ratios for the GRC for 1985/86 to 1992/93 and the CoGGC for 1993/94 to 2002/03

<table>
<thead>
<tr>
<th>Organisation</th>
<th>85/86</th>
<th>86/87</th>
<th>87/88</th>
<th>88/89</th>
<th>89/90</th>
<th>90/91</th>
<th>91/92</th>
<th>92/93</th>
<th>Ave</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRC</td>
<td>4.5</td>
<td>4.2</td>
<td>0.9</td>
<td>1.4</td>
<td>3.6</td>
<td>5.6</td>
<td>0.7</td>
<td>N/a</td>
<td>3.2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Org</th>
<th>93/94</th>
<th>94/95</th>
<th>95/96</th>
<th>96/97</th>
<th>97/98</th>
<th>98/99</th>
<th>99/00</th>
<th>00/01</th>
<th>01/02</th>
<th>02/03</th>
<th>Ave</th>
</tr>
</thead>
<tbody>
<tr>
<td>CoGG</td>
<td>1.57</td>
<td>1.80</td>
<td>2.65</td>
<td>1.24</td>
<td>2.10</td>
<td>1.75</td>
<td>1.43</td>
<td>1.71</td>
<td>1.73</td>
<td>1.33</td>
<td>1.73</td>
</tr>
</tbody>
</table>


What becomes immediately obvious from the examination of the DSRs is that between 1985/86 and 1992/93 the Commissioners used a high proportion of total revenue (29.6 per cent) to service loans, when compared with the CoGGC between 1993/94 and 2002/03 (2.63 per cent). When the DSR is calculated exclusively for the Commission’s development borrowings and revenue, the ratios showed that on average half of the revenue generated by the development activities went in servicing development debt. This can be seen in Table 11.7.
Table 11.7: Debt servicing ratios for the development projects of the GRC 1985/86 to 1992/93.

<table>
<thead>
<tr>
<th>Organisation</th>
<th>85/86</th>
<th>86/87</th>
<th>87/88</th>
<th>88/89</th>
<th>89/90</th>
<th>90/91</th>
<th>91/92</th>
<th>92/93</th>
<th>Ave</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRC (%)</td>
<td>59.4</td>
<td>60.8</td>
<td>35.8</td>
<td>51.7</td>
<td>36.0</td>
<td>30.8</td>
<td>92.1</td>
<td>48.7</td>
<td>51.9</td>
</tr>
</tbody>
</table>


The Commissioners were successful in gaining some $11 million of grants from the Victorian and Commonwealth Governments and the Port of Geelong Authority (POGA) for their development projects. These included the transfer of 25.26 hectares of Crown land in South Geelong for the City Side Industrial Estate and 3.8 hectares of land from POGA for inclusion in the Bay Link site, as well as funding for the National Wool Centre and Surf Coast Plaza, among other tourism and community projects. The Commissioners borrowed the balance of the $46 million used for their other industrial and commercial developments.

It should be noted that the Councillors of the CoGGC minimised borrowings through the use of rates. These represented an average of 43.85 per cent of Council’s revenue between 1994 and 2003. In 1986 the Commissioners tried unsuccessfully to create a similar source of funding. During the public discussion phase of the GRDS, the Commissioners proposed that the GRC be permitted to create a Regional Improvement Levy through member municipalities to profit fund activities, such as tourism promotion and research and to acquire land for conservation and regional park development. This brought an immediate reaction from the Mayor of the City of Geelong, Hayden Spurling, who described the proposal as ‘double taxing.’ Members of the Bellarine Shire Council condemned the proposal and stated that their Council “agrees with the philosophy of another rating body within the region and will strongly oppose any

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48 The Manager of the Bellarine Shire, Mr. Ian Couper, predicted that the issue would become controversial, Geelong Advertiser, 8 March 1986.
introduction of such a levy."^49 The Councillors of the Shire of Corio also voiced this negative sentiment.^50 On the other hand the Geelong West Council and Bannockburn Shire supported the introduction of the levy.^51

Under the provisions of Section 14 (8) of the *Geelong Regional Commission Act* 1977, member municipalities had the right to levy a rate on rateable property to raise their funding for the GRC. The GRC was not allowed this power. In March 1988 local municipal councils debated the matter again as part of the final review of the GRDS. This time the Mayors of the municipalities Bellarine, Corio, Geelong, Newtown and Queenscliffe opposed the proposal. ^52 Victorian Opposition Leader Jeff Kennett also voiced his opposition to any proposal to give the GRC rating powers. Given the negative reaction by many of the member municipalities, it was not surprising to find that the levy proposal was not included in the final GRDS.^53

Comparison of the DERs showed that the CoGGC had an average of $4.32 of realisable assets for every dollar of debt, whereas the GRC had an average of $1.61. This resulted from proportionally higher levels of debt undertaken by the GRC, as the Commissioners had to borrow around three-quarters of the $46 million that they used for the Commission’s development activities. Although the Victorian Government, and to some degree the Commonwealth Government, did provide tied grants to part-fund some projects, such as the City Side Industrial Estate and the National Wool Centre, in the main, their assistance to the GRC was in the form of loans, which the Commission had to repay. Unlike the CoGGC, the Commission did not have alternate revenue streams, other than rent and sales from properties, to off-set the need to use borrowed funds.

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^49 *Geelong Advertiser*, 17 April 1986.
^51 *Geelong Advertiser*, 1 May 1986.
The Commissioners had a policy of retaining a high level of cash so that they could maintain the development program. This is demonstrated by the average WCR of 3.2 compared with that of 1.73 for the CoGGC. This high level of cash was needed particularly for the consolidation of properties on the foreshore of Corio Bay, which the Commissioners considered to be a fundamental requirement for the successful implementation of the Bay Link project. As Table 11.6 shows the cash levels were particularly high in 1989/90 and 1990/91 when development activities slowed. After 1991/92 the WCR dropped as a result of the Commissioners’ policy of debt retirement.

11.6 Conclusion

The Commissioners and staff managed the finances of the GRC responsibly and adhered to the procedures set out in the Geelong Regional Commission Act. With regard to the ‘Operations and Promotions’ account, the Commissioners generated a cumulative surplus of $281,406 over the life of the GRC, although in seven of the 16 years the Commission reported small annual deficits. The Commissioners also generated sufficient tied grants funding for the public open space lands program, which was valued in 1992 at some $9.8 million. In addition, they raised sufficient loans to fund the Commission’s development projects program.

While the ROI performance of the GRC did not meet the target of the corporate plan for 1988/89-1990/91, the Commissioners generated equity in excess of the Commission’s debts by the time the Commission was abolished. This excess was contributed to the Victorian state revenue. As the Administration pointed out in the Commission’s final annual report:
... [He] made a cash distribution to the Department of Treasury equivalent to the accumulated development surplus; this was directed to the retirement of the Commission's debt. This payment was considered appropriate as the Commission's debt arose as a result of development activities. It should be noted that the total of this payment and the proceeds to be derived from properties already sold and sales under contract or negotiation exceed the total debt of the Commission transferred to the CWA [Capital Works Authority], thus allowing the full retirement of all Commission debt on the completion of sales. Excess revenue from sales will be directed to the retirement of other State debt.\footnote{As a result of a number of different novation and transfer agreements entered into by the Administrator, responsibilities for the Commission's affairs were transferred to the Urban Land Authority (responsible for all properties where the sale or transfer had not been completed by 3 December 1992); the Capital Works Authority (responsible for outstanding debt); and the Department of Conservation and Natural Resources (responsible for community properties - public open space) as Crown land. GRC, Annual Report 1 July 1993 to 3 December 1993, p. 37.}

This was a significant performance, given the fact that the Commission was established with next to no equity.

This study showed that it was only after 30 June 1991, that the Commissioners did not maintain the highest level of debt that could be managed responsibly. It was the economic recession and the costs of the stalled Bay Link project that forced the Commissioners to undertake a debt retirement program. The cost of the high level of debt was offset to some degree by the Commissioners' program of investing surplus funds in the short-term money market.

While the Ministers of successive Victorian Governments required the Commissioners to conform to the financial processes laid down in the Act, they allowed them considerable freedom in the preparation of annual budgets for the organisation's general operations and development programs, as well as the day-to-day running of the Commission's financial affairs.

The Commissioners' prudent management was demonstrated from the analysis of the Debt Exposure Ratios. This showed that, with the exception of the first year, the Commissioners maintained sufficient realisable assets from 1985/86 to
1992/93 to meet short-term loan servicing commitments. In addition, the analysis of the Debt Servicing Ratios showed that the Commissioners generated twice as much revenue as loan costs from the Commission's development activities. The Working Capital Ratios also showed that the Commissioners maintained a high level of cash (mainly from loan funds) compared with the CoGGC. This was done to ensure that the Commission could meet its current liabilities and to cater for future development activities. In turn, it contributed to the Commission's exposure to debt, which was greater proportionally than that of the CoGGC. To some degree the need for the Commission to have a high level of borrowing was due to the constraints placed upon the Commissioners by the Geelong Regional Commission Act, which did not allow the GRC to raise revenue from rates or levies.

In the main, the Commissioners and staff achieved the financial objectives of the GRC corporate plans.
12 CONCLUSION

My thesis is that the Geelong Regional Commission was successful as a regional development organisation over its lifetime, when measured against the Object of the Geelong Regional Commission Act, the Commission’s corporate plan objectives and performance indicators, the corporate management standards of the 1990s and other independent criteria, including research on the performance indicator standards relating to today’s local and regional development organisations in Australia, parts of the United Kingdom and the United States of America.

12.1 Selection of measures of performance

The legislative instruments of the Victorian Parliament and Victorian Government, relevant to the GRC, were the Geelong Regional Commission Act 1977, the Town and Country Planning (Amendment) Act 1968 and the Planning and Environment Act 1977; Statement of Planning Policy No. 7 (Geelong); and the directives of the Victorian Public Bodies Review Committee on statutory authorities in 1982. The GRC Commissioners distilled the requirements of these Acts, policy and directives into the Commission’s corporate plans, the objectives of which were used as the qualitative standards of performance for this study. In addition, the performance indicators contained in the Commission’s corporate plan for 1988/89-1990/91 were used as a basis for measuring the Commission’s performance during this plan’s period.

It was not possible to compare the economic development performance of the GRC with growth centre RDOs (Albury-Wodonga Development Corporation and Bathurst-Orange Development Corporation) and other RDOs¹ (Latrobe Regional Commission) as these organisations did not report their performances in job

¹ As defined in chapter 1.
creation and business and investment facilitation. In addition, it was not possible to assess the financial performance of the GRC against these RDOs as their balance sheets and revenue statements were not comparable with those of the Commission. Instead, I evaluated the performance of the GRC using other external standards. These included the Samson-Challis corporate performance model for private enterprise in the 1990s; the performance indicators developed by Beer and his colleagues to measure the performances of L&REDOs in Australia and overseas in 2001; the outcomes of the CCP, introduced by the second Hawke Government in 1986; and the financial performance ratios set down by Victorian Local Government Regulation No. 84 in 1990.

12.2 The changing purposes of the GRC

The regional statutory authority for the Geelong region that emerged from the legislative process in 1977 was a far different organisation from the one envisaged by the Commonwealth and Victorian Governments in 1973. Early in the 1970s these Governments focused on limiting the increase of Melbourne’s population, by diverting growth to the regions of Geelong and Albury-Wodonga. In December 1973 the Victorian Government gave effect to this intention by collaborating with the Commonwealth and NSW Governments to establish Australia’s first growth centre authority, the Albury-Wodonga Development Corporation (AWDC). Had the Victorian Government of the day introduced parallel legislation for the GRA at the same time, there is a strong possibility that Geelong would have become a growth centre also. Certainly the Victorian Government of the day had the political will to do this, as it had adopted Statement of Planning Policy No.7 (Geelong) in August 1973; set up the AWDC in December 1973; proclaimed 11 designated areas across Victoria in March 1974; and set up the Urban Land Council in May 1974.

Based on advice from the Municipal Association of Victoria, these data are not collected by councils either.
By late 1974 the tide had begun to turn against the establishment of the proposed Geelong growth centre. The first indication of this trend was the Victorian Cabinet’s rejection of the original draft of the *Geelong Regional Authority Bill* in September 1974. A number of significant issues had also emerged that lessened the need for a second growth centre in Victoria. By the end of 1974 the Australian economy was slipping into recession and Melbourne’s growth was slowing. In addition, planning issues in Geelong, such as the review of the draft GRPS, the location of the Geelong Central Freeway, the strategic planning studies carried out by the Cities Commission and the recommendations of Loder and Bayley to establish the twin cities of Moriac and Paraparap caused great concern within the Geelong regional community, particularly in the Shires of Bannockburn, Barrabool and Bellarine. This resulted in significant political opposition to centralised planning.

Throughout 1975 supporters and opponents of the Geelong growth centre project struggled to have their particular views included in the draft legislation that was before the Victorian Parliament. It would appear that the rural land lobby was successful in delaying the *Geelong Regional Authority Bill*, but did not have enough influence to prevent the Bill becoming an Act in December 1975. At this time exogenous matters also played their part. At the Commonwealth level, the Fraser Coalition Government, which came to power in December 1975, reduced the growth centre program and placed the Geelong project under review. From this time onward Members of the Victorian Government were not prepared to support the proclamation of the *Geelong Regional Authority Act*. Instead, the Victorian Government opted for what the Premier called a “... very sound authority which will be able to make sure Geelong’s growth is sound and vigorous.” To this end, the Government introduced the *Geelong Regional Commission Bill* in December 1976. The Act was proclaimed on 24 May 1977.

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The *Geelong Regional Commission Act* contained no reference to Geelong being a growth centre and significantly, denied the Commissioners the power to undertake residential development in their own right. To the extent that the GRC was given the right to participate in the process of compulsory acquisition of land for industrial and commercial purposes, those rights were made subordinate to the interests of affected landowners and the authority of the Minister. Through the Act, the Members of the Government had changed the Geelong growth centre project to the point where it could no longer be regarded as a growth centre by the standards of Neutze or the Whitlam Commonwealth Government. This was a major victory for the conservative elements of the Liberal Party, the Geelong rural land lobby and their supporters among the Government Members in Geelong.

The fundamental problem for the Commissioners was that by limiting the scope of the Commission’s development activities and constraining its powers to compulsorily acquire land, the Act severely limited the Commissioners’ financial ability to undertake development. As matters turned out the Commissioners never resorted to acquiring land compulsorily for industrial or commercial uses. In addition, the loss of grants and long-term loans from the Commonwealth Government meant that the Commissioners started with no low cost establishment funding. Instead, they had to rely on commercial loans and sales and rent revenue from projects that were 100 per cent geared.⁴

Many of the provisions in the *Geelong Regional Authority Bill* remained in the *Geelong Regional Commission Act*. The Commissioners were able to undertake the “... attraction promotion development and improvement of industrial, commercial and other business undertakings and employment opportunities to and in the Geelong region.”⁵ They were given the right to conduct the strategic planning of development in the region, the protection of areas of natural beauty or special significance and the provision of services and facilities. In addition, they

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⁴ 100 per cent gearing meant that projects were wholly financed from loan funds.
had to ensure that the people of Geelong participated in planning the nature and limits of future development in the region. In essence, the GRC became a regional economic development and planning statutory authority with specified development powers. Above all the Commission was formed to generate new jobs and increase new businesses and investment for the region.

Other than for local government, the dominant trend today is for public sector regional development agencies to be economic development organisations only. Generally they have no direct involvement or jurisdiction in land-use planning. I argue that it is an advantage to have the responsibility for economic development and regional land-use planning vested in the one organisation, as it allows issues involving the often-conflicting requirements of these two functions to be resolved in a way that avoids confrontation and stalled outcomes. I also contend that this approach is a practical method of introducing environmental and social sustainability to the economic development process.

On reflection the need for a regional authority to coordinate strategic planning and economic development has not been removed with the formation of the CoGGC. In recent years the NPO, the Committee for Geelong, has positioned itself as the regional coordinator of economic development for the CoGGC, the Shires of Surf Coast and Golden Plains and the Borough of Queenscliffe. In addition, these four councils and the Shire of Colac-Otway have formed an ‘alliance’ to develop a joint strategic plan for the new Geelong region.

The intrinsic problem facing these new organisations is that they are voluntary groups of individual organisations, and as Mason and his colleagues noted:

The effectiveness of an EDO [Voluntary Economic Development Organisation] is constrained however, by its voluntary nature and usually limited funding, its regional emphasis that makes it a ‘non-executive’ tier of administration and the compromise required to satisfy the competing interests of local autonomy and regional cooperation.7

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7 Mason et al, p. (ii).
If long-term regional outcomes are to be achieved there is a requirement for a separate organisation, with its authority based on government legislation, to meet the needs of the regional community in, at least, economic development and strategic planning.

12.3 Measuring the performance of the GRC

Corporate Management

The GRC corporate plans required the Commissioners to manage the Commission's affairs effectively and economically and fulfil the statutory requirements of the Act. This study has shown that, between 1977 and 1993, the Commissioners and staff of the GRC were as effective, if not more so, than management from a broad range of private enterprise companies operating in the 1990s, when measured by the 14 principles of the Samson-Challis corporate performance model. In terms of cost efficiency, the operating costs of the GRC in 1991 were only 3 per cent greater than in 1981, when measured in 1980/81 dollars.⁸ These two examples demonstrated the effectiveness and cost efficiency of the Commissioners, management and staff.

The senior management maintained a strong systems approach to the operations of the Commission with appropriate policies, procedures and standards governing work practices. In the first place, this was determined by the requirements of the Geelong Regional Commission Act and the Victorian regulations covering statutory bodies. In addition, the prescriptive requirements of the Town and Country Planning (Amendment) Act 1968 and the Planning and Environment Act 1977 dictated the process of the strategic and statutory planning that were undertaken by the Commissioners and the planning staff. Second, Atkins ensured that the statutory requirements of the GRC were always adhered to. Third, the Commissioners had built into the management system a series of executive committees to complement line control. Fourth, by instituting a Finance

⁸ See chapter 7.
Committee in 1982, the Commissioners ensured that financial procedures were met and the financial well-being of the GRC was maintained. This included maintaining a balance between the short-term operational requirements with the longer-term resources needs of the Commission. The success of this procedure was demonstrated by the financial viability of the GRC throughout its life, and despite the constraints of the Act, the Commissioners' ability to generate a level of assets from development projects, which exceeded the value of the liabilities of the organisation.9

It was not surprising to find that the Commissioners maintained a strong reporting and measuring regime on corporate performance, financial control, economic development outcomes, development project management, the GRDS and other planning processes. The reporting process was organised around the monthly meeting of Commissioners at which the reports on all proposals on planning scheme amendments were heard, and the reports on the major projects of the GRC were reviewed. This permanent schedule of meetings also stimulated the staff's above average performance in time management. This applied to project management tasks and economic development activities, in particular. Former employees saw the staff as having an above average propensity to accept change as an essential part of doing business.10

Those former employees interviewed for this study regarded the GRC as a proactive leader in industry standards and practices. In this regard the Commission was among the first in the Victorian public sector to adopt corporate planning. In all the Commissioners produced four plans. The first three covered the period of 1982/83 to 1990/91. The fourth, covering the period of 1992-1995, was never implemented as the Commission was abolished in May 1993. Divisional directors, their officers and the Commission’s internal committees also prepared and monitored annual plans, including corporate and divisional budgets.

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9 Interview with Cowling, 12 August 2004.
10 This attribute was ranked last in the 14 attributes measured by the Samson-Challis model.
and medium-term (up to three years) development project programs. After 1981 the short-term plans were integrated with the over-arching corporate plans, and after 1988 the major corporate action programs of the GRC were integrated into the Geelong Region Development Strategy (GRDS).

The study showed that the values of the employees had a high degree of alignment with the stated values of the Commission. This came from the strong commitment by employees to the Commission and the region. It was interesting to note that, without exception, all of the permanent staff lived in the region. Most of the officers demonstrated an above average willingness to develop their skills and knowledge, an attitude that Atkins encouraged. In addition to the professional competence and attitude of the staff, Atkins was an inspirational leader who also encouraged individual excellence. It was his practice to have the officer who prepared a report for the Commissioners to be the one who presented the report at the Commission meeting. This applied to all GRC officers regardless of their level in the hierarchy. In this way staff learned accountability, responsibility and realised that they were valued members of the organisation. Although the GRC had a formal structure, Atkins encouraged informality and interaction between all levels and divisions within the organisation. This was aided by the ‘flat’ structure of the organisation. The practice of having cross-divisional representation on project work teams also assisted in this integration. A major facilitating factor was that the GRC was relatively small in size, having a staff establishment that never exceeded 50. As a result everybody knew one another.

In general, employees focussed on getting the job done more than on satisfying functional and hierarchical needs. The highest scoring corporate attribute, reported by former employees interviewed for this study, was the high value the staff placed on relationships within the GRC. Employees demonstrated integrity

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11 Interview with Cowling, 12 August 2004.
and openness in their dealings with others, including those outside the Commission.

Atkins, the Commissioners and the executives had a clear idea of the core strengths of the GRC and they used these strengths to drive major projects and activities. This applied particularly to major strategic planning activities, such as the GRDS; economic development projects involving employment generation and the attraction of investment; and major infrastructure tasks, such as the City By The Bay and Bay Link projects. Former employees considered that the staff applied themselves to tasks like these with an above average customer orientation.

**Public participation**

A major requirement of the *Geelong Regional Commission Act* was that the people of the Geelong region be involved in planning the nature and limits of the future development of the region. This was also required by the various Victorian Acts and regulations covering land-use planning in Victoria. As a result public participation was built into the planning processes of the GRC. The Commission’s statutory planning process was transparent with 96.8 per cent of the Commissioners’ resolutions on amendments to the planning scheme and other planning matters being held in open meeting. In addition, the Commissioners invited the participation of the regional community through exhibiting proposed amendments to the ordinance, structure plans, strategies, major development proposals and environmental effects statements. Individuals and special interest groups were able to comment formally on proposals through this mechanism. In these ways the Commissioners ensured that the community and other interested parties participated in planning the future of the Geelong region. In matters outside of land-use planning, the Commissioners disseminated information on the GRC through the Commission’s newsletter, publications, and regional print media and radio, as well as through public addresses on major economic and development issues in which the GRC was involved. In addition they formed at
least 15 consultative committees to inform and assist the management and operations of the Commission. Some were involved in the advocacy and lobbying activities of the Commissioners on behalf of the region. Some brought expertise to the operations of the Commission. While other groups supervised the Commission’s promotion and tourism projects.

A major problem for the Commissioners was that financial transactions involving development projects and private investment facilitation were classified as commercial-in-confidence. This proved to be a source of concern for private developers and environmental groups.

Advocacy

The Commissioners assumed the role of advocate for the community in economic, planning and development matters because they held a leadership role in these functions. This status was reinforced by the Commission’s Economic Research Unit, which was the source of region-specific data and information management skills needed for developing strategies for the region. The main focus of the Commissioners’ advocacy was on trying to influence the Commonwealth Government to retain tariff protection for the region’s automotive components and TCF industries. From the early 1970s, when the Whitlam Government began the process of tariff reform, these Geelong industries had suffered significant employment losses. Atkins and the Commissioners argued that the IAC should take into consideration the impact on regions such as Geelong when making recommendations to Government on tariff reform. They worked with industry leaders and argued the case for protection on the broader sectoral front as well. However, successive Commonwealth Governments upheld their trade liberalisation policies and ignored the Commissioners’ warnings on job losses in the region. As a case in point, within 12 months of warning the Hawke Government in February 1991, the number of workers in the automotive components sector in Geelong had reduced by 1,900. This represented 28.4 per
cent of the sector's Geelong workforce. Although the Commissioners were not successful in winning their case for sustaining tariff protection, they were assertive and persistent in championing the roles of manufacturing and regionalism in Australia.

**Economic development**

The need to regenerate the region's economy and create jobs were the main reasons for establishing the GRC in 1977 and continued to be its *raison d'être*. Accordingly, these considerations dominated the economic development efforts of the GRC.

In line with today's practice of supporting endogenous growth, the Commissioners expended considerable effort in expanding the existing business base of the region. Between 1977 and 1993 the staff assisted 114 local businesses to expand their operations, and in so doing helped create 2,288 new jobs in the region. This facilitation included accessing venture capital for businesses, providing customised premises, expediting planning permits, initiating training programs for executives and staff, identifying and referring market opportunities for SMEs, sponsoring three trade shows for local goods and services, obtaining government grants for industry development, establishing business clusters and stimulating new business through exports and import replacement. The GRC officers were instrumental in forming the Geelong Export Development Group and the Industrial Supplies Office in Geelong, two organisations that stimulated the internal growth in the region.

The Commissioners and staff were also active in undertaking projects to diversify the regional economy. These included the City By The Bay redevelopment of the Geelong CBD, a range of sporting, community and tourism projects, as well as assumed responsibility for the promotion of tourism. Overall the Commissioners were successful in stimulating the diversification of the regional economy.
Between June 1986 and June 1992 the retail floor space in the Barwon region\textsuperscript{12} increased by 53 per cent to just under half a million square metres, while the number of retailers increased by 16 per cent to 2,314. Between 1986 and 1991, employment in the Geelong region's wholesale and retail sector rose by 15 per cent to 14,490. The majority of these increases resulted from the implementation of the retail elements of the City By The Bay project. In addition, between 1981 and 1991, employment in the community services sector, finance, property and business services sector and the recreation, entertainment and personal services sector increased significantly. Total employment in the region's tertiary sector increased by 32 per cent in the decade to 1991. While the Commissioners did not claim that the Commission had facilitated this business expansion, their program of CBD revitalisation was a stimulus for this growth. During this decade, employment in the manufacturing sector decreased by 19 percent to 15,280, but the number of manufacturers increased from 362 to 388. Much of this increase was due to the efforts of the officers of the Commission.

The Commissioners were active in facilitating the introduction of new technologies, mechanisms of technology transfer and technology-based organisations to the region in their bid to create a 'Science City.' They built upon the work of community interest groups and the Geelong Regional Planning Authority, which had been instrumental in attracted the Australian Animal Health Laboratory and Deakin University. These organisations, along with the existing CSIRO Division of Wool Technology, gave the region a firm scientific base. The Commissioners and the Councillors of the Borough of Queenscliffe added to these assets by attracting the Marine Sciences Laboratory and Victorian Institute of Marine Sciences.

They promoted the benefits of technological innovation through an Innovators' Competition, as part of the 1985 Geelong Trade Exhibition, and provided the

\textsuperscript{12} The Barwon region was a region defined by the ABS. It comprised the Geelong region and the Shire and City of Colac. Geelong was the dominant service centre in the Barwon region.
Geelong manufacturing sector with innovative product development opportunities. In 1988 the Commissioners formed the Geelong Technology Centre with the aim of encouraging companies to use the facilities and staff of local R&D organisations, to create a forum for the exchange of technical information within the region and to market the R&D capabilities outside of the region. The main vehicle for promoting the R&D staff, plant and capabilities was the Capabilities Register. Despite considerable effort over 12 months the project failed to reach its potential. The Commissioners and staff also worked with the Administration of Deakin University to develop a Technology Park adjacent to the University. In the end the Administration decided that research would remain on campus within the University’s various departments. It was not until November 2004, that the Administration established a ‘Technology Precinct’ on the Waurn Ponds campus.

Overall the Commissioners and staff assisted in increasing the technology assets of the region, but did not succeed in establishing permanent technology clusters, which could facilitate collaborative use of R&D facilities, technological capabilities and information for the benefit of local businesses. Up until the late 1990s the situation had not changed. In 1998 the NIEIR found that while the Geelong region ranked in the top three local government areas in Australia as a supplier of R&D, it had one of the lowest conversion rates of R&D capabilities to commercial use.

The facilitation of new investment to and in the region was a major means of generating new jobs for the region. Between 1977 and 1993, the officers of the Commission were involved in assisting 331 new businesses to set up their operations in the region and as a result generated 3,018 new jobs. Around 83 per cent were small businesses, which employed less that 20 people.

In the early years the Commissioners targeted business recruitment that complemented the strengths of the regional economy and, in line with this strategy, put considerable effort into promoting the region to international
manufacturers. As at June 1981 officers of the Commission were negotiating with 18 companies for the installation of plants worth some $1.6 billion. Significantly, around 1,500 jobs were involved with this potential investment. With the demise of the 'resources boom' none of the projects eventuated. At that time international manufacturers were also introducing new process technologies to make their operations more efficient and were directing their investments away from large-scale energy-intensive plants. The Commissioners' program for attracting medium-sized businesses was reasonably successful. In all, the officers of the GRC attracted 44 new companies to the region, with each employing more that 20 people. In addition, the Commissioners also assisted 14 local investors to set up new medium-sized businesses.

The Commissioners were also involved in the NEIS business program in support of community development. This Commonwealth-sponsored scheme trained people on welfare programs to enter their own businesses. In the three years that the Commission conducted the program, 76 of the 93 applicants that were accepted for the program, were still operating viable businesses 12 months after their courses had been completed. One of the important outcomes of this program was the formation of the Women's Network. This attracted 34 women who were conducting small businesses in the region. The success of the NEIS program was due to the practice of the Commission's staff to select a high standard of participant; the empathy of the manager and his staff with the participants of the course; and the competence and commitment of the 36 business advisors, who mentored the new businesses. The Commission was innovative in its day to combine aspects of community development with traditional economic development - a combination that is unusual in Australia outside of local government, even today.

Collectively the facilitation efforts of the Commission's officers resulted in 445 businesses and organisations expanding or setting up in the Geelong region. This generated 5,300 new jobs and $650 million of new investment. Based on the
employment statistics of the ABS between June 1976 and June 1991, this equated to 35.3 per cent of the new jobs generated in the region. This is a significant performance by any standard.

The Commonwealth Government’s CCP generated 83 small businesses and created $11 million and 280 new jobs. These figures equate to 3.37 jobs per business and 25.5 jobs per million dollars of investment. The equivalent ratios for the Commission are 11.9 jobs per business and 8.1 jobs per million dollars of investment. These figures demonstrate that, while on average, the new and expanded businesses in the Geelong region generated nearly three times more jobs per enterprise than the CCP, they were also more capital intensive. This is in keeping with the larger scale of many the new business investment projects undertaken in the manufacturing, retailing and tourism sectors in the region during the time of the GRC.

The officers of the Commission were also effective in converting inquiries to investment and jobs. Of the 1,587 major\(^\text{13}\) inquiries handled by officers of the Commission between August 1977 and May 1993, 28 per cent resulted in individual investments of at least $100,000 or jobs being created in the region. As time went by this efficiency improved. In the first eight years the conversion rate was an average of 15.1 per cent. In the last eight years the rate was 48.0 per cent. This improvement in effectiveness came as a result of closer screening of major inquiries.

The Commission’s performances in employment generation, attraction of tourists and the facilitation of overall investment exceeded the performance indicators of the corporate plan for 1988/89-1990/91 by a significant margin. The Commission did not achieve its performance targets for investments in the service business and tourism sectors. The actual budgeted expenditure on promotions was

\(^{13}\) A major inquiry was one that held the potential of at least $100,000 of investment or would create jobs in the region.
approximately half of that called for by the performance indicator of $500,000 for the period of the plan. Due to a lack of information it was not possible to determine the number of new exporting companies in the region and income from conventions.

Based on the model developed by Maude and Beer in 1996, the Commission exhibited the potential to be a successful L&REDO. This potential was demonstrated when the performance of the Commission was measured using the economic development models developed by Beer and his colleagues in 2001. These models measured the performance of L&REDOs in Australia, England, Northern Ireland and the USA, for a number of organisational characteristics and economic development outputs. The GRC showed that it had an above average performance in the number of its economic development objectives, business development activities and capacity development activities. The Commission also demonstrated that it had an above average staff establishment, other than for L&REDOs in England, and had a comparable level of untied funding with L&REDOs in Australia and the USA. The GRC placed a greater importance on working with partners in the economic development process than the average L&REDOs studied by Beer and his colleagues. In general, former employees of the GRC interviewed in my study considered that the organisation was an above average performer in economic development to an extent that was similar to the opinions of executive staff in L&REDOs in the USA, but more so than Chief Executives in L&REDOs in Australia, England and Northern Ireland. Overall, the GRC performed better than the average L&REDO studied by Beer and his colleagues for the economic development factors measured in this review.

The success of the Commission’s officers in economic development was due to a number of factors. Some of these were:

- *The Geelong Regional Commission Act* gave the Commissioners the leadership role for economic development in the region. Although some
councils and NFO offered economic development services, the GRC remained the major vehicle for economic development for the region.\textsuperscript{14}

- The staff maintained good relations with officers of the economic development departments of successive Victorian Governments and statutory authorities in the region, as well as business associations and senior staff of the major companies in the region. The network was essential to getting things done effectively.

- The Commission's economic development effort was planned in the corporate plans and the strategic three-year marketing plans that were instituted after 1981. Performance of the division was monitored and reported to the staff and the Commissioners on a monthly basis. As these plans were adopted by the Commissioners as part of the Commission's policies, staff undertook these tasks with the knowledge that they had the backing of the Commissioners. The officer responsible for the task was the one who presented the report on the project to the Commissioners.

- The majority of the staff were recruited from the private sector and so brought with them a knowledge and understanding of private enterprise. All senior officers in the economic development division were skilled at their respective tasks. They were particularly skilled in selling.

- The economic development effort was backed by comprehensive technical, statistical and demographic information, generated and managed by the Economic Research Unit. This gave credibility to the Commission and confidence to potential investors.

- The division was well resourced with people. However, while the Division was the largest unit of the Commission, it was still small enough to ensure good communications between all of its members.

\textsuperscript{14} When a municipal council undertook an economic development project, the Commissioners would generally enter into a joint venture with the council. Private enterprise not-for-profit organisations included the Advance Geelong Group, which was set up by the major employers association in the Geelong region in the mid 1980s, and the Geelong Business Leadership Team set up in the early 1990s.
• Major projects were generally managed by teams of officers from across the Commission. This brought a variety of skills and disciplines to projects and ensured that potential problems between, say planning and development, were identified and possible solutions found in the early stage of the project’s implementation.

• Because all staff were residents, or became residents of the region, they had an intimate knowledge of the region and its capabilities.

• Officers were aligned to the values of the Commission and took personal accountability for their tasks. There was a feeling of pride in the region and the Commission.

• Officers generally approached tasks with a ‘can do’ attitude.

• The Commission provided investors with a ‘one stop shop’ service. This meant that the officers acted as a project manager for the investor, providing advice on site location, availability of raw materials, land use planning requirements, potential local markets and suppliers, as well as supporting the investors in their negotiations with local statutory authorities and municipal councils.

**Promotion**

The main emphasis in promoting the region was to present it as a desirable place to live, visit, work and invest. It also involved the dissemination of information to the regional community on local matters and the roles and work of the Commission. While the Commissioners undertook promotion activities within the Australia, they were dependent on the Victorian Department of State Development and Decentralization and its successors for promotion of the region to potential overseas investors. This industry recruitment activity was moderately successful with the referrals from the Department resulting in the establishment of companies such as Barrett Burston (1982/83), Bremmer Woll Kammeroi (1993), Basford Textiles (1989/90), L'eggs Australia (1982/83) and McDonald Douglas (1983/84). In the area of corporate and regional promotion the Commissioners
and officers were not as successful. Despite launches of innovative regional awareness programs over the life of the Commission, the low level of funding allocated to these programs meant that they were spasmodic and achieved only a short-term impact. The Commissioners were faced with the reality that the organisation had limited funding and many functions. This was evident from the fact that the Commissioners budgeted for approximately half of the performance indicator level for promotion expenditure over the period of the corporate plan for 1988/89-1990/91. As a result promotion programs received sub-optimal funding. With the exception of the regional awareness program conducted by Barton Advertising in 1984/85, the Commission had limited success in undertaking joint venture programs with other organisations, which generally did not regard regional awareness as their responsibility. The other exception to this lack of collaboration was the promotional programs undertaken by GO Tourism, which joint ventured with VTC and neighbouring tourism associations. Overall, the Commissioners and staff were unable to dispel the lingering image of Geelong being an outmoded industrial region, which was unable to shake off its economic woes.

The Commissioners kept the regional community informed about the Commission’s activities and issues in the region through news spots on the local radio, columns in the local print media, its news letters, the Geelong Region Economics Indicator Bulletin and various promotional programs in support of projects such as City By The Bay, the GRDS and the Economic Summit (1990). Atkins, senior executives and technical specialists from the GRC also addressed a variety of community forums in the region. In addition to these activities, the local print media and radio stations covered Commission meetings and the general activities of the GRC. The lack of television coverage in the region was a limiting factor.

The media’s coverage of the Commission’s activities had its downside. This started with the controversy surrounding the establishment of the Commission and
continued over the years with issues such as the attacks on the Commissioners by the private developers over the Commissions' development role, the alleged conflict of interest of the Commissioners over planning and development decisions, the complaints of potential investors over decisions by the Commissioners in refusing amendments to the GRPS and the resentment of some councillors over the land-use planning powers of the Commission. Matters were exacerbated by the attacks on the Commission by the Victorian LNP Opposition concerning the alleged interference by the Commissioners into the affairs of local Government and the accusation that Atkins and the Commissioners had exceeded the 'charter' of the Commission. It was difficult for the Commissioners and the officers to respond to the accusations of politicians, as this was the province of Members of the Government.\textsuperscript{15} The coverage given to these matters was often sensational and contributed to hiding the positive contributions made by the Commission to the region. As John Loughnan, Editor of Geelong Business, stated in 1985 "there is an apparent gap between public perception of the G.R.C. and the reality of its activities."\textsuperscript{16} The Commissioners and staff were not able to counter these criticisms effectively and achieved only limited success in managing the media and public relations.

\textit{Physical development}

The basic aim of physical development was to attract and stimulate diversified investment to the region, as the means of generating more businesses and employment.

In the late 1970s the Commissioners developed and promoted industrial estates and unit factories in the inner suburbs of Geelong. In addition, they developed broad acre industrial land in North Geelong and community industrial and service business estates at Ocean Grove and Torquay. By the early 1980s the

\textsuperscript{15} As an experienced bureaucrat Atkins always refrained from commenting on the actions or statements of politicians. Author's observation.
Commissioners had begun to acquire property on the Bay Link site on the Corio Bay foreshore adjoining the Geelong City CBD, as part of their program of land consolidation on the site. The Commissioners undertook a number of community projects as well. These included a truck park, public recreation facilities and an indoor netball centre. In the latter half of the 1980s the Commissioners had further expanded their development program to include high profile tourism projects such as the National Wool Centre and Museum in Geelong and Surf Coast Plaza and the Surfing Hall of Fame in Torquay.

In general the Commissioners undertook projects that were considered to be of too high a risk for the private sector. A well-recognised example of this was the Commissioners’ bid to provide jobs for the retrenched workers from International Harvester Australia Limited by purchasing the defunct plant in North Shore and converting it into unit factories. The development program was often criticised by potential developers and political opponents of the Victorian governments of the day. This opposition had its roots in the resistance by vested interests to the land acquisition and development powers that were proposed for the Geelong Regional Authority. Despite the fact that these powers were significantly modified in the Geelong Regional Commission Act, the principle of a regional statutory authority having development powers remained a point of contention with some in the private sector, who believed that the Government, and its authorities, should not intervene in the development market.

The Commissioners’ venture into tourism projects, such as the Bay Link, the National Wool Centre and Surf Coast Plaza, was dogged by financial difficulties. These were due to the scope and size of the developments, the length of time taken to design and build the projects, the associated demands on cash flow and the subsequent low level of visitations to the built attractions. The Bay Link foreshore redevelopment project was significant by Geelong standards. It took some nine years just to assemble the land and properties on the site (1983-1992). The ongoing disagreements with the Councillors of the Geelong City Council
promised to delay the implementation of the project indefinitely. The Surf Coast Plaza took ten years to design and build (1983-1993). This project also faced opposition from interests in Torquay who objected to the incorporation of a tavern/bistro into the complex. This led to a series of legal battles with the Commissioners over a period of three years. The $10.8 million National Wool Centre and Museum was designed and built in four years (1984-1988). This was greatly assisted by $5.56 million of grant funding from the Commonwealth and Victorian Governments. The Centre and Museum enjoyed considerable patronage in the beginning, but lacked sufficient numbers of visitors to ensure viability in the longer term. Overall, the Commission’s other development projects had to cover the holding costs of these tourism projects. This, and the potential effect on the Commission’s viability, caused the Victorian Auditor General to question the advisability of continuing with these projects. He also queried the methods of determining potential demand in the Commission’s project feasibility studies.\textsuperscript{17} Certainly the Commissioners were aware of the financial problem, as they had begun a debt reduction program in the early 1990s. Given the existing circumstances, they would have been forced to withdraw from some or all of these projects in the short term.

The Commission’s overall performance in physical development was impressive. Over the life of the GRC the Commissioners spent some $46 million on the Commission’s development program. This investment generated 183 businesses and some 2,100 new jobs. This equates to 45.7 jobs for each million dollars of investment and 11.5 jobs per business. When compared with the outcomes of the CCP, the outcomes from the Commission’s development program efforts were some 80 per cent higher in new jobs per million dollars of investment and some 240 per cent higher in jobs per business.\textsuperscript{18} Within the Commission’s development program the most successful generator of total jobs was the industrial estates


\textsuperscript{18} The outcomes of the Country Centres Project were 25.5 new jobs per million dollars of investment and 3.4 new jobs per business.
segment, which generated 1,505 new jobs and 141 businesses. Overall, the
factories complexes and incubators segment was the most effective generator of
jobs per business, where 23 businesses and 540 jobs were created from $7 million
of investment. This equates to 77 new jobs per million dollars of investment.

While it is not possible to accurately gauge the private investment 'stimulated' by
the Commission's development program, it is possible to gain an appreciation of
the flow-on effect from the Commissioner's investment of $46 million in
development, by comparing this with the $650 million invested in the region by
private and government organisations as a result of the Commission's investment
facilitation program. This shows that for every million dollars invested by the
Commissioners in physical development, other investors spent $14 million in land
and buildings in the region over the period of August 1977 to May 1993. A
shortcoming of the Commission's performance in physical development was the
failure to achieve the performance indicator of $40 million of development in
1988/89, set out in the corporate plan for 1988/89-1990/91. This was due to the
ongoing delay in commencing developments on the Bay Link site and the
abandonment of the Transport Museum project.

Planning

The objective for planning was to "Establish and maintain a strategic and
statutory framework for the preservation, development and enhancement of the
Region and to administer the Geelong Regional Planning Scheme as an effective
and responsible planning control."19

The officers completed the work on the Geelong Regional Planning Scheme
(GRPS) that had been started by the GRPA in 1976/77. The Victorian
Government approved the final Scheme on 4 November 1981. At the time the
GRPS was one of only two statutory regional schemes operating in Victoria and

the only regional scheme in the State to be fully delegated to municipal councils. Atkins regarded the completion of this planning scheme as one of the major achievements of the Commission.\textsuperscript{20}

The other significant planning work was the GRDS. This was completed early in 1988 and released by the Victorian government in August of the same year. Because of the depth of research undertaken, the extensive public consultation and the workload of other major projects, such as City By The Bay, it took some four years to prepare the document. This strategy was the most influential document in the region on economic, land-use planning and development matters, as it set the direction of the region for up to ten years ahead. The original strategy was comprised of 133 tasks to be undertaken by local government, state government departments, statutory authorities, private sector organisations and the Commission. Of the 91 tasks undertaken in the first four years of the plan, 67 (73.6 per cent) were completed, 18 (19.8 per cent) deferred, and six (6.6 per cent) not achieved. This is a creditable performance in project management.

The only anomaly in the planning function was that the GRDS was not prepared earlier, thus giving a basic policy direction to the development of the region from the start. The problem for the Commissioners was one of priority. The Victorian Government had directed the Commissioners to tackle the task of creating new jobs and investment as a matter of urgency. At the same time, the need for certainty in land-use planning demanded that the Commissioners complete the GRPS. In addition, the funding for the Commission was, and continued to be, limited. The Commissioners filled in this planning gap by developing structure plans for many urban, country and coastal areas of the region, as part of the land-use planning process. These plans gave a long-term framework for development and provided certainty for the residents of these areas in the way land would be utilised, enhanced and protected. The Commissioners had a policy of maintaining a stock of zoned land for up to 15 years ahead of the development needs for

\textsuperscript{20} Interview with Atkins, 6 May 2004.
residential and industrial land. This was well in excess of the 12 years forward reserve indicator in the corporate plan for 1988/89-1990/91.

The statutory planning process was sometimes contentious as the Commissioners were often seen by developers and potential investors to be against development. The high profile example of this was the Commissioners' rejection of the application by the Myer Group to have land in North Geelong rezoned to allow for a discount department store to be built adjacent to the head office of its subsidiary, Target Australia Pty. Ltd. The Commissioners upheld the recommendation of their officers on the basis that the application was contrary to the provisions of the Geelong Regional Retail Strategy. Among other things, this strategy opposed development of shopping centres outside of the CBD. Despite the threats by Myer's management that the Group would scale down their investments in Geelong and withdraw the Target head office, the Commissioners held their ground. The issue was finally settled by the Victorian Minister for Planning, in consultation with the Cabinet of Government, who agreed with the Commissioners. This decision not only prevented the loss of consumer revenue from the CBD of Geelong, but paved the way for the construction of Market Square and Bay City Plaza, (the retail elements of the City By The Bay project) in the second half of the decade of the 1980s.

Planning studies carried out by officers of the Commission were based on considerable research supplied by the Economic Research Unit and specialist consultants. These studies covered a wide range of diverse matters such as the storage of chemicals, planning codes, the Geelong ring road, minimum allotments for general and intensive farming, rural residential living, river management, heritage planning, retail development and urban redevelopment. Many of these studies underpinned the Commission's major undertakings, such as the City By The Bay project. This project ranks among the most important works undertaken by the Commissioners. This CBD redevelopment project, undertaken in cooperation with the Geelong City Council and the Victorian Government, not
only contributed to the revitalisation of the CBD by attracting new investment to an ailing central shopping area, but stimulated the diversification of the Geelong regional economy. Importantly, the project gave focus to the future development of the City of Geelong by integrating the CBD with the foreshore of Corio Bay.

The Commissioners backed up their planning for the protection of environmentally sensitive areas by implementing a program of land purchase and acquisition through negotiation. Over the life of the GRC the Commissioners successfully acquired areas of land that were designated in the GRPS as environmentally sensitive including areas that were experiencing rapid development in the region. These included parts of the western coast of the region, areas containing the habitat of the Orange-Bellied Parrot, creek systems, marshlands and land in the Waurn Ponds Valley. All of this land remained in public ownership under the management of the relevant municipal council or the Victorian Department of Conservation and Natural Resources. Some areas were converted to public open space, others remained as protected land.

There was little doubt that Atkins and the officers of the Commission were highly regarded by their peers for their competence and professionalism in planning. This regard was also evident in the regional community, where “The Commission has been praised, even by its enemies, for its planning function.”21 Much of the credit for this must go to Atkins, who insisted on professionalism, a meticulous adherence to the statutory process and the need to base planning recommendations on thorough research and the application of planning principles.

Coordination

The Commission’s corporate plans required the Commissioners to coordinate the provision of services, facilities and information for new and existing businesses;

planning development; initiating actions for the improvement of social and economic development; and protecting environmentally sensitive land.

The GRDS stands out among the many significant examples of successful coordination under taken by the Commissioners. This plan identified the major initial activities that were required to give effect to longer term strategies in land-use, economic, social and environmental objectives for the region as a whole. The Commissioners and officers were the key players in developing and monitoring this regional plan. In addition to the GRDS, the Commissioners were successful in coordinating other major tasks in the region. Among others, these included developing and introducing the nationally recognised Bike Plan to Australia, influencing the National Rail Authority to route the National Standard Rail Line through Geelong; and successfully conducting the Economic Summit during the economic recession of the early 1990s and coordinating the implementation of its outcomes. The coordination activities of the Commission were not always successful, however. Examples include the bid to gain a dedicated television station for the region, the bid to gain a scheduled air passenger service for Geelong and attracting the project to build the Australian Navy’s Collins Class submarine fleet. Overall, the regional community generally looked to the Commissioners to provide the leadership on major planning and economic issues affecting the region.

Financial management

The Commissioners’ objective was to secure sufficient funding to carry out the activities of the Commission and to manage those funds in a responsible manner.

The Commissioners managed two businesses. The general operations business addressed the Commission’s general activities, while the development business addressed the development projects. In line with the Act the Commissioners accounted for these businesses separately. Over the life of the Commission, the
Commissioners accumulated a surplus of $281,406 from their general operations, although in seven of the 16 years they reported small annual deficits. Funding for this activity came from appropriations from the Victorian Parliament and contributions from the member municipal councils for the Commission to carry out its responsibilities under the Planning and Environment Act. In the development business the Commissioners gained grants to acquire public open space and environmentally sensitive lands, which together were valued at $9.8 million in 1993. In addition, they raised loans, attracted grants and generated sufficient revenue to carry out $46 million of physical development in the region.

In terms of ROI, the Commissioners achieved only two-thirds of the performance indicator of five percent set in the corporate plan for 1988/89-1990/91. Nevertheless, the Commissioners generated equity in the Commission’s projects in excess of the approximately $10 million of debt that remained at 18 May 1993. The surplus was transferred to state revenue. This was a creditable performance for an organisation that started with minimal equity and had to rely mostly on commercial loans for its development program throughout its lifetime.

The study found that the Commissioners and officers managed the finances of the Commission responsibly and adhered to the requirements of the Act. This management competence was demonstrated by the fact that the Commissioners maintained sufficient realisable assets to meet short-term loan servicing commitments and, at the time of closure of the GRC, had total assets that exceeded total liabilities.

12.4 Leadership and relationships

**Leadership**

The Geelong Regional Commission Act placed the GRC at the centre of the planning and economic development issues of the Geelong region and as a result
most of the regional community looked to the Commissioners for leadership in these matters. The Commissioners and the staff took this role seriously and acted with the conviction that their work was worthwhile and contributed to the good of the region. Atkins was particularly passionate about the region and, because he held the joint position of Chairman and Chief Executive, transferred this enthusiasm to Commissioners and officers alike.

Atkins was a strong leader who demonstrated determination and vision. These characteristics were seen in his decision to use his casting vote to reject the rezoning application by the Myer Group to allow a new Target department store to be established in North Geelong. This action prepared the way for the revitalisation of the Geelong CBD through the City By The Bay project. As an experienced bureaucrat, Atkins was scrupulous in ensuring that Commissioners and officers adhered to the requirements of the Geelong Regional Commission Act. This study found no instance where the Commission's major activities had not been sanctioned by the Commissioners by resolution, or alternatively the authority for such actions had not been delegated to the Chairman/Chief Executive by the Commissioners.

Because of his profile in the regional community and the controversy surrounding the strong stance of the Commission on a range of issues, Atkins attracted criticism from some municipal councillors, sections of the private sector and Members of the LNP Coalition. In other quarters these areas of criticism were seen as strengths, particularly in matters of advocacy where the welfare of the region was at stake. In another instance, Atkins' skill and perseverance was widely credited for the successful purchase of the IHAL factory and the creation of some 330 new jobs in the factory complex established on the site. For the majority of the life of the Commission Atkins received strong support from the Ministers of successive Governments. In October 1992, however, the LNP Coalition became the Government and it replaced Atkins, as Chairman, with
Lewis Opie in December of the same year. There were some who believed that the cause of Atkins' removal from the Chairmanship of the Commission was that there were "... people with a vested interest in seeing Mr. Atkins' wings clipped and a more sympathetic approach to their interests [being] taken by a more pliable GRC." Nevertheless the new Government was intent on abolishing the GRC as part of the amalgamation of municipal councils in the Geelong region and so Atkins, as Chairman, would have faced the same fate as the rest of the Commissioners and staff on 18 May 1993.

**Relationship with local government**

While the relationship between the officers of the GRC and the local municipal councils were mostly constructive, there was disagreement over issues of policy between the GRC and some councils. This had an historical perspective reaching back to the *Town and Country Planning Act (Amendment)* 1968, which created the three-tier system of land use planning in Victoria. At this time the predecessor of the Commission, the GRPA, had the sole right to recommend amendments to the GRIDO, with the councils being given delegated powers by the regional authority. These regional planning powers were transferred to the GRC. This was an issue of concern for some municipal Councillors, who believed that councils should have this right rather than the GRC. The planning rights issue was also compounded in 1973-74 when the Commonwealth and Victorian Governments proposed that a growth centre be established in the region. At this time some rural councils resisted the proposal to give the GRA the power to compulsorily acquire land for the new towns proposed for Moriac and Paraparap. These issues remained points of contention.

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22 Atkins held his position as Chief Executive and a Commissioner until the GRC was abolished on 18 May 1993.
24 The GRIDO became the GRPS on 4 November 1981.
Another problem was the Commission's budget. As each council contributed tied grants to the Commission to part-fund the Commission's function as the region's responsible authority under the Victorian Parliament's various planning legislations, Councillors considered that they had supervisory rights. These included the right to comment on the Commission's operations and promotions budget; to judge the value for money of projects such as the GRDS and the Bay Link; and the need to tie the number of representatives from each council to the level of contributed funding. The Commissioners' rejections of these claims led to friction with many municipal Councillors. The highest profile disagreement was the disagreement between the Councillors of the City of Geelong and the Commissioners over the proposed mix of uses on the Bay Link project site and the proposal to close Eastern Beach Road to pedestrianise\textsuperscript{25} the area. Because this problem remained unresolved it contributed to the criticism of Atkins and the Commissioners by the leading Members of the LNP Coalition and those who wished to have the GRC abolished.

This study showed that, despite the perception of disharmony between some Councillors and the Commissioners, the nine council representatives and five government appointees around the Commission table collectively resolved planning matters in a positive manner. Between July 1979 and April 1993, 88.6 per cent of the Commissioners' 1,961 resolutions on planning matters were unanimous decisions. This must be kept in mind when assessing the relationship of the Commissioners and the staff with the Councillors and staff of the municipal councils in the Geelong region.

\textit{Relationship with the Victorian Government}

This study found Atkins and the Commissioners enjoyed a close and positive relationship with the Premiers and Ministers of the Victorian Governments and senior department officers, over the greater part of the Commission's life. Despite

\footnote{\textsuperscript{25} Pedestrianisation is designing an area to make it free of vehicular traffic.}
the turbulent time that led to the establishment of the GRC, the relationship between Atkins and Rupert Hamer, the Liberal Premier, was particularly productive for the region and contributed significantly to the early progress of the Commission. It was not until the mid 1980s that the GRC became a ‘political football’ between the LNP Coalition in Opposition and the Labor Party Government. In the lead-up to the 1985 election the Opposition claimed that the Commission intruded into local government matters and that it was competing with private developers ‘too much.’ Members of the Coalition voiced these concerns in the lead-up to the 1988 election, as well as involving themselves in the issue of closing Eastern Beach Road. At the time of the 1992 election, when the Coalition finally won Government, the issues included the unresolved problems over the use-mix of the Bay Link project and the closure of Eastern Beach Road. The other matter of concern was the Commissioners’ involvement in establishing a tavern and bistro at Surf Coast Plaza, which had raised the ire of some sections of the Torquay community and the licensee of the Torquay Hotel. The new Government caused Atkins to be replaced as Chairman of the Commission by Lewis Opie. While this chain of events was taking place, the new Government was implementing its policy of amalgamating municipal councils. The report on council amalgamation, prepared by KPMG Management Consultants, recommended that the GRC be disbanded and the new council take over its planning and economic development functions. The Government acted upon this report and, on 18 May 1993, the CoGGC became the first amalgamated council formed in Victoria and the GRC was abolished.

While this study concluded that the problems of Eastern Beach Road, the use-mix of the Bay Link and the issue of the Tavern and Bistro at the Surf Coast Plaza were of concern to the Coalition Government, they were only precipitants of the Government’s action, not the cause. The Government’s action to abolish the GRC was probably influenced by a number of other factors. The Members of the new Government regarded the region to be over-governed. By absorbing the Commission’s functions into the new CoGGC the need for a separate planning
and economic development statutory authority was removed. The Government had a laissez faire philosophy towards the market. By removing the GRC the Government’s involvement in the region’s development market was reduced markedly. In addition, the new Government had a philosophy of reducing government expenditure and to this end the elimination of the Commission saved the Government some $2 million per year, at the 1993 grant level. What must also be taken into account is the view of some community leaders that the Government was influenced by some Geelong businessmen, with close links to the Coalition, who claimed that the GRC was a competitor to private enterprise.  

It was interesting to note that Smith, the first Mayor of the CoGGC, observed “... it would have been far better to have carried the form of the GRC into the new amalgamated concept[of the CoGGC].”

12.5 Lessons from the experiences of the GRC

This study provides answers to the third implied question of the ‘framework statement,’ which is: What lessons from the Commission’s experiences can be derived for regional development authorities in the present and the future? These lessons are as follows:

The region must be big enough in scale and scope to allow for the sustainable and effective implementation of regional development policies

The GRC operated in a region where the size of the population base (200,340 in 1991), the workforce (some 75,000 in 1991), the number of businesses (some 10,000 in 2001), and the economy (GRP of some $4 billion in 1991) endowed

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26 Comment’s by W. Whiteside, Chairman of the Geelong and District Water and Sewerage Trust and a former GRC Commissioner in the Geelong Advertiser editorial, 18 December 1992; McLure, ‘In my view’ column, Geelong Advertiser, 26 March 1993.
27 Interview with Smith, 28 September 2004.
29 Coopers and Lybrand, p. 31.
the region with attributes, which made it the dominant functional node in economic development and planning in south-western Victoria. The size and scope of the Geelong region, and its position of influence, meant that both short and long-term government regional development policies could be applied effectively and with the knowledge that they would have a recognisable impact. These contentions are supported by the observations of Hansen and his colleagues, who noted that one of the failures of the Country Centres Project was that the centres were too small in size and narrow in scope to allow policies to be applied effectively. In another, but similar vein, Mason and his colleagues argued that, ideally, a region serviced by a regional development organisation should “... be large enough to capture a regional labour market” or “... be related to a specific local resource base for the purposes of trade, investment, resource development or tourism...” In this case, these scholars were focused more on effective implementation of economic development programs than the implementation of government policy.

**Development of the region must be based on a long-term strategic plan, which enunciates the shared vision of the community. This plan must be created in cooperation with all sectors of the community.**

Without a strategy, regional development will lack a shared vision and a process for crossing from the realities of today to the desired outcomes of tomorrow. The experience of the GRC showed that it was a limitation not to have a finalised formal community-based strategy until 1988. The Commissioners managed this situation through their many planning and economic studies and land-use strategies, which involved public participation as a matter of normal practice.

Blakely, Blakely and Bradshaw, and Stimson and his colleagues supported the need for an overarching strategy to guide regional and local economic

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33 Mason *et al.*, p. 25.
development.\textsuperscript{34} The literature also showed that the Regional Development Program introduced by the Keating Commonwealth Government in 1994/95 emphasised the need for a formal strategy. To this end the Program included the provision of $80,000 for each of the 90 urban and regional REDOs for the preparation of individual strategic development plans.\textsuperscript{35} The necessity of having a regional strategic plan is now widely accepted in Australia and is equated directly with the operations of L&REDOs. Nevertheless, not all economic development organisations undertake strategic planning. In their research on the roles and capacities of L&REDOs, in 2001, Beer and his colleagues addressed the question ‘what would make Australian L&REDOs more effective?’ A quarter of the respondents to their survey agreed ‘... that their effectiveness was reduced because they lacked the capacity to undertake strategic planning for their region.’\textsuperscript{36}

The experience of the GRC in the formal planning process showed that creating and implementing a strategic plan should be the responsibility of every representative organisation involved with the plan. The arguments of Blakely and Bradshaw supported this contention.\textsuperscript{37}

The process should also provide the opportunity for individual residents and visitors, as well as representative organisations, to have input at the research and review stages. This was supported by the arguments of Kane and Sand, who maintained that ‘People and organisations with vested interests in an area’s economic development must be drawn into the formation and policy processes... Different stakeholders will have different goals that must be made explicit and

\textsuperscript{34} Blakely, pp. 132-153; Blakely and Bradshaw, p. 341; Stimson et al., pp. 57-62.
\textsuperscript{36} Beer et al., ‘Local and regional economic development organisations in Australia,’ Developing Locally, p.127.
\textsuperscript{37} Blakely and Bradshaw, p. 77.
Importantly, Mason and his colleagues emphasised the need for structures and procedures to allow a broad membership input to take place.\textsuperscript{39}

My study also showed that the regional development organisation should act as the resource agent for research and information input; facilitate the planning process; manage the creation of the strategic direction, policies and task programs; service the administration of the planning process; and act as a quality supervisor by monitoring and evaluating the progress of implementation and feeding back the results of evaluation to the strategy supervising committee and the community at large.

\textbf{For a region to survive as such, residents, investors and visitors must recognise that it is a geographic, economic and social entity in its own right.}

The Geelong region was generally recognised as a separate entity by the Commonwealth and Victorian Governments and its many investors through the activities of the GRC. Residents associated with the region because it was seen historically as the hinterland of Geelong. Without a separate and recognisable regional identity a regional development organisation would have had no focus or credibility with the outside world. Whereas the literature mentions the importance of regional coherence,\textsuperscript{40} no assessment was found dealing with the benefits of stakeholders recognising the region as a geographic, economic and social entity in its own right.

The identity of a region has significance in differentiating its competitive position in target markets. The experience of the GRC provides two basic lessons in this regard. First, promotional activities must be resourced adequately if the roles of a region are to be differentiated sustainably from those of other regions. In this vein, Blakely and Bradshaw identified the need for L&REDOs to have adequate

\textsuperscript{38} Kauc and Sand, \textit{Economic Development: What Works at the Local Level}, p. 22, quoted in Blakely and Bradshaw, p. 342.
\textsuperscript{39} Mason \textit{et al.}, p. 24.
\textsuperscript{40} Maude and Beer, 'Regional development agencies in Australia,' p. 13.
funding to enable them to undertake customized marketing of their regions to external clients.\textsuperscript{41} Second, regions must make their presence known directly in overseas target markets and not rely only on surrogate agencies, if they are to prosper commercially in a global economy. (The Internet is a valuable tool in this regard.) The issue of fostering a global outlook at the regional level was recommended by McKinsey and Company based on their study of private investment in Australian regions in 1994.\textsuperscript{42} Stimson and his colleagues also emphasised that regions should focus on the two principles of ‘Think Global: Act Local’ and ‘Act Global: Think Local.’\textsuperscript{43} They maintained that “... it is more up to regions now [2002] to develop and use their own devices to compete internationally in order to survive.”\textsuperscript{44}

The additional problem that emerged during the time of the GRC, and has since increased in intensity, is the potential for Geelong to lose its identity to the economic mega City of Melbourne. Under the influence of increasing globalisation of the economy, Melbourne could expand its already considerable dominance over the Greater Geelong region. The observations of Stimson and his colleagues should be kept in mind. They noted that “... some of the world’s larger metropolitan regions - are now seen as the dominant focus for the growth of employment, investment decisions and distribution networks in the new global market place.”\textsuperscript{45} This could work against the growth of the Geelong region as an economic entity in its own right.

The regional community should be cohesive, with residents, workers and businesses feeling ‘a sense of place’ for the region.

Residents and business groups in the Geelong region have not always worked well collectively. The plethora of business associations and the nine municipal

\textsuperscript{41} Blakely and Bradshaw, p. 343.
\textsuperscript{42} McKinsey and Company. Lead Local Compete Global.
\textsuperscript{43} Stimson \textit{et al.}, p. 194.
\textsuperscript{44} Stimson \textit{et al.}, p. 11.
\textsuperscript{45} Stimson \textit{et al.}, p. 10.
councils for a population equivalent to two large Melbourne suburbs attested to an attitude of individualism, rather than one of collective orientation.

However, during the time of the GRC the Commissioners created a degree of cohesiveness in many economic and planning matters, through their leadership and coordination roles.46 The prime example of the Commission's success in gaining community cohesion were the GRDS and the Action 91 Conference (Economic Summit), which tried to find ways for the regional community to lift itself from the difficulties of the time. Community cohesion translates into community pride and a willingness to work together to achieve shared goals. It is also essential to have cohesion if a region is to attain a 'collaborative advantage,' which Stimson and his colleagues deemed so important for successful regional economic development today.47

Community cohesion also improves the effectiveness of a region's L&REDO. Maude and Beer, found that if a L&REDO operated in a region that had common interests, then the L&REDO had an advantage in developing and implementing strategic plans, deciding on common issues and goals and gaining community support for those goals.48

The roles of the regional development organisation should be determined by the community before the organisation is formed.

In the case of the GRC, some four years of political debate, public comment and scrutiny by the regional community determined the Geelong Regional Commission Act and the roles, structure and functions of the organisation. Under this process the community assumed ownership for the organisation and was directly involved in determining the ways, in which the organisation would serve the public interest and needs of people and other entities within the region.

46 Interview with Spurling, 11 August 2004.
47 Stimson et al., pp. 9, 12.
48 Maude and Beer, 'Regional development agencies in Australia,' p. 13.
The proposition of this lesson is consistent with Blakely's 'form following function' model, where the roles of the organisation were set out in the community's development strategy.\textsuperscript{49} Luke and his colleagues also agreed with this approach.\textsuperscript{50}

The organisation should have body corporate status.

The Commission was an authority with its own governing statute and therefore enjoyed the legal and commercial attributes of a body corporate entity.\textsuperscript{51} This enabled the GRC to operate business enterprises, own land and property, trade with other businesses and accept grants and loans from non-government sources, among other business undertakings. All of these activities widened the scope of the GRC. Most importantly it remained largely autonomous in the daily management of its affairs.

The proposition of this lesson was supported by many scholars. Blakely and Bradshaw were strong advocates for economic development corporations.\textsuperscript{52} This institutional form was akin to the development corporations described by Luke and his colleagues;\textsuperscript{53} the incorporated independent economic development organisations proposed by Mason and his colleagues;\textsuperscript{54} and the larger Australian L&REDOs identified by Maude.\textsuperscript{55} These L&REDOs included the Regional Development Boards set up by the NSW and the South Australian Governments in the late 1970s and late 1980s, respectively; the Regional Development Commissions set up by the Western Australian Government in the late 1980s and early 1990s; and the Regional Economic Development Organisations created by the Australian Government in the early to mid 1990s. The institutional form of

\begin{footnotes}
\item[49] Blakely, pp. 285, 286.
\item[50] Luke et al., pp. 53, 54.
\item[52] Blakely and Bradshaw, p. 349.
\item[53] Luke et al., pp. 63, 66-69.
\item[54] Mason et al., p. 27.
\item[55] A. Maude, 'Local and regional economic development organisations in Australia,' in Beer et al., Developing Locally, p. 110.
\end{footnotes}
these bodies, based on their legal status, allowed them to undertake a wide range of economic development activities. Significantly, they generally enjoyed strong community support because local government, private enterprise and the community at large were represented on their boards and management committees.

The study of the GRC also showed that there were certain advantages in the regional development organisation being a government statutory authority. These included access to government funds outside the normal grant funding schemes, an ability to coordinate government resources and programs to the benefit of the Geelong region and ready access to the people holding political power. The observations of Luke and his colleagues in the USA supported these findings. They noted that public-sector economic development agencies had an advantage over private agencies as they could influence government decision makers and ‘orchestrate’ state and local government resources to the advantage of their regions.

From the experience of the GRC, the main concerns about being a public statutory body were the potential for it to be used opportunistically by opponents of the Government and for Governments of the day to be the sole arbiter of its existence.

**The organisation must be truly representative of the community that it serves.**

From the start, the Victorian legislators and the regional residents insisted that the GRC have the majority of its representatives come from the region. In the end each of the local government members appointed a representative and the Government appointed five representatives from local business, a statutory authority, and the environment, community and union movements. This structure gave effect to the principle of ‘local people should make local decisions’ and is consistent with the literature of the ‘development from below’ school of regional
development. The principle was clearly demonstrated in the research of McKinsey and Company, which examined the extent of private sector investment in Australia's regions. McKinsey observed that boards of L&REDOs in regional areas were made up of local residents regardless of whether the board structure was formal or informal. The company concluded that "The key to regional leadership is a committed group of people drawn from all parts of the community..." Maude noted from the research of Beer, Haughton and Maude into the character and performance of L&REDOs in Australia that the boards of L&REDOs came mainly from the local community. Beer and his colleagues found that local government represented some 60 per cent of the 505 L&REDOs that responded to their 2001 survey. The remaining 40 per cent of L&REDOs were from the non-government sector and were made up of three groups. The first group was comprised of formal organisations such as the aforementioned Regional Development Commissions set up by the Western Australian Government. They were managed by boards or committees drawn from members of the community. Business enterprise and support centres made up the second group. These were usually supported by state governments or chambers of commerce. The third represented groups ranging from urban commercial district development entities (Main Street organisations) to Aboriginal and other community development bodies. The high percentage of local government represented on the boards of Australian L&REDOs was supported by the findings of Fulop and Brennan, who reviewed regional economic development organisations in Australia in 1997.

My study also found that local representation on the Board of the GRC ensured that at the highest level the decision-makers had an intimate knowledge of the region and could bring an informed point of view to the Commission's debates.

56 See chapter 3.
58 See chapter 1
59 Maude, 'Local and regional economic development organisations in Australia,' in Beer et al., Developing Locally, pp. 109, 110.
60 Fulop and Brennan, 'Meeting the Challenge,' p. 23.
This point was implied in the literature examined for this thesis, but not developed to any degree.

The experience of the GRC showed that representation on the Commission's board should reflect the main interests in the community. As we saw above, representation on the Commission came from local government, business, a statutory authority, and the environment, community and the union movements. The representatives of these groups were appointed by the Minister.\textsuperscript{61} Beer and his colleagues pointed out that "A number of authors [such as McKinsey and Company] have argued that the composition of these boards can critically affect their [L&REDOs'] prospects for success."\textsuperscript{62} In their research they found the L&REDO boards in Australia were typically made up of representatives from the public and private sectors and mixed representation.\textsuperscript{63} This was consistent with the structure of the independent economic development organisations proposed by Mason and his colleagues in 1992 as an alternative to voluntary regional organisations of councils.\textsuperscript{64}

In addition my study found that the overall number of representatives should be of a size that allowed effective decision-making. The 14 person board structure of the GRC worked well. Marshall and Witherby examined the issue of the number of councils represented on regional organisations of councils (ROCs) as part of their survey of ROCs in Australia in 2001. Of the 29 organisations that replied to the questions dealing with the 'size and structure,' one had 18 members, 8 had between 10 and 15 members, 16 had between 5 and 10 members and 4 had under 5 members. The researchers concluded that "There appears to be no obvious combination of characteristics necessary for creating a successful ROC [including

\textsuperscript{61} See chapter 6.
\textsuperscript{62} Beer et al., 'Local and regional economic development organisations in international comparison,' in Beer et al., Developing Locally, p. 40.
\textsuperscript{63} Beer et al., 'Local and regional economic development organisations in international comparison,' in Beer et al., Developing Locally, p. 40.
\textsuperscript{64} Mason et al., p. 29.
the number of members of a ROC]. Other than the research by Marshall and Witherby, this issue was not addressed in the literature reviewed for this thesis.

The organisation should be delegated the necessary authority to carry out its allotted roles and functions.

The Commissioners were delegated specific powers in the Geelong Regional Commission Act. As a result there was no doubt what they and the staff could or could not do. Without this clear direction for action, the decisions of the leaders could be continually challenged and questioned on the grounds of legitimacy.

This lesson is supported by Blakely and Bradshaw, who argued that "... The absence of delegated responsibility will mean that the organisation cannot operate effectively and the development officer[s] spend too much time obtaining permission to function effectively."  

The organisation should be resourced on a sustainable basis.

The GRC was assured of funding by Parliament and local government members for its operational needs, on an ongoing basis. As a result, the Commissioners had the confidence to undertake long-term tasks with the knowledge that they could be completed. Examples include the implementation of the City By The Bay Plan and the GRDS. Without this ongoing resource, the Commissioners would be restricted to short-term planning and activities, which would have reduced the effectiveness of the Commission. The financial guarantee included in the Geelong Regional Commission Act, the Commission's status as a statutory authority and the competent financial management of the Commissioners and staff ensured that lenders would continue to loan funding for the Commission's development projects. This was a significant advantage as it allowed the Commissioners to take a long-term approach to the Commission's development program.

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65 Marshall and Witherby 'The Roles and Functions of Regional Organisations of Councils.'
66 Blakely and Bradshaw, pp. 346, 347.
A number of scholars supported the proposition of this lesson. Maude and Beer argued that successful L&REDOs in Australia depended on organisations obtaining adequate funding. Fulop and Brennan came to the same conclusion based on their study of REDOs in Australia in 1997. Blakely and Bradshaw also considered that finance was an important resource for development organisations. The survey of economic development organisations and voluntary regional organisations of councils carried out by Mason and his colleagues showed that the range and scope of tasks undertaken "...is directly proportional to the funds available [to the organisation]." Beer, Haughton and Maude found that the lack of funding adversely affected the operations of 60 per cent of the Australian L&REDOs they surveyed in 2001.

**The organisation should provide strong leadership in the regional community in the areas of its responsibilities.**

The experience of the GRC demonstrated that leadership was important to regional development. This was supported by the research findings of Stough and his colleagues who found that leadership was a major ingredient of successful economic development. McKinsey and Company also came to this conclusion based on their research into private sector investment in Australia's regions.

Apart from the leadership of the organisation *per se*, my study has shown that the presence of a committed, charismatic and visionary leader to head up the organisation was a vital ingredient for success. This approach was consistent with Gardner's definition of leadership, which was "...the process of persuasion or example by which an individual (or group) induces a group to pursue objectives..."

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67 Maude and Beer, 'Regional development agencies in Australia,' p.11.
68 Fulop and Brennan, 'Meeting the Challenge,' p. 13.
69 Blakely and Bradshaw, p. 346.
70 Mason et al., p. ii.
71 Beer, Haughton and Maude, 'Local and regional economic development organisations in international comparison,' Beer et al., *Developing Locally,* p. 55.
72 Stough et al., 'Leadership in Regional Economic Development Strategic Planning,' in Edgington et al., *New Regional Development Paradigms,* p. 188.
held by the leader and his followers." This proposition was not supported by the arguments of Stough and his colleagues. They contended that no one institution or individual should be in a position of authority, and that local leaders should not lead using command and control, but should inspire and motivate others through persuasion, well informed argument and empowerment. This was akin to the shared power model espoused by Bryson and Crosby and the approach taken by Luke and his colleagues, who argued that the leader should not be a charismatic person but one that "...is able to facilitate the development of a critical mass of diverse policy actors, motivated by a goal or vision that is created collectively among them." 

Officers of the organisation should have the appropriate skills and attributes for the organisation to carry out its tasks effectively.

The experience of the GRC showed that one of the main reasons for the success of the Commission was the professionalism of its staff, who held qualifications and training in the various skills required for carrying out the functions of the organisation. For example, the Commissioners employed former senior business and marketing people from private enterprise, for those positions involving business facilitation. Not only did this approach give the Commissioners an understanding of the private sector but ensured that dealings were conducted in an empathetic and customer-orientated manner.

The proposition of this lesson was supported by the argument of Mason and his colleagues that to be effective, an economic development organisation needed "Qualified support staff with expertise in areas relevant to issues evident in the

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75 Stough *et al.*, "Leadership in Regional Economic Development Strategic Planning," p. 177.
region." In addition, Maude and Beer reported that their research into
Australian regional development agencies identified that an important concern for
the interviewees was the need for organisations to have "... sufficient staff to
carry out the core functions of the agency, and staff with the appropriate skills." The structure of the organisation should reflect its functions; and the
number of functions should be limited to those that are necessary to give
effect to the core purposes of the organisation.

The Geelong Regional Commission Act gave direction for the functions of the
Commission, which were economic development, statutory and strategic
planning, property development and administration. These functions were
implemented by staff that never exceeded 50 in number, and 57 per cent of whom
were employed in operational positions. Because the Commissioners
implemented only a small number of functions with a reasonably sized
professional staff and sustainable financial resources, they were able to make an
impact in the Commission's areas of interest. Importantly, the narrow span
allowed the Commissioners to arbitrate effectively on those matters that impinged
on the core purposes of the Commission. For example, the Commissioners' arbitration over conflicting issues of planning and development. Where the
number of functions become too diverse there exists the potential for the leaders
to lose sight of the core purposes of the organisation. In addition, the
organisation runs the risk of becoming a large bureaucracy. Under such
circumstances residents can become disenfranchised in those cases where the
leaders are forced to delegate to officers of the organisation because of the sheer
size of the decision-making tasks. The limited span of functions undertaken by the
Commissioners (by virtue of the Act) meant that they were involved as decision-
makers in all planning matters and major projects undertaken by the officers of

78 Mason et al., p. 24.
79 Maude and Beer, 'Regional development agencies in Australia,' p. 12.
80 The functions of protecting environmentally sensitive lands and properties of heritage value
were shared jointly between the Planning Division and the Development Division of the GRC.
81 Author's calculation based on the last published staff establishment contained in GRC, Annual
Report 1983/84, pp. 34, 35.
the Commission. In this way the regional community, through the Commissioners, were in control of their affairs in the Commission’s areas of interest.

As we saw above, Blakely and Bradshaw emphasised the need for the structure of the organisation to be determined only after the community had put the strategic plan in place.\(^{82}\) (The ‘form’ following ‘function’ model.) This approach was supported by Luke and his colleagues.\(^{83}\) However, the literature was limited concerning the issue of ensuring that the number of functions undertaken by a L&REDO are limited specifically to those necessary for the directors and staff to carry out the organisation’s core purposes.

**The organisation should involve the regional community in planning the future of the region and keep them fully informed of its activities.**

The experience of the GRC showed that the residents of the Geelong region wanted to be involved in determining the future development of their community. They looked to the GRC to provide certainty that their place of residence, quality of life and community amenities would be protected through government legislation and regulation, and regional policies and processes. They expected to be involved in the formulation of development strategies and monitoring their implementation. The GRC not only acted as an advocate in these matters, but was an active participant in bringing about the community’s desired outcomes. In this regard the GRC was acting in the role of the ‘coordinator’ as described by Blakely and Bradshaw.\(^{84}\)

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\(^{82}\) Blakely and Bradshaw, pp. 342, 343.
\(^{84}\) Blakely and Bradshaw, p. 86.
Leaders of the organisation should maintain good relations with sponsors, all levels of government, members of the private sector and community organisations.

Much of the success of the Commission, from its inception to the early 1990s, was due to the close and positive working relationship with the Ministers of successive Victorian Governments. Hansen and his colleagues noted this in their review of the GRC in 1990.\textsuperscript{85} The successful performance in job creation, statutory and strategic planning, industrial estate development and developments such as the National Wool Centre reinforced the confidence of Governments in the Commission.

Blakely and Bradshaw contended that L&REDOs should have "... a strong connection with the private sector and good relations with all the social groups within the community."\textsuperscript{86} While Blakely and Bradshaw looked to good relations as a means of better determining the needs of the community and gaining the community's support for resources, in the case of the GRC, good relations were also needed to engender good will and the cooperation of the Victorian LNP Coalition Government (elected to office in October 1992), as well as local government and special interest groups in the Geelong region. The Commissioners' inability to contain the damage from the political attacks of the LNP Coalition undermined the position of the Commission and set the stage for the abolition of the organisation. Certain groups in the private sector and some councillors, who felt aggrieved by the intervention of the GRC into the industrial and tourism development markets, added their weight to the disaffection of the LNP Coalition. This demonstrated the necessity of maintaining a positive relationship with all entities that are likely to influence or determine the existence of the organisation. In the case of the GRC the special problem was how to remain involved but independent. No literature on regional development was found to address this issue.

\textsuperscript{85} Hansen \textit{et al.}, p. 187.
\textsuperscript{86} Blakely and Bradshaw, p. 344.
The organisation should measure its performance and report this regularly to sponsors and the regional community.

The Commissioners introduced a corporate planning process at a time when few Commonwealth and Victorian Government Departments or municipal councils were measuring their performance and outcomes. The limitation of the Commission’s corporate planning system was that the objectives were mainly qualitative and, other than the plan for 1988/89-1990/91, contained no performance indicators. The Commissioners rectified this problem in the GRDS, which was reported on in special public documents. Today at the sub-state level in Australia, local government suffers similar limitations, although there is wider use of financial indicators for measuring revenue and debt management.

The GRC was one of the few sub-state organisations to publish the results of its jobs generation program in special publications and annual reports. Mason and his colleagues emphasised the importance of using job generation as one of the main measures of a L&REDO’s effectiveness. They noted “This [measurement of direct job generation] is the toughest measure, but is central to the core of economic development. . .”

In the USA, since the 1980s, there has been increasing interest in designing performance monitoring procedures and measures for L&REDOs. This interest was also evident in England and Australia during the 1980s and 1990s. It appears from the limited literature on the subject that the procedures have been designed to provide feedback to the government sponsors of the L&REDOs and the organisations themselves, rather than to the communities that they served. The lesson identified here is that the communities served by the L&REDOs need to be informed as well as other stakeholders.

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88 The AWDC and the CoGGC both measured the jobs created from their economic development programs but did not publish these outcomes. Officers of the MAV were unaware of any municipal councils in Victoria evaluating or publishing their performance in job generation.  
89 Mason et al., p.30.  
90 Stimson et al., p.62.  
91 Thuy and Dalrymple, p.1; Allen, p.28.
The organisation's strategic planning, advocacy, coordination and facilitation functions should be based on sound research and reliable information.

The GRC was recognised as the primary source of demographic and socio-economic data on the Geelong region. This and the empirical research that was carried out by the Economic Research Unit were fundamental strengths of the Commission and underpinned its strategic planning function.

Without research and information management capabilities and access to region-specific statistical data, a regional development organisation will not be able to carry out its planning effectively. In addition, it will be hampered in its major functions, such as advocacy, coordination and facilitation. The proposition of this lesson was supported by the arguments of Mason and his colleagues, who stated that "To be effective in influencing regional development, the organisation should be capable of producing reasonable data, profiles of regional economies and assets, identifying local development opportunities and employment initiatives, particularly at a policy level in strategic development issues and coordinating regional interests in State and national policy debates." 92 Others such as Blakely, and Stimson and his colleagues supported this argument. 93

The experience of the GRC showed that although statistical data and studies could be obtained through the use of external consultants, it was more effective and sustainable for them to be managed in-house. Importantly, this approach added to the corporate memory of the Commission. Discussions on this issue were not found in the literature examined for this thesis.

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92 Mason et al., p. 23.
93 Blakely, pp. 83-89; Stimson et al., pp. 52-57.
The organisation should offer an integrated service package tailored to the client's needs.

The experience of the GRC showed that in order to improve competitiveness it was necessary to simplify the processes of investment facilitation for potential investors. This was best done by the regional development agent managing the facilitation process. Blakely emphasised the importance of this 'one stop' business service as part of the local economic development process.\textsuperscript{94}

12.6 Summary

For 16 years the GRC stood at the centre of economic development, land-use planning and infrastructure development in the Geelong region. It was born in the controversy of the growth centres program of the early 1970s and it was dogged by this inheritance over its lifetime. Atkins, the Commissioners and staff provided a strategic vision of what the region could be; and made a significant contribution to the community in terms of facilitating investment, generating new jobs, assisting the formation of new businesses, providing key infrastructure for the industrial and commercial sectors and laying down the basis of statutory and strategic planning for the existing and future development of the region. The Commissioners provided leadership in times of economic difficulty, acting as advocates, coordinators and implementers of programs aimed at improving the region and its circumstances. Notably the Commissioners combined economic development with aspects of community development effectively, and managed the protection of the region's physical environment from a planning viewpoint. The GRC was noted for getting the job done.\textsuperscript{95}

The most significant contributions of the Commission were probably the Geelong Regional Planning Scheme, the Geelong Region Development Strategy, the economic facilitation programs to provide new investment and jobs, the industrial

\textsuperscript{94} Blakely, p. 290.
\textsuperscript{95} Interview with Spurling, 11 August 2004.
estates, unit factories and business incubator programs, the City By The Bay plan and the consolidation of the Corio Bay foreshore. This latter achievement enabled the CoGGC and the Victorian Government to complete the development of the Geelong waterfront adjacent to the Geelong CBD in the late 1990s.

Not everybody agreed with the philosophies of the Commissioners, their programs or their decisions, particularly where land-use planning was involved. Part of the opposition to the Commissioners was based on political ideology, part on vested interest and part on the struggle for power in the region. In the end, the Government of the day did not consider that the GRC had a role in the era of local government amalgamation and transferred the Commission's functions in economic development, land-use planning and development to the CoGGC.

This study has shown that the Commission was a competent and above average organisation that was very successful, when measured against the objectives and performance indicators of its corporate plans, the requirements of the relevant government legislation, policies and regulations, and the business and economic development standards of the 1990s and today.
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GRC participation with particular groups as ‘partners’ in promoting local and regional development

<table>
<thead>
<tr>
<th>Partners</th>
<th>GRC</th>
</tr>
</thead>
<tbody>
<tr>
<td>International organisations</td>
<td>*</td>
</tr>
<tr>
<td>National Govts/Depts/agencies</td>
<td>***</td>
</tr>
<tr>
<td>State/provincial Govt Depts/ agencies</td>
<td>***</td>
</tr>
<tr>
<td>Local Govt</td>
<td>***</td>
</tr>
<tr>
<td>Other regional/local organisations</td>
<td>**</td>
</tr>
<tr>
<td>Local venture capital providers</td>
<td>*</td>
</tr>
<tr>
<td>Banks and other financial institutions</td>
<td>*</td>
</tr>
<tr>
<td>Property developers and/or retailers</td>
<td>*</td>
</tr>
<tr>
<td>Manufacturers</td>
<td>***</td>
</tr>
<tr>
<td>Public utility (Private or public ownership)</td>
<td>***</td>
</tr>
<tr>
<td>Other private businesses</td>
<td>**</td>
</tr>
<tr>
<td>Business groups (eg. Chambers of Commerce)</td>
<td>**</td>
</tr>
<tr>
<td>Environmental groups</td>
<td>*</td>
</tr>
<tr>
<td>Indigenous groups</td>
<td>np</td>
</tr>
<tr>
<td>Other community groups</td>
<td>*</td>
</tr>
<tr>
<td>Universities</td>
<td>**</td>
</tr>
<tr>
<td>Technical education and further edu agencies</td>
<td>**</td>
</tr>
<tr>
<td>Research and development organisations</td>
<td>**</td>
</tr>
<tr>
<td>Local political representatives</td>
<td>**</td>
</tr>
<tr>
<td>Trade unions</td>
<td>*</td>
</tr>
<tr>
<td>Average score for all 20 fields</td>
<td>1.8</td>
</tr>
</tbody>
</table>


Information on the GRC is classified as:
np not a partner;
* mildly important partner;
** Moderately important partner;
*** Very important partner.
## GRC adoption of nominated 'objectives'

<table>
<thead>
<tr>
<th>Objective</th>
<th>GRC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promote economic growth</td>
<td>*</td>
</tr>
<tr>
<td>Increase local incomes</td>
<td>*</td>
</tr>
<tr>
<td>Promote employment growth</td>
<td>*</td>
</tr>
<tr>
<td>Improve the region/community's quality of life</td>
<td>*</td>
</tr>
<tr>
<td>Regenerate/ revitalise regional/local economy</td>
<td>*</td>
</tr>
<tr>
<td>Diversify regional/local economy</td>
<td>*</td>
</tr>
<tr>
<td>Protect/increase revenue base of local govt</td>
<td>no</td>
</tr>
<tr>
<td>Retain/increase regional/local population</td>
<td>*</td>
</tr>
<tr>
<td>Attract/recruit new business</td>
<td>*</td>
</tr>
<tr>
<td>Develop local businesses (start ups/expansions)</td>
<td>*</td>
</tr>
<tr>
<td>Build partnerships between public agencies and community</td>
<td>*</td>
</tr>
<tr>
<td>Stimulate involvement of locals people and entrepreneurs</td>
<td>*</td>
</tr>
<tr>
<td>Build capacity of local area for development</td>
<td>*</td>
</tr>
<tr>
<td>Improve employment, incomes, welfare of disadvantaged groups</td>
<td>*</td>
</tr>
<tr>
<td>Promote environmentally sustainable regional/local economy</td>
<td>*</td>
</tr>
<tr>
<td>Advocate for/lobby governments on behalf of region/local area</td>
<td>*</td>
</tr>
<tr>
<td>Score</td>
<td>15</td>
</tr>
</tbody>
</table>


Information on the GRC is classified as:
- **no** not an objective of the GRC;
- ***** is an objective of the GRC.
### GRC participation in business-related assistance

<table>
<thead>
<tr>
<th>Function performed</th>
<th>GRC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing the region to prospective businesses</td>
<td>*</td>
</tr>
<tr>
<td>Operating a business incubator</td>
<td>*</td>
</tr>
<tr>
<td>Operating an industrial estate or science park</td>
<td>*</td>
</tr>
<tr>
<td>Other provision of land or buildings</td>
<td>*</td>
</tr>
<tr>
<td>If you are a govt agency, offering incentives to attract or retain business</td>
<td>np</td>
</tr>
<tr>
<td>Subsidising relocation costs for business moving to the region</td>
<td>np</td>
</tr>
<tr>
<td>Assisting business with training or recruitment</td>
<td>*</td>
</tr>
<tr>
<td>If you are a govt agency, providing streamlined approval/development processes</td>
<td>*</td>
</tr>
<tr>
<td>Coordinating the activities of public sector agencies to support business development</td>
<td>*</td>
</tr>
<tr>
<td>Providing general SME business support programmes</td>
<td>*</td>
</tr>
<tr>
<td>Assisting businesses to access venture capital</td>
<td>*</td>
</tr>
<tr>
<td>Providing info on programmes of Government departments and other agencies</td>
<td>*</td>
</tr>
<tr>
<td>Assistance in accessing funding and support services from Governments at all levels</td>
<td>*</td>
</tr>
<tr>
<td>Assistance with technology transfer/innovation</td>
<td>*</td>
</tr>
<tr>
<td>Assisting businesses to meet quality standards, whether those of their customers or ISO</td>
<td>*</td>
</tr>
<tr>
<td>Assistance, either financial or advisory, with marketing nationally</td>
<td>*</td>
</tr>
<tr>
<td>Assistance, either financial or advisory, with marketing internationally</td>
<td>*</td>
</tr>
<tr>
<td>Promoting supply chain associations</td>
<td>*</td>
</tr>
<tr>
<td>Assisting the development of industry clusters</td>
<td>*</td>
</tr>
<tr>
<td>Tourism promotion</td>
<td>*</td>
</tr>
<tr>
<td>Assistance with major/special events in region</td>
<td>*</td>
</tr>
<tr>
<td>Urban business district development</td>
<td>*</td>
</tr>
<tr>
<td>Programmes to help people to establish their own small business</td>
<td>*</td>
</tr>
<tr>
<td>Other local employment creation programs</td>
<td>*</td>
</tr>
</tbody>
</table>


Information on the GRC is classified as:
- np no participation by the GRC;
- * participation by the GRC.
### GRC participation in nominated forms of region capacity building

<table>
<thead>
<tr>
<th>Function performed</th>
<th>GRC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improvement of regional/local physical infrastructure (e.g. roads, railways, utilities)</td>
<td>*</td>
</tr>
<tr>
<td>Improvement of regional/local telecommunications infrastructure</td>
<td>*</td>
</tr>
<tr>
<td>Improvement of regional/local service provision (e.g. education or medical services)</td>
<td>*</td>
</tr>
<tr>
<td>Development of planning for business sites and premises</td>
<td>*</td>
</tr>
<tr>
<td>Education and training for youth not targeted to a specific business/enterprise</td>
<td>*</td>
</tr>
<tr>
<td>Education and training for minority groups not targeted to a specific business/enterprise</td>
<td>*</td>
</tr>
<tr>
<td>Education and training in general not targeted to a specific business/enterprise</td>
<td>np</td>
</tr>
<tr>
<td>Improving regional/local economic development strategic planning and implementation capacity</td>
<td>*</td>
</tr>
<tr>
<td>Analysis of the regional/local economy</td>
<td>*</td>
</tr>
<tr>
<td>Developing cooperation and networking between businesses and relevant public and private sector agencies and institutions</td>
<td>*</td>
</tr>
<tr>
<td>Coordinating Government programs</td>
<td>*</td>
</tr>
<tr>
<td>Acting as a lobbyist for the region/local area with Governments</td>
<td>*</td>
</tr>
<tr>
<td>Identification of business opportunities or gaps in the regional/local economy and implementation of strategies to fill them</td>
<td>*</td>
</tr>
<tr>
<td>Attempting to influence land use regulations and planning decisions that impact on business</td>
<td>*</td>
</tr>
</tbody>
</table>

**Score**: 13


Information on the GRC is classified as:

- **np**: no participation by the GRC;
- *****: participation by the GRC.