

DEVELOPING AN INTERNATIONAL FOOD HUB IN MELBOURNE'S NORTH

Melbourne's North is fast positioning itself as a food hub of national significance. A large undeveloped parcel of land in the heart of the precinct could bolster the region as a major player in the global food market. With a skilled workforce and supporting industries on its doorstep, the only thing stopping Melbourne's North from international success is government investment.

The availability of undeveloped land in the centre of the precinct will enable the region to be a major player in the global food market.

We are seeking State and Federal Government commitment to:

- Support the creation of an international food hub on the land next to the Melbourne Wholesale Fruit and Vegetable Market in Cooper Street, Epping.
- Provide funding for a masterplan for the site and to establish the precinct and attract suitable investors.



Growth in Victoria's food and beverage industry is expected to be profound. The value of food and fibre exports is projected to increase significantly, reaching a total of \$28 billion by 2030 in Victoria.¹ Melbourne's North is expected to double its output to \$5 billion and create an additional 7,000 jobs in the sector over the next 10 years.²

A 50 hectare parcel of undeveloped land adjoining Melbourne Wholesale Fruit, Vegetable and Flower Market (Melbourne Markets) is ideally situated to unlock Melbourne's North as an international food hub.

The site plays a vital role in securing new food related jobs for Victoria, building on its world leading technology and innovation.

The precinct is already considered to be a nationally significant food hub and requires government investment to be a major player in the global food market. The prime location of government owned land adjacent to the Markets offers the greatest short to medium term prospect to raise the profile and importance of Melbourne's North as a major food and beverage hub.

Melbourne Markets has partnered with NORTH Link, City of Whittlesea and City of Hume to develop a feasibility study to scope potential uses for the land, which will provide the foundations for a masterplan for the site.

MELBOURNE WHOLESALE FRUIT, VEGETABLE AND FLOWER MARKET

The Melbourne Market completed a once in a generation move to its new \$460 million purpose built facility in Cooper Street, Epping in 2015.

Melbourne Markets is one of six central fresh produce markets in Australia and provides a critical link between growers, wholesalers, retailers and the fresh produce supply chain.

More than 5000 businesses use the Market as a base, buying and selling fresh produce and over 1800 individual fruit and vegetable buyers source their produce direct from the Market.³

Up to 120,000 square metres of warehousing space provides for the integration of supply chain logistics within the Market and is the largest warehousing precinct of any central market in Australia.³

With an estimated value of \$2 billion of produce passing through it annually, the Melbourne Markets is the catalyst to stimulate further affiliated economic development for a state-of-the-art food and beverage precinct of national significance.³

The food production sector is already regarded as a priority in the region and has developed into an industry cluster, with relevant educational institutions and freight networks already in the area.

CREATING AN INDUSTRY CLUSTER

Located alongside Melbourne Markets is 50 hectares of land which is ideal for future development. Development will be instrumental in the growth of the food and beverage industry and driving Victoria's food and fibre exports, which currently account for 27% of Australia's food and fibre exports.³

Development of the land will further ensure the area becomes an industry cluster – bringing together private enterprises, government agencies, business support and incubation, marketing, manufacturing, processing, packaging, logistics, distribution, waste and energy minimisation, research and training.

The cluster will create opportunities for businesses to co-locate enabling both new and existing food and beverage processors, manufacturers, food packaging specialists, cold-chain suppliers and logistic and transport companies to expand and grow via improving their potential to export, collaborate and build productivity through economies of scale.

Appropriate planning and a commercialisation structure will be required to attract small, medium and large enterprises, as well as affiliated technology, research and education providers, to the precinct.



PERFECTLY LOCATED

The City of Whittlesea is perfectly located to facilitate growth in the food, fibre and beverage industry.

In total, the food and beverage precinct could encompass 120 hectares, featuring direct access to Melbourne's extensive freeway network and close in proximity to Melbourne Airport allowing easier access to local, interstate and overseas customers.

ECONOMIC BENEFITS

The Melbourne Food Hub has the potential to provide compelling social and economic impacts:⁴



\$1,072m
Value of construction



3780
Construction jobs



6442
Ongoing jobs by 2026



\$12.3m
Retail expenditure in the locality by 2026



OPPORTUNITY FOR SMALL - MEDIUM SIZED ENTERPRISES

Industry analysis show that the average food and beverage manufacturing businesses are small – medium sized enterprises (SMEs) employing an average of 18 employees.

One would expect a significant growth opportunity for SMEs in the food and beverage manufacturing industry if a food hub was positioned in Melbourne's North. The potential access to export markets would see new businesses relocate and local businesses grow and require larger manufacturing facilities.

The defining characteristic of the food industry in Melbourne's North is that it predominantly comprises SMEs. Most of the SMEs have the potential to double their business within a decade.

In a time where large corporate food companies are relocating offshore, these smaller companies are growing and taking advantage of alternative channels to market.

SKILLED WORKFORCE AVAILABLE TO MATCH JOB GROWTH

Melbourne's North has the skilled workforce available to match the jobs growth generated by an international food hub. The City of Whittlesea has a higher number of professionals skilled in the areas of food and manufacturing; transport and warehousing; and scientific and technical services fields than there are local jobs available (see below). This workforce is ready to respond to local job opportunities.

OPPORTUNITIES TO EMBRACE SCIENTIFIC AND ACADEMIC RESEARCH AND DEVELOPMENT

Through the tertiary and technical institutions in and around the City of Whittlesea the region has a strength in scientific and academic research and development. Furthermore, the institutions within the region have specialist facilities focused on the development of the food and beverage industries, and specifically production of value-added healthy fast-food options for 'time poor' consumers. Such institutions have the potential to help develop a 'circular economy' within the food and beverage sector by driving innovation and collaboration from inception through the full food chain. These include:

- RMIT University's Food Research and Innovation Centre.
- Melbourne Polytechnic's School of Food, Plant and Animal Industries.
- La Trobe AgriBio Centre.

Through leveraging the existing resources – both physical, human and research focused – there is the potential to develop a cutting-edge food and beverage R & D sector that investigates the potential for advancing the food production, packaging and delivery industry and creating further efficiencies and advancements that will be beneficial to both the wider food network as well as the businesses within the City of Whittlesea.

The opportunity of increasing growth within the R & D sector has the potential for 'two-fold' benefits with the employment and agglomeration of more highly skilled workers to the region. This not only increases the number of highly educated individuals within the community but shifts jobs that are traditionally closer to the CBD outwards and closer to homes in Whittlesea growth areas.

NATIONAL FOOD PLAN

The Australian Government developed a National Food Plan in 2013 with a vision of creating a sustainable, globally competitive, resilient food supply supporting access to nutritious and affordable food. Development of an international food hub in Epping will help drive the Australian Government's National Food Plan 2013 to increase exports from Australia by 45% and to increase productivity by 30 per cent by 2025.⁷



The proximity of high quality green wedge areas to this infrastructure increases the potential of agribusiness development.

Locating next to the Melbourne Markets provides significant food handling and logistical advantages, reducing handling, transport and labour costs.

With more than 3000 vehicles accessing the the Markets daily there is already a comprehensive range of auxiliary support services provided. This will be developed further as additional complementary uses are implemented including business incubation, manufacturing, logistics and distribution, commercial, education, research and training.³

THE FOOD AND BEVERAGE GROWTH PLAN: MELBOURNE'S NORTH

A Food and Beverage manufacturing hub in Melbourne's North was identified in *The Food and Beverage Growth Plan: Melbourne's North (2014)* as a significant opportunity for Victoria as the industry cluster continues to rapidly develop.

The report aims to increase productivity, competitiveness, collaboration and drive innovation in this key manufacturing sector and identifies the potential to grow the food and beverage sector in Melbourne's North by an extra 7000 jobs and increase turnover from \$2.6 billion to \$5 billion over 10 years.⁸



¹ Agriculture Victoria, Agriculture Victoria Strategy http://agriculture.vic.gov.au/_data/assets/pdf_file/0011/385949/Agriculture-Victoria-Strategy_FINAL.pdf

² NORTH Link *Creating food and fibre jobs in Melbourne's North* <http://melbournenorth.com.au/category/latest-news/>

³ Melbourne Market Authority <https://www.melbournemarkets.com.au/>

⁴ *The Melbourne Food Hub at Epping* Melbourne Market Authority, <https://www.melbournemarkets.com.au/>

⁶ id forecasting <https://economy.id.com.au/whittlesea/labourforce-key-statistics>

⁷ Australian Government, National *Food Plan* <http://www.ftaus.com.au/wp-content/uploads/2013/06/JUNE-national-food-plan-white-paper1.pdf>

⁸ Melbourne's North *The Food and Beverage Growth Plan* <http://melbournenorth.com.au/wp-content/uploads/2014/12/The-Food-and-Beverage-Growth-Plan-Melbournes-North-Report.pdf>

FOR MORE INFORMATION

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