

Local economic bodies and the location decisions of firms.

Local economic bodies and the location decisions of firms

Anthony Kent

**Australasian Centre for the Governance and Management of Urban Transport,
The University of Melbourne, Victoria, Australia, 3010**

ake@unimelb.edu.au

4,354 words excluding references

**Key words: institutional thickness, locational decisions, Whittlesea, food and
beverage manufacturing**

Abstract

The idea that ‘institutional thickness’ is a prerequisite for sustainable local economies has attracted attention in recent years. In the City of Whittlesea, in Melbourne’s northern suburbs, the food and beverage manufacturing sector has recently seen considerable job growth and the arrival of a number of small and medium sized firms. Coinciding with this trend is the emergence of two regionally based and one local economic development body, the later managed by the City of Whittlesea. This body, in particular, has as its objective the development of local collaboration between firms. The question is whether these bodies have influenced the location decisions of firms and the jobs they have brought with them. Results from interviews with firm managers show that such bodies have a negligible influence. Rather, it is more ‘conventional’ factors that predominate, such as transport infrastructure and proximity of a manager’s residence. This ‘business as usual’ scenario suggests the explanation for the location of firms in this particular industrial cluster lies elsewhere and that the influence of local economic development strategies such as these have their limitations.

Introduction

This paper examines the location decisions of food and beverage manufacturing firms in the City of Whittlesea in Melbourne's north. The examination is conducted with general reference to the development of a number of local economic bodies and specific reference to one body in particular, the *Plenty Food Group* (hereafter, 'PFG'). These bodies encourage local inter firm collaboration. The key research question is then, have these bodies, through their emphasis on developing cluster behaviour, encouraged firms to relocate in the area and thus contributed to increased employment for the local population?

The concept of institutional thickness

The idea that economic development has its roots in local inter firm activity, especially between small and medium-sized enterprises, has for several decades been a recurring theme in economic geography. The literature is too vast to summarise here (for reviews, see (Baptista 1998; Feldman 1999; Malmberg 1997). There are various branches and nomenclature used in this increasingly broad church, but the term 'knowledge-networks' will be used as shorthand for this paper. Suffice it to say, the work of Michael Porter (Porter 1990; Porter 2000) remains particularly influential.

In knowledge-networks analysis, knowledge generation and exchange is a crucial, if not the crucial, component of sustainable industries. This could generate some misunderstanding. The term 'knowledge' may evoke the imagery of high technology precincts a la Silicon Valley. However, many authors make it clear that so-called low technology sectors, including the food manufacturing sector, do, or to be successful should, use knowledge, perhaps in a tacit form of incremental or ad hoc improvement in the production process, rather than, for example, knowledge which can only be used through high levels of formal education (Malmberg 1997; Vaz et al. 2006) Perhaps then a more humble image is a 'whiteboard-workshop' scene, where local firms collaborate to form and circulate ideas.

For the purpose of this paper, the central interest is on a relatively recent development in the form of ‘institutional thickness’. This idea was articulated by Amin and Thrift (1994) where they identified four factors that define a condition of ‘institutional thickness’: First, ‘a strong institutional presence, that is, a plethora of institutions of different kinds’; second, ‘high levels of interaction amongst the institutions in local area’; third, ‘the development, as a result of these high levels of interaction, of ...collective representation of what are normally sectional and individual interests’ and fourth, ‘the development amongst participants in the set of institutions of mutual awareness that they are involved in a common enterprise.’ (Amin and Thrift 1994:14).

Subsequent empirical studies have focused mostly on the United Kingdom (Keeble et al. 1999; MacLeod 1997; Racolf 1998). A more recent study, also in the UK, focused more closely on the role of local government (Coulson and Ferrario 2007). In Australia, there has been little work on the dynamics of local economic regions. This is something of an anomaly, as work on local area disadvantage versus prosperity is voluminous, beginning with Gregory and Hunter (1995) and continuing with the census-based work of Baum and colleagues (Baum et al. 2006; Baum 2008). Nonetheless, work that examines the role of various sorts of local institutions said to contribute to ‘thickness’ is gradually emerging though not explicitly tied to Amin and Thrift’s conceptual framework, nor directed specifically at the local government level (Brown and Genhoff 2001; Martinez-Fernandez et al. 2005; Spoehr and Wilson, 2007).

Methodology and Context

The City of Whittlesea in Melbourne’s north (Figure 1) is designated as both an urban growth area and the location of significant industrial land (State of Victoria 2002). Unemployment has tracked above the metropolitan average from the immediate post recession era 1996 Census until 2006, when the figures converged (ABS, 2006).

Insert Figure 1 here.

The local food and beverage sector has played a role in this growth, increasing its employment from 771 at the 1996 Census to 1,095 in 2006 (ABS, 2006). In fact, this growth in Whittlesea has greatly outstripped that of neighbouring Hume which has a much larger industrial area. Whittlesea is home to approximately fifty such firms. A group of mostly family-owned small to medium size firms (SMEs) have established since the mid 90's (Figure 2).

Insert Figure 2 here.

Coinciding with this period was the development of a handful of economic development bodies with varying degrees of geographical and policy focus. They, and the overall character of local firms, are displayed schematically in Figure 3.

Insert Figure 3 here.

While this paper adopts the *PFG* as a case study of a local economic development body, more information can be found, for the Northern Area Consultative Committee, on its website (NACC 2007) and for Northlink see Wilson et al (2007).

Hence, this combination of factors justifies this case study. After consultation with the local council, it was apparent that a previous attempt at distributing a questionnaire designed to elicit information similar to that required for this study met with a very poor response. An earlier very rudimentary questionnaire was received more favourably (see discussion below). Influenced by this, and due to sympathy with recent attempts within the discipline of economic geography to avoid the 'dualism' of qualitative and quantitative approaches (Tickell et al. 2007), a semi-structured interview approach was adopted, based around themes

and designed to elicit both open-ended responses and data capable of presentation in a quantitative form.

The key themes used to elicit information on location decisions were developed from the literature concerning such decisions and the knowledge-networks literature. However, the unstructured interview approach allowed for the emergence of other unforeseen themes and as will be seen below this is in fact what occurred. There is inevitably an element of arbitrariness and blurring of boundaries but the categories are designed, first and foremost, to distinguish 'new' factors that have gained attention in the knowledge-networks literature and which emphasise local inter firm activity. Conversely, 'old' factors have been well known for a considerable period of time. Hence, the *traditional* theme refers to long-established influences such as roads infrastructure and industrial zones while the *locality* theme refers to issues such as proximity to a manager's home. The *knowledge-network* theme, however, applies directly to 'new' influences with a localized, interactive dimension.

Request by mail, email and ultimately direct phone calls were made to the around fifty firms. This resulted in nineteen interviews conducted during 2008. To conform with ethics approval requirements, respondents were anonymous. Code is used to identify firms. Hence 'Fruits 160' refers to a firm whose primary production was fruit processing and which had one hundred and sixty employees.

Figure 4 displays the overarching locational themes brought to the interviews. The Y axis positions the likelihood that each theme will be found locally. The X axis positions the number of firms relating to each locational theme. Note for the purposes of exposition, in Figure 4, the location of the themes on both axes reflects an assumption that local knowledge networks have emerged in recent times as a major location factor. The converse is true for the 'traditional' theme. 'Locality' sits in the mid-range of both axes.

The Plenty Food Group

Genesis and driving forces

The *PFG* was initiated by one of the larger firms in the local sector. Seed funding came from the Victorian Employers Chamber of Commerce (Zampetakis 2006). Subsequent funding was provided by the state government's Regional Innovation Cluster Program (Business Victoria 2008). The Group became self-funded in 2008 with membership costing \$400 a year.

By 2005, a convenor had been appointed and based at the City of Whittlesea. One of his first tasks was to survey eighty-five firms on their characteristics and needs. This information formed the basis of subsequent seminars, training and workshops (NACC 2006). The motivating factor for the Group's formation was the concerns of SMEs that they could not compete internationally. It has three key objectives which will be achieved through inter firm collaboration and sharing of resources: reduce supply chain costs, increase exports and develop marketing.

Activities

Local firms have three potential levels of engagement with the *PFG*: committee membership, general, paid up membership, or simply attendance at *PFG* activities. The cornerstone of the Group's network is a monthly newsletter which disseminates a wide range of information. During 2008, this included availability of council services (eg environmental audits, business plans), notice of summits, conferences and exhibitions, including visiting foreign importers, speeches by employer groups (for example, the impact of industrial relations law changes), business breakfasts, a request for food science and technology students to tour factory premises and supplier expos. Figure 5 provides general categorises of the information, while Table 1 provides more detailed examples.

Insert Figure 5 here.

Insert Table 1 here.

As can be seen in Figure 5, in total, around two-thirds of the Group's activities are devoted to developing the industrial system: marketing, suppliers and business services and networking/information sharing.

The extent to which networking and information sharing constitutes actual knowledge *generation* or innovation is a moot point. The terms 'ideas' or 'innovation' ('promote your innovative products') were used on one occasion during the survey period.

Results of interviews

Table 2 displays location decisions while Figure 6 summarises the results, using the categories from Figure 5, above.

Insert Figure 6 here.

Insert Table 2 here.

Some firms cited multiple reasons for location - some within the same category, others across categories. It can be seen that some responses were not accounted for by the expected categories of traditional, knowledge-network or locality factors. Another theme emerged: *sector influenced* factors. Reasons of a traditional nature were the most numerous, seven in all. All 19 firms surveyed cited some sort of traditional factor. There were three types of locality factors cited by 11 firms and five cited the sole sector-influenced reason. There were only two categories of knowledge-network factors cited by three firms. A complete breakdown of responses by firm is provided at Appendix A.

Did smaller firms have a different view of these factors compared with larger firms, as we might expect, given the emphasis of the NID literature? Table 3, below, examines the data from the perspective of firm size.

Insert Table 3 here

As can be seen in Table 3, traditional factors were of importance to firms regardless of size. It can be said, in contrast, that knowledge-network factors were of little importance across the board.

Interview transcripts will now be examined to explore these findings further.

Traditional factors

The most common reason of a traditional theme was transport access, making for ‘... *a very well located area here*’ (**Beverages 16**), with ‘... *the Western Ring Road, airport convenience due to trucking and air freighting of goods...*’ (**Antipasto 12**). A second well-cited reason was the need for a given amount of space, or more space than was available at a previous site, for the actual production process: ‘...*if you want something... a little bit modern and a little bit more adapted, either built for you or existing, you find that it’s in that Campbellfield, Thomastown [in the neighbouring City of Hume], City of Whittlesea sort of area*’ (**Bakery 35**). A third common motivation was land or property prices: ‘*So you tend to go outwards not inwards because (of)...property prices...*’ (**Bakery 35**). And a fourth sub-theme was a suitable land use zone: ‘...*you’re in the right area for industry, right zoning...*’ (**Oils 20**).

Locality factors

Locality factors provided three types of responses in particular, the most common of all being proximity to home. ‘...my grandfather [the founder]... was always used to this side of it [the northern region of Melbourne]’ (Dairy 40). ‘The advantage of this location is that it is close to my hom’e (Beverages 6). Another of the more common responses was proximity to customers or the ‘local community’. ‘... the only real advantage (of choosing this location) is that the ethnic community on this side are familiar with us, they know us, so I suppose we have good sales point from that point, for direct sales...’ (Dairy 40). The term ‘local community’ was used by Bakery 12, which reflects this firm’s dual function as a bakery-café: ‘I feel like we have built a local community here. We have regulars, almost all from the local area’. The third prominent response was proximity to previous location. ‘We chose the city of Whittlesea because Reservoir (the immediate past premises in the neighbouring City of Darebin) is obviously just down the road...’ (Bakery 35). ‘Everybody generates a level of bias when you live in a particular area for so long...my (old) property was only two kilometres due north from here...’ (Dairy 9).

Knowledge-network factors

But what of information, ideas, knowledge sharing and other forms of substantial collaboration? **Beverages 5** and **Beverages 15** were two firms surveyed that were located directly adjacent to each other and this was the result of collaboration, albeit it through a third party. *‘They [the drinks firm next door] own this building but for a long time it was derelict... They let us use this building rent free, and we share drivers – save costs, do the same delivery’ (Beverages 5).* One firm located to Whittlesea with the assistance of the PFG: *‘...we were looking for a place that was already established as a food processor...one of the biggest reasons we came here was because after finding a property which was suited to us...I made phone calls to the City of Whittlesea and spoke to the Convener of the PFG. Having a dedicated department for new businesses entering the area was extremely advantageous, got*

the ball rolling extremely fast...Unlike a lot of other councils, lot of red tape...they said yep and within one week we had the permit and it went very smoothly so it was really good' (Convenience 14).

For a larger firm citing knowledge-network factors, contact occurred through a firm that was taken over. *'The landlord who also at that particular time owned this property here, and his knowledge of the aspirations to move to something larger, prompted him to approach our then CEO and have him entertain the notion of shifting into this facility...'* (**Confectionary 180**). The relocation of another firm was influenced by perceived future benefits of agglomeration but was not related to other local sector firms: *'...with the futuristic activities in relation to the Footscray market [which is shifting to the Cooper Street area] and its expansion within its own activity will make Cooper Street [a newer industrial estate in Whittlesea] no doubt a very, very dynamic place in the next 5 to 10 years, no question about it'* (**Dairy 9**).

Sector influences

A fourth theme regarding locational decisions reflected requirements of the food and beverage sector in particular. These were manifested at the level of centralised, regulatory requirements, the related influence of large supermarket chains, and factory premises that were chosen as they were already set up as food or beverage processing facilities: *'...Now people are forced to take that step (seek larger premises) because of legislation, laws...and there are new things coming out from the supermarkets all the time now... You need to actually move to something that's been set up particularly for you, it's got the most modern equipment. If your factory is old... you will not get accreditation and once again people are looking to move to green field sites where they can do it (Bakery 35).'*

PFG members

We might expect that if a firm was a member of the PFG this would suggest the prospect of forming linkages with other local firms as a reason for location. Five of the nineteen surveyed firms were members of the PFG (see Appendix A), but none cited this reason and instead gave either traditional or locality factors as the reason for location.

Conclusions and implications

The responses tabulated and reviewed in this paper show that local economic development bodies, or more broadly, the collaborative potential which such bodies are intended to engender, have had very little influence on the locational decisions of firms. This is in spite of the fact there is a reasonably close coincidence of the emergence of such bodies and the arrival of a cluster of SMEs in Whittlesea.

Given the dominance of traditional factors, it is tempting to conclude that these results merely confirm that that food and manufacturing lingers on as a relic of 'old manufacturing'. As a sector with relatively routine practices, requiring little infusion of new ideas, we might expect that 'knowledge-network' capabilities, locally or broadly based, may be minimal. However, as we saw in the second section of this paper, this would be to misread the intent of the knowledge-network/institutional thickness literature.

'Locality factors' drew a mid-range number of responses. Again these were personalised and did not involve local networking. It is possible, however, that the small number of firms that identified 'local customers' or 'local community' provide some encouragement for a basis for an alternative network strategy to that of firm to firm links.

'Sector influenced factors', again generally stem from outside the local area. The national supermarket chains, who influence national safety codes and other requirements, are clearly

an influence here. The theme most directly aligned to the objectives of the PFG, knowledge-networks, registered the least number of citations as a reason for location.

Moreover, the fact that multiple reasons were given by all but one firm (see Appendix A) indicates the strategies of firms are complex. This finding itself is worthy of reflection. We might have expected that given the multiple reasons, firm managers would have made links between those reasons – for example, that customised premises were a reason for location, but so were local networks, which in turn provided information about such premises. Yet surprisingly, a connection between any category was only made by one firm – indeed, using that very example. The establishment of *Confectionary 14* in an appropriate factory was assisted by the PFG. The fact that different reasons were isolated in the minds of managers may reflect the fact that the managers were isolated from each other – the ‘whiteboard-workshop’ scenario outlined at the start of this paper, where such linkages may have been articulated, does not apply – yet it doesn’t seem to jeopardise productivity.

The explanation for firm location and the additional local jobs that arrive with those firms seems to lie with factors other than potential or actual networking and collaborative opportunities. In terms of future investigation, a number of research questions are recommended. To begin with, the influence of the Group *subsequent* to firm arrival should be investigated. Moreover, comparative research is also likely to be a fruitful approach. Hume, the other partner and neighbour to Whittlesea in the PFG, has unlike the latter witnessed stagnant job growth in the sector since 1996. Perhaps industrial restructuring, of which there has clearly been a considerable amount in this industry in recent times (Fagan 1997), has taken a different course in Whittlesea than in Hume? Perhaps for Hume, firms shut down around the recession of the early 1990s never to return, whereas Whittlesea has seen the arrival of a cluster of family owned SMEs and possibly, relocation of amalgamated firms there to take advantage of vacant industrial land? Or is another possibility that the answer lies not in firm relations or structure per se but in management of the local labour market?

Casualisation is rife in the industry; perhaps new or amalgamated firms in Whittlesea have responded to a post-recession scenario by increasing casualisation?

In consideration of policy settings, a difficult question emerges: is the commendable efforts of the City of Whittlesea and the *PFG* justified in terms of the results and should those resources be directed elsewhere? At least by the measure of attracting new firms to the area, it would seem that the attractive ideas of Porter and institutional thickness which promulgate inter firm collaboration and clustering have been imposed on a sector that, in the case of Whittlesea, does not need it, whereas in Hume, there has been little impact on job creation. It must be recognised that it is not the explicit objective of the *PFG* to attract new firms. Clearly, however, its general *raison detre* is the sustainability of the local sector. In a labour intensive sector, a key feature of such sustainability must surely mean increased employment. Therefore, more firms mean more jobs, which is not necessarily the case in other non-labour intensive sectors. So, given that the question posed at the start of this paper was concerned with local jobs, perhaps the policy answer again lies not at the firm level, but at the level of the local labour market, that is, policies directed at improving employment access and skills. Given current arrangements, there is only a small amount local government can do in this direction, such as involvement with community transport and housing, collaboration with local training authorities and child care. This points very strongly to the involvement of first or second tier levels of government.

The key policy and institutional shift suggested by this research is then from a local government based, firm directed cluster policy to a state or federal government based, labour market policy directed at the particularities of local areas. Such a locally directed labour market policy would be integrated in the sense that it would involve a package of access and skills initiatives, including child care, public transport, English language services and enhancement of community networks. This, of course, would in itself represent a major shift from the 'hands off' neo-liberal approach to economic development, but it does seem that given recent economic events at the local and global scale, such a shift is already underway.

References

- Amin, A., and Thrift, N. (1994). Living in the global. In A.Amin and N.Thrift, N. (Eds.). *Globalization, institutions, and regional development in Europe*. Oxford: Oxford University Press, 1–22.
- Australian Bureau of Statistics (ABS). (2006). *Working population profile, City of Whittlesea*. Customised census data, Commonwealth of Australia.
- Baptista, R. (1998). Clusters, innovation and growth: a survey of the literature. In P. Swann, M. Prevezer, and D. Stout (Eds.). *The dynamics of industrial clusters: International comparisons in computing and biotechnology*. Oxford: Oxford University Press, Oxford, 13-51.
- Baum, S. (2008). *Suburban scars: Australian cities and socio-economic deprivation*. Brisbane: Urban Research Program.
- Baum, S., Haynes, M., Van Gellecum, Y., and Hoon Han, J. (2006). Advantage and disadvantage across Australia's extended metropolitan regions: A typology of socioeconomic outcomes. *Urban Studies*, 1095 - 1117.
- Brown, R., and Genhoff, R. (2001). *Food for thought. Action agendas to value-add the food industry in South Australia. Building global supply chains in the new economy*. Adelaide: City of Playford and Clusters Asia Pacific.
- Business Victoria (2008). *Regional innovation clusters program*.
http://www.business.vic.gov.au/BUSVIC/GAP/1001/PC_60898.html
Accessed 13 October, 2008.
- Coulson, A., and Ferrario, C. (2007). Institutional thickness: Local governance and economic development in Birmingham, England. *International Journal of Urban and Regional Research*, 31(3): 591-615.
- Fagan, R. (1997). Local food/global food: Globalization and local restructuring. R. Lee and J. Wills. (Eds.). *Geographies of Economies*. London: Hodder Arnold, 197-208.
- Feldman, M. P. (1999). The new economics of innovation, spillovers and agglomeration: A review of empirical studies. *Economics of Innovation and New Technology*, 8(1), 5-25.
- Food Science Australia. (2005). *Food Science Australia Fact Sheet*. CSIRO, North Ryde.
- Gregory, R., and Hunter, B. (1995). *The macroeconomy and the growth of ghettos and urban poverty in Australia*. Discussion Paper No. 325. Canberra: Centre of Economic Policy Research, Australian National University.
- Keeble, D., Lawson, C., Moore, B., and Wilkinson, F. (1999). Collective learning processes, networking and 'institutional thickness' in the Cambridge region. *Regional Studies*, 33(4), 319-332.
- MacLeod, G. (1997). 'Institutional thickness' and industrial governance in lowland Scotland. *Area*, 299-311.
- Malmberg, A. (1997). Industrial geography: Location and learning. *Progress in Human Geography*, 21, 573-582.
- Martinez-Fernandez, M. C., Soosay, C., Krishna, V. V., Turpin, T., and Bjorkli, M. (2005). *Knowledge Intensive Service Activities (KISA) in Innovation of the Software Industry in Australia*, Sydney: AEGIS Research Centre, University of Western Sydney.
- Northern Area Consultative Committee (NACC) (2006). PFG. *Northern Contact*.
<http://www.northernacc.com/article.jsp?article=152&ed=75> Accessed 3 March 2009.
- NACC. (2007). 'About Us'. <http://www.northernacc.com> Accessed 2 July 2008.
- Porter, M. (1990), *The Competitive Advantage of Nations*, London: Macmillan.
- Porter, M. (2000). Locations, clusters and company strategy. In G.L. Clark, M.S. Gertler and M.P. Feldman (Eds.). *The Oxford Handbook of Economic Geography*, Oxford: Oxford University, 253-274.
- Peters, R. E. (1998). The broader application of HACCP concepts to food quality in Australia. *Food Control* 9(2-3): 83-89.
- Porter, M. E. (1990). *The competitive advantage of nations*. London: Macmillan.

- Racolf, M. (1998). Assessing 'institutional thickness' in the local context: a comparison of Cardiff and Sheffield. *Environment and Planning A*, 30, 975-996.
- Ropkins, K. and A. J. Beck (2000). Evaluation of worldwide approaches to the use of HACCP to control food safety. *Trends in Food Science & Technology*, 11(1): 10-21.
- Spoehr, J., and Wilson, L. (2007). Regional industrial cluster development and the role of knowledge transfers among skilled workers. *State of Australian Cities 07*, Adelaide.
- Tickell, A., Sheppard, E., Peck, J., and Barnes, T. (Eds.) (2007). *Politics and Practice in Economic Geography*. London: Sage Publications.
- State of Victoria. (2002). *Melbourne 2030: Planning for Sustainable Growth*, Victorian Government Department of Infrastructure., Melbourne.
- Vaz, M., Cesario, M., and Fernandes, S. (2006). "Interaction between innovation in small firms and their environments: An exploratory study." *European Planning Studies*, 14(1), 95.
- Wilson, B., Badenhorst, A., Charles, D., and Duke, C. (2007). Urban networks, learning and innovation. *State of Australian Cities 07*, Adelaide.
- Zampetakis, H., 2006. Plenty of food to go around. *Financial Review*. March.

Figure 1. City of Whittlesea. Metropolitan Context

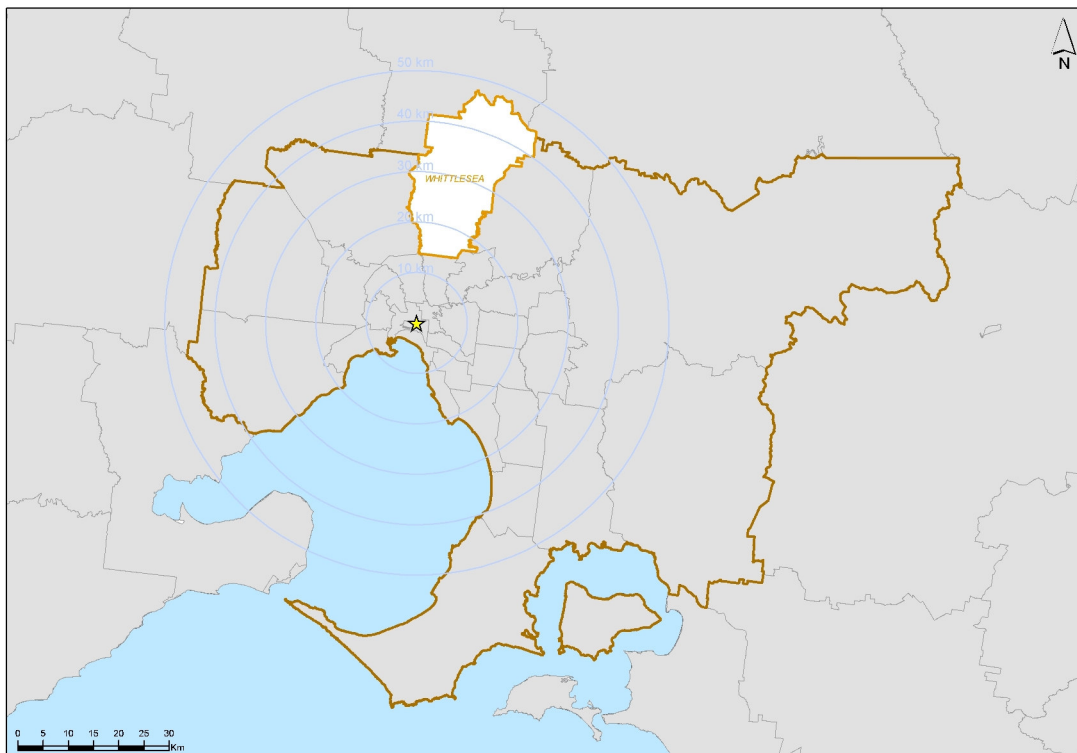
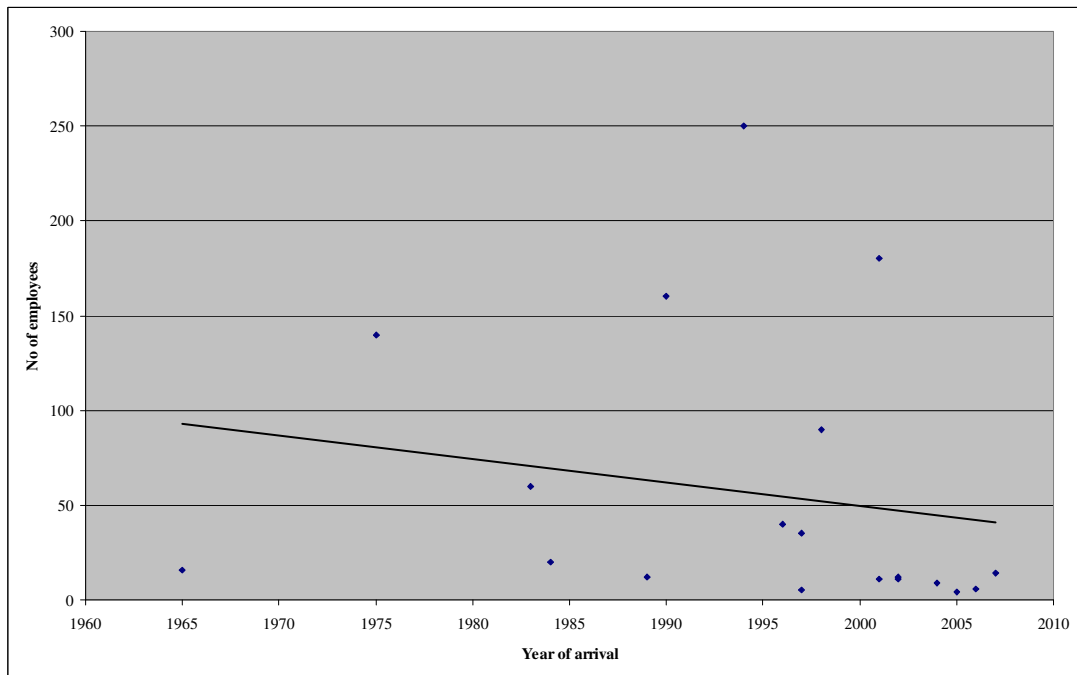


Figure 2. Interviewed firms: date of arrival and number of employees ^a

Source: Interviews with firm managers.

Figure 3. Local institutions and the local sector

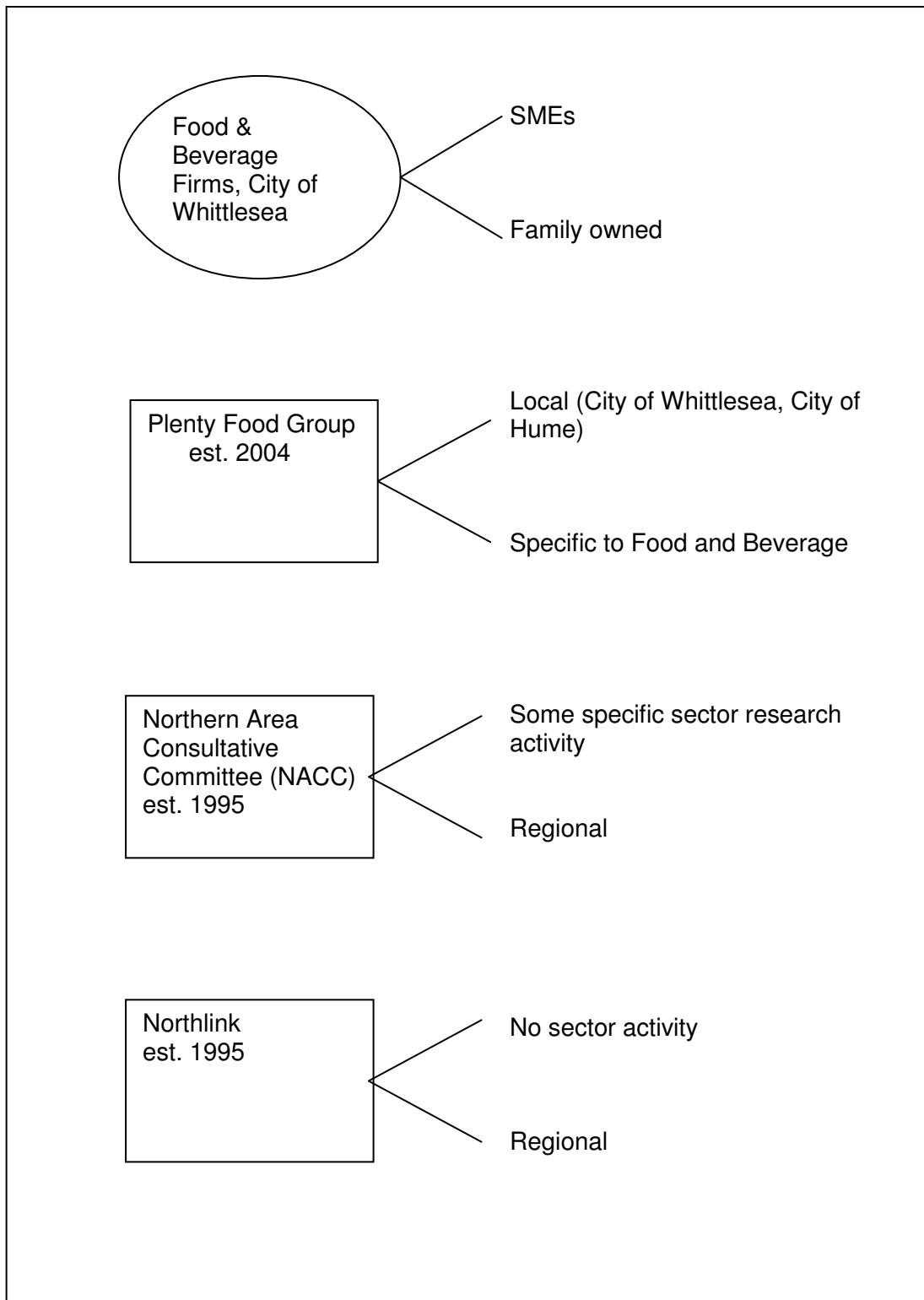
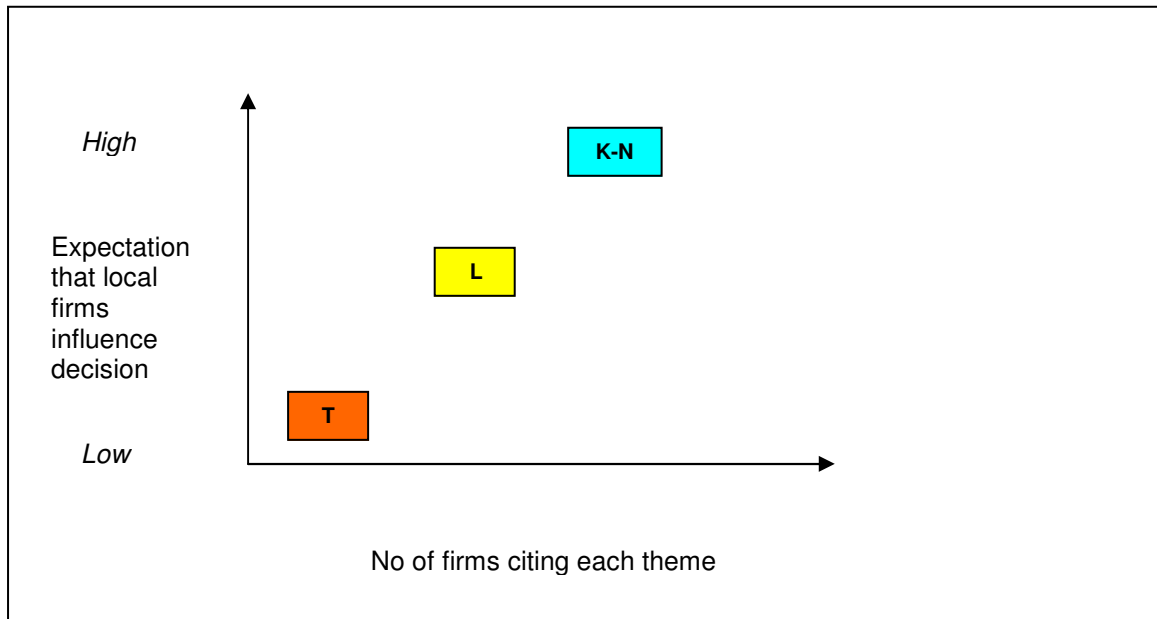
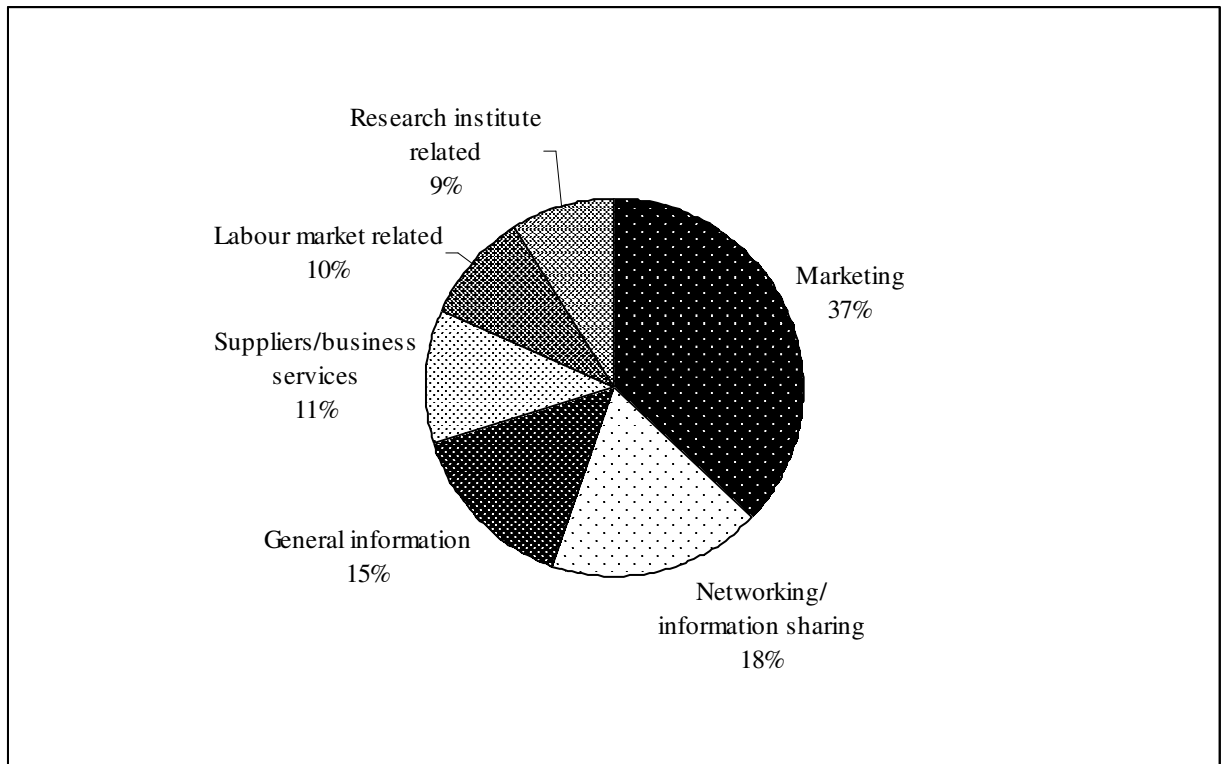


Figure 4. Themes influencing the location of firms: theory



T = Traditional
 L = Locality
 KN = Knowledge-networks

Figure 5. PFG – categories of activities and knowledge dissemination



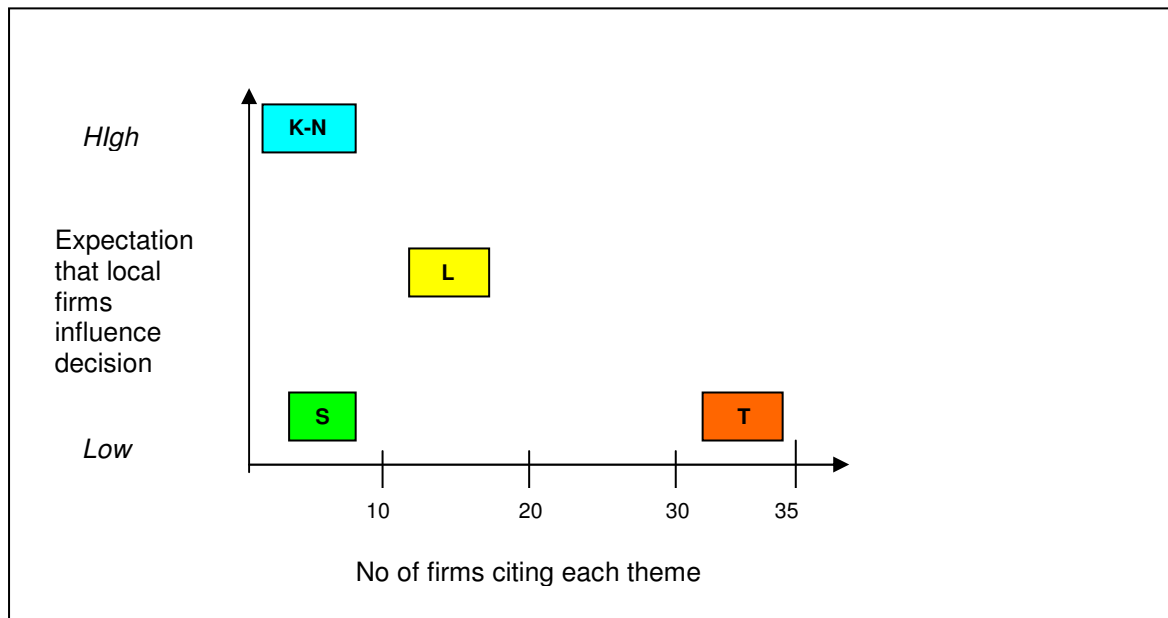
Source: PFG 2008b. 114 items over 12 month period.

Table 1. Examples of Activities and Information

<p>Suppliers/business services PFG Supplier Expo PFG Supplier Database Food Innovation/Grants Program Food Waste Required Food Solutions Expo 2008</p>	<p>Research Institute Related Foreign Investment Seminar (Latrobe U.) Water Toolkit (RMIT) Food Science student tours (RMIT) Supply Chain Research (RMIT) Linking with Academic Researchers</p>
<p>Marketing Brunei Halal Brand Launch Fine Food Australia Exhibition Food and Hotel Asia Exhibition Whittlesea Country Music Festival NMIT Food and Wine Expo</p>	<p>General information PFG Information New Website Vic. Family Business of the Year Worksafe - Safety Blitz on Food Industry Melbourne Food Market Update</p>
<p>Networking/info sharing Business Breakfast Promote Your Innovative Products National Packaging Covenant Role of Melbourne Airport Business Efficiency Network Forum</p>	<p>Labour market related List Your Jobs Vacancies for Free Jobwise Network for Mature Workers Job Fair for School Leavers Multicultural Centre for Womens' Health Seminar on Labour Market Trends</p>

Source: PFG, Group 2008b.

Figure 6. Themes influencing the location of firms: results (needs to display results of info sources and a table showing this.



T = Traditional
 L = Locality
 KN = Knowledge-networks
 S= Sector influenced

Table 2. Basis of locational decision, surveyed firms – number of citations by sub-category

Traditional		Locality	
<i>Proximity to main arterial/freeway</i>	10	<i>Proximity to home</i>	9
<i>Suitable land use zone</i>	6	<i>Proximity to previous location</i>	3
<i>Land/building prices</i>	5	<i>Local customers/community</i>	3
<i>Space - general operational</i>	7	Total	15
<i>Access to metro market</i>	2	Knowledge-networks	
<i>Produce growing region</i>	1	<i>PFG</i>	1
<i>Local labour market</i>	1	<i>Personal/professional contact</i>	2
Total	32	Total	3
		Sector influence	
		<i>Customised premises</i>	5
		Total	5

Table 3. Basis of locational decision, surveyed firms – number of citations by overall category by firm size ^a

	Small	Medium	Large
Traditional	16	6	9
Locality	8	5	2
Knowledge-networks	2	0	1
Sector influence	4	0	1

a. For the purposes of the this study, small firms are defined as those with 1 to nineteen employees, medium firms, twenty to fifty and large firms, over fifty.

Appendix A. Basis of locational decision, surveyed firms – number of citations by sub-category: detail

	BE4	BE5	BE6	M6	D9 (PFG)	C11	CV14	AP11	AP12	B12 (PFG)	B16	O20	B35 (PFG)	D40 (PFG)	B90	P140 (PFG)	F160 (PFG)	C180	M250	
Traditional																				
Proximity to Main Arterial (10)	■		■			■		■	■		■		■		■			■	■	
Suitable land use zone (6)					■			■				■		■	■			■		
Land/building prices (5)	■		■					■					■	■						
Space – general operational (7)					■		■				■		■					■	■	
Access to metro market (2)		■																■		
Produce growing region (1)																		■		
Local labour market (1)			■																	
Locality																				
Proximity to previous location (3)					■				■				■							
Local customers/community (3)										■		■		■						
Proximity to home (9)			■		■		■	■		■		■		■		■			■	
Knowledge-network																				
Personal/professional contact (2)		■																	■	
PFG contact (1)							■													
Sector influence																				
Customised premises (5)		■		■			■				■				■					

Legend: Letter (subsector) Numeral (no. of employees)

- BE – Beverage
- M – Meat Processing
- D – Dairy
- C – Confectionary
- CV – Convenience foods
- PFG denotes financial member of the *Plenty Food Group*
- AP - Antipasto
- O – Cooking Oil
- P – Poultry processing
- F – Fruit processing