

## 2.2 SOUTH EAST MELBOURNE MANUFACTURERS ALLIANCE (SEMMA) & AUSTRALIAN CHINA BUSINESS COUNCIL (ACBC) MEMBERSHIP REVIEW (D23-57453)

Responsible Director: Russell Hopkins

### **RECOMMENDATION**

*That Council resolves not to renew its South-East Manufacturers Alliance (SEMMA) and Australian China Business Council (ACBC) memberships.*

### **INTRODUCTION**

Council's membership of a range of organisations is regularly reviewed to ensure that there is still mutual benefit from Council's involvement. A review has been undertaken of the memberships of the South-East Manufacturers Alliance (SEMMA) and Australian China Business Council (ACBC).

### **BACKGROUND**

SEMMA is an industry association representing over 200 manufacturing and service companies located in the South-East of Melbourne.

Council currently holds a \$5,000 p.a. plus GST corporate membership with SEMMA. A review has been undertaken by officers to determine if this membership is beneficial for Council and its local business community.

At its meeting of 26 April 2017, Council considered a Notice of Motion related to membership of SEMMA and determined that "Council resolves to join the South-East Melbourne Manufacturers' Alliance (SEMMA) and to pursue partnership opportunities with SEMMA and the holding of relevant SEMMA activities and events locally in Monash which are consistent with Council's existing economic development strategies to retain industry in Monash".

The current membership is due for renewal on 30 April 2023.

ACBC is the bilateral business organisation in Australia dedicated to the Australia-China economic relationship. Council currently holds a \$3,175 p.a. plus GST membership with ACBC. A review has been undertaken by officers to determine if this membership is beneficial for Council and its local business community.

At its meeting of 28 March 2017, Council considered a Notice of Motion related to membership of ACBC and determined that "Council resolves to join the Australian China Business Council (ACBC) and to pursue partnership opportunities with ACBC and the holding of relevant ACBC training/information sessions locally in Monash which are consistent with Council's existing economic development strategies to expand connections, networks and opportunities for local businesses in Monash."

The current membership is due for renewal on 25 April 2023.

### ***DISCUSSION***

The SEMMA membership review undertaken by officers found that the membership held by Monash City Council entitles it to 26 'benefits' (listed by SEMMA as member benefits). Of these only four are currently or have been utilised to a limited extent; and another 18 are deemed by officers to not relate (as a benefit) to Local Government Members.

As example, the following listed benefits are believed not to translate as benefits for Monash City Council:

- Access to exclusive member deals and promotions (such as bulk purchase Workcover)
- Access to discounted conferences, events & training through our partners.
- Access to commercial discounts with JB HiFi.
- Opportunity to join SEMMA's group energy tender and bill appraisal.

It should be noted that any benefits are offered to Council as an entity and not to businesses located within this municipality, unless they themselves are members in their own right.

It is reported that there are 16 Monash businesses who are themselves members of SEMMA (9 manufacturers, 6 service providers and 1 education provider).

Officers have concluded that, although appearing to offer a worthy service to the manufacturing community, the SEMMA membership is currently being under-utilised and is not of significant benefit to Council. This is attributed to several key reasons:

- lack of resources for staff or Councillors to attend networks and events or engage in development of SEMMA advocacy plans;
- the events are targeted at manufacturers and are primarily Dandenong/Casey centric with only a total of nine Monash manufacturers being SEMMA members; and
- most of the "membership benefits" are not of benefit to an LGA member (tailored to suit business members).

There is no perceived disbenefit to ceasing a membership to SEMMA, other than a potential for Council to be viewed as not supportive of its manufacturing sector generally. It should be noted that Council provides considerable support to the development of the Monash Precinct Network, which represents our local business sector.

A recent discussion has occurred with SEMMA's new CEO, Honi Walker, and as a result the SEMMA offer for Local Government members will be reviewed by SEMMA. Council's Economic Development Team will continue to support SEMMA through the promotion of SEMMA events. The membership offer and benefits for SEMMA will be reviewed annually to determine if there is an advantage to re-join at any stage in the future should Council not renew its current membership.

The ACBC membership review undertaken by officers found that the ACBC membership is currently being under-utilised and does not provide significant benefit for Monash City Council.

This is attributed to several key reasons:

- Limited staff and Councillor resources to attend networks and events (particularly as events are held in Melbourne City)
- Monash is not resourced or focussed on leading delegations of local businesses to international markets, principally as this support is provided by other Government and non-Government organisations.

As with SEMMA, there is no perceived disbenefit to ceasing membership to the ACBC as, in this case, there has not been any significant engagement since the commencement of such membership.

A call to the Melbourne office of the ACBC has confirmed that there is recognition of the limited advantages of membership for those Councils who do not have specific programs for exchange of trade with China. As with SEMMA Council's Economic Development Team will continue to support the ACBC through the promotion of events and activities which may be of interest and benefit to the Monash business community.

#### ***POLICY IMPLICATIONS***

There are no policy implications.

#### ***CONSULTATION***

Discussions have been held with each organisation to explain Council's position in reviewing the current value of the membership; and engagement will continue even if membership renewals are not undertaken.

***SOCIAL IMPLICATIONS***

There are no social implications with Council providing considerable support to the development of the Monash Precinct Network.

***HUMAN RIGHTS CONSIDERATIONS***

Human Rights Considerations have been considered and there are no implications with this proposal.

***GENDER IMPACT ASSESSMENT***

As Council will continue to promote the activities of both SEMMA and the ACBC even if the annual memberships are not renewed, a Gender Impact Assessment has not been conducted as there is no direct and significant impact on the public.

***FINANCIAL IMPLICATIONS***

Should council support the recommendation not to renew the annual memberships of SEMMA and ACBC from Aprils 2023, the cost saving of \$8175 plus GST pa will be redirected to other economic development activities to support local businesses, in particular in offering continuing and further support to the Monash Precinct Network.

Accordingly, there are no financial implications for Council.

***CONCLUSION***

In conclusion after review and analysis of the annual memberships of both SEMMA and ACBC, officers believe that there is limited benefit for Council in renewing its membership. Officers will continue to liaise and engage with each organisation as appropriate.