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BANYULE ECONOMIC DEVELOPMENT STRATEGY 2023-2028

BACKGROUND REPORT

BANYULE CITY COUNCIL | MAY 2022



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CONTENTS

EXECUTIVE SUMMARY	1	4.7. BUSINESS	35
1. BACKGROUND	9	4.8. ECONOMIC PILLARS	37
1.1. INTRODUCTION	9	4.9. INDUSTRY SPECIALISATIONS	37
1.2. APPROACH	9	4.10. VISITOR ECONOMY PROFILE	42
1.3. WHAT IS ECONOMIC DEVELOPMENT?	10	4.11. COVID-19 IMPACTS & RECOVERY	44
1.4. LOCAL GOVERNMENT'S ROLE IN ECONOMIC DEVELOPMENT	10	5. ECONOMIC PRECINCTS	45
1.5. REGIONAL ECONOMIC DEVELOPMENT GROUPS	12	5.1. OVERVIEW	45
2. STRATEGIC CONTEXT	13	5.2. KEY FINDINGS	45
2.1. OVERVIEW	13	5.3. ACTIVITY CENTRE NETWORK & INDUSTRIAL PRECINCTS	45
2.2. KEY POINTS	13	5.4. LA TROBE NEIC	46
2.3. LOCATION AND TRANSPORT CONNECTIONS	14	5.5. INDUSTRIAL PRECINCTS	48
2.4. NORTHERN METRO REGION	15	5.6. ACTIVITY CENTRES	49
2.5. EXISTING STRATEGIES, PLANS & RESEARCH	17	5.7. LOCAL ACTIVITY CENTRES	52
3. ECONOMIC CONDITIONS	20	6. DEMOGRAPHICS	53
3.1. OVERVIEW	20	6.1. DEMOGRAPHIC SNAPSHOT	53
3.2. KEY POINTS	20	6.2. POPULATION GROWTH	54
3.3. STATE & OUTLOOK FOR VICTORIA'S ECONOMY	20	6.3. AGE PROFILE	55
3.4. TRENDS INFLUENCING THE BANYULE & NORTHERN MELBOURNE ECONOMY	21	6.4. HOUSING & DWELLING PROFILE	56
4. ECONOMIC PROFILE	27	6.5. SOCIO-ECONOMIC PROFILE	58
4.1. OVERVIEW	27	7. ISSUES & OPPORTUNITIES	59
4.2. KEY POINTS	27	7.1. OVERVIEW	59
4.3. THE ECONOMY AT A GLANCE	27	7.2. ISSUES & OPPORTUNITIES	60
4.4. INDUSTRY SECTOR PROFILE	28	8. DRAFT STRATEGY FRAMEWORK	66
4.5. EMPLOYMENT	29	8.1. VISION	66
4.6. LABOUR FORCE PROFILE	32	8.2. OBJECTIVES	66

8.3. THEMES AND STRATEGIC DIRECTIONS

APPENDICES

APPENDIX A STRATEGIC CONTEXT

APPENDIX B NIEIR ECONOMIC TERMS & DEFINITIONS

APPENDIX C CONSULTATION OUTCOMES

FIGURES

F1. BANYULE ECONOMIC PILLARS	2
F2. STRATEGY APPROACH	9
F3. PRIMARY ROLE OF ECONOMIC DEVELOPMENT UNITS – EDA VICTORIA	10
F4. ECONOMIC DEVELOPMENT UNIT STAFF (FTE), EDA BENCHMARKING	11
F5. LOCATION AND TRANSPORT CONNECTIONS	14
F6. NORTHERN METRO REGION	15
F7. REGIONAL 2050 VISION, NORTHERN METRO	16
F8. LIST OF DOCUMENTS REVIEWED	17
F9. BANYULE COMMUNITY VISION 2041	17
F10. NORTH EAST LINK – INDICATIVE ALIGNMENT	21
F11. VICTORIA'S RENEWABLE ENERGY ZONES	25
F12. RESOURCE FLOW IN A CIRCULAR ECONOMY	26
F13. UNEMPLOYMENT RATE – BANYULE & GREATER MELBOURNE	29
F14. SMOOTHED LABOUR FORCE – BANYULE	29
F15. LOCATION QUOTIENT – BANYULE – 2019-20	31
F16. IN-COMMUTING – BANYULE – 2016	33
F17. OUT-COMMUTING – BANYULE – 2016	33
F18. BANYULE'S INDUSTRY COMPOSITION	37
F19. BANYULE VISITATION 2015-2019	43
F20. BANYULE ACTIVITY CENTRES & EMPLOYMENT PRECINCTS	46
F21. LA TROBE NATIONAL EMPLOYMENT & INNOVATION CLUSTER	47
F22. BANYULE POPULATION GROWTH 2010-2041	54
F23. BANYULE AGE PROFILE 2021- 2041	55
F24. BANYULE PROPERTY MARKET SUMMARY	57
F25. HEADLINE CONSIDERATIONS FOR THE STRATEGY	59
F26. THEME LINKAGES TO ISSUES & OPPORTUNITIES	67

66

69

69

77

78

TABLES

T1. BANYULE ECONOMIC SNAPSHOT	27
T2. INDUSTRY SUMMARY – BANYULE – 2019-20	28
T3. BANYULE EMPLOYMENT BY INDUSTRY – 2015 TO 2020	30
T4. OCCUPATIONS – BANYULE & GREATER MELBOURNE - 2016	32
T5. QUALIFICATIONS – BANYULE & GREATER MELBOURNE – 2016	32
T6. OUT COMMUTING BY EMPLOYMENT INDUSTRY – BANYULE – 2016	34
T7. BUSINESS BY INDUSTRY & NO. OF EMPLOYEES – BANYULE – 2020	35
T8. BUSINESS BY INDUSTRY – BANYULE – 2020 & GROWTH SINCE 2017	36
T9. HEALTH CARE & SOCIAL ASSISTANCE SNAPSHOT	38
T10. HEALTH CARE & SOCIAL ASSISTANCE SUB SECTOR ANALYSIS – BANYULE – 2019-20 (GROWTH SINCE 2016-17)	38
T11. EDUCATION & TRAINING SNAPSHOT	39
T12. EDUCATION & TRAINING SUB SECTOR ANALYSIS – BANYULE – 2019-20 (GROWTH SINCE 2016-17)	39
T13. RETAIL SNAPSHOT	39
T14. RETAIL TRADE SUB SECTOR ANALYSIS – BANYULE – 2019-20 (GROWTH SINCE 2016-17)	40
T15. CONSTRUCTION SNAPSHOT	40
T16. CONSTRUCTION SUB SECTOR ANALYSIS – BANYULE – 2019-20 (GROWTH SINCE 2016-17)	40
T17. MANUFACTURING SNAPSHOT	41
T18. MANUFACTURING SUB SECTOR ANALYSIS – BANYULE – 2019-20	41
T19. PROFESSIONAL SERVICES SNAPSHOT	42
T20. PROFESSIONAL SERVICES SUB SECTOR ANALYSIS – BANYULE – 2019-20 (GROWTH SINCE 2016-17)	42
T21. VISITOR SPEND (5-YEAR AVERAGE) 2015-2019	43
T22. BANYULE DWELLING GROWTH PROJECTIONS 2016-2041	56
T23. ECONOMIC DEVELOPMENT FRAMEWORK	68

ACRONYMS

AAGR	Annual Average Growth Rate
ABR	Australian Business Register
ERP	Estimated Resident Population
IVS	International Visitor Survey
LGA	Local Government Area
NVS	National Visitor Survey
PA	Per Annum
SEIFA	Socio-Economic Index for Areas
SME	Small to Medium Enterprises
TRA	Tourism Research Australia

GLOSSARY OF TERMS

Gross Regional Product	The total value of final goods and services produced in the region over the period of one year.
Economic Output	Represents the gross revenue generated by businesses/organisations in each of the industry sectors in a defined region. Gross revenue is also referred to as total sales or total income.
Regional Exports	Represents the value of goods and services exported outside of the defined region that have been generated by businesses / organisations in each of the industry sectors within the region.
Local Sales	Local sales measure the output of local industries that is sold locally. This includes sales to local consumers, businesses and other organisations. Local sales is equal to total output minus total exports.
Imports	Imports are sales of goods and services from industries located outside the City of Banyule boundaries to resident households, businesses and other organisations within the area.

Employment	Employment data represents the number of people employed by businesses/organisations in each of the industry sectors in a defined region. Employment data presented in this report is destination of work data. That is, no inference is made as to where people in a defined region reside.
Daytrip Visitor	Those who travel for a round trip distance of at least 50 kilometres, are away from home for at least 4 hours, and who do not spend a night away from home as part of their travel. Same day travel as part of overnight travel is excluded.
Overnight Visitor	People aged 15 years and over who undertake an overnight trip of one night or more and at least 40 kilometres away from home are referred to as overnight visitors. Only those trips where the respondent is away from home for less than 12 months are in scope of the NVS.
International Visitor	A person is defined as an international visitor to Australia if they are currently a resident overseas, have been in Australia for less than one year and are aged 15 years or over.
SEIFA	Developed by the ABS, this measures the relative level of socio-economic advantage and disadvantage for a defined area. The index score is based on a weighted combination of census variables that reflect disadvantage (e.g. income, education, employment, etc.), which is then standardised around the national average score of 1,000. A higher score on the index reflects a lower level of disadvantage. Therefore, a score above 1,000 indicates a lower level of disadvantage relative to the national average, while a score below 1,000 indicates a higher level of disadvantage relative to the national average.
Small to Medium Enterprises	For statistical purposes, the ABS defines a business entity employing less than 20 employees as Small to Medium Enterprise

Non-employing Business	A type of that does not have employees. This may include a range of entity types, such as non-employing sole traders or any other businesses without employees
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NOTES ON KEY DATA SOURCES

Australian Bureau of Statistics (ABS)	ABS Census data is Australia's largest statistical collection, which helps estimate Australia's population, dwellings and demographic characteristics. It is based on responses received from private dwellings and individuals. The Census, which is conducted every five years, provides information for the entire country, including small geographic areas and small population groups.
Profile ID	Profile ID analyses and converts raw ABS Census data into a demographic profile to inform council, community groups, investors, business, students and the general public. The Profile ID data for Banyule provides a demographic analysis based on results from the 2016, 2011, 2006, 2001, 1996 and 1991 Censuses of Population and Housing. The profile is updated with population estimates when the Australian Bureau of Statistics (ABS) releases new figures.
Economy ID	Economy ID industry structure and industry sector profiles uses results from the ABS Census, as well as a National Accounts regional econometric model developed by National Economics (NIEIR). This model is based on replicating the outputs of the National Accounts framework for local areas such as LGAs, using a range of data sources to model the accounts to show local trends.

Victoria in Future (VIF)

Victoria in Future is the official state government projection of population and households. Projections are based on trends and assumptions for births, life expectancy, migration, and living arrangements across all of Victoria. This report is released annually, with government agencies, planners and demographers using the adopted growth rates to forecast population and housing growth. VIF provides information for the state, municipal areas and smaller statistical areas.

REMPPLAN Economy Profile

REMPPLAN Economy provides data into the performance of key sectors of the economy, which is provided by state, region and municipal areas. This is underpinned by the latest data from the ABS and includes estimates of employment, output, wages & salaries, imports, exports and gross regional product for 114 industries. The information is drawn from numerous ABS sources, including Census data, National Input Output Tables and Gross State Product.

Tourism Research Australia (TRA)

TRA provides statistics and research on both international and domestic tourism within Australia, including the value of tourism. This is based on two major surveys – for domestic and international visitors – that measures the contribution of tourism and provides input into visitor spend for Australia's regions and smaller statistical areas.

EXECUTIVE SUMMARY

OVERVIEW AND BACKGROUND

Banyule City Council is preparing a five-year Economic Development Strategy. The strategy aims to support economic activity and sustained growth for the municipality and will provide long-term economic development strategies and objectives, aligning with the Banyule Community Vision 2041, as well as short-term deliverables for Council to implement.

This background report provides an analysis of strategic context, economic and demographic data and issues and opportunities for economic development in Banyule. The aim of this background paper is to provide an evidence base for preparation of Banyule's Economic Development Strategy.

Banyule is situated in Melbourne's north-eastern suburbs, between seven and 21 kilometres from the Melbourne CBD, and forms part of the northern metropolitan region. Its key geographic features include the Hurstbridge railway line, the Yarra River, Plenty River and Darebin Creek corridors and major arterial roads including Upper and Lower Heidelberg Road and Bell Street.

Banyule is renowned for its established activity centres, which are scattered across the municipality including the key activity centres of Greensborough, Heidelberg and Ivanhoe. Activity Centres service both residents and visitors, supporting local consumer spend and providing local employment opportunities, primarily through retail, hospitality, professional services businesses and commercial office spaces.

The Latrobe National Employment and Innovation Cluster is a key economic precinct in the north east of Melbourne, with more than half of the land in the cluster within Banyule. The precinct includes Latrobe University, Northland Activity Centre, Heidelberg Activity Centre, Heidelberg West Business Park and the Austin Hospital.

The key policy document informing this report is the *Banyule Community Vision 2041*. The vision statement for the document seeks to identify Banyule as follows:

"We in Banyule are a thriving, sustainable inclusive and connected community. We are engaged, we belong and we value and protect our environment."

The "thriving local economy" theme in the document sets the directions for economic development, which is driven by the following objective:

"A thriving, resilient, socially responsible, local and integrated economy that encourages, supports and advocates for a diverse range of businesses and entrepreneurship, providing local investment and employment opportunities."

Macroeconomic Trends

- **COVID-19, business recovery and remote working.** Targeted support will be required to promote business recovery and resilience going forward and the rise in remote working will provide opportunity for workplaces and staff to be more flexible in relation to the place of work and create demand for co-working spaces.
- **Workforce shortages.** Skills shortages in key industries such as hospitality, construction, childcare, community and aged care sectors may constrain business growth and adversely impact the operations of key businesses.
- **Environmental sustainability and circular economy.** Given the recent government commitments to reducing emissions, and rise in sustainable business practices, environmental sustainability is playing an increasing role within local government and influencing economic development decisions.
- **Transition of retail.** Retail is an important component of the economy, particularly Banyule. However, with the prevalence of online retailing, combined with the increase in service-based businesses in shopping precincts (e.g. hairdressers, accountants, etc.) in-store retail is declining and evolving its operations.
- **Growing demand for health care.** As the population ages, demand for health care will increase and significantly grow health care spending, which will create employment opportunities to support service delivery.

DEMOGRAPHIC & ECONOMIC PROFILE

The key demographic and economic indicators for Banyule, as well as the implications for economic development, are summarised below.



Population Growth

Banyule has an estimated resident population of 129,387 (2021). The population is expected to grow to 165,256 by 2041, representing an increase of nearly 36,000 residents (1.2% p.a.), slightly slower than the broader Melbourne region.

The largest age cohorts in Banyule currently are parents and homebuilders (35-49 years), followed by the young workforce (25-34 years). These age cohorts play an important role in contributing to the local labour force. Banyule's population is also expected to shift towards an older age profile, which is likely to increase demand on services including the need for better health and aged care facilities.



Housing Supply and Affordability

The future rate of dwelling growth aligns with the expected population growth, which is critical to support existing and new residents. The number of dwellings is projected to increase by 12,814 (1.1% p.a.) by 2041, driven by medium to high density development, primarily in Ivanhoe, Heidelberg, and Greensborough.



Socio-Economic Profile

The socio-economic profile of Banyule shows that residents have a high degree of wealth in certain areas, typified by income, employment, occupation, and home ownership. This is contrasted by pockets of disadvantage in other areas. This contrasting profile will impact Council's focus to help sustain affluence as well as provide opportunities to reduce inequality through quality services, infrastructure, and amenity.



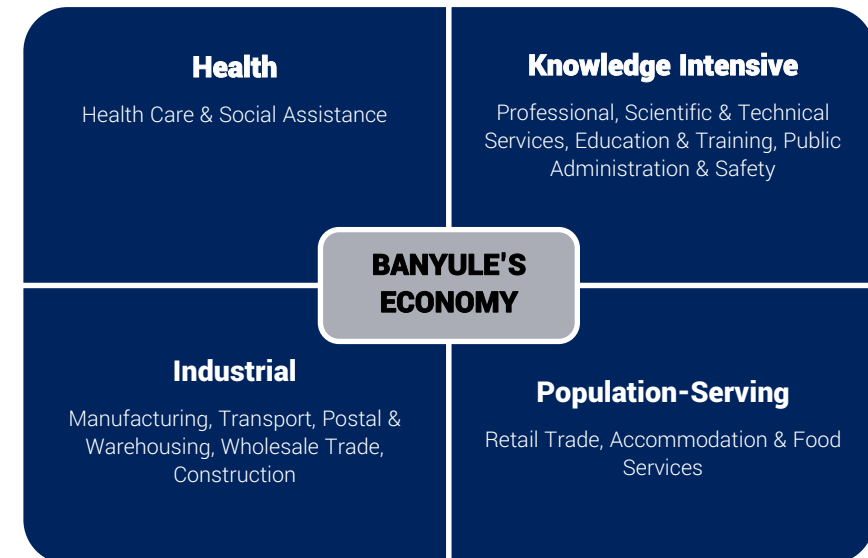
Economic Indicators and Specialisations

Banyule's economy generates significant annual economic output (\$10.30B), employment (49,765 local jobs), value-added (\$4.74B) and export value (\$2.48b). These variables experienced substantial economic growth over the past five years.

The economy (i.e. employment and output) is driven by the following industry specialisations shown in Figure F1, which demonstrate Banyule's areas of strength and competitive advantages:

Combined, these industry specialisations make up a significant share of total jobs and output. As such, they are fundamental to the function and productivity of the local economy. Focusing on and developing these specialisations also provide flow-on benefits for other supporting and complementary industries and will help achieve business and employment outcomes.

F1. BANYULE ECONOMIC PILLARS





Employment Trends

Employment in Banyule is driven by the following sectors: Health Care and Social Assistance (17,663 jobs or 36%), Education and Training (4,957 jobs or 10%), Retail Trade (4,359 jobs or 9%) and Construction (4,015 jobs or 8%).

Between 2015-2020, jobs growth in Banyule was driven by Health Care and Social Assistance (+3,343 jobs), Construction (+722 jobs) and Professional, Scientific and Technical Services (+342 jobs) which indicates the areas that could be supported and leveraged to achieve future jobs growth.



Job Containment

Banyule has a job containment rate of 25% (i.e. the proportion of residents that both live and work in the municipality). This indicates that over 70% of residents commute outside the municipality for work, with 21% travelling to the Melbourne CBD. This is a relatively standard job containment rate for a municipality of Banyule's profile.

There are many reasons for resident workers to commute outside Banyule, with the proximity of the CBD a key attractor for resident workers. However, due to the impact of COVID-19 and the rise of remote working the job containment rate is likely to decrease as residents have the flexibility to work from home.



Business Growth

There are 11,460 businesses registered in Banyule, driven by Construction (20%). The business base has grown by 745 since 2017, with growth driven by Transport, Postal and Warehousing (+146) and Health Care and Social Assistance (+138).

The vast majority of businesses (98%) are considered 'non-employing' or SMEs, which is expected to have increased influence in Banyule given the rise in home-based businesses and the relocation of many workplaces from the CBD. As such, tailored support for small businesses should be provided to promote business growth, investment and achieve employment outcomes. This means encouraging business to continue working locally by providing a greater offering of remote-friendly work places.



The Visitor Economy

The Banyule visitor economy provides an important contribution to local economy, in terms of total employment (1,659 jobs or 3.9% of total employment) and total output (\$304 million or 2.6% of total output).

For Banyule, its strengths as a destination surround its recreation and environmental resources given its strategic location along the Yarra River catchment. The Yarra River, Darebin Creek and Plenty River meander throughout the municipality, providing high quality public open space and a substantial provision of indigenous vegetation.

In 2019, the municipality received almost 780,000 visitors, which consisted of approximately 580,200 (75%) domestic day trips, 158,600 (20%) overnight trips and 35,200 international visitors (5%). Average annual visitor expenditure generated in Banyule (from 2015-2019) totalled \$277 million p.a.

However, average spend per trip for daytrips (\$102), overnight (\$859), international visitors (\$3,025) are relatively lower than the Melbourne tourism region. This demonstrates the potential to grow visitor yield (through provision of quality products and experiences that maximises spending opportunities).

Supporting a successful and high-value visitor economy is important for economic growth, as it stimulates local consumption and supports new local jobs, with flow-on benefits experienced across a number of industries, including retail, service sectors, hospitality and transport (amongst others). Opportunities exist to support medical tourism given the substantial health precinct in Banyule.



COVID-19 Economic Recovery

Although COVID-19 impacted most industries and businesses – in terms of output and employment decreases – Banyule was less affected by restrictions than other parts of Melbourne, however, the local economy remains in a fragile position as it emerges from the latest lockdown. As a result, targeted recovery support is required for 'harder-hit' industries to promote growth, particularly tourism and hospitality businesses that are consumer facing and rely on travel.

ISSUES & OPPORTUNITIES

COVID-19 Recovery & Business Support



The Banyule economy is in a fragile position as it emerges from the significant economic, social and health impacts associated with the COVID-19 pandemic. Although the effects of the pandemic have been substantial for the local economy, this also presents a number of opportunities, particularly in relation to economic recovery. This includes:

- Supporting the establishment of new small businesses as well as the existing business base to grow the local economy in the short and long term;
- Ensure businesses have the capabilities to overcome future external shocks e.g. business planning, accessing grants etc;
- Opportunities for innovative policies and initiatives to support future growth and economic development;
- Providing a supportive environment for the small business community;
- Improving business networking and engagement; and
- Inclusive employment as a response to staff shortages.



La Trobe National Employment & Innovation Cluster

To date, there has been limited work undertaken to understand the economic development opportunities for the La Trobe NEIC. The Framework Plan for the cluster has remained in draft form since 2017 and is supported by very limited economic research.

Council and government need to distil La Trobe's value proposition for target industry sectors, enterprise and service providers. Industry sectors that stand to benefit from the cluster and its future amenity, service and infrastructure advantages need to be identified and targeted for facilitation and investment attraction.

The Economic Development Strategy should consider the longer term industry opportunities that can leverage from the comparative advantages of the cluster and the existing business base. This should consider ways for businesses to collaborate further, including the role of institutions and their relationship with the private sector.

Ongoing policy and advocacy initiatives are also needed to shift and confirm the investment status of projects within the cluster.

The health precinct is the most significant component of the cluster situated within Banyule's municipal boundary and is forecast to experience significant growth in the future. Ensuring the health precinct is able to reach its growth potential in a sustainable and orderly manner should be a focus for the Strategy. Supporting the precinct is also important given the substantial share of economic value associated with the health industry in Banyule.

Consultation with the local health sector revealed the potential for much stronger collaboration between the industry and Council, as well as an opportunity to implement training and skills support that aligns with the employment needs of the health sector. Facilitating the establishment of additional accommodation options for hospital visitors within the health precinct has also been identified as an opportunity to support the local health sector.

There is an emerging and changing role for the Heidelberg West Business Park. Whilst the precinct continues to provide manufacturing and warehousing in a traditional industrial form, there is an evolving role for the precinct in supporting higher technology production and services. Understanding the future profile of the industrial precinct will be important to capturing future growth within Banyule. Opportunities exist to explore the potential of leveraging future investment at La Trobe University in the food science and biotech industries, as well as activating the precinct via the night-time economy. Consultation indicated existing issues associated with amenity and public transport access (particularly the southern end) that also need to be addressed in future planning.

Other significant assets within the NEIC that sit outside the Banyule municipal boundary include La Trobe University and Northland Shopping Centre. These two sites are planning significant investment over the next decade to expand their footprint within the broader economy. This presents an opportunity for Banyule to leverage the significant investment planned in proximity to its municipality.



Activity Centres

Banyule's activity centres and shopping precincts are key assets that provide a range of social and economic benefits for the region. Industry and stakeholders consulted indicated that activity centres in Banyule are facing a variety of challenges including ageing facilities and amenity, labour shortages, sub-optimal business mix as well as impacts associated with the pandemic.

The Economic Development Strategy will need to consider the employment and business role of Banyule's activity centres and consider how they may develop to capture greater business activity in the future. Many business stakeholders identified the need to improve public spaces in activity centres to make them more desirable to users as well as improve placemaking of centres. There is a need for a municipal-wide activity centres strategy that clearly defines the hierarchy and role of each centre, as well as a uniform set of individual strategies that are aligned.

There is also a level of uncertainty surrounding the long-term implications associated with the North East Link for some activity centres in Banyule such as Watsonia. There is a risk that the catchments of some centres may be negatively impacted due to the realignment of transport routes, and this is impacting business confidence. North East Link may also improve traffic flow around some centres. Greensborough as a principal activity centre in Melbourne may be more accessible to a larger catchment and Heidelberg may benefit from lower traffic and truck volumes on Lower Heidelberg Road.

As a result of COVID 19 pandemic and restrictions, major shifts in the way people are working is having an impact on the role of suburban activity centres. With greater volume of residents working from home and more flexible working conditions Banyule's activity centres have potential to grow as local business hubs. Residents' preference to work closer to home could also support the attraction of new industry such as start-ups, digital enterprises to Banyule's activity centres.

Traders' Associations are important assets for Council as they represent and support key activity centres and shopping precincts and provide/facilitate key services. It will be important for Council to continue to support existing associations and identify opportunities for expanded support, so that each centre continues to support communities and generate local business activity.

Findings from a review of the activity centre network's management model found that improvements can be made to the existing model to ensure optimal community and economic outcomes are achieved. The review also recommended consideration should be given to the adoption of a precinct-based approach to the management in the future to align with Council's investigation of a place-based framework for its service delivery.



Labour Force, Skills & Training

Banyule has a relatively stable labour force that has experienced modest growth over the past five years. Growing the local workforce is critical for future business growth, resident attraction and increasing economic activity associated with higher income levels (e.g. local consumption).

Despite a relatively healthy labour force, there are several workforce-related issues that need to be addressed in order to support economic and business growth. Consultation revealed that many businesses and organisations in Banyule face issues both accessing and retaining a skilled local workforce, particularly in key industries such as health, education, hospitality and retail.

These labour shortages are attributed to a range of factors, including:

- Competition from businesses in surrounding metropolitan municipalities;
- Increasing demand for services, particularly aged care and NDIS, due to an increasing and ageing population;
- The diminishing supply of retail and hospitality workers, due to employees transitioning away from less reliable casual work and the border closures which has decreased the local migrant workforce;
- The skill and qualification requirements for health-care workers; and
- The ongoing impact of COVID on business operations – isolation requirements, vaccine mandates, border closures and restrictions for specified industries.

Providing a highly skilled local labour force could be achieved through a combination of workforce attraction from outside the municipality, upskilling the local labour force through education and training and attracting resident workers who are currently employed outside the municipality.

It will be particularly important to collaborate with industry to ensure workforce development and attraction aligns with industry need, which could be supported through engagement with relevant employment providers to identify skills shortages. A workforce gap analysis and workforce attraction strategy could identify issues with staff recruitment and skills shortages and provide relevant actions to address those issues and shortages.

There should also be a focus on underrepresented population groups and reducing barriers to participation in the labour force for these cohorts. This can be done by working with industry to build capacity by recruiting inclusively whilst also responding to skills and workforce shortages.

Exploring the provision of additional co-working space floorspace throughout the municipality is also likely to improve existing labour force issues through the attraction of skilled workers into Banyule.

To promote sustainable growth and increase the socio-economic wellbeing of all residents, it will be also critical for Banyule to promote workforce inclusion and employment accessibility. This will help reduce existing inequities, ensure future prosperity is inclusive and provide businesses with a larger pool of employees to support business operations.

Visitor Economy



Growing the Banyule visitor economy is important for economic growth, as it stimulates business investment, promotes local consumption and supports new local jobs. The benefits from tourism are derived from visitor spend, which flows through the economy and impacts retail, service sectors, hospitality and transport (amongst others).

Banyule's existing visitor economy is relatively small and immature, however, there is strong growth potential due to its unique characteristics. These characteristics include quality green open spaces and waterways in close proximity to Melbourne's CBD as well as a large and growing health precinct that provides access to a significant visiting friends and relatives market.

The delivery of quality visitor infrastructure, services and amenity will improve the visitor experience, enhance the perception of Banyule for visitors and increase spend opportunities. While Council has some influence in the level of visitor amenity and quality of infrastructure, this will also require significant private investment in order to drive real change in tourism.

One of the key opportunities identified during consultation was an increased provision of accommodation for hospital visitors in Banyule. This has the potential to capture significant economic benefits that are currently leaking out of the municipality (primarily Melbourne CBD) due to a lack of accommodation options. There is also an opportunity to expand Banyule's night-time visitor economy through the provision of contemporary dining experiences, activation of industrial precincts and the introduction of night markets (amongst others).

To create a successful visitor destination, it will be important for Council, in collaboration with government, industry and tourism stakeholders, to develop a unique brand that promotes Banyule to visitors. This should market Banyule's key assets (eg. green spaces and waterways), products and experiences to attract visitors and promote the region as a desirable place to visit. This could be achieved through development of marketing collateral that provides visitors with an up-to-date guide of key activities, packaged itineraries and local tourism services.

Banyule currently offers a range of community and visitor events (i.e. arts and culture, music, film, etc.) and regular markets that supports the visitor economy and

generates local business activity. Stakeholders identified enhancing the events calendar – particularly arts and culture events – and supporting markets as a key driver of visitation and local business activity. This could be achieved through provision of Council events, enabling Traders' Associations to deliver local events at activity centres and collaborating with event organisers to provide significant tourism events.

There is also no existing visitor economy strategy for Banyule to guide tourism development. This presents as a useful document for the municipality that would provide a strategic framework for the tourism industry going forward.



Environmental Sustainability

Council, the community and industry has expressed the desire to grow the economy in a sustainable manner that minimises environmental impacts. This is led by local (as well as state and national) policy – such as the recently adopted Community Climate Action Plan – that seeks to reduce the City's environmental footprint. Council has also set a target of becoming carbon neutral by 2040 within the Plan.

Opportunities identified for 'green' business practices include promotion of renewable energy and circular economy practices that minimises waste and increase efficiencies of inputs. Banyule is well placed to harness the benefits of the circular economy philosophy across all sectors, with Council playing a lead role in promoting, attracting and supporting a sustainable business base.

At a precinct level, Council should advocate and examine opportunities for on-site renewable energy generation in Heidelberg to meet the needs of the health precinct. Council could also seek to investigate the feasibility for HWBP to transition to renewable energy generation. There are also a broad range of government funding opportunities available to businesses that should be promoted to the local business base.

Banyule could also investigate circular economy opportunities for business to increase efficiencies in production and reduce waste. Considerations for Banyule to transition to a circular economy that are being undertaken in other metropolitan municipalities include:

- Preparing a business case to support circularity looking at material flows across the municipality;
- Community engagement and building awareness of the circular economy;
- Identifying circular economy training needs, developing short courses to meet these needs and planning various events to showcase the circular innovations that are already happening in the municipality;
- Establishing a Circular Economy Taskforce to provide a whole of community, business, education and government resource, providing strategic guidance to enable delivery of programs;
- Facilitating the Circular Advantage training program for businesses; and
- Creating an environment for, and network of, leaders and pioneers in the circular space

DRAFT ECONOMIC DEVELOPMENT FRAMEWORK

#	Themes	Description	Strategic Objectives
1	A Productive and Supported Business Community	Promote business growth and investment in Banyule that capitalises on existing industry specialisations and achieves successful economic and employment outcomes.	1.1 Promote business recovery and resilience 1.2 Encourage business investment and attraction 1.3 Improve business networking, engagement and collaboration 1.4 Create a conducive environment for 'small' and 'home-based' businesses
2	Workforce Growth & Attraction	Providing a diverse and ready local labour force that have an opportunity to work locally	2.1 Attract and develop a 'job ready' local labour force to meet industry needs 2.2 Ensure workforce supply and diversity 2.3 Ensure a sustainable supply of local jobs that align to residents' skillsets 2.4 Support sustainable local, social and environmental procurement
3	A Prosperous National Employment & Innovation Cluster	Promote the development of the La Trobe NEIC and ensure the Banyule economy is a key beneficiary of the cluster's future economic success.	3.1 Support completion of planning for the cluster 3.2 Understand the future role of HWBP and ensure its sustainability 3.3 Facilitate growth of the health and food industries 3.4 Leverage cluster investment occurring outside Banyule
4	Thriving and Vibrant Activity Centres	Activate and enhance activity centres across Banyule to support diversity of uses, increase utilisation and meet the needs of residents, workers, businesses and visitors.	4.1: A coordinated and strategic approach to activity centre improvements 4.2: Support diverse retail, hospitality and personal service sectors 4.3: Explore commercial office space and co-working space opportunities 4.4: Support and enable Traders' Associations to activate and enhance activity centres using an outcomes-based approach 4.5: Explore a precinct-based approach to activity centre management
5	A Desirable Destination for Visitors	Support the growth of the visitor economy by attracting non-local (i.e. Melbourne residents from outside Banyule), regional and interstate visitors and increasing visitor spend.	5.1: Enhance visitor amenity, infrastructure and services 5.2: Explore opportunities to expand hospital visitor accommodation 5.3: Improve opportunities to expand and enhance the night time economy
6	An Environmentally Sustainable Local Economy	Build an innovative and environmentally sustainable economy that drives growth and influences future strategic investments.	6.1: Support the development of a sustainable and circular 'green economy' 6.2: Build business resilience to current and future climate impacts

1. BACKGROUND

1.1. INTRODUCTION

Banyule City Council is preparing a five-year Economic Development Strategy (2023-2028). The document aims to support economic activity and sustained growth for the municipality and will provide long-term economic development strategies and objectives, aligning with the Banyule 2041 project, as well as short-term deliverables for Council to implement.

The project also aligns with the commitments outlined in the current Council Plan, including to:

- Stimulate business, employment and investment;
- Support the region's activity centres/employment precincts; and
- Engage in meaningful community consultation.

1.2. APPROACH

The approach to the Economic Development Strategy is summarised in Figure F2. Note that this output is a Background Report, and the Strategy will be prepared which will draw on the research and discussion included in this report.

F2. STRATEGY APPROACH

Strategic Context	Review and assess local, regional and state objectives and priorities relevant to economic development.
Economic Research and Analysis	Profile Banyule's economy and assess industry and employment specialisations and areas of advantage. Assess trends that are influencing Banyule's economy including macroeconomic conditions, growth and land use change, technological and environmental changes and innovations.
Consultation	Engage with local business, industry and community representatives, as well as local and state Government stakeholders to discuss issues, economic development priorities and opportunities.
Issues and Opportunities	Identify and discuss issues and opportunities for Banyule's economy, and prioritise those to be addressed, facilitated and investigated in the Strategy.
Background Report	Prepare a Background Report that summarises research, analysis and consultation.
Strategic Framework + Economic Development Strategy	Prepare a 5-year Strategy that includes an economic vision, objectives, action and implementation plan.

1.3. WHAT IS ECONOMIC DEVELOPMENT?

At a high-level, the purpose of economic development at a local government level is:

“To build up the economic capacity of a local area to improve its economic future and the quality of life for all. It is a process by which public, business and non-government sector partners work collectively to create better conditions for economic growth and employment generation”¹

1.4. LOCAL GOVERNMENT’S ROLE IN ECONOMIC DEVELOPMENT

Local Government plays an important role in facilitating economic growth within their municipalities. Typically, Council’s role in economic development includes business engagement and support, business and investment attraction, promoting liveability initiatives and undertaking advocacy efforts.

In terms of investment attraction, it is important for local Governments to provide and encourage an economic environment that is conducive to attracting private investment. Council can facilitate investment through leadership, creating a consistent and streamlined regulatory environment, conducting market and industry research, and business case development.

ECONOMIC DEVELOPMENT AUSTRALIA (EDA) – ROLE OF ECONOMIC DEVELOPMENT UNITS

Urban Enterprise conducted a survey of metropolitan and regional economic development practitioners in 2021 on behalf of Economic Development Australia (EDA). The purpose of the Survey was to identify the core roles and functions of economic development units, as well as understand the different economic development initiatives employed by the various units. The Survey received responses from 41 Victorian Councils (50% metropolitan and 50% regional).

Figure F3 summarises the core services of economic development units across the Council respondents.

¹ Local Economic Development, The World Bank 2006

F3. PRIMARY ROLE OF ECONOMIC DEVELOPMENT UNITS – EDA VICTORIA



Source: Survey of Economic Development Practitioners, Urban Enterprise + Economic Development Australia, 2021

The survey results highlight the suite of initiatives employed by economic development practitioners to achieve key objectives for economic development. Some examples are outlined below.

ATTRACTING NEW BUSINESS AND INVESTMENT

- Meeting with prospective businesses
- Provision of research and information to prospective businesses
- Working with the planning unit
- Industry prospectus
- Marketing opportunities

SUPPORTING EXISTING BUSINESSES

- Business training sessions
- Business networking sessions
- Industry newsletters
- Industry research
- Business mentoring
- Business incubator/centre
- Management of shopping strip special rates
- Business efficiency network

IMPROVING THE STANDARD OF LIVING (JOBS, PARTICIPATION, INFRASTRUCTURE)

- Job market facilitation
- Natural disaster recovery (floods, bushfires)
- Skilled migration services
- Careers forums for students
- Economic and community asset development / refurbishment / management

GROWING THE VISITOR ECONOMY

- Destination development
- Marketing and promotions
- Tourism promotion and tourism industry development

- Manage visitor information centre/s and online content

RESIDENT ATTRACTION

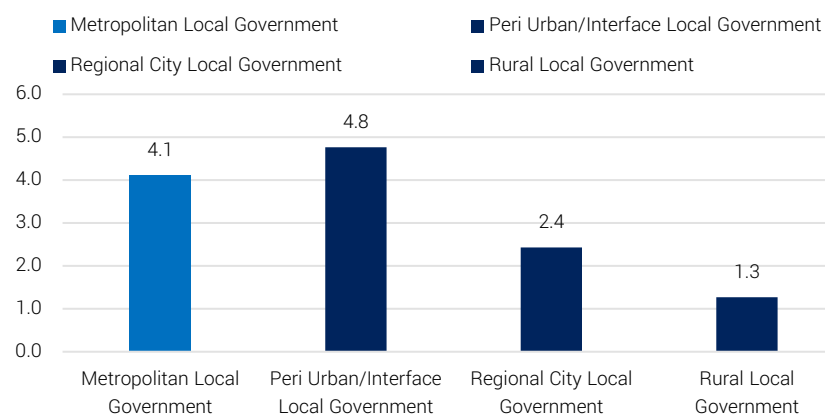
- Promotion of location to new residents
- Facilitate residential development through infill, urban renewal, and greenfield areas.

1.4.1. ECONOMIC DEVELOPMENT RESOURCING

The EDA survey also gathered information in relation to resources allocated for economic development units. For metropolitan local governments, economic development units included an average of 4.1 staff (FTE). Banyule currently allocates 2.6 staff (FTE) to economic development.

By way of comparison, Councils that have some similarities to Banyule such as Darebin (in terms of location) and Maribyrnong (in terms of size of the economy) allocate more resources to economic development. Their economic development units include staff across several economic development disciplines such as investment attraction/facilitation, business engagement, development and support, activity centres and placemaking.

F4. ECONOMIC DEVELOPMENT UNIT STAFF (FTE), EDA BENCHMARKING



Source: Survey of Economic Development Practitioners, Urban Enterprise + Economic Development Australia, 2021

1.5. REGIONAL ECONOMIC DEVELOPMENT GROUPS

Economic development objectives extend beyond Local Government Areas, and priority projects and initiatives are commonly undertaken in partnership with municipalities in a regional context.

In northern Melbourne, NORTH Link is the key regional economic development partnership. NORTH Link is a business network and regional economic development advocacy group representing Melbourne's northern region, the organisation comprises local councils (Banyule, Darebin, Hume, Moreland and Whittlesea and the shires of Mitchell and Nillumbik), local tertiary education institutions and industry including Melbourne Airport, Northern Hospital, DPV Health and the Melbourne Market Authority.

2. STRATEGIC CONTEXT

2.1. OVERVIEW

This section provides an overview of Banyule's location in the context of northern metropolitan Melbourne, and assesses existing local, regional and state strategies and policy relevant to economic, employment and industry growth, land use change, precinct development and infrastructure investment.

2.2. KEY POINTS

- **Key features of Banyule's transport connections include:**
 - **Hurstbridge Rail Line** which provides **Zone 1** access to the **Melbourne CBD**;
 - **Heidelberg** and **Upper Heidelberg Road** (key north-south arterials) and **Bell Street** (a key east-west arterial);
 - The **Metropolitan Ring Road** defines the northern border of Banyule and provides accessibility to western Melbourne, and with the planned **North East Link**, will have a future connection to the **Eastern Freeway**.
- **Regional economic and land use priorities** relate to improving transport access and connections, protecting and enhancing industrial precincts, supporting the development of the **La Trobe NEIC**, as well as the food and beverage industry, agriculture and food science, advanced manufacturing, health and logistics industries.
- **Banyule** comprises a strong network of activity centres and employment precincts and also includes key commercial corridors, as well as health and education precincts. The **La Trobe NEIC** is partially located within the municipality and has the potential to generate growth opportunities for the municipality.
- There are a number of relevant strategic documents for economic development in Banyule, however the **Community Vision's 'thriving economy'** provides important guidance for the **Economic Development Strategy**:

"A thriving, resilient, socially responsible, local and integrated economy that encourages, supports and advocates for a diverse range of businesses and entrepreneurship, providing local investment and employment opportunities."

2.3. LOCATION AND TRANSPORT CONNECTIONS

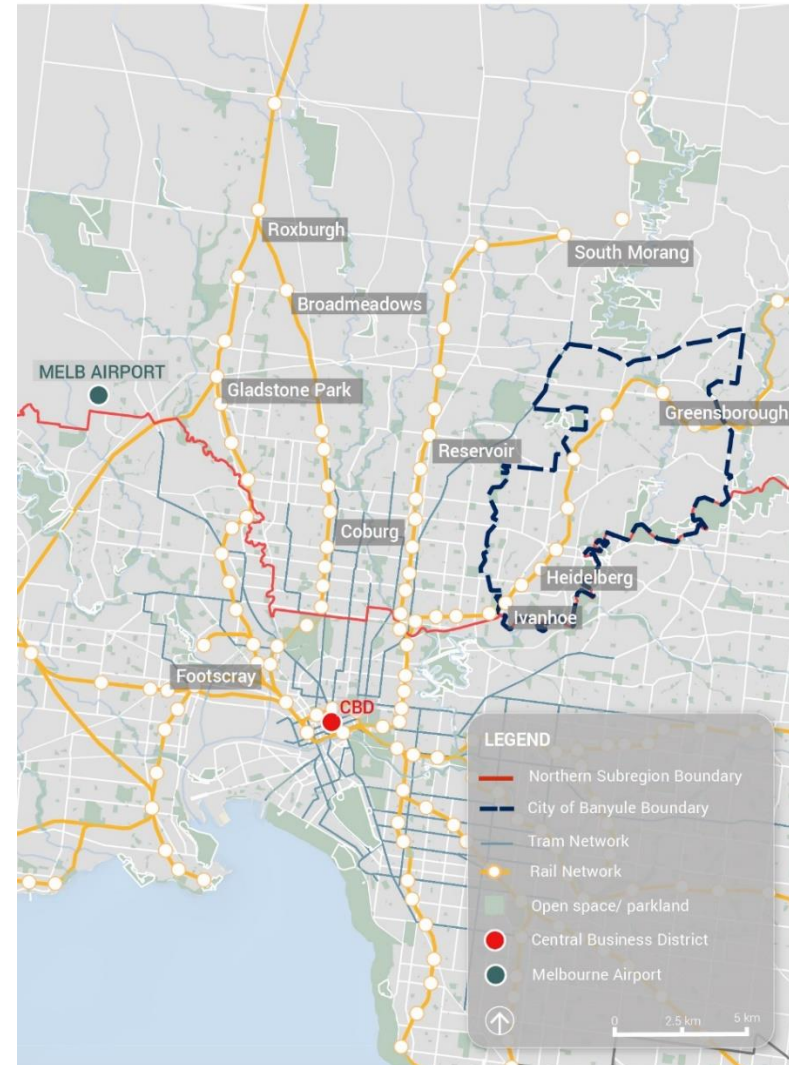
Banyule is situated in Melbourne's north-eastern suburbs, between seven and 21 kilometres from the Melbourne CBD, and forms part of the northern metropolitan region.

Key features of Banyule's transport connections include:

- Hurstbridge Rail Line which provides Zone 1 access to the Melbourne CBD;
- Heidelberg and Upper Heidelberg Road (key north-south arterials) and Bell Street (a key east-west arterial);
- The Metropolitan Ring Road defines the northern border of Banyule and provides accessibility to western Melbourne, and with the planned North East Link, will have a future connection to the Eastern Freeway.
- Heidelberg and Bundoora have been included in the proposed 90km Suburban Rail Loop

Banyule has three river corridors which provide high amenity environments for residents, these include the Yarra River, Plenty River and Darebin Creek. These corridors impact on transport connectivity but also add to residential amenity by reducing through traffic in residential neighbourhoods.

F5. LOCATION AND TRANSPORT CONNECTIONS

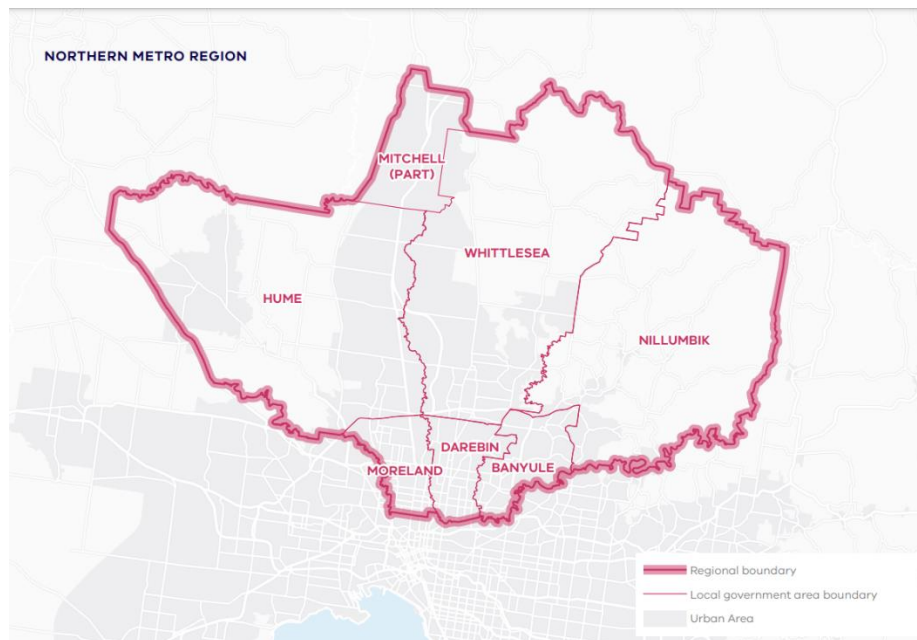


2.4. NORTHERN METRO REGION

The Victorian Government has developed land use framework plans for each of the six metropolitan regions. Banyule forms part of the Northern Metropolitan Region, along with Hume, Whittlesea, Moreland, Darebin, Nillumbik and part of Mitchell.

The Northern Metro Land Use Framework Plan is an extension of Plan Melbourne (2017) and is a 30-year strategy that aims to guide land use change and investment to enhance local and regional economies and communities.

F6. NORTHERN METRO REGION



Source: 2050 Vision, Northern Metro Land Use Framework Plan, DELWP 2021 (draft)

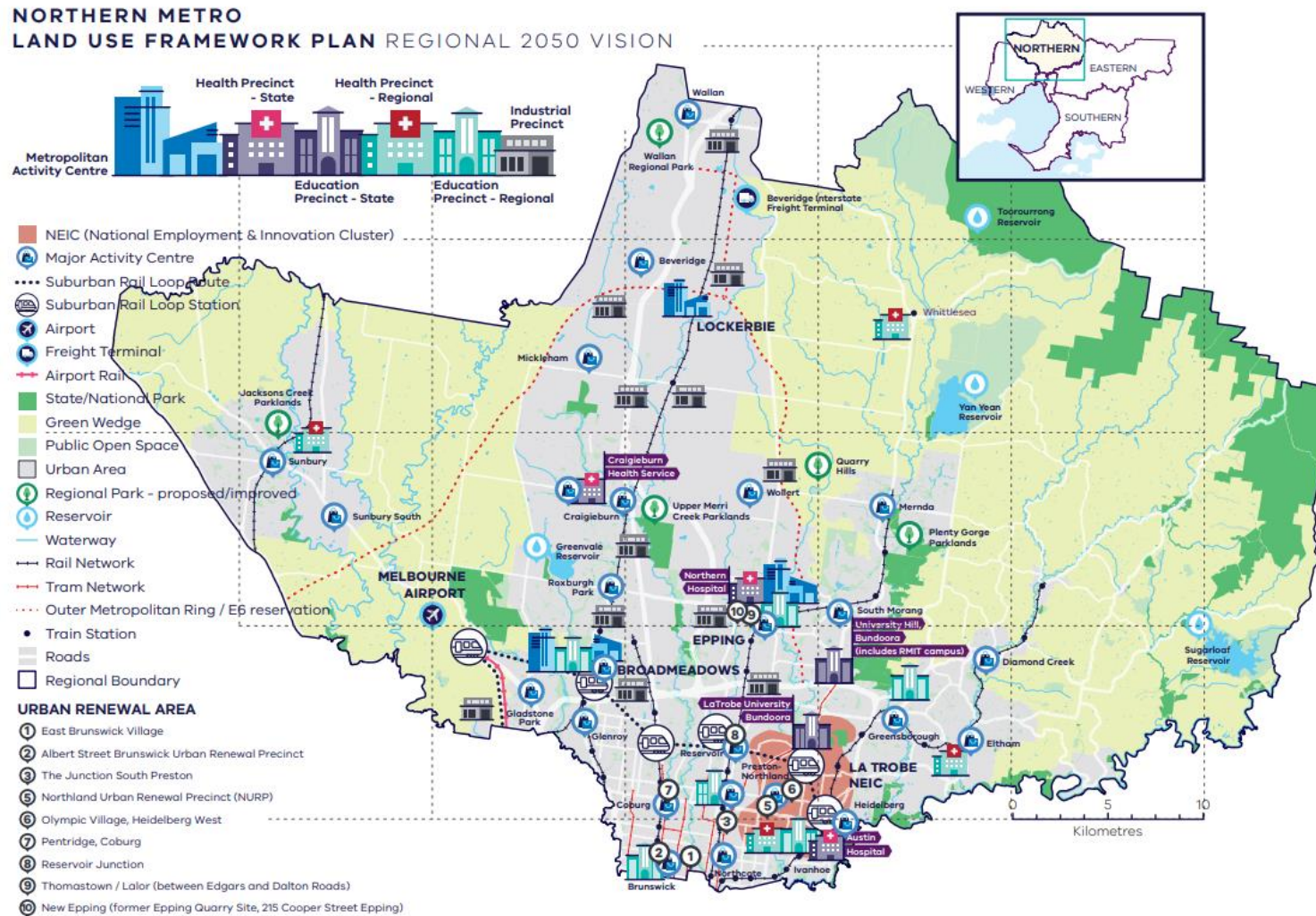
REGIONAL 2050 VISION

By 2051, the Northern Metro region's population is projected to increase by 73 per cent from around 1.1 million to 1.8 million. The number of dwellings is projected to almost double from 355,630 in 2016 to 707,830 in 2051. By 2031, employment is projected to increase from 321,200 to 459,200 jobs.

By 2050 the Northern Metro Region will experience significant planned change including:

- Confirmation of the region as Victoria's interstate and international gateway.
- Protected and well-planned industrial precincts continue to attract strong economic investment and are integrated through the road and rail network and significant hubs.
- The La Trobe NEIC as the region's economic focal point supported by a network of vibrant and attractive activity centres.
- Thousands of jobs created in the food and beverage industry, agriculture and food science, advanced manufacturing, health and logistics industries.
- The region has high-quality, affordable housing with most housing in well-designed activity centres and locations with good public transport, services and amenities.
- Residents and workers enjoy public spaces and cycling and pedestrian networks that support 20-minute neighbourhoods.
- Communities are well-connected to jobs and activity centres and the Northern Metro Region boasting a new, high-quality transport network.

F7. REGIONAL 2050 VISION, NORTHERN METRO

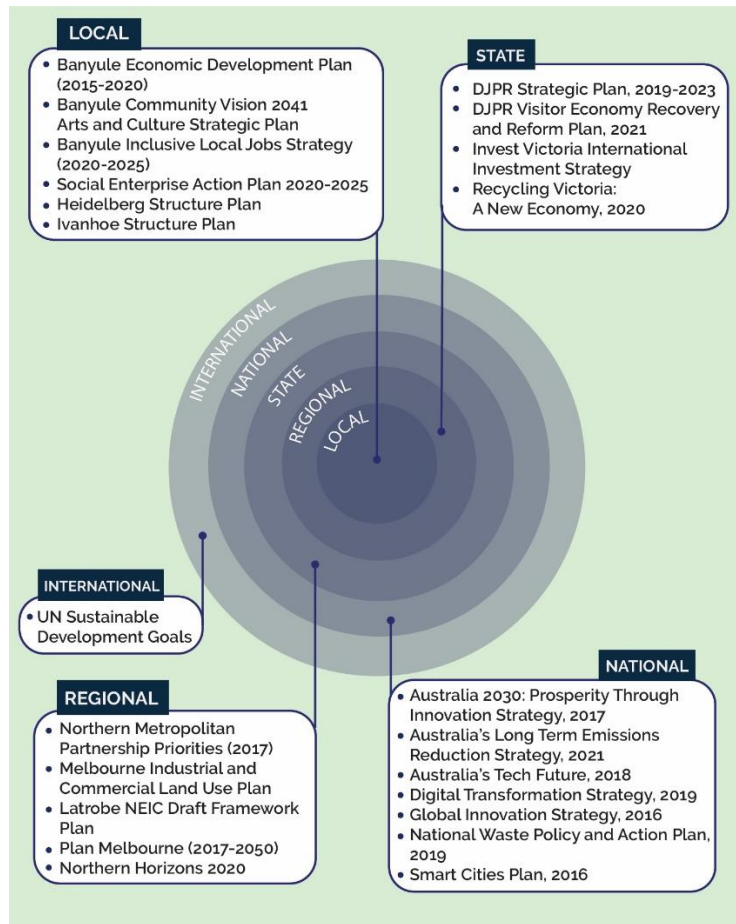


Source: 2050 Vision, Northern Metro Land Use Framework Plan, DELWP 2021 (draft)

2.5. EXISTING STRATEGIES, PLANS & RESEARCH

The following section provides an overview of the relevant strategic policy documents for the Economic Development Strategy. Detailed summaries of each of the documents reviewed are provided in Appendix A.

F8. LIST OF DOCUMENTS REVIEWED



BANYULE COMMUNITY VISION 2041

The Banyule Community Vision 2041 describes the community's aspirations for the future of Banyule over the next 20 years and expresses what is important to the community. The vision identified six priority themes which are summarised in Figure F9.

F9. BANYULE COMMUNITY VISION 2041



Source: City of Banyule, 2021

The key policy document informing this report is the *Banyule Community Vision 2041*. The vision statement for the document seeks to identify Banyule as follows:

“We in Banyule are a thriving, sustainable inclusive and connected community. We are engaged, we belong and we value and protect our environment.”

Whilst all themes are important for Banyule’s future, the “thriving local economy” theme sets the directions for economic development, which is driven by the following objective:

“A thriving, resilient, socially responsible, local and integrated economy that encourages, supports and advocates for a diverse range of businesses and entrepreneurship, providing local investment and employment opportunities.”

This will help inform the strategic framework in this Strategy, with future recommendations for economic development tailored to meet the identified ‘thriving local economy’ strategies, including:

- Banyule is home to a diverse range of businesses and a place where everyone has access to quality education and employment.
- Growth is supported through business partnerships and regional collaborations. New start-ups are nurtured while existing businesses continue to be supported to grow and be successful.
- Doing business in Banyule is easier than ever and becomes a choice for new enterprises.
- There is a range of local employment opportunities available for all, and Banyule workplaces embrace diversity and inclusion. More local jobs reduces the need to travel outside the area for work.
- Innovation and technological advancements are embraced, and social enterprises are well established.
- The municipality has substantial education and job training opportunities for people of all ages and abilities, and provide a range of career opportunities, particularly for young people and those returning to the workforce
- Volunteerism is encouraged and promoted as a valuable contributor to the community and local economy.

KEY FINDINGS

The following summarises the key findings from the policy review that are relevant to economic development and in Banyule.

Business Development and Support

The following represents the key policy findings relating to business development and support in Banyule:

- Focus on the provision of **low-cost training, advice and networking opportunities**.
- Attracting **new vibrant uses, activity and investment** within Banyule’s activity centres.
- Encourage **business growth and investment** to stimulate economic activity and support job creation.
- Support the development of an **innovative and productive** business base that strengthens local, regional and international competitiveness.
- Foster a **collaborative** environment between government, businesses and investors to promote business growth and attraction.
- Facilitate an **innovative and agile** business environment that encourages entrepreneurship (inc. start-ups and digital enterprises)

Community

The policy findings relevant to community outcomes include:

- Address **inequalities of access to employment** and aspires to **create opportunity and economic prosperity** for local residents.
- Promoting accessible, green open spaces for a **healthy and vibrant** community.
- Facilitating a **safe, healthy, vibrant, and connected** community through diversity and inclusiveness.
- Ensuring access to key **services, infrastructure and diverse housing** to meet resident needs.

- Ensuring the availability of **safe and reliable travel options** for all residents, including the provision of active transport, public transport and parking.
- Promoting community engagement through **arts and culture** experiences and events.

Workforce Development

The workforce development outcomes included in policy documents are as follows:

- Ensuring that local job seekers are supported and provided with the relevant **skills and qualifications** needed to access employment opportunities.
- Supporting **local employment outcomes** by maximising the number of jobs filled by local workers.
- Ensure future employees are equipped to the **changing nature of work** (inc. new technologies).
- Delivering work placements, pathways and apprenticeships to support both students and **workforce availability** for business.

Environmental Sustainability

The following issues and opportunities relating to environmental sustainability has implications for economic development in Banyule:

- Ensure that **sustainability** is at the core of all future economic development practices.
- Supporting businesses in adopting **circular economy** principles and sustainable business practices.
- Promoting innovative solutions and stronger regulations for **waste management** and improved **recycling** processes.
- Acknowledging and embracing the idea that economic growth objectives can be achieved in parallel with **environmental goals** (ie. there are mutually beneficial outcomes).

3. ECONOMIC CONDITIONS

3.1. OVERVIEW

This section provides an overview of the state of the domestic economy, focussing on the performance and outlook for the Australian and Victorian economies having regard to a range of key economic indicators and performance measures. This section also provides an analysis of the key trends influencing the Banyule economy.

3.2. KEY POINTS

- **Economic conditions in Victoria are fragile, but recovering on the back of eased restrictions, improved business and consumer confidence and spending.**
- **The pandemic's impact on industry sectors has been unequal. Council's recovery and assistance initiatives should continue to have regard to this.**
- **The unemployment rate is declining across Melbourne and is causing labour shortages and skills gaps, particularly in manufacturing, construction, health care, social assistance, hospitality and financial services.**
- **Structural shifts underpinned by technological, political and environmental factors are affecting some key sectors in Banyule, including manufacturing, health care and retail. It will be important for Banyule's business and industry base to respond and adapt to these shifts.**

3.3. STATE & OUTLOOK FOR VICTORIA'S ECONOMY

The upcoming Strategy should have regard to the current economic context and conditions in Victoria. An assessment of indicators has been undertaken via a review of the Department of Treasury and Finance's Budget Update for 2020/21.

Key points are as follows:

- Victoria's economy entered a recession in 2020/21 caused by the global COVID-19 pandemic.
- The state has experienced state-wide lockdowns over the past 18 months, which led to depressed economic conditions, temporary business closures and job losses.
- Population growth rates are below historical trends caused by international border closures (no overseas migration) and changing internal migration patterns.
- Net Overseas Migration fell to 61,300 in Victoria in the 2020 financial year; a 30% reduction compared with 2019.
- Impacts to industry sectors have been unequal. Industries that rely on in-person visitation and movement such as retail, hospitality, fitness, wellness, international education and tourism faced the most challenging conditions, forced to close throughout lockdowns.
- Essential services such as health, education, construction, manufacturing, transport were able to operate, but many faced capacity/density restrictions and were affected by subdued market conditions.
- Workers in professional and financial services and other office-based sectors pivoted to working from home, which has encouraged a trend towards remote and flexible working arrangements.
- With high vaccination rates, the economy has begun to rebound strongly; evidenced by a decreasing unemployment rate alongside increased business and consumer sentiment.

- The State Government is projecting the strong economic recovery to continue throughout 2022, with unemployment projected to fall below 5% in the March quarter.

3.4. TRENDS INFLUENCING THE BANYULE & NORTHERN MELBOURNE ECONOMY

The following section assesses economic, industry and labour force trends that are influencing and impacting Banyule economy. Headline trends relate to:

- Infrastructure and precinct investment;
- Industry specific trends (e.g. manufacturing, transport and logistics, retail, professional services, health and education);
- Workforce shortages and skills gaps; and
- Environmental trends (e.g. climate change, circular economy and green initiatives).

These are discussed in-turn.

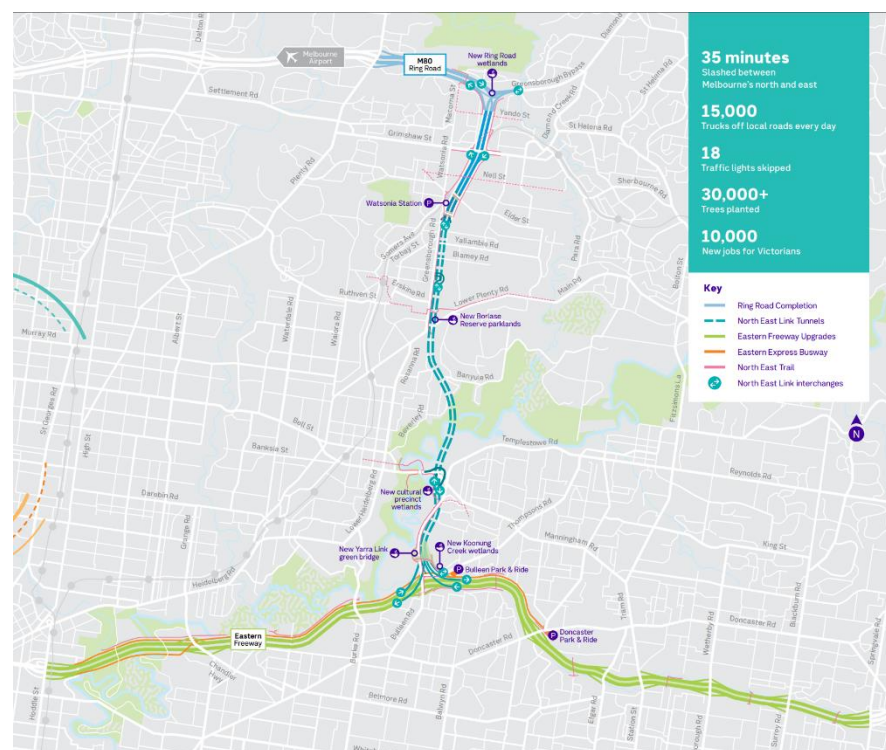
3.4.1. PLANNED INFRASTRUCTURE & PRECINCT INVESTMENT

NORTH EAST LINK

The North East Link is a proposed 26-kilometre highway that will connect the Metropolitan Ring Road at Greensborough with the Eastern Freeway at Bulleen. The \$17 billion project also includes significant upgrades to the existing road network, as well as the construction of a new dedicated busway and a series of walking and cycling paths.

Construction on North East Link is already underway with completion expected in late 2028. Given the project's intersection with Banyule, it will important for the Economic Development Strategy to address any potential issues that arise from the project (eg. community outcomes, impacts to activity centre retail catchments, employment and business opportunities etc.)

F10. NORTH EAST LINK – INDICATIVE ALIGNMENT



Source: North East Link, 2021

CARTMELL STREET PROJECT

The Cartmell street project involves a proposed sale of land to deliver a mixed use development, maintain existing carparking and provide additional public car parking and deliver the best financial return for Council.

The Cartmell Street site has been identified as a strategic development location in various strategic documents including: Heidelberg and Bell St Mall Parking Plan (2016), Heidelberg Structure Plan (2021) and the Banyule Integrated Transport Plan. The project intends to sell the airspace above the existing carpark to deliver a multi-

level residential/mixed use development above the public carpark. It is proposed that a strata title arrangement govern the mixed-use development which would include both a Council owned carpark and privately owned properties.

BELL STREET DEVELOPMENT

The Bell Street Development project involves a proposed sale of land (310 Bell Street Heidelberg) to deliver a mixed-use development, associated car parking and provide a community facility for the area.

The community centre will be owned and operated by Council. Council is seeking proposals that best use the land for a mixed-use development that ultimately enhances the urban quality, including safety, accessibility and amenity of the area.

BELLFIELD MASTERPLAN

In 2012 Council acquired three decommissioned school sites from the State Government; Haig Street Primary School in Heidelberg Heights, Bellfield Primary School in Ivanhoe and part of the former Banksia La Trobe Secondary College in Bellfield. These sites were purchased to allow for high-end residential infill development in these areas of Banyule whilst also generating revenue for Council to enable existing community services and capital works programs to be undertaken

Urban Design Guidelines and a Masterplan were developed to guide the future land use of this significant site in Bellfield. Key features of the Masterplan include a new community hub, large green corridors throughout the site, integration with both the new community facility and Ford Park, water sensitive urban design interventions, a pedestrian-friendly environment, and a supply of townhouse (rear-loaded) and apartment (consolidated parking) dwelling stock, together with a complementary retail offering on the corner of Banksia Street and Oriel Road.

3.4.2. INDUSTRY TRENDS

Covid-19 and business recovery

COVID-19 has already had a significant impact on the global and national economy, as restrictions on business and travel impacted local communities and businesses. As Victoria continues to adapt its COVID-19 response and recovery efforts, it is likely that the pandemic will have an ongoing impact on the state and local economy.

Industries that are consumer facing and rely on population movements (i.e. retail, food and hospitality) have been more significantly impacted and require more intensive business support. However, many industries in metropolitan areas have been less affected than others (particularly those that aren't reliant on travel) such as professional and financial services, as well as essential services such as health and education.

The industry-specific impacts of COVID-19 will be examined in this report, which will help Council target areas that require ongoing business recovery and support.

Remote and flexible working arrangements

COVID-19 has accelerated the rise of remote working, particularly for employees that work in traditional 'office-based' industries (including professional and financial services), that now have greater flexibility to work outside the office environment.

This has had a significant impact on Banyule, as professional scientific and technical services is a significant employer within the municipality.

As more residents work from home – due to flexible working arrangements – and the local population increases during work hours, this may benefit local businesses as daily demand for local goods and services (e.g. food, coffee) increases.

In addition, it provides opportunities for businesses to re-locate outside the CBD to areas closer to the business owners' place of residence. This could see an influx of businesses moving to Banyule.

Workforce shortages

Workforce shortages and limited access to a skilled 'job ready' labour is often a key barrier to business growth and can adversely impact the operations of key industries. This is monitored across Australia by the National Skills Commission, which has identified an increase in recruitment difficulty for employers in 2021, particularly for higher skilled occupations. This is the result of skills shortages across a variety of industries and trades, particularly in the hospitality, construction (inc. tradespeople), agriculture, childcare and aged care sectors.

These shortages are attributed to a combination of:

- Increasing demand for employment to keep pace with population growth and greater demand for services;
- Lack of employee skills and training; and
- The COVID-19 border closures, which has depleted the supply of migrant workers and the 'casual' workforce (i.e. temporary visa holders, international students and working holiday makers).

It will be important for Council to identify areas (and causes) of workforce shortages in key sectors, as this could impact service provision, resident amenity and business growth. The localised data suggest that labour demand will increase in Banyule across key sectors, specifically:

- **Health care** (via the NDIS² rollout). As NDIS businesses increase in the area the demand for trained and qualified disability support workers will also increase; and
- **Construction**. Demand for civil and residential construction workers will increase with the development of new residential dwellings, as well as major construction projects such as the North-East Link. This will create over 10,000 jobs, with a big focus is on creating local jobs for local people.

As such, this report will consider opportunities to assist both job seekers and businesses, so that industries have access to skilled labour to support operations.

² National Disability Insurance Scheme

³ Labour Market Information Portal, 2020

Demand for co-working spaces

Co-working spaces provide critical support infrastructure often required for small businesses. Demand for co-working spaces is growing, driven by a combination of tech and creative start-ups, the re-location of businesses away from the CBD, the growth in home-based businesses and rise in remote working arrangements.

This will become more important to Banyule as the demand for temporary business space and local working facilities expands, particularly in response to COVID-19 (which has decreased the importance of permanent business spaces and seen business re-locate outside the CBD seeking new destinations in suburban environments).

Growing demand for health care

As the population ages, there is growing demand for health care across Victoria and Australia. This also applies to Banyule, with significant increases estimated in the population aged 70 years and over. This will substantially increase demand for healthcare services, grow healthcare-related spending and impact the workforce requirements to meet demand.

Given this demand, Health Care and Social Assistance is projected to make the largest contribution to employment growth in Victoria over the next five years (increasing by 66,800 jobs)³, which will have implications for workforce demand in Banyule, particularly given the existing strength of the municipality's health industry.

Transition of retail

The average vacancy rates across Australia was around 6.9% as at December 2020, a record high for the retail sector. The record high vacancy rates can largely be attributed to the impacts of the pandemic, resulting in the average vacancy rate to increase from 2.1% to December 2019.⁴

⁴ Retail Market Overview, JLL 2021

Strong consumer spending is forecast at the end of 2021, and early into 2022. Over time, however, a reversion back to pre-covid spending patterns is projected.⁵

The events of 2020 resulted in a rapid and likely permanent shift in retail buyer behaviour; resulting in a major increase in online retail purchases. According to Australia Post's E-Commerce Report (2021), 9 million Australian households shopped online in 2020 (82% of all households); an additional 1 million households compared with 2019. Online purchases increased by 57% in 2020, with Australians spending a record \$50.46 billion online.

As a percentage of total retail purchases, online sales accounted for 16.3%. This level of online market share was not anticipated until 2023 or beyond. In addition, a shift towards regionalisation and 'shop local' campaigns has seen consumers access goods closer to their home and spend on products that are sourced or produced locally.

The strong growth in digital retailing and online purchases is expected to continue. In response to this disruption, bricks and mortar stores are investing in innovations that encourage consumer engagement and improve the in-store 'experience'.⁵ This includes a greater focus on hospitality, entertainment and meeting places co-located with retailers.

Retail strips with low vacancies are transitioning away from the standard food and beverage outlet. A greater variety of retail services are increasingly occupying these spaces - these include: massage therapy, yoga and fitness studios, dentists and medical clinics.

Retail centres and strips are increasingly adopting a 'place-based' approach to expand the role of strips to include civic and recreational destinations for communities. Traders are working with local councils to improve 'place-making' initiatives to promote a mix of retail and amenities. This aims to better leverage existing community assets such as public open space, recreation and civic spaces, which aims to increase foot traffic and community dwellers, with a view to benefitting retailers and retail strips.

⁵ AU Industry (ANZSIC) Report G4251 Clothing Retailing in Australia, IBISWorld, October 2020

Activity centres are highly evolving precincts. Retail, hospitality and personal service businesses in Banyule's activity centres faced very challenging conditions over the past two years. Ensuring appropriate support has been provided to these centres, as well ensuring their management and operations are generating optimal economic and community outcomes are crucial to this Strategy.

MANUFACTURING

Manufacturing is critical to Australia's economy and is a vital part of responding during a crisis such as the COVID-19 pandemic. Manufacturing has been a key part of Australia's COVID-19 response, particularly in responding to the global supply-chain impacts, and the need to produce certain goods locally.

The Federal Government acknowledges the importance of the sector and recently prepared the Modern Manufacturing Strategy (2021); which is a whole-of-government strategy aimed at helping manufactures scale-up, and become more competitive and resilient. The Strategy identifies several factors that are critical to the future success of the industry:

- Access to skilled and productive labour;
- Investment in technology and innovation;
- Low energy costs;
- Efficient regulatory mechanisms; and
- Favourable trade arrangements.

The Strategy outlines six national manufacturing priorities, which include Resources Technology and Minerals Processing, Food and Beverage, Medical Products, Recycling and Clean Energy, Defence and Space.

The following key initiatives have been announced to assist manufacturing priorities:

- \$1.3 billion Modern Manufacturing Initiative – encourage businesses to scale-up and translate innovative ideas into commercial successes.

- \$107.2 million Supply Chain Resilience Initiative - address identified gaps in critical supply chains.
- \$52.8 million Manufacturing Modernisation Fund - unlock business investment for shovel ready projects.

Manufacturing is a significant industry in Banyule in terms of employment, output and export-value. The national manufacturing priorities are well-aligned to some of the municipality's manufacturing activities, particularly food and beverage. There are opportunities for existing and prospective manufacturing businesses to seek funding in-line with national funding programs around scale, innovation and supply-chain resilience.

3.4.3. CLIMATE RESILIENCE & ADAPTATION

Victoria's Climate Change Act (2017) aims to achieve net zero greenhouse gas emissions and a climate-resilient community and economy in order to mitigate and adapt to the impacts of climate change. The Victorian Government introduced the Victorian Renewable Energy Targets (VRET) to provide greater policy certainty and investor confidence for the renewable energy sector in Victoria.

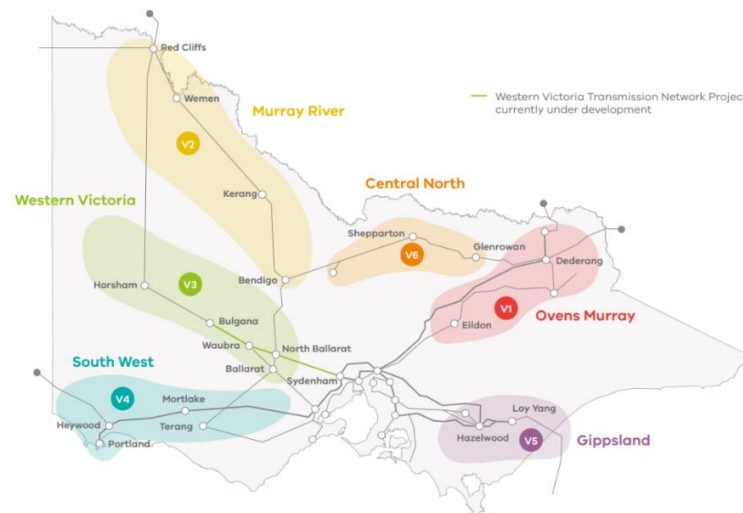
In 2017, the State Government legislated renewable energy generation targets of 25% by 2020 and 40% by 2025, 50% by 2030 and net zero emissions by 2050. Meeting the VRET targets is driving demand and investment in new renewable energy projects across Victoria.

In 2020, renewable energy sources generated more than 26% of Victoria's electricity, meeting the first VRET target. In order to meet future VRET targets, the State Government has identified six Victorian Renewable Energy Zones (REZs) which are shown in Figure F11. These zones are recognised as having the highest potential to provide clean and reliable energy through solar, wind and hydro resource.

There are currently numerous Federal and State Government grants available for SMEs in delivering sustainable and renewable energy solutions. Support programs such as the Small Business Energy Saver Program delivered by Sustainability Victoria allows small businesses to upgrade existing equipment to reduce running costs and greenhouse gas emissions. These programs aim to provide a significant discount or

entire coverage of installation and equipment thereby embedding sustainability into all business operations.

F11. VICTORIA'S RENEWABLE ENERGY ZONES



Source: Victorian Renewable Energy Zones Development Plan, DELWP 2021

Beyond the REZs, *Victoria's Climate Change Strategy* (2021) provides a roadmap to net-zero emissions by 2050. To achieve the emissions reduction targets, the state Government has outlined emissions reduction objectives for each sector as follows:

- **Energy** - Accelerate Victoria's transition to a clean and efficient energy future. 50% of Victoria's electricity will be generated from renewable sources by 2030.
- **Agriculture** – Ensure farmers are equipped to achieve emissions reduction targets by harnessing new technologies and practices.
- **Waste** – Halve the amount of organic waste directed to landfill by 2030 and support emerging waste and recycling industries and opportunities.
- **Land use, land use change and forestry** – Cease commercial native timber harvesting by 2030; restore degraded landscapes.
- **Industrial processes and product use** – Manage refrigeration and air conditioning equipment to reduce leakage of refrigerant gases.

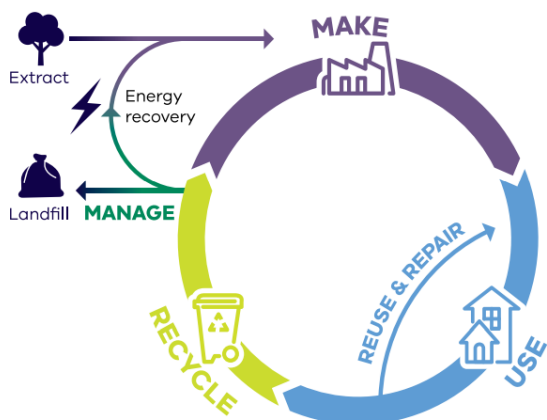
- **Transport** – 50% sales for all new light vehicles will be Zero Emission Vehicles (ZEV) by 2030.
- **Community** – 100% of schools, hospitals, trains and trams will be powered by 100% renewable energy by 2025.

3.4.4. CIRCULAR ECONOMY ACTIVITIES

The circular economy aims to reduce harmful environmental impacts of production and consumption through a more productive use of natural resources. The circular economy framework is based on three principles:

- Use innovative design to eliminate waste and pollution;
- Keep products and materials in use through re-use, repair and recycling processes; and
- Regenerate natural systems.

F12. RESOURCE FLOW IN A CIRCULAR ECONOMY



Source: Recycling Victoria: A New Economy, Sustainability Victoria, 2020.

Recycling Victoria: A New Economy (2020) is the Victorian Government's 10-year policy and action plan to establish reform in the waste and recycling sector and drive

the transition to a circular economy. The policy sets out a number of targets that will help benchmark, and measure progress of the transition. These include:

- 15% reduction in total waste generation per capita between 2020 and 2030.
- Divert 80% of waste from landfill by 2030, with an interim target of 72% by 2025.
- Cut the volume of organic material going to landfill by 50% between 2020 and 2030, with an interim target of 20% reduction by 2025.

The policy outlines a series of actions to assist with the transition and achieve the above targets, including:

"Encourage investment in appropriate waste to energy facilities that reduce the need for landfills".

The policy provides an overarching framework and action plan to guide the state's transition to a circular economy. This is the main driver behind investment in new technologies such as resource recovery and waste to energy facilities that move beyond a traditional, static landfill site.

Planning policy objectives for renewable energy production, the circular economy and climate adaptation is the main driver behind investment in new technologies and facilities such as resource recovery and waste to energy.

There is also an opportunity to improve business, industrial and community energy and waste processes through strategic and policy support, engagement and advocacy, as well as financial incentives (such as rebates for rooftop solar).

4. ECONOMIC PROFILE

4.1. OVERVIEW

This section provides a profile of the City of Banyule's economy based on a range of economic indicators, including output, employment, exports and businesses by industry and sub-sectors. Data is benchmarked against Greater Melbourne (which includes all urban areas of metropolitan Melbourne as defined by the ABS).






The economic profile provides a snapshot of Banyule's underlying economic conditions, including competitive industry advantages, emerging and growth sectors, as well as industries that may be in decline.

4.2. KEY POINTS

- Banyule's economy is driven by a combination of health-related industries, industrial sectors, population serving industries and knowledge-based industries.
- Health is by far the municipality's largest industry, accounting for 36% of Banyule's employment. The medical precinct in Heidelberg is a significant driver of the local economy and is the main focus for employment in the local health industry.
- Banyule has a relatively moderate unemployment rate, however, it has experienced a substantial rise over the past 18 months due to the effects of the pandemic.
- A significant number of Banyule residents are leaving the municipality for employment, presenting a potential opportunity to improve the job containment rate going forward.
- While COVID-19 has impacted the Banyule economy over the short-term, most industries have returned to growth and commenced recovery

4.3. THE ECONOMY AT A GLANCE

T1. BANYULE ECONOMIC SNAPSHOT

		BANYULE	GREATER MELBOURNE
	Population (2020, ERP)	131,940	5,159,211
	GRP (2019-20)	\$6.16B	\$378.89B
	Workers (2019-20)	49,765	2,693,754
	Businesses (2020)	11,460	513,962
	Top 3 highest employing sectors (jobs)	1. Health Care & Social Assistance 2. Education & Training 3. Retail Trade	1. Health Care & Social Assistance 2. Professional, Scientific & Technical Services 3. Retail Trade

4.4. INDUSTRY SECTOR PROFILE

An industry profile of Banyule's economy is provided in Table T2 for 2019-20. Data presented in this profile has been prepared by National Institute of Economic and Industry Research (NIEIR) using a range of economic modelling methods. More information on each indicator is provided in Appendix A.

Output by industry is a gross measure of the total sales of each industry sector. The largest sectors in terms of annual output include health care and social assistance (\$2.62 billion), construction (\$1.75 billion), manufacturing (\$822 million) and rental, hiring and real estate services (\$741 million).

With regard to employment, health care and social assistance (17,663) is also the largest contributor to the Banyule economy, followed by education and training (4,957), retail trade (4,359) and construction (3,293).

Exports by industry are sales of goods and services to non-resident households, businesses and other organisations, outside Banyule's municipal boundaries. Health care and social assistance (\$1.57 billion) provides more than 60% of Banyule's export value, while manufacturing (\$322 million) and education and training (\$106 million) also make up a significant share of local exports.

Value-added shows how productive each industry sector is at increasing the value of its inputs. In terms of value-added, health care and social assistance (\$1.65 billion) is Banyule's largest industry, followed by construction (\$441 million), education and training (\$397 million) and professional, scientific and technical services (\$339 million).

T2. INDUSTRY SUMMARY – BANYULE – 2019-20

Industry	Output		Employment		Exports		Value-added	
	\$m	%	#	%	\$m	%	\$m	%
Health Care and Social Assistance	2,619	25%	17,663	36%	1,568	63%	1,647	35%
Construction	1,749	17%	4,015	8.1%	9	0.4%	441	9.3%
Manufacturing	822	8.0%	2,985	6.0%	323	13%	245	5.2%
Rental, Hiring and Real Estate Services	741	7.2%	579	1.2%	11	0.4%	135	2.8%
Professional, Scientific and Technical Services	688	6.7%	3,050	6.1%	95	3.8%	339	7.2%
Education and Training	568	5.5%	4,957	10%	106	4.3%	397	8.4%
Public Administration and Safety	511	5.0%	2,485	5.0%	36	1.4%	306	6.5%
Retail Trade	470	4.6%	4,359	8.8%	44	1.8%	268	5.6%
Wholesale Trade	352	3.4%	975	2.0%	66	2.6%	159	3.3%
Administrative and Support Services	333	3.2%	1,371	2.8%	33	1.3%	180	3.8%
Financial and Insurance Services	325	3.1%	599	1.2%	23	0.9%	191	4.0%
Other Services	264	2.6%	2,065	4.1%	51	2.1%	128	2.7%
Transport, Postal and Warehousing	254	2.5%	1,011	2.0%	47	1.9%	95	2.0%
Accommodation and Food Services	248	2.4%	2,453	4.9%	38	1.5%	93	2.0%
Information Media and Telecommunications	155	1.5%	333	0.7%	15	0.6%	56	1.2%
Arts and Recreation Services	114	1.1%	678	1.4%	10	0.4%	31	0.7%
Electricity, Gas, Water and Waste Services	74	0.7%	108	0.2%	4	0.2%	24	0.5%
Agriculture, Forestry and Fishing	13	0.1%	62	0.1%	3	0.1%	5	0.1%
Mining	2	0.0%	18	0.0%	0	0.0%	1	0.0%
Total industries	10,301	100%	49,765	100%	2,480	100%	4,741	100%

Source: National Institute of Economic and Industry Research (NIEIR), 2021

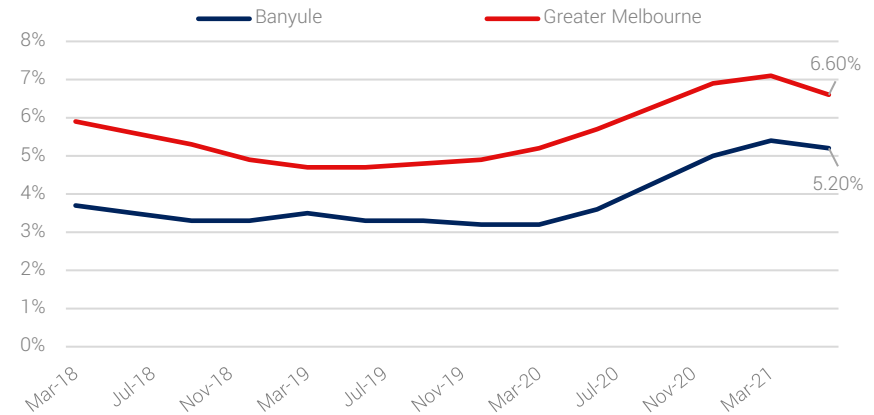
4.5. EMPLOYMENT

UNEMPLOYMENT

As at June 2021, Banyule's unemployment rate was 5.2%, slightly lower than Greater Melbourne (6.6%). Banyule's unemployment rate rose steadily in 2020, primarily due to the effects of the pandemic, before flattening in recent times as a result of the broader economic recovery across Australia.

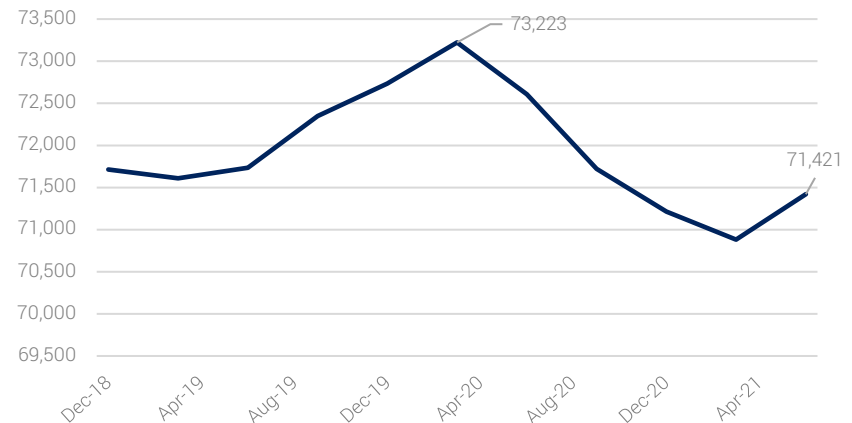
Banyule's labour force suffered a substantial decline as a result of the pandemic, falling from a peak of 73,223 workers in February to reach a low of 70,882 in March 2021. The economic recovery has resulted in a recent uptick in the size of the labour force to 71,421 workers in June 2021.

F13. UNEMPLOYMENT RATE – BANYULE & GREATER MELBOURNE



Source: Economy id, 2021

F14. SMOOTHED LABOUR FORCE – BANYULE



Source: National Skills Commission, 2021

EMPLOYMENT BY INDUSTRY

Table T3 shows employment by industry for jobs in Banyule in 2019-20. A high level of employment typically indicates an area of comparative advantage for a given area. Further details on the economic modelling methods used by NIEIR to estimate employment are provided in Appendix A.

Health care and social assistance is Banyule's highest employing industry, accounting for 36% of all jobs (17,633), followed by education and training with 4,957 jobs (10%), retail trade with 4,359 jobs (9%) and construction with 4,015 (8%).

In terms of aggregate employment growth over the past five years, health care and social assistance (+3,343 jobs) experienced the strongest growth, followed by construction (+722) and professional, scientific and technical services (+342). Transport, postal and warehousing registered the largest proportional growth rate (+31%) between 2014-15 and 2019-20.

Retail trade experienced the largest loss of employment, with a decline of 395 jobs over the past five years, while accommodation and food services (-192 jobs) and public administration and safety (-97 jobs) also suffered a fall in employment.

T3. BANYULE EMPLOYMENT BY INDUSTRY – 2015 TO 2020

Industry	2014-15	2019-20	Change	Growth
Health Care and Social Assistance	14,320	17,663	+3,343	23%
Education and Training	4,996	4,957	-39	-1%
Retail Trade	4,754	4,359	-395	-8%
Construction	3,293	4,015	+722	22%
Professional, Scientific and Technical Services	2,708	3,050	+342	13%
Manufacturing	2,869	2,985	+116	4%
Public Administration and Safety	2,582	2,485	-97	-4%
Accommodation and Food Services	2,645	2,453	-192	-7%
Other Services	1,773	2,065	+292	16%
Administrative and Support Services	1,319	1,371	+52	4%
Transport, Postal and Warehousing	773	1,011	+238	31%
Wholesale Trade	950	975	+25	3%
Arts and Recreation Services	740	678	-62	-8%
Financial and Insurance Services	593	599	+6	1%
Rental, Hiring and Real Estate Services	564	579	+15	3%
Information Media and Telecommunications	352	333	-19	-5%
Electricity, Gas, Water and Waste Services	122	108	-14	-11%
Agriculture, Forestry and Fishing	80	62	-18	-23%
Mining	53	18	-35	-66%
Total industries	45,485	49,765	+4,280	9%

Source: NIEIR 2021

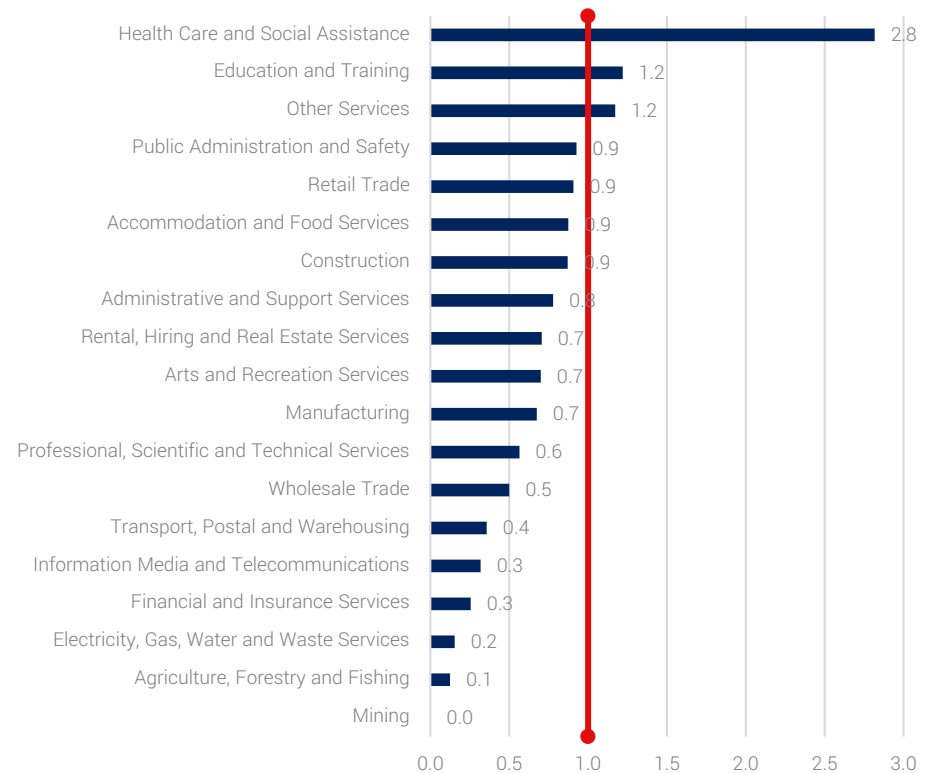
LOCATION QUOTIENT

To understand the economic strengths and industry specialisations in the City of Banyule, relative employment comparisons can be made using the Location Quotient (LQ) technique. The LQ compares the proportion of employment relative to the total jobs in two areas.

The following LQ analysis compares Banyule with the Greater Melbourne. An industry value of less than 1 indicates a low proportion of employment within that industry compared with Greater Melbourne. A value greater than 1 represents a higher proportion of employment and indicates a competitive advantage in that industry sector compared with Greater Melbourne.

The LQ analysis in Figure F15 indicates that the City of Banyule has a comparative employment advantage in health care and social assistance, education and training and other services.

F15. LOCATION QUOTIENT – BANYULE – 2019-20



Source: NIEIR 2021

4.6. LABOUR FORCE PROFILE

The Banyule labour force has a high representation of 'white collar' workers, reflected by the proportion of professionals (32%) particularly when benchmarked against Greater Melbourne. The municipality also has a relatively high share of community and personal services workers. The higher proportion of those two occupation types is primarily due to the strength of the municipality's public sector industries such as health care and social assistance and education and training.

In contrast, Banyule has a relatively lower proportion of managers (9%) and machinery operators and drivers (3%) than Greater Melbourne.

T4. OCCUPATIONS – BANYULE & GREATER MELBOURNE - 2016

Occupations	Banyule	Greater Melbourne
Managers	9%	14%
Professionals	32%	26%
Technicians and Trades Workers	13%	12%
Community and Personal Service Workers	14%	10%
Clerical and Administrative Workers	13%	14%
Sales Workers	9%	10%
Machinery Operators And Drivers	3%	6%
Labourers	7%	8%
Inadequately described or not stated	1%	2%
Total Persons	100%	100%

Source: Occupation, Census of Population and Housing, ABS, 2016

Banyule's workforce has a relatively similar qualification profile to Greater Melbourne, with a large share of workers (39%) possessing a bachelor or higher degree, and a lower share of the labour force (28%) with no qualifications.

Nearly 20% of the Banyule workforce possess a certificate level qualification, while a further 11% hold a diploma.

T5. QUALIFICATIONS – BANYULE & GREATER MELBOURNE – 2016

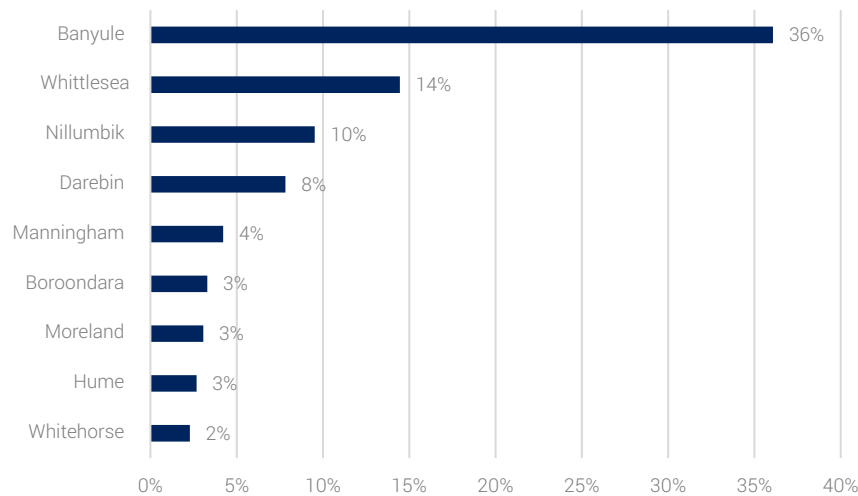
Qualifications	Banyule	Greater Melbourne
Bachelor or Higher degree	39%	38%
Advanced Diploma or Diploma	11%	12%
Certificate I and II Level	1%	1%
Certificate III & IV Level	16%	15%
Certificate Level, nfd	2%	2%
No qualification	28%	30%
Inadequately described or not stated	3%	3%
Total Persons	100%	100%

Source: Occupation, Census of Population and Housing, ABS, 2016

IN-COMMUTING

Figure F16 shows the residential location (LGA) of workers in the City of Banyule. The figure shows that 36% of workers live locally in Banyule. A smaller proportion of workers live in Whittlesea (14%), Nillumbik (10%) and Darebin (8%).

F16. IN-COMMUTING – BANYULE – 2016



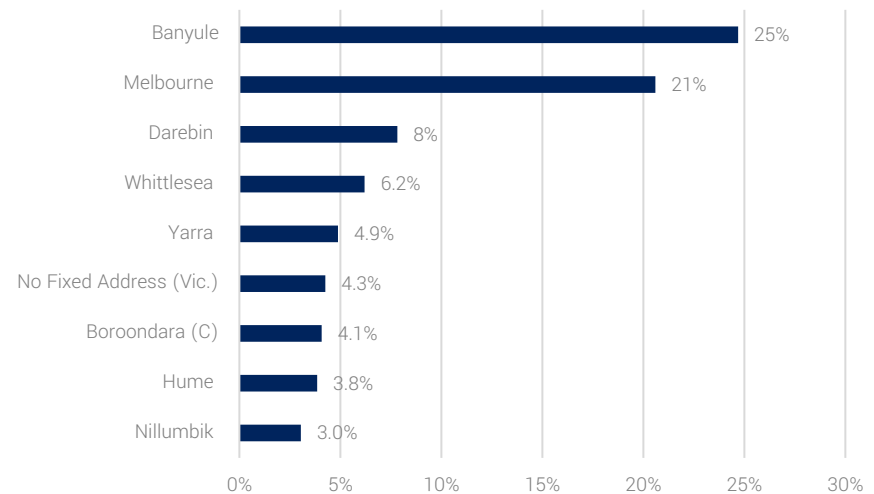
Source: Census of Population and Housing, ABS, 2016

OUT-COMMUTING

Figure F17 shows the employment location of working residents from Banyule. Banyule has a job containment rate of 25%, representing the proportion of employed residents that both live and work in the municipality.

A significant proportion (21%) of employed persons travel to the City of Melbourne for employment, while Banyule residents also travel to the adjacent municipalities of Darebin (8%) and Whittlesea (6%) and Boroondara (4%), as well as Yarra (5%).

F17. OUT-COMMUTING – BANYULE – 2016



Source: Census of Population and Housing, ABS, 2016

EXPORTING LABOUR

Table T6 shows the employment location of working residents from Banyule across the top 10 employing industries. This provides an insight into the travel patterns of Banyule's employed residents to understand whether any trends exist.

Melbourne is currently capturing a significant number of office workers from Banyule in the industries of professional, scientific and technical services and public administration and safety. This is a relatively common trend given the large number of businesses and government organisations situated in the Melbourne CBD, however, it highlights a potential opportunity to explore the appetite for professional

worker relocation (or increased time working from home) to their residential locality (Banyule) that provides other benefits such as reduced travel times and congestion as well as more green spaces.

A large number of health and education workers are also travelling to the City of Melbourne for work. A significant number of health workers are also travelling to adjacent municipalities for work, indicating a potential opportunity to attract resident workers to address existing workforce shortages.

T6. OUT COMMUTING BY EMPLOYMENT INDUSTRY – BANYULE – 2016

	Melbourne	Whittlesea	Darebin	Yarra	Boroondara	Hume	Manningham	Moreland	Nillumbik	Port Phillip	Whitehorse
Health Care and Social Assistance	990	624	574	651	434	98	266	215	264	104	359
Education and Training	884	585	875	236	455	167	259	161	366	52	216
Retail Trade	376	438	717	293	246	124	368	139	190	72	117
Construction	368	330	218	171	116	193	72	82	144	115	104
Professional, Scientific and Technical Services	2,239	115	184	408	299	46	85	35	70	263	110
Manufacturing	288	436	344	93	55	507	32	121	48	52	54
Public Administration and Safety	1,575	173	327	102	89	122	69	97	104	42	148
Accommodation and Food Services	482	148	336	147	116	43	103	54	177	57	32
Other Services	293	96	174	95	89	56	68	49	86	56	78
Administrative and Support Services	392	76	79	57	59	54	29	20	27	53	58

Source: Census of Population and Housing, ABS, 2016

4.7. BUSINESS

BUSINESS BY INDUSTRY

Table T7 shows the number of businesses by industry sector in the City of Banyule in 2020. In 2020, there were 11,460 businesses registered in Banyule, an increase of 745 since 2017.

Non-employing businesses and small businesses (employing 1-19 people) account for 98% of all registered businesses in the municipality.

A notable proportion of the Banyule businesses base are in the construction industry (20%), followed by professional, scientific and technical services (15%) and rental, hiring and real estate services (10%).

There are 177 businesses in Banyule that employ between 20 and 199 employees and 6 with more than 200 employees.

T7. BUSINESS BY INDUSTRY & NO. OF EMPLOYEES – BANYULE – 2020

Industry	Non-employing	1-19	20-199	200+	Total
Construction	1,381	832	15	0	2,236
Professional, Scientific and Technical Services	1,081	678	12	0	1,772
Rental, Hiring and Real Estate Services	1,049	113	3	0	1,169
Financial and Insurance Services	997	156	3	0	1,157
Health Care and Social Assistance	669	360	19	0	1,045
Transport, Postal and Warehousing	612	109	4	0	722
Retail Trade	294	295	28	0	616
Other Services	197	272	3	0	473
Administrative and Support Services	267	154	21	0	444
Manufacturing	173	187	35	0	395
Accommodation and Food Services	133	239	16	3	388
Wholesale Trade	204	157	8	0	376
Education and Training	120	77	8	3	206
Arts and Recreation Services	117	46	3	0	167
Information Media and Telecommunications	81	34	3	0	115
Agriculture, Forestry and Fishing	76	15	0	0	92
Public Administration and Safety	17	20	0	0	38
Electricity, Gas, Water and Waste Services	18	8	0	0	28
Currently Unknown	23	6	0	0	28
Mining	4	0	0	0	4
Total	7,518	3,763	177	6	11,460

Source: ABS, Counts of Australian Businesses, 2020

SHORT TERM BUSINESS GROWTH

Table T8 summarises Banyule business growth between 2017 and 2020. In that time, the transport, postal and warehousing sector added 146 businesses, while 138 new health care and social assistance businesses were established.

Other notable short term business growth occurred in the professional, scientific and technical sector (+117 businesses) and the construction industry (+121 businesses). The arts and recreation services sector experienced the strongest proportional growth rate over the past three years, with a 28% uplift in the number of businesses operating in Banyule in that industry.

T8. BUSINESS BY INDUSTRY – BANYULE – 2020 & GROWTH SINCE 2017

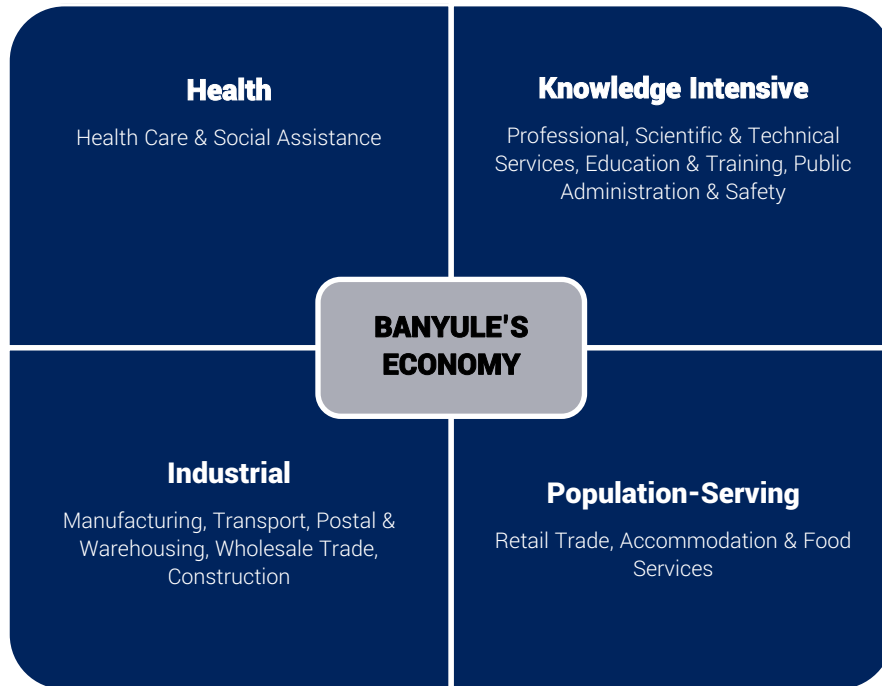
Industry	2020			Change 2017-20		
	#	%	Gtr. Melb	#	%	AAGR
Construction	2,236	20%	17%	121	6%	1.1%
Professional, Scientific and Technical Services	1,772	15%	13%	117	7%	1.4%
Rental, Hiring and Real Estate Services	1,169	10%	11%	15	1%	0.3%
Financial and Insurance Services	1,157	10%	9%	60	5%	1.1%
Health Care and Social Assistance	1,045	9.1%	6%	138	15%	2.9%
Transport, Postal and Warehousing	722	6.3%	9%	146	25%	4.6%
Retail Trade	616	5.4%	6%	-5	-1%	-0.2%
Other Services	473	4.1%	4%	30	7%	1.3%
Administrative and Support Services	444	3.9%	4%	46	12%	2.2%
Manufacturing	395	3.4%	4%	0	0%	0.0%
Accommodation and Food Services	388	3.4%	4%	14	4%	0.7%
Wholesale Trade	376	3.3%	4%	1	0%	0.1%
Education and Training	206	1.8%	1%	30	17%	3.2%
Arts and Recreation Services	167	1.5%	1%	37	28%	5.1%
Information Media and Telecommunications	115	1.0%	1%	21	22%	4.1%
Agriculture, Forestry and Fishing	92	0.8%	6%	-5	-5%	-1.1%
Public Administration and Safety	38	0.3%	0%	2	6%	1.1%
Industry not classified	28	0.2%	0%	-23	-45%	-11%
Electricity, Gas, Water and Waste Services	28	0.2%	0%	4	17%	3.1%
Mining	4	0.0%	0%	-4	-50%	-13%
Total business	11,471	100%	100%	745	7%	1.4%

Source: ABS, Counts of Australian Businesses, 2020

4.8. ECONOMIC PILLARS

Based on the analysis presented in this section, Banyule has a diverse and dynamic economy that is driven by the four key areas outlined in Figure F18.

F18. BANYULE'S INDUSTRY COMPOSITION



4.9. INDUSTRY SPECIALISATIONS

The following section provides sub-sector economic analysis for key industries in Banyule, including:

- Health care and social assistance;
- Education and training;
- Retail trade;
- Construction;
- Manufacturing; and
- Professional, scientific and technical services.


The analysis focuses on key economic indicators including employment and output, and is benchmarked against Greater Melbourne to understand the profile of Banyule's key industries. The sub-sector analysis is also useful in identifying growth and emerging sub-sector activities and specialisations, as well as those that may be in decline.

HEALTH CARE & SOCIAL ASSISTANCE

Health care and social assistance is the largest industry in Banyule across all key economic indicators and represents a key sector of specialisation for the municipality.

The medical precinct in Heidelberg is a significant driver of the local economy and is the main focus for employment in the local health industry. The precinct comprises the Mercy and Austin Hospitals and clustered medical and allied health industries.

T9. HEALTH CARE & SOCIAL ASSISTANCE SNAPSHOT

	Businesses	Jobs	Highest employing sub-sector	Output
	1,045	17,663	Hospitals	\$2.62 billion

The hospitals sub-sector provides 19% of the municipality's employment base and is supported by the various health precincts throughout the municipality. In contrast, Greater Melbourne's hospital sub-sector accounts for less than 4% of total employment, highlighting the significant strength of this sub-sector specialisation for Banyule.

Medical and other health care services (4,445 jobs and \$467 million economic output) is also a significant sub-sector for Banyule, particularly when compared to the proportional employment and output profile of Greater Melbourne.

Social assistance services and residential care services provide a smaller contribution to the Banyule economy, however, still comprise a larger proportion of employment and output than in Greater Melbourne.


T10. HEALTH CARE & SOCIAL ASSISTANCE SUB SECTOR ANALYSIS – BANYULE – 2019-20 (GROWTH SINCE 2016-17)

Sub sector	Employment				Output			
	#	%	Gtr Melb	Growth	\$M	%	Gtr Melb	Growth
Hospitals	9,542	19%	3.8%	+1,680	1,773	17%	2.5%	+795
Medical and Other Health Care Services	4,445	8.9%	4.0%	+896	467	4.5%	1.5%	+120
Social Assistance Services	2,655	5.3%	3.3%	+928	248	2.4%	1.0%	+73
Residential Care Services	1,021	2.1%	1.6%	-160	131	1.3%	0.7%	-19
Total	17,663	36%	13%	+3,343	2,619	25%	5.8%	+969

Source: NIEIR, 2021

EDUCATION & TRAINING

T11. EDUCATION & TRAINING SNAPSHOT

	Businesses	Jobs	Highest employing sub-sector	Output
	206	4,957	Preschool and school education	\$568 million

Education and training is the second largest industry in Banyule in terms of employment and is primarily supported by the preschool and school education sub-sector. This sub-sector accounts for 7.3% of Banyule's employment and 4.3% of the municipality's output, representing a significantly higher share than Greater Melbourne.

Adult, community and other services (1.9% of employment) and tertiary education (0.8%) represent a much smaller share of the municipality's economy. It should be noted that Latrobe University is situated outside Banyule's municipal boundary and thus is not captured within the education data.

T12. EDUCATION & TRAINING SUB SECTOR ANALYSIS – BANYULE – 2019-20 (GROWTH SINCE 2016-17)

Sub sector	Employment				Output			
	#	%	Gtr Melb	Growth	\$M	%	Gtr Melb	Growth
Preschool and School Education	3,627	7.3%	4.3%	-244	441	4.3%	1.9%	+69
Adult, Community and Other Education	941	1.9%	1.5%	+235	54	0.7%	1.6%	+19
Tertiary Education	390	0.8%	2.4%	-30	73	0.5%	0.3%	-8.2
Total	4,957	10%	8.2%	-39	568	5.5%	3.8%	+79


Source: NIEIR, 2021

⁶ Note this sub-sector includes department stores, clothing and apparel retailing, hardware, building and garden suppliers, recreational goods and furniture retailers

RETAIL TRADE

Despite suffering a moderate decline over the past five years, the retail industry is still considered a significant contributor to the local Banyule economy. The various activity centres throughout the municipality support a large number of businesses and jobs within Banyule, and will continue to do so in the face of a range of external pressures (see Section 3.3 for further detail).

T13. RETAIL SNAPSHOT

	Businesses	Jobs	Highest employing sub-sector	Output
	616	4,359	Other store-based retailing	\$470 million

The largest sub-sector in the retail industry is other store-based retailing, which supports 2,273 jobs and generates \$254 million of economic output.⁶ Food retailing is also a significant sub-sector, employing 1,571 people and generating output of \$140 million.

Both the key retail sub-sectors experienced employment declines between 2016-17 and 2019-20, likely due to a host of factors including the rise of online retail as well as the impacts of the COVID-19 pandemic.


T14. RETAIL TRADE SUB SECTOR ANALYSIS – BANYULE – 2019-20 (GROWTH SINCE 2016-17)

Sub sector	Employment				Output			
	#	%	Gtr Melb	Growth	\$M	%	Gtr Melb	Growth
Other Store-Based Retailing	2,273	4.6%	5.6%	-103	254	2.5%	2.3%	+18
Food Retailing	1,571	3.2%	2.8%	-242	140	1.4%	1.0%	-8.3
Motor Vehicle and Motor Vehicle Parts Retailing	403	0.8%	0.8%	-46	58	0.6%	0.4%	-17
Fuel Retailing	85	0.2%	0.2%	+1	16	0.2%	0.1%	+8
Non-Store Retailing and Retail Commission Based Buying	27	0.1%	0.2%	-5	2	0.0%	0.1%	-0.1
Total	4,359	8.8%	9.7%	-395	470	4.6%	4.0%	-6

Source: NIEIR, 2021

CONSTRUCTION

T15. CONSTRUCTION SNAPSHOT

	Businesses	Jobs	Highest employing sub-sector	Output
	2,236	4,015	Construction services	\$1.75 billion

Within the construction industry, the construction services sub-sector is the largest contributor, generating \$943 million output and employing 2,937 people. Building construction (894 jobs) and heavy and civil engineering construction (184 jobs) are the other sub-sectors which make up the construction industry.

T16. CONSTRUCTION SUB SECTOR ANALYSIS – BANYULE – 2019-20 (GROWTH SINCE 2016-17)


Sub sector	Employment				Output			
	#	%	Gtr Melb	Growth	\$M	%	Gtr Melb	Growth
Construction Services	2,937	5.9%	5.7%	+472	943	9.2%	7.8%	+343
Building Construction	894	1.8%	2.9%	+184	719	7.0%	5.6%	+237
Heavy and Civil Engineering Construction	184	0.4%	0.7%	+67	87	0.8%	1.3%	+34
Total	4,015	8.1%	9.3%	+722	1,749	17.0%	14.7%	+614

Source: NIEIR, 2021

MANUFACTURING

Banyule's manufacturing industry is supported by three key industrial precincts including Bundoora, Greensborough and Heidelberg West. These precincts are experiencing a transition phase, in-line with a broader national trend, away from large-scale traditional manufacturing to more technical and advanced manufacturing.

T17. MANUFACTURING SNAPSHOT

	Businesses	Jobs	Highest employing sub-sector	Output
	395	2,985	Food product manufacturing	\$822 million

Food product manufacturing is the largest sub-sector within the manufacturing industry, supporting 518 jobs and generating \$194 million of output in 2019-20. Other key employment sub-sectors include furniture and other (410 jobs), printing (409 jobs) and machinery and equipment (365 jobs). In comparison to Greater Melbourne, Banyule has a relatively similar proportional employment and output profile across the manufacturing sub-sectors.

Furniture and other manufacturing (+122 jobs) experienced the strongest employment growth since 2016-17 followed by wood product manufacturing (+34 jobs) and food product manufacturing (+26 jobs).

T18. MANUFACTURING SUB SECTOR ANALYSIS – BANYULE – 2019-20


Sub sector	Employment				Output			
	#	%	Gtr Melb	Growth	\$M	%	Gtr Melb	Growth
Food Product Manufacturing	518	1.0%	1.6%	+26	194	1.9%	2.4%	-3.2
Furniture and Other Manufacturing	410	0.8%	0.7%	+122	30	0.3%	0.2%	+2.3
Printing (including the Reproduction of Recorded Media)	409	0.8%	0.6%	+11	33	0.3%	0.2%	-26
Machinery and Equipment Manufacturing	365	0.7%	1.0%	-48	104	1.0%	0.9%	-0.7
Primary Metal and Metal Product Manufacturing	271	0.5%	0.4%	+22	76	0.7%	0.4%	-34
Fabricated Metal Product Manufacturing	255	0.5%	0.6%	-22	149	1.4%	1.2%	+2.5
Pulp, Paper and Converted Paper Product Manufacturing	173	0.3%	0.3%	+31	55	0.5%	0.3%	-5.7
Textile, Leather, Clothing and Footwear Manufacturing	161	0.3%	0.5%	-21	19	0.2%	0.2%	-11
Wood Product Manufacturing	136	0.3%	0.4%	+34	47	0.5%	0.4%	+5.1
Polymer Product and Rubber Product Manufacturing	96	0.2%	0.6%	-10	37	0.4%	0.8%	-6.4
Transport Equipment Manufacturing	85	0.2%	1.0%	-16	21	0.2%	0.8%	-25
Basic Chemical and Chemical Product Manufacturing	73	0.1%	0.6%	-3	39	0.4%	1.1%	+4
Non-Metallic Mineral Product Manufacturing	21	0.0%	0.3%	-9	12	0.1%	0.7%	-2.0
Beverage and Tobacco Product Manufacturing	14	0.0%	0.2%	-1	5	0.1%	0.4%	-4.1
Petroleum and Coal Product Manufacturing	0	0.0%	0.1%	--	0	0.0%	1.2%	--
Total	2,985	6.0%	8.9%	+116	822	8.0%	11.3%	-108

Source: NIEIR, 2021

PROFESSIONAL, SCIENTIFIC & TECHNICAL SERVICES

Professional, scientific and technical services provides a substantial level of employment and business activity within Banyule. The industry is primarily supported by small enterprises, often operating as home-based businesses, and represents a potential growth industry for Banyule, particularly given some of the recent macroeconomic trends (see Section 3.3) as well as Banyule's strategic location in proximity to the Melbourne CBD.

T19. PROFESSIONAL SERVICES SNAPSHOT

	Businesses	Jobs	Highest employing sub-sector	Output
	1,772	3,050	Professional, scientific and technical services	\$688 million

The professional, scientific and technical services sub-sector (2,675 jobs and \$607 million output) accounts for the majority of employment and output within the broader industry, with computer system design and related services (374 jobs and \$81 million output) accounting for the balance.

Both sub sectors experienced strong employment and output growth over the past four years, but still represent a significantly smaller share of the local economy than in Greater Melbourne. Given the

T20. PROFESSIONAL SERVICES SUB SECTOR ANALYSIS – BANYULE – 2019-20 (GROWTH SINCE 2016-17)

Sub sector	Employment				Output			
	#	%	Gtr Melb	Growth	\$M	%	Gtr Melb	Growth
Professional, Scientific and Technical Services	2,675	5.4%	7.8%	+272	607	5.9%	6.8%	+44
Computer System Design and Related Services	374	0.8%	3.0%	+70	81	0.8%	2.3%	+5
Total	3,050	6.1%	10.8%	+342	688	6.7%	9.2%	+49

Source: NIEIR, 2021

4.10. VISITOR ECONOMY PROFILE

OVERVIEW

The Banyule visitor economy provides an important contribution to local economy, in terms of total employment (1,659 jobs or 3.9% of total employment) and total output (\$304 million or 2.6% of total output).

Banyule's strengths as a destination are focused on its recreation and environmental resources given its strategic location within the Yarra River catchment. The Yarra River, Darebin Creek and Plenty River all run through the municipality, providing important areas of public open space and a substantial provision of indigenous vegetation.

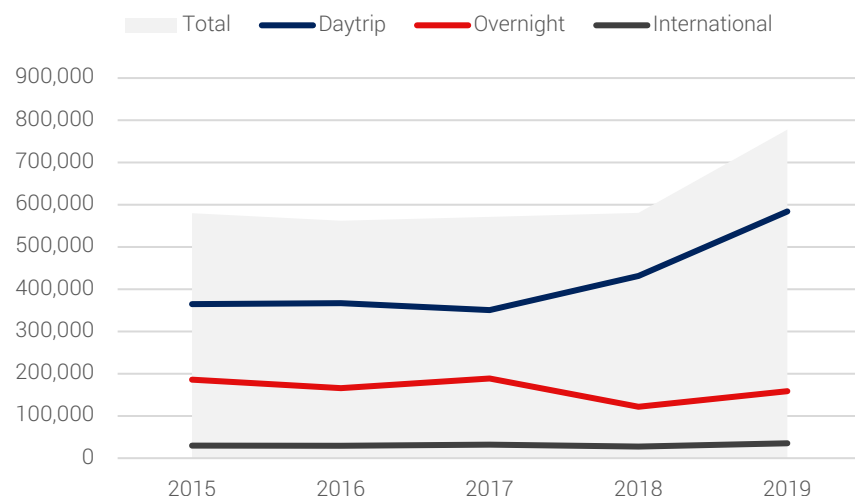
Banyule's value proposition surrounds its commercial centres, which include the Greensborough Principal Activity Centre, Heidelberg Specialised and Majority Activity Centre and the Ivanhoe Major Activity Centre. These commercial centres provide high-quality amenity and service which attract the visitor economy in conjunction with the diverse festivals, exhibitions and galleries held all-year round. Visitors are also attracted by high quality health and education institutions which are a significant contributor to the local economy and the flow-on economic benefits this brings to the area.

The municipality's available access through the Hurstbridge line provides an advantageous position to leverage its local attraction to visitors from Melbourne CBD and surrounding inner-metropolitan suburbs, including non-local, regional and interstate visitors. This delivers important economic benefits through increases in visitor spend (i.e. local consumption) and job creation.

VISITATION

In 2019, the municipality received almost 780,000 visitors, which consists of approximately 580,200 (75%) domestic day trips, 158,600 (20%) overnight trips and 35,200 international visitors (5%). This represents growth of around 197,800 visitors or 6% pa. since 2015, which is slightly more conservative than the growth experienced by the Melbourne tourism region over the same period (9% p.a.).

F19. BANYULE VISITATION 2015-2019



Source: Tourism Research Australia, 2021

VISITOR EXPENDITURE

As visitor data is collected via surveys conducted by Tourism Research Australia (TRA), to account for small sample sizes and improve the reliability of results, the following presents visitor data as a 5-year average from 2015-2019.

As shown in Table T21, average visitor spend in Banyule totals \$277 million p.a. driven by domestic overnight (51%) and international (34%) visitors.

However, average spend per trip for daytrips (\$102), overnight (\$859), international visitors (\$3,025) are relatively lower than the Melbourne tourism region. This presents opportunities to capture additional yield through provision of quality products and commissionable experiences, which will increase the value of the visitor economy.

T21. VISITOR SPEND (5-YEAR AVERAGE) 2015-2019

Visitor Type	Visitation	Average Expenditure	Total Expenditure	%
Domestic Daytrip	419,600	\$102	\$43 million	15%
Domestic Overnight	164,100	\$859	\$141 million	51%
International	30,800	\$3,025	\$93 million	34%
Total	614,500		\$277 million	100%

Source: TRA, NVS and IVS, 2015-2019 year ending June 30; REMPLAN 2021; derived by Urban Enterprise

VISITOR TRENDS & PREFERENCES

Other key findings for the Banyule visitor economy are summarised below:

- The primary purpose of visitation was to 'visit friends and relatives' (VFR), followed by 'other' reasons and 'holidays'. Generally, VFR markets typically generate less visitor expenditure compared to holiday visits in which visitors are open to undertake a greater variety of activities and experiences.
- Consistent with the VFR findings, activities most often undertaken include visiting friends & relatives, eating out/ dining and shopping for pleasure. Linking the activities with the reasons for visiting highlights the importance of the activity centres in attracting a stronger visitor economy, specifically around Greensborough, Ivanhoe, Heidelberg and Viewbank-Yallambie.
- Nearly half of all visitors travel to Banyule alone (48%), followed by adult couples (24%) and families with children (16%). This may play an important role in targeting different tourist accommodation within the region.

4.11. COVID-19 IMPACTS & RECOVERY

Analysing the short-term and ongoing impacts of COVID-19 on businesses and the economy is important to identify focus areas for recovery assistance and ensure the economy returns to growth.

Impact on Employment

From March 2020 (i.e. pre-COVID-19), Banyule experienced monthly job losses between April 2020 and January 2021, with the peak impact occurring in August 2020, which saw jobs decrease by 1,420. The hardest hit industries included those that rely on population movements and travel, including Health Care and Social Assistance (-349 jobs), Retail Trade (-238), Education and Training (-223) and Accommodation and Food Services (-106).

The latest data shows that the economy subsequently returned to growth (compared to pre-covid levels) from January 2021 onwards, increasing by 284 jobs in June 2021 (since March 2020). Note: these growth trends are likely to be impacted by the ongoing lockdowns since July 2021. These impacts will be identified in the next data release (September 2021 quarter) and updated in this report.

Impact on Output

Similar to the impact on employment, the peak impact for monthly output losses occurred in August 2020 (-\$61 million), with monthly decreases occurring between April 2020 and December 2020.

From January 2021 onwards, the level of monthly economic output marginally increased above pre-COVID-19 levels (as most industries returned to growth), with an increase of \$11 million in June 2021.

Impact on the Visitor Economy

The ongoing restrictions on population movement and travel has significantly affected the visitor economy, as well as businesses dependent on tourism. Between 2019 and 2020, as a direct result of COVID-19 restrictions, total visitation decreased by 343,000 visitors (-44%), which led to a decline in visitor spend by some \$141 million (-50%). This is attributed to a reduction in both domestic daytrip and overnight markets, as well as the closure of international borders.

While COVID-19 has impacted the Banyule economy over the short-term, most industries have returned to growth and commenced recovery. However, targeted recovery support is required for 'harder-hit' industries to promote growth, particularly tourism and hospitality businesses that are consumer facing and rely on travel.

With the expectation that restrictions will ease toward the end of 2021, Council and industry should prepare for a substantial rise in domestic tourism in the short-term – as well as the longer-term reopening of international borders – and identify strategies that leverages both daytrip and overnight travel and supports visitor economy growth.

5. ECONOMIC PRECINCTS

5.1. OVERVIEW

This section provides an overview of the various economic precincts located in Banyule, including the activity centre network and industrial precincts.

5.2. KEY FINDINGS

- **The Economic Development Strategy should consider the longer term industry opportunities for the La Trobe NEIC that can leverage from the comparative advantages of the cluster and the existing business base. This should consider ways for businesses to collaborate further, including the role of institutions and their relationship with the private sector.**
- **On the surface activity centres with a special rate and charge scheme are performing well, most have low vacancies and relatively diverse business mix, though some centres have the potential to improve this area. However, it is difficult to accurately determine performance of these centres due to a lack of legitimate measurements undertaken by Council.**
- **There is scope to improve the marketing and administrative activities undertaken by the traders' associations to improve the overall performance of the activity centre network**
- **There is an emerging and changing role for the HWBP. Whilst it continues to provide manufacturing and warehousing in a traditional industrial form, there is an evolving role for the precinct in supporting higher technology production and services.**
- **Banyule's minor activity centres have limited opportunity to invest in placemaking initiatives to improve the vibrancy and economic performance, and there is limited information available related to past investment.**
- **Ensuring that all activity centres in Banyule are captured within the activity centre network management model is critical to the overall success of the network.**

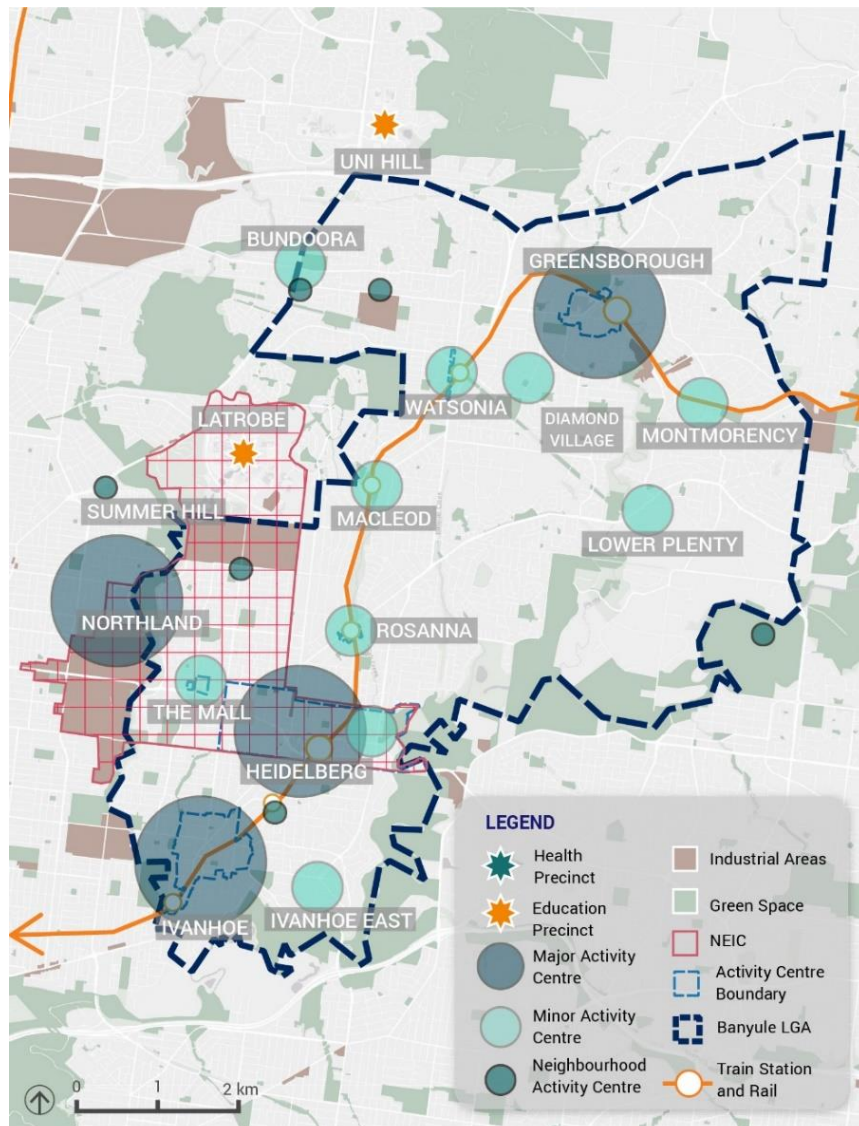
5.3. ACTIVITY CENTRE NETWORK & INDUSTRIAL PRECINCTS

Banyule is renowned for its established activity centres and shopping precincts, which are scattered across the municipality (see Figure F20). These areas service both residents and visitors, supporting local consumer spend and providing local employment opportunities, primarily through retail, hospitality, professional services businesses and commercial office spaces. As such, they provide an important social, economic, environmental and infrastructure role for the municipality.

The municipality also includes key commercial corridors, health and education precincts that delivers key services to residents and supports economic activity and local employment. A visual representation of the major activity centres, employment precincts and other key assets for Banyule are illustrated in Figure F20, which includes:

- Major activity centres at Heidelberg, Ivanhoe and Greensborough, which largely supports retail and hospitality businesses. However, as there is limited specialised employment precincts in Banyule (i.e. business parks), these activity centres are critical for supporting jobs within the municipality, particularly for commercial and office-based businesses;
- A health precinct in Heidelberg (Austin, Mercy, Warringal and Heidelberg Repatriation Hospitals);
- The La Trobe National Employment and Innovation Cluster (La Trobe University, Northland Activity Centre, Heidelberg Activity Centre and the Austin Hospital);
- Industrial precincts in Heidelberg West, Bundoora and Greensborough;
- Key public transport nodes and road transport infrastructure; and
- High concentration of public and private schools, which are scattered across the municipality.

F20. BANYULE ACTIVITY CENTRES & EMPLOYMENT PRECINCTS



5.4. LA TROBE NEIC

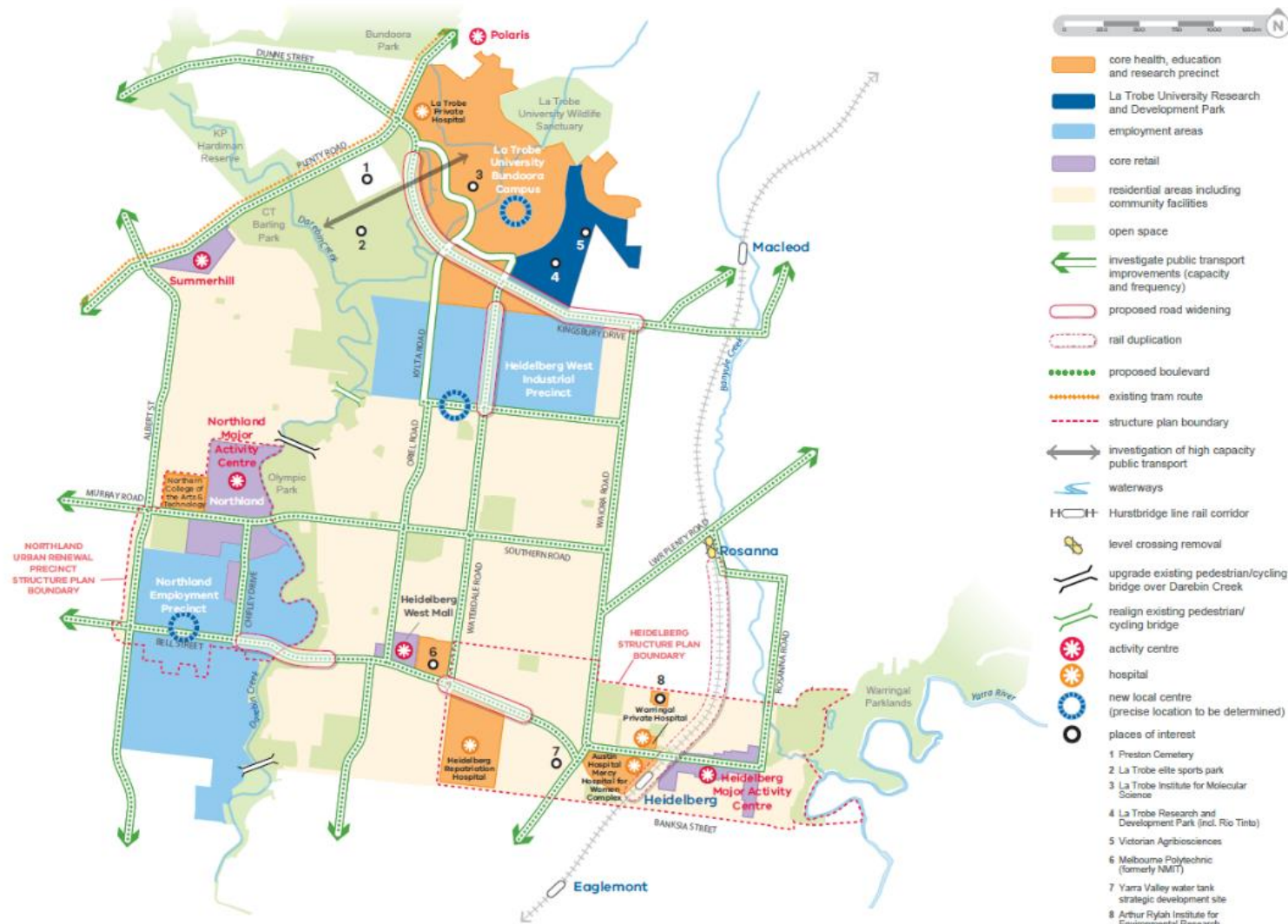
The La Trobe National Employment and Innovation Cluster (see Figure F21) is defined by the Victorian Planning Authority and includes Latrobe University, Northland Activity Centre, Heidelberg Activity Centre and the Austin Hospital. More than half of the land in the cluster is within Banyule and importantly the Heidelberg West Business Park which has a major industry role.

The cluster has potential for further development of industry and jobs across the fields of research, high tech industry and health. There have been a number of studies for the cluster including Banyule Business Monitor Results, State Significant Employment Precincts Business Intensions Survey and Latrobe Employment Cluster Draft Framework Plan.

Other than the Business Monitor report there is little work undertaken which identifies the future economic development opportunities in the cluster.

The Economic Development Strategy should consider the longer term industry opportunities that can leverage from the comparative advantages of the cluster and the existing business base. This should consider ways for businesses to collaborate further, including the role of institutions and their relationship with the private sector.

F21. LA TROBE NATIONAL EMPLOYMENT & INNOVATION CLUSTER



Source: Victorian Planning Authority, 2017

5.5. INDUSTRIAL PRECINCTS

HEIDELBERG WEST BUSINESS PARK

Heidelberg West Business Park (HWBP) is Banyule's largest industrial hub, hosting approximately 600 businesses that employ over 4,500 people. The precinct accounts for approximately 10% of all jobs within the municipality.

HWBP recently established a traders' association to provide marketing, advocacy, placemaking and business support for the businesses located within the precinct.⁷ The association is led by a voluntary committee comprising business owners from the business park and was provided with \$150,000 seed funding from Council to assist in establishing the group. . The association is expected to also receive funding via annual membership fees (once established), with approximately 120 full members currently.

In 2016, a survey of the business park traders indicated the economic performance of the precinct had experienced a relatively stable period with limited growth.⁸ The survey had 83 respondents and showed a relatively diverse mix of businesses that have been established for a substantial period of time (primarily more than 10 years). The survey also indicated a moderate level of business confidence existed within the precinct, with nearly 90% of respondents saying their financial position either remained the same or improved compared to the previous year.

Recent consultation indicated that there are only a small number of vacancies in the precinct, with the key strengths identified as its proximity to the Melbourne CBD and lower rents. However, as is the case with the municipality's activity centres, it is difficult to assess the overall performance of the precinct due to a lack of useful time series economic indicators.

There is an emerging and changing role for the precinct. Whilst it continues to provide manufacturing and warehousing in a traditional industrial form, there is an evolving role for the precinct in supporting higher technology production and services. The precinct currently lacks strategic direction and a comprehensive

review into the changing nature of the park is critical to determine needs for the precinct and realise future opportunities.

OTHER INDUSTRIAL PRECINCTS

The other industrial precincts within the municipality serve a relatively local catchment and have limited oversight and investment from Council. There is limited publicly available information available on these precincts, making it difficult to accurately assess their performance and investment.

There is scope for the activity centre (and industrial precinct) management model to have a more wholistic approach that provides increased management and oversight of these industrial precincts.

⁷ Heidelberg West Business Park Association Annual Report 2020-2021

⁸ Heidelberg West Industrial Estate Business Monitor Results 2016

5.6. ACTIVITY CENTRES

5.6.1. ACTIVITY CENTRES WITH A SPECIAL RATE & CHARGE SCHEME

HEIDELBERG

The Heidelberg Major Activity Centre (MAC) is strategically located just 12km from the Melbourne CBD, on a number of key transport routes including Bell Street, Rosanna Road, Banksia Street, Upper Heidelberg Road, and the Hurstbridge Rail line. Heidelberg is strategically positioned as the only major centre in Banyule which has easy accessibility to Melbourne's eastern suburbs with good east-west road connections.

The MAC study area is a large and diverse precinct, which has a vibrant main street, convenient retail and commercial services, attractive residential precincts and major hospitals. Heidelberg has the largest health services precinct in Melbourne's north east.

Heidelberg was once considered a separated 'specialised' activity centre based on the scale of the health precinct at the western end of the centre and Warringal Shopping Centre at the eastern edge. However, due to the emerging high rise apartment projects and mixed used development the centre is creating a diverse mix of land uses and a more integrated activity centre.

Heidelberg has high levels of retail occupancy and a broad business mix that includes health, professional services, personal services and retail. It acts primarily to support the local catchment for essential retail and services, and also includes a food, dining and entertainment offer. Its proximity to the extensive Yarra parkland is an important consideration for attracting residents and businesses to the precinct and positioning for visitors.

Links between the Austin hospital precinct and Burgundy Street also suffer due to the Hurstbridge railway cutting the precinct in two. Future consideration of how the precinct can be strengthened by improving wayfinding signage and clear connectivity would improve footfall on Burgundy Street and support high levels of spend.

Overall, the centre is performing well and has much opportunity to expand as a business hub and vibrant retail and entertainment precinct. Delivery of the North East Link may provide long term benefit for the commercial area on Lower Heidelberg Road which currently suffers from exceptionally high traffic volumes.

GREENSBOROUGH

The Greensborough MAC is in the northern part of Banyule and is the largest retail centre in the municipality. It is anchored by Greensborough Plaza, a major regional shopping centre, which draws on a catchment which extends across Melbourne's northeast. It is located between Para Road and Grimshaw Street, near the Greensborough Bypass and the start of the Metropolitan Ring Road.

Greensborough was formerly designated as a Principal Activity Centre (under the Melbourne 2030 Activity Centre Hierarchy), meaning that it had a greater prominence than Heidelberg. Despite not attracting the same level of investment than the southern centres in recent years (i.e. Ivanhoe and Heidelberg), the centre is well positioned to accommodate future growth and expansion.

Whilst Greensborough activity centre is the largest in terms of retail floorspace in Banyule it lacks diversity in business mix and limited higher density residential development.

The delivery of WaterMarc, along with the relocation of Council offices, has strengthened Greensborough as a hub, however there is potential to create more cohesion between Greensborough's large anchors being WaterMarc, Main Street, Grimshaw Street and Greensborough Plaza. Better collaboration between the entities particularly for marketing and positioning of the precinct would be beneficial to all. There has been a changing nature to the business mix in recent months that has the potential to reposition the centre as a retail and entertainment destination.

Main Street has had a number of issues that mean it doesn't have the vibrancy, food and entertainment of other centres in the municipality. Issues include access difficulties, amenity and streetscaping within main street, disconnection between both sides of the street due to the bus transit hub and lack of street presence where Greensborough Plaza cinemas are. There is also a lack of integration between health and civic services (eg. Centrelink and Council offices) and the town centre.

IVANHOE

Ivanhoe is a Major Activity Centre (MAC) located at the southern end of the City of Banyule, 9km north-east of the Melbourne CBD. The area and surrounding suburb have high property values, contributed to by the Activity Centre's village atmosphere, historic buildings and shops, neighbourhood amenity, and public transport which provides easy access to the CBD.

Ivanhoe has established itself as one of the most vibrant centres in Banyule, with a strong food and dining scene. Investment in residential apartments, visitor accommodation and a new supermarket anchor within the precinct has strengthened the precinct's activation and vibrancy over the past 10 years.

Ivanhoe mainly services a local catchment, however the food offer is starting to attract residents from a broader regional catchment. The new Ivanhoe Library and Cultural Hub has also served to strengthen the centre's catchment.

IVANHOE EAST

East Ivanhoe Village is a Neighbourhood Activity Centre located on Lower Heidelberg Road in East Ivanhoe approximately 10km north-east of Melbourne's CBD. The centre has a compact distribution of boutique retail establishments and professional services set in an historic village. These features, along with a group of well-established traders create a unique village feel for the activity centre that differentiates it from other centres in the municipality.

East Ivanhoe has a very strong community that are well connected to the businesses in the village. The high socio economics of the residential population lead to high levels of household expenditure which supports the precinct well given the small local catchment. The precinct is primarily retail, food and personal services and is performing well given its small local catchment.

WATSONIA

The Watsonia Shopping Centre is located 16 kilometres north-east of the Melbourne CBD, running approximately 600 metres along the western side of Watsonia Road, and is accessible via the Greensborough bypass.

The centre comprises a range of establishments including supermarkets, retail services, specialty retail, an RSL Club, a library, allied health and professional services. The centre also has strong public transport links, including the Watsonia Train Station, which assist in driving visitation to the precinct.

Watsonia services mainly a local catchment, however, it does capture some passing trade. Being a one-sided strip shopping area presents issues for the precinct as it is long and there are two halves to the precinct which are disconnected. The precinct could be improved with further investment and the lack of strong anchors for the precinct presents issues capturing residents in Watsonia for convenience shopping.

It should also be noted that impacts of the North East Link will cause significant disruption for adjacent communities and businesses during its seven year construction phase. Opportunities also exist to leverage the soon-to-be completed Watsonia Town Square.

LOWER PLENTY

Lower Plenty Centre is a small strip-based centre located on Main Road and Para Road, in a green setting in the north-eastern part of the municipality. It is approximately 20 kms from Melbourne's CBD and serves as the gateway to the Yarra Valley and Diamond Valley regions.

The retail strip in Lower Plenty has strengthened considerably over the past twenty years. Located on a major arterial thoroughfare it is very accessible to passing trade and the establishment of an Aldi in the precinct has given the centre a major anchor.

Due to its accessibility Lower Plenty is able to capture a strong local market that includes View Bank, Lower Plenty, Montmorency and Rosanna.

MONTMORENCY

Montmorency is located 18 kilometres from Melbourne's Central Business District. The Montmorency activity centre is situated in a predominantly residential area. The shops within the activity centre are mainly located along Were Street which does not typically experience a high level of traffic volume. However, the activity centre does have strong connections to public transport in the form of the Hurstbridge rail line and several bus routes.

Montmorency is one of the best performing shopping villages in Banyule. Similar to East Ivanhoe it has a strong connection with the local community and has developed as a strong hub for dining and food businesses. The amenity, layout and scale of Montmorency ensures success of the centre even though it is difficult to access and is not on any major thoroughfares.

BELL STREET MALL

Bell Street Mall is an activity centre located near the western edge of the municipality. The centre is strategically located along Bell Street, a major east-west transport route, and adjacent to suburbs which are experiencing significant growth and change including Ivanhoe to the south, Heidelberg to the east, and Preston to the west.

Bell Street Mall precinct is split into the older mall itself which suffers from perceived higher vacancy rates and poor retail performance and the Aldi area which has high levels of custom. The overall presentation of Bell Mall is an issue and the lack of identity and anchors within the Mall result in a relatively poor performing centre.

It should however be noted that there is a lack of advertised vacancy in the Mall, which leads to confusion about the actual vacancy rate. A report in 2019 found many spaces in the precinct appear vacant yet actually house very active businesses. They are often accessed from rear entry way (with minimal or no Mall-side window activation, or lack signage advertising their operating hours). Food and beverage providers appear to be thriving due to the customers from the nearby TAFE.

EAGLEMONT

Eaglemont Village is a small neighbourhood strip shopping centre located in the south-eastern region of the municipality, approximately nine kilometres north-east of the Melbourne CBD. The centre contains 25 business premises located along Silverdale Road adjacent to the Eaglemont Railway Station.

The Eaglemont centre services a very local catchment of Eaglemont residents. The centre has a low vacancy rate, however is limited in space for future expansion. It is difficult to access for residents not living in the suburb of Eaglemont and is not on any major thoroughfare.

ROSANNA

Rosanna is a neighbourhood activity centre located centrally within the City of Banyule, along Lower Plenty Road and around the Rosanna railway station. It includes a street-based retail strip which services a localised catchment and a number of civic and community uses.

Rosanna has relatively low vacancy rates and is a popular retail centre for locals. Its opportunity to capture passing trade is strong, however the centre is often congested and traffic movement through the centre is difficult.

The business mix is centred to food catering and personal services (retail) and there is opportunity to expand the business mix.

A new supermarket is proposed at the library precinct on the eastern side of the precinct. Connectivity between this proposed new anchor and the remainder of the shopping precinct is an issue for consideration.

MACLEOD

Macleod Village is a small neighbourhood strip shopping centre located in the north-west part of the City of Banyule, approximately 12 kilometres north-east of the Melbourne Central Business District. The Shopping strip is along Aberdeen Road between May Street and Carwarf Street.

The centre is isolated from major road thoroughfares, however, has strong local community patronage and support. Daytime use of the precinct is strong with most of the businesses providing food catering for local residents.

It should also be noted that the adjacent outdoor recreation facilities represent a potential point of difference for the centre.

5.6.2. MINOR CENTRES WITHOUT A SPECIAL RATE & CHARGE SCHEME

ST HELENA

The St Helena activity centre primarily encompasses the St Helena Marketplace, which is a privately owned and operated shopping centre located in the suburb's

north. The centre has 16 available premises which are currently occupied by a full-line supermarket, takeaway food premises, a pharmacy, personal services and specialty food.

Consultation with Council indicated that the centre struggled during the pandemic, however, there are only three vacancies currently, suggesting the precinct has been able to remain stable during the past two years. Council provided a \$20,000 grant to the centre last year through its Place Enhancement Grant program.

Given the centre is privately owned it is difficult to decipher whether any additional investment in the centre has occurred in recent years and it is unclear if a strategic plan for the precinct exists.

DIAMOND VILLAGE

The Diamond Village Shopping Centre is situated in the suburb of Watsonia and is bounded by Nepean Street to the north, Kardinia Street to the west and Orana Drive to the south. The centre is anchored by a SUPA IGA and also includes a chemist, a newsagency, takeaway food and personal services.

There is very limited publicly available information available related to this centre, making it difficult to assess its economic performance, however consultation indicated that the shopping centre has struggled in recent times. It is also unclear whether a strategic plan for the centre exists or whether recent investment has occurred.

The low performance of the centre can be traced back to the loss of VicRoads which was a major anchor for the precinct. There is overlapping local retail catchments that compete with Diamond Village including Greensborough and Watsonia that are likely to impact greatly on expenditure capture within the precinct.

It is understood that a mixed-use development has been proposed in the precinct that has the potential to revitalise the centre and provide future growth opportunities.

The major issue for Diamond Village is likely to be physical. The centre is not a major thoroughfare, it is difficult to access, has competing retail centres and lacks a major anchor. The future of the centre should be considered within a broader activity centre strategy and a trader group is likely to have little impact on the centre's performance.

5.7. NEIGHBOURHOOD ACTIVITY CENTRES

There is limited publicly available information available related to the municipality's neighbourhood activity centres, indicating these centres are not adequately monitored and supported under the current management model.

These centres have limited opportunity to invest in placemaking initiatives to improve the vibrancy and economic performance, and there is limited information available related to past investment.

Ensuring that all activity centres in Banyule are captured within the activity centre network management model is critical to the overall success of the network.

Also, given Council invests heavily in the activity centres that are under a special rate and charge scheme, there is scope to reallocate some of Council's existing contribution to smaller centres to ensure a more equitable investment profile. This has the potential to foster growth in smaller centres, with overall net benefits to the activity centre network.

6. DEMOGRAPHICS

6.1. DEMOGRAPHIC SNAPSHOT

POPULATION

Change 2021-2041

27.7%

Median Age

39

165,256
(▲35,869)

129,387

2021 ERP

2041 FORECAST

SOCIAL ECONOMIC PROFILE

1055

SEIFA Ranking

10th

Most Advantaged LGA
in Victoria (out of 79)

Unemployment Rate



5.2%

(June 2021)

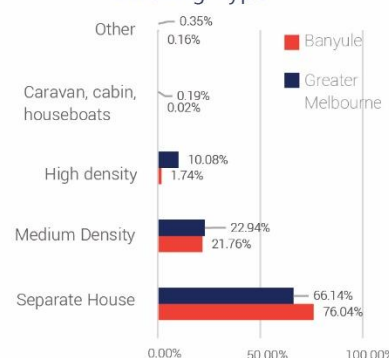
Top Occupations



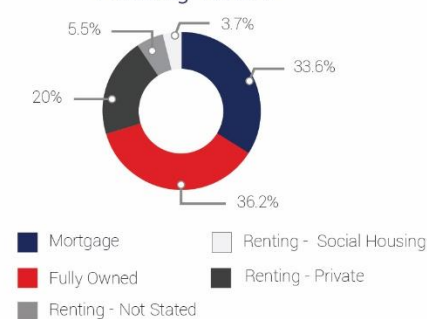
- 1 Professionals (30.2%)
- 2 Clerical and Administrative Workers (14.8%)
- 3 Managers (13.6%)

HOUSING AND DWELLING PROFILE

Dwelling Type



Housing Tenure



Household Composition

- 1 Couples with children (34.3%)
- 2 Couples without children (24.1%)
- 3 One Parent Families (10.4%)
- 4 Lone Person (22.9%)



PROPERTY MARKET INDICATORS



Dwellings Forecast 2021

53,989

Dwelling Forecast 2041

66,803 (▲12,814 or +24%)

Sales



Houses

1015
(2020)

1355

(2010-2020 Average)



Units/ Apartments

735
(2020)

885

(2010-2020 Average)

Median House Price and 10 Year (Growth)



Houses

\$890,000 (▲52%)



Units/ Apartments

\$675,000 (▲44%)

6.2. POPULATION GROWTH

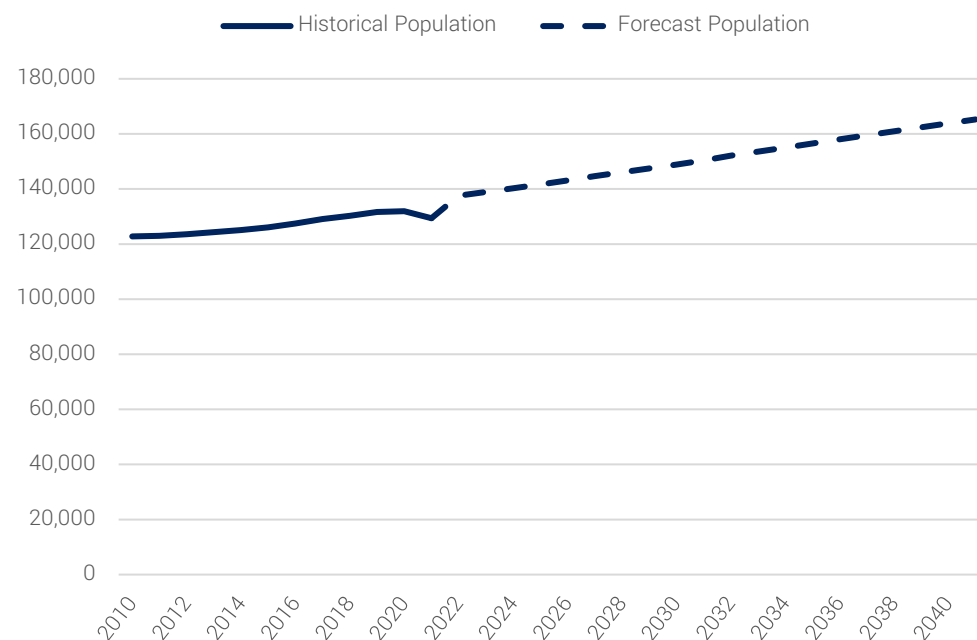
As of 2021, Banyule has an estimated resident population of 129,387. As illustrated in Figure F22, both historical and projected population growth is relatively low. Key points to note include:

- Between 2010 and 2020 the population increased by 8,957 which equates to an average annual growth rate of 0.7%. This is relatively low compared to metropolitan Melbourne's growth rate of 2.3% and Regional Victoria's rate of 1.4%.
- The City of Banyule's population is forecasted to grow to 165,256 (+29,068 or 1.0% p.a) by 2041 according to Forecast id projections. Most suburbs are expected to experience population growth over that period, with the largest rate of growth forecasted in Heidelberg (+6,155), Ivanhoe (+5,596) and Greensborough (+3,805). Montmorency is expected to decline in population (-45).
- Victoria in Future only projects population growth to 2036 and has forecast an average annual growth rate of 0.8% p.a over the next 15 years for Banyule. This represents a relatively low rate of growth compared to Greater Melbourne's average of 1.7%.

The low rate of growth across the municipality could be attributed to a range of factors, including housing availability and affordability. Localities such as Heidelberg, Ivanhoe and Greensborough are important locations for increased supply of housing, infrastructure, services and amenity. This will influence Council's future planning and development activities.

It should be noted that these forecasts were prepared before the COVID-19 pandemic and thus do not take into account the revised migration patterns, both domestic and international.

F22. BANYULE POPULATION GROWTH 2010-2041



Source: Forecast ID. Adapted by Urban Enterprise.

6.3. AGE PROFILE

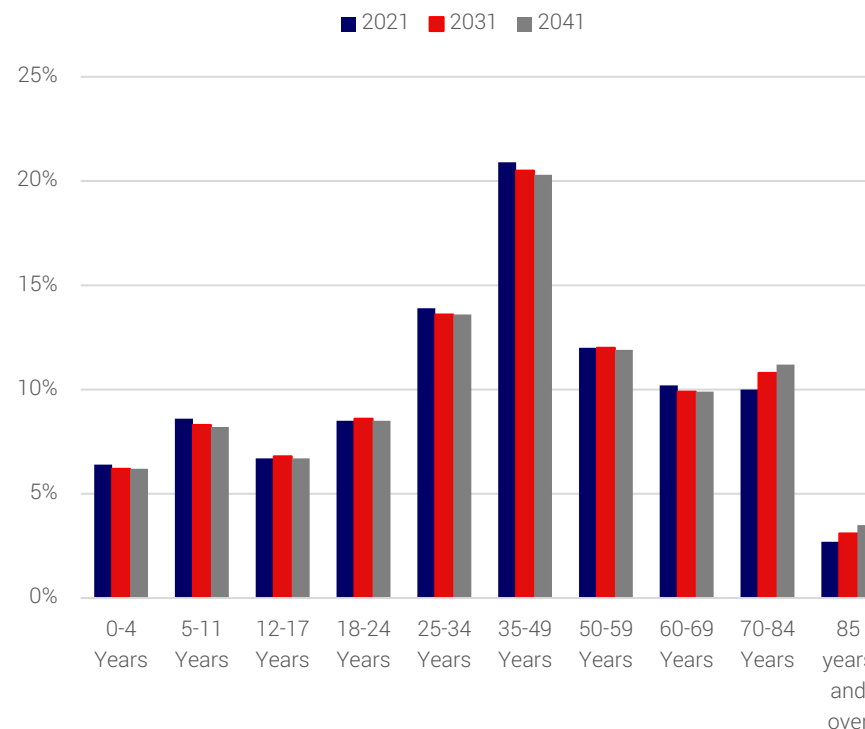
The largest age cohorts in Banyule currently are parents and homebuilders (35-49 years), followed by the young workforce (25-34 years). These age cohorts play an important role in contributing to the local labour force. The forecasts indicate that the young or school aged demographic (0-17 years) is declining, whereas the retirees/elderly (aged 60 or over) are increasing in size. An ageing population may increase demand on services including the need for better health and aged care facilities.

The two large growth cohorts from an absolute perspective include the parents and homebuilders (35-49 years) expected to increase by 5,187 and Seniors (70-84 years) to increase by 4,938.

The age profile of a region helps demonstrate the potential scale of demand for aged-care services (e.g. education, health, aged care), as well as the size of the local labour force.

It should be noted that although Figure F23 shows a fall in the proportion of a number of age cohorts over the forecast period, in absolute terms there is expected to be an increase in these population cohorts.

F23. BANYULE AGE PROFILE 2021- 2041



Source: Forecast ID. Adapted by Urban Enterprise.

6.4. HOUSING & DWELLING PROFILE

DWELLING GROWTH

Banyule is forecast to have 53,989 private dwellings (2021). Between 2016-2020, there was a small increase in the number of dwellings (+3,513 or 1.4% p.a.) which equates to around 703 dwellings p.a.

Key points to note include:

- The number of projected private dwellings typically represents the scale of expected population growth. As such, demand projections estimate an additional 16,327 dwellings over the next 20 years, increasing from 50,476 to 66,803 in 2041. This represents an average annual growth of 1.1% and around 816 new dwellings p.a.
- Dwelling growth is primarily driven by population growth in Ivanhoe, Heidelberg, and Greensborough. This is centred around the major activity precincts and is expected to welcome delivery of medium and higher density housing.

Housing development around central activity centres (such as Greensborough and Heidelberg) play important roles in facilitating resident attraction and economic development. Substantial dwelling growth (and subsequent population growth) will often occur via higher density housing developments, including townhouses and apartments. Facilitating increases in residential development will create flow-on economic and employment benefits for local builders, tradespeople and construction workers.

T22. BANYULE DWELLING GROWTH PROJECTIONS 2016-2041

	2016	2021	2026	2031	2036	2041	AAGR (2021- 2041)
Dwellings	50,476	53,989	56,999	60,215	63,533	66,803	1.1%

Source: Forecast id, 2021

HOUSEHOLD PROFILE

The following section profiles the dwellings in Banyule, including the type of dwelling structure and housing tenure, which provides important demographic information. Key findings from the household profile include:

- Low density housing comprises the majority of the housing stock available in Banyule. Separate housing currently comprises the highest proportion of dwellings (76%), followed by semi-detached, row or terrace style housing (16.4%). Between 2011-2016, separate housing (-3.8%) has decreased in favour of semi-detached, row or terrace house or townhouse (+6.2%). This is consistent with the wider metropolitan densification for increased housing stock.
- Banyule demonstrates a wealthier ownership of housing with 36% of households fully owning their home and 34% holding a mortgage. Since 2011, there has been a slight decrease in home ownership and an increase in private renting options as affordability issues continue to grow across the Melbourne market. Tertiary students/ young professionals have typically turned towards rental properties as housing prices are increasingly an unaffordable option.
- Household composition is led by couples with children (34%), followed by couples without children (24%) and lone households (2%). This spread suggests an even demand distribution for different housing typologies offered within the Banyule market – which includes need for low, medium and high-density housing.

PROPERTY MARKET

Property market indicators – sales and prices – demonstrates the recent demand for housing in Banyule, which helps identify the level of housing availability and affordability (a key driver of population growth and development activity).

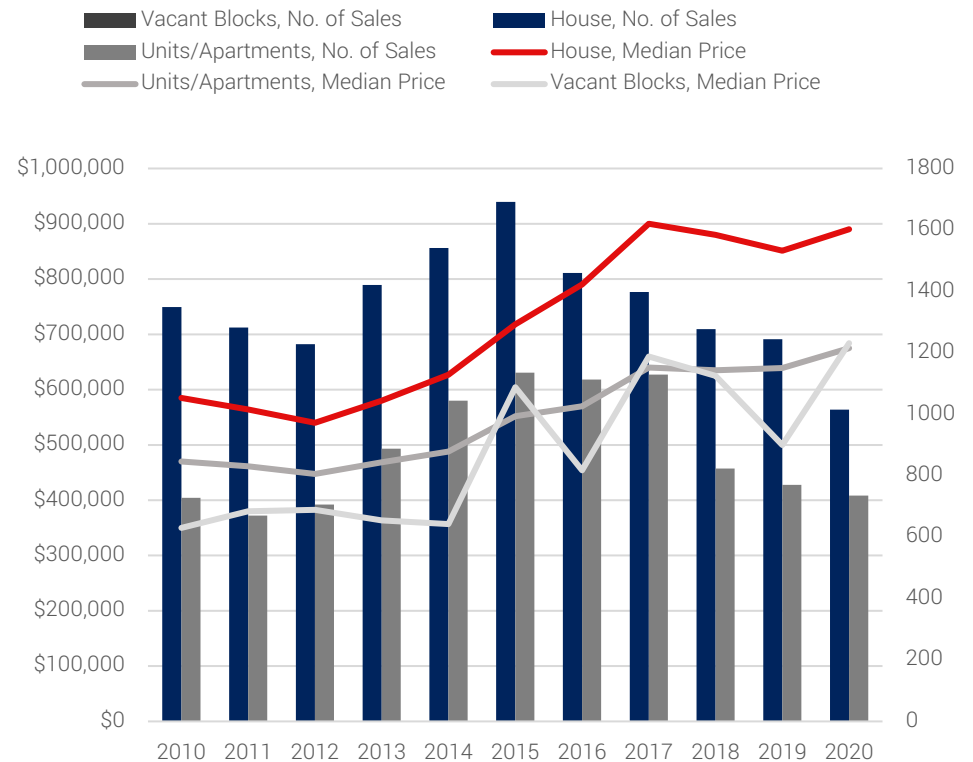
Housing sales have declined over the past 10 years (-2.3% p.a.) whereas apartment sales have increased (0.9% p.a.). Vacant blocks have seen the largest annual growth (6.1%), followed by detached housing (4.7%) and apartments (3.9%). The low turnover suggests a decline in the availability of established and new dwellings.

As the sale of land decreases, the demand for housing continues to increase. Median house prices have increased 58% in the last 10 years (2011-2020) from \$564,100 to \$890,000. Vacant Housing blocks have increased by \$304,000 (80%) from \$380,000 in 2011 to \$684,000. Apartments have increased \$213,700 (46%) from \$461,300 to \$675,000.

Significant price gains highlight the strong demand for housing units within the Banyule region. While this reflects the wealth of local residents, it may also present a significant barrier for future resident attraction.

These two factors (declining supply and rising demand) working in conjunction is resulting in substantial price growth, leading to affordability issues.

F24. BANYULE PROPERTY MARKET SUMMARY



Source: A Guide to Property Values, 2021

6.5. SOCIO-ECONOMIC PROFILE

The socio-economic profile of residents is typically identified through a combination of employment, income and education indicators. This information demonstrates the relative social and economic position of residents, which has implications for service and infrastructure provision.

Key points to include:

- According to the Socio-Economic Index for Areas (SEIFA) index, Banyule's score of 1055 – which is slightly above the national average score of 1,000, suggests Banyule is a relatively well advantaged municipality in Victoria.
- Median weekly household income levels in Banyule demonstrate a greater gap between the proportion of high-income households compared to lower income households. Overall, 26% of households earned \$2,500 per week or more whereas 16% earned less than \$650 per week. Comparing this to Greater Melbourne the proportions were 23% and 17% respectively.
- The unemployment rate for Banyule (5.2%) is lower than the Greater Melbourne average (6.6%) for June 2021 (and has been historically lower over the past decade)
- Over half of the local workers in Banyule are in high-income occupations, such as professionals (30%), clerical and administrative workers (15%) and managers (14%), which typically requires skills and qualifications.
- Despite the relatively high level of affluence at the municipal level, there are also pockets of disadvantage within Banyule, in particular Heidelberg West and Heidelberg Heights.

The socio-economic profile of Banyule shows that residents have a high degree of wealth in certain areas, typified by income, employment, occupation, and home ownership. This is contrasted by pockets of disadvantage in other areas. This contrasting profile will impact Council's focus to help sustain affluence as well as provide opportunities to reduce inequality through quality services, infrastructure, and amenity.

7. ISSUES & OPPORTUNITIES

7.1. OVERVIEW

This section provides an overview and discussion of emerging issues and opportunities that have been identified through research and analysis detailed in this Background Report, along with consultation with stakeholders.

Consultation was undertaken with business, industry and government stakeholders through a range of formats, including workshops, one-on-one meetings and surveys.

The purpose of consultation was to identify and discuss issues and opportunities relevant to local businesses and industry sectors, and priority precincts and projects across the municipality.

A complete list of stakeholders who were consulted, as well as a detailed overview of the consultation outcomes, is provided in Appendix C. Please note that a subsequent consultation phase will be undertaken prior to the preparation of the draft Strategy. Further, a community survey will be distributed early in 2022. Responses will be considered in the preparation of the strategic framework.

A list of headline considerations are summarised in Figure F25, and are discussed on the following pages.

F25. HEADLINE CONSIDERATIONS FOR THE STRATEGY

ISSUES & OPPORTUNITIES  	<ul style="list-style-type: none">- Economic impact and recovery from the COVID-19 pandemic- Business support (sustainable recovery)- Business engagement- Major precinct and infrastructure development- Activity centre planning & development- Labour force shortages- Skills and training- Skills gaps- Industrial precincts (protect and improve or revitalise)- The visitor economy- Environmental sustainability- Circular economy investment
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7.2. ISSUES & OPPORTUNITIES

COVID-19 RECOVERY & BUSINESS SUPPORT



The Banyule economy is in a fragile position as it emerges from the significant economic, social and health impacts associated with the COVID-19 pandemic. At the peak of the pandemic in 2020, Banyule lost more than 1,400 jobs and \$60 million in economic output as a result of government-imposed lockdowns placed on Melbourne.

Although the effects of the pandemic have been substantial for the local economy, this also presents a number of opportunities, particularly in relation to economic recovery. Recent Council efforts have been focused on business and economic recovery, in response to the COVID-19 restrictions that have impacted many businesses, particularly those industries (e.g. retail, personal services and hospitality) that are consumer facing and rely on population movements.

Consultation indicated that as the economy reopens there should be a short-term focus on supporting the existing business base to grow the local economy. However, business support should not only focus on short-term recovery, but also ensure businesses have the capabilities to overcome future external shocks. This could include business development assistance in marketing, financial management, business planning, accessing grants, etc.

The recovery from COVID-19 also provides opportunities for innovative policies and initiatives to support future growth and economic development. Council should adopt a collaborative approach with business and community sectors to help realise these opportunities and promote ongoing recovery.

Local Council's role in economic development includes the core activities to support existing industries and promote business growth and investment. These are typically facilitated through regular and meaningful engagement, with a view to helping businesses overcome specific challenges and providing a conducive environment to achieve positive business and employment outcomes.

Providing business support and encouraging business development is also particularly important in response to the impacts of COVID-19, which have severely restricted trading and operations of key sectors. Ensuring businesses have the tools to adapt, recover and grow in the long-term is critical to maintaining a thriving business community.

Given the vast number of small businesses located in Banyule, creating a more conducive and supportive environment for the small business community will help nurture a thriving business base and promote business investment. Smaller businesses typically require additional support as they lack the resources to maximise growth opportunities.

Providing a supportive environment for the small business community should be a key priority, given that the number of SMEs are expected to grow (particularly home-based businesses) in response to the rise in remote working and relocation of businesses from the CBD. This will increase the demand for temporary business/meeting spaces and supporting services.

Improving business networking and engagement was also identified in the consultation process as a key economic development initiative that would make Banyule a better and more prosperous place to live.



The La Trobe NEIC includes La Trobe University, the Northland Shopping Centre and the Austin Biomedical Alliance Precinct, plus a concentration of other health, research, commercial and retail activities in and around the Heidelberg MAC. To date, there has been limited work undertaken to understand the economic development opportunities for the La Trobe NEIC. The Framework Plan for the cluster has remained in draft form since 2017 and is supported by very limited economic research.

Council and government need to distil La Trobe's value proposition for target industry sectors, enterprise and service providers. Industry sectors that stand to benefit from the cluster and its future amenity, service and infrastructure advantages need to be identified and targeted for facilitation and investment attraction.

The Economic Development Strategy should consider the longer term industry opportunities that can leverage from the comparative advantages of the cluster and the existing business base. This should consider ways for businesses to collaborate further, including the role of institutions and their relationship with the private sector. Ongoing policy and advocacy initiatives are also needed to shift and confirm the investment status of projects within the cluster.

The health precinct is the most significant component of the cluster situated within Banyule's municipal boundary and is forecast to experience significant growth in the future. Ensuring the health precinct is able to reach its growth potential in a sustainable and orderly manner should be a focus for the Strategy. Supporting the precinct is also important given the substantial share of economic value associated with the health industry in Banyule. Consultation with the local health sector revealed the potential for much stronger collaboration between the industry and Council, as well as an opportunity to implement training and skills support that aligns with the employment needs of the health sector.

Facilitating the establishment of additional accommodation options for hospital visitors within the health precinct has also been identified as an opportunity to support the local health sector.

There is an emerging and changing role for the Heidelberg West Business Park, which is considered an important asset for Banyule's economy. Whilst the precinct continues to provide manufacturing and warehousing in a traditional industrial form, there is an evolving role for the precinct in supporting higher technology production and services.

Understanding the future profile of the industrial precinct will be important to capturing future growth within Banyule. Opportunities exist to explore the potential of leveraging future investment at La Trobe University in the food science and biotech industries, as well as activating the precinct via the night time economy. Consultation indicated existing issues associated with parking, lighting, streetscape, amenity and public transport access (particularly the southern end) that also need to be addressed in future planning. There is also an opportunity over the longer term to transition the management model of the activity centre network to include industrial precincts and provide a more holistic approach to the management of all economic precincts in Banyule.

Other significant assets within the NEIC that sit outside the Banyule municipal boundary include La Trobe University and Northland Shopping Centre. These two sites are planning significant investment over the next decade to expand their footprint within the broader economy. This presents a strong opportunity for Banyule to leverage the significant investment planned in proximity to its municipality. This will need to consider the nature of the planned investment, as well as alignment to existing strengths of the Banyule economy.

ACTIVITY CENTRES



Banyule's activity centres and shopping precincts are key assets that provide a range of social and economic benefits for the region. This includes:

- Supporting local businesses and employment across the municipality by providing land/spaces to operate from (particularly as there is a limited amount of specialised employment land);
- Providing key retail, hospitality and personal services to meet the needs of residents, visitors and workers;
- Contributing to local consumption and business activity;
- Supporting a 'live local' environment;
- Promoting community engagement through public spaces and events; and
- Contributing to visitor amenity as a driver of visitation.

Consultees indicated that activity centres in Banyule are facing a variety of challenges including ageing facilities and amenity, labour shortages, sub-optimal business mix as well as impacts associated with the pandemic. The Economic Development Strategy will need to consider the employment and business role of Banyule's activity centres and consider how these activity centres may develop to capture greater business activity in the future.

To strengthen the shopping precincts as a competitive advantage, many business stakeholders identified the need to improve these public spaces into a desirable destination that caters to all users. Council plays a key leadership role in contributing to the maintenance and development of these assets and ensure they remain a key driver of economic and social activity. In particular, Council should ensure that shopping precincts cater to the need of the local community (i.e. creating local villages), and are accessible and inclusive for all users.

The current approach to activity centres has been described as piecemeal, and is lacking a strong strategic vision. There is a need for a municipal-wide activity centres strategy that clearly defines the hierarchy and role of each centre, as well as a uniform set of individual strategies that are aligned. Placemaking is also an important component of shopping precinct improvement and should inform future investments and strategic decisions.

There is also a level of uncertainty surrounding the long-term implications associated with the North East Link for some activity centres in Banyule. There is a risk that the catchments of some centres may be negatively impacted due to the realignment of transport routes and this is impacting business confidence. Other shorter-term impacts from construction may include odours, vehicle emissions, vibrations and lowering of air quality. These risks should be investigated and addressed in any future activity centre planning for Banyule. Greensborough as a principal activity centre in Melbourne may be more accessible to a larger catchment and Heidelberg may benefit from lower traffic and truck volumes on Lower Heidelberg Road

As demand for temporary business/meeting spaces and supporting services increases due to the shift to remote working, activity centres in Banyule should explore opportunities to capture additional economic activity within the local economy. These activities could also support the development of a more diverse and innovative business base, as providing support to SMEs could attract new start-ups, digital enterprises and entrepreneur-based businesses.

Traders' Associations are important assets for Council as they represent and support key activity centres and shopping precincts and provide/facilitate key services. Findings from a review of the activity centre network's management model found that improvements can be made to the existing model to ensure optimal community and economic outcomes are achieved. The review also recommended strong consideration should be given to the adoption of a precinct-based approach to the management in the future to align with Council's investigation of a place-based framework for its service delivery.

LABOUR FORCE, SKILLS & TRAINING



Banyule has a relatively stable labour force that has experienced modest growth over the past five years. Growing the local workforce is critical for future business growth, resident attraction and increasing economic activity associated with higher income levels (e.g. local consumption).

Despite a relatively healthy labour force, there are several workforce-related issues that need to be addressed in order to support economic and business growth. Consultation revealed that many businesses and organisations in Banyule face issues both accessing and retaining a skilled local workforce, particularly in key industries such as health, education, hospitality and retail.

These labour shortages are attributed to a range of factors, including:

- Competition from businesses in surrounding metropolitan municipalities;
- Increasing demand for services, particularly aged care and NDIS, due to an increasing and ageing population;
- The diminishing supply of retail and hospitality workers, due to employees transitioning away from less reliable casual work and the border closures which has decreased the local migrant workforce; and
- The skill and qualification requirements for health-care workers.

Business growth is often dependent on recruiting skilled employees that are 'job ready', which will support business capacity to operate effectively.

Providing a highly skilled local labour force could be achieved through a combination of workforce attraction from outside the municipality, upskilling the local labour force through education and training and attracting resident workers who are currently employed outside the municipality.

It will be particularly important to collaborate with industry to ensure workforce development and attraction aligns with industry need, which could be supported through engagement with relevant employment providers to identify skills shortages. A workforce gap analysis and workforce attraction strategy could identify issues with staff recruitment and skills shortages and provide relevant actions to address those issues and shortages.

Exploring the provision of additional co-working space floorspace throughout the municipality is also likely to improve existing labour force issues through the attraction of skilled workers into Banyule.

To promote sustainable growth and increase the socio-economic wellbeing of all residents, it will be also critical for Banyule to promote workforce inclusion and employment accessibility. This will help reduce existing inequities, ensure future prosperity is inclusive and provide businesses with a larger pool of employees to support business operations.

VISITOR ECONOMY



Growing the Banyule visitor economy is important for economic growth, as it stimulates business investment, promotes local consumption and supports new local jobs. The benefits from tourism are derived from visitor spend, which flows through the economy and impacts retail, service sectors, hospitality and transport (amongst others).

Banyule's existing visitor economy is relatively small and immature, however, there is strong growth potential due to its unique characteristics. These characteristics include quality green open spaces and waterways in close proximity to Melbourne's CBD as well as a large and growing health precinct that provides access to a significant visiting friends and relatives market.

The delivery of quality visitor infrastructure, services and amenity will improve the visitor experience, enhance the perception of Banyule for visitors and increase spend opportunities. While Council has some influence in the level of visitor amenity and quality of infrastructure, this will also require significant private investment in order to drive real change in tourism.

One of the key opportunities identified during consultation was an increased provision of accommodation for hospital visitors in Banyule. This has the potential to capture significant economic benefits that are currently leaking out of the municipality (primarily Melbourne CBD) due to a lack of accommodation options. There is also an opportunity to expand Banyule's night time visitor economy through the provision of contemporary dining experiences, activation of industrial precincts and the introduction of night markets (amongst others).

To create a successful visitor destination, it will be important for Council, in collaboration with government, industry and tourism stakeholders, to develop a unique brand that promotes Banyule to visitors. This should market Banyule's key assets (eg. green spaces and waterways), products and experiences to attract visitors and promote the region as a desirable place to visit. This could be achieved through development of marketing collateral that provides visitors with an up-to-date guide of key activities, packaged itineraries and local tourism services.

Banyule currently offers a range of community and visitor events (i.e. arts and culture, music, film, etc.) and regular markets that supports the visitor economy and generates local business activity. Stakeholders identified enhancing the events calendar – particularly arts and culture events – and supporting markets as a key driver of visitation and local business activity. This could be achieved through provision of Council events, enabling Traders' Associations to deliver local events at activity centres and collaborating with event organisers to provide significant tourism events.

There is also no existing visitor economy strategy for Banyule to guide tourism development. This presents as a useful document for the municipality that would provide a strategic framework for the tourism industry going forward.



Council, the community and industry has expressed the desire to grow the economy in a sustainable manner that minimises environmental impacts. This is led by local (as well as state and national) policy – such as the recently adopted Community Climate Action Plan – that seeks to reduce the City's environmental footprint. Council has also set a target of becoming carbon neutral by 2040 within the Plan.

Opportunities identified for 'green' business practices include promotion of renewable energy and circular economy practices that minimises waste and increase efficiencies of inputs. Banyule is well placed to harness the benefits of the circular economy philosophy across all sectors, with Council playing a lead role in promoting, attracting and supporting a sustainable business base.

At a precinct level, Council should advocate and examine opportunities for on-site renewable energy generation in Heidelberg to meet the needs of the health precinct. Council could also seek to investigate the feasibility for HWBP to transition to renewable energy generation.

There are also a broad range of government funding opportunities available to businesses that should be promoted to the local business base.

Banyule could also investigate circular economy opportunities for business to increase efficiencies in production and reduce waste. Considerations for Banyule to transition to a circular economy that are being undertaken in other metropolitan municipalities include:

- Preparing a business case to support circularity looking at material flows across the municipality;
- Community engagement and building awareness of the circular economy;
- Identifying circular economy training needs, developing short courses to meet these needs and planning various events to showcase the circular innovations that are already happening in the municipality;
- Establishing a Circular Economy Taskforce to provide a whole of community, business, education and government resource, providing strategic guidance to enable delivery of programs;
- Facilitating the Circular Advantage training program for businesses; and
- Creating an environment for, and network of, leaders and pioneers in the circular space

8. DRAFT STRATEGY FRAMEWORK

8.1. VISION

The vision for Banyule's local economy is outlined in the Banyule Community Vision 2041 as follows:

"A thriving, resilient, socially responsible, local and integrated economy that encourages, supports and advocates for a diverse range of businesses and entrepreneurship, providing local investment and employment opportunities."

8.2. OBJECTIVES

The future recommendations for economic development tailored to meet the identified 'thriving local economy' strategies, including

- Banyule is home to a diverse range of businesses and a place where everyone has access to quality education and employment.
- Growth is supported through business partnerships and regional collaborations. New start-ups are nurtured while existing businesses continue to be supported to grow and be successful.

- Doing business in Banyule is easier than ever and becomes a choice for new enterprises.
- There is a range of local employment opportunities available for all, and Banyule workplaces embrace diversity and inclusion. More local jobs reduces the need to travel outside the area for work.
- Innovation and technological advancements are embraced, and social enterprises are well established.
- The municipality has substantial education and job training opportunities for people of all ages and abilities, and provide a range of career opportunities, particularly for young people and those returning to the workforce
- Volunteerism is encouraged and promoted as a valuable contributor to the community and local economy.

8.3. THEMES AND STRATEGIC DIRECTIONS

The draft economic development framework includes the key themes/goals and strategic directions for the Banyule economy (see Table F26). Figure F26 provides a summary of the linkages between the issues and opportunities outlined in Section 7 and the themes derived for the draft strategy framework.

F26. THEME LINKAGES TO ISSUES & OPPORTUNITIES

Issues and Opportunities



Themes



Sources: Urban Enterprise, 2022

T23. ECONOMIC DEVELOPMENT FRAMEWORK

#	Themes	Description	Strategic Objectives
1	A Productive and Supported Business Community	Promote business growth and investment in Banyule that capitalises on existing industry specialisations and achieves successful economic and employment outcomes.	1.1 Promote business recovery and resilience 1.2 Encourage business investment and attraction 1.3 Improve business networking, engagement and collaboration 1.4 Create a conducive environment for 'small' and 'home-based' businesses
2	Workforce Growth & Attraction	Providing a diverse and ready local labour force that have an opportunity to work locally	2.1 Attract and develop a 'job ready' local labour force to meet industry needs 2.2 Ensure workforce supply and diversity 2.3 Ensure a sustainable supply of local jobs that align to residents' skillsets 2.4 Support sustainable local, social and environmental procurement
3	A Prosperous National Employment & Innovation Cluster	Promote the development of the La Trobe NEIC and ensure the Banyule economy is a key beneficiary of the cluster's future economic success.	3.1 Support completion of planning for the cluster 3.2 Understand the future role of HWBP and ensure its sustainability 3.3 Facilitate growth of the health and food industries 3.4 Leverage cluster investment occurring outside Banyule
4	Thriving and Vibrant Activity Centres	Activate and enhance activity centres across Banyule to support diversity of uses, increase utilisation and meet the needs of residents, workers, businesses and visitors.	4.1: A coordinated and strategic approach to activity centre improvements 4.2: Support diverse retail, hospitality and personal service sectors 4.3: Explore commercial office space and co-working space opportunities 4.4: Support and enable Traders' Associations to activate and enhance activity centres using an outcomes based approach 4.5: Explore a precinct-based approach to activity centre management
5	A Desirable Destination for Visitors	Support the growth of the visitor economy by attracting non-local (i.e. Melbourne residents from outside Banyule), regional and interstate visitors and increasing visitor spend.	5.1: Enhance visitor amenity, infrastructure and services 5.2: Explore opportunities to expand hospital visitor accommodation 5.3: Improve opportunities to expand and enhance the night time economy
6	An Environmentally Sustainable Local Economy	Build an innovative and environmentally sustainable economy that drives growth and influences future strategic investments.	6.1: Support the development of a sustainable and circular 'green economy' 6.2: Build business resilience to current and future climate impacts

APPENDICES

APPENDIX A STRATEGIC CONTEXT

LOCAL POLICY CONTEXT

Document	Summary
Banyule Economic Development Plan 2015-2020	<p>The Banyule Economic Development Plan sets out Council's vision, objectives and goals for the local economy, businesses, residents and workforce. The plan outlines a set of priorities based on the local economic context, identification of strengths and opportunities and the role of local government within economic development.</p> <p>The plan sets out four strategic objectives:</p> <ol style="list-style-type: none"> 1. Vibrant precincts: this objective acknowledges the importance of activity centres in Banyule and seeks to meet the challenges of changing retail patterns whilst attracting new vibrant uses, activity and investment. At the same time, this objective also recognises the important role of industrial areas and their transformation and diversification. 2. Business support: this objective identifies the range of support needed for the Banyule business base. This includes a focus on the provision of low-cost training, advice and networking opportunities. The importance of home-based businesses are also recognised within this objective. 3. Investment and attraction: this objective seeks to promote the strengths of Banyule to attract new investment and encourage economic activity within the economic centres. This objective is also focused on improving the visitor offer and promoting Banyule as a tourist destination. 4. Leadership and partnerships: this objective recognises the important role Council plays in the economic development space. This includes labour market initiatives, facilitating partnership development and working with agencies within and outside the municipality to deliver Council's economic development agenda.
Banyule Community Vision 2041	<p>The Banyule Community Vision 2041 describes the community's aspirations for the future of Banyule over the next 20 years and expresses what is important to the community. The vision identified six priority themes, including:</p> <ul style="list-style-type: none"> • Inclusive and Connected Community: A safe, healthy, vibrant, and connected community where people of all ages and life stages love to live, work and stay; diversity and inclusion are valued and encouraged. • Sustainable Environment: A progressive and innovative leader in protecting, enhancing and increasing the health and diversity of the natural environment, where we all commit to playing an active role in achieving environmental sustainability, waste and carbon emissions reduction. • Well-built City: A well planned, sustainable and liveable place that caters for all our current and emerging communities; where our local character and environment is protected and enhanced.

	<ul style="list-style-type: none"> Valued Community Assets and Facilities: Work to ensure community assets, services and facilities are affordable, sustainable, evenly distributed, safe and accessible for all ages and abilities and designed to provide meaningful experiences and connections. Thriving Local Economy: A thriving resilient, socially responsible local and integrated economy that encourages, supports and advocates for a diverse range of businesses and entrepreneurship, providing local investment and employment opportunities. Trusted and Responsive Leadership: A responsive, innovative and engaged Council that has the trust of the community through demonstrated best practice governance, is financially sustainable, and advocates on community priorities and aspirations.
Arts and Culture Strategic Plan	<p>The Banyule Arts and Culture Strategic plan asserts Council's commitment to the contribution arts make to a dynamic, healthy and sustainability society. It aims to create and communicate a framework which drives Banyule's arts and cultural program towards delivering cultural outcomes. The strategy aims to achieve two main goals of ensuring (1) people are engaged in meaningful and culturally vital lives and (2) a connected, inclusive, and involved community. Strategic themes identified in the strategy include:</p> <ul style="list-style-type: none"> Cultural places and spaces Facilitation of partnerships Supporting creative practice Better marketing and communications
Banyule Inclusive Local Jobs Strategy 2020-2025	<p>The Banyule Inclusive Local Jobs Strategy (2020-2025) aims to address inequalities of access to employment and aspires to create opportunity and economic prosperity for local residents. This means addressing systemic barriers and underlying causes of disadvantage through investment in employment, education, training, health and housing.. Community consultation has allowed council to establish the following agenda:</p> <ol style="list-style-type: none"> 1. Stimulate inclusive employment opportunities 2. Strengthen pathways to employment 3. Grow business and entrepreneurship 4. Advance inclusive employment practices across the local government sector and private sector.
Social Enterprise Action Plan 2020-2025	<p>The Banyule Social Enterprise Strategy 2020-2025 aims "to drive employment participation and inclusive economic growth in Banyule by supporting the growth and sustainability of the social enterprise sector." The social enterprise sector identifies four key focus areas.</p> <ol style="list-style-type: none"> 1. Advance place-based social enterprise innovation. 2. Build business capacity and capability. 3. Improve market access. 4. Increase opportunity awareness and engagement.
Heidelberg Structure Plan	<p>The Heidelberg Structure Plan establishes the strategic place-based vision to guide the growth of Banyule's most prominent centre – the Heidelberg Major Activity Centre (MAC).</p>

	<p>The Heidelberg MAC has been identified by the state's strategic document <i>Plan Melbourne (2017)</i> as a major anchor for health education research and innovation in Melbourne's north-east.</p> <p>The Council envisions Heidelberg MAC to become a "vibrant prosperous and attractive place, where people can live work, learn and play in a connected and inclusive community. Anchored by a world class allied health precinct, which is complemented by a diversified and experiential retail, commercial and hospitality sector and major transport hub, the Heidelberg MAC enjoys strong employment and a robust economy." The vision emphasises the importance of an environmentally sustainable centre, which continues to bolster its natural streetscape and invest into green technologies. It aims to facilitate a place for people, with an identifiable heart for people to rest, connect and participate in rich cultural and creative exchanges.</p>
Ivanhoe Structure Plan	<p>The Ivanhoe Structure Plan aims to develop an integrated vision for the Ivanhoe Activity Centre. The Council envisions Ivanhoe to continue its unique garden suburb known for its neighbourhood character, natural beauty, heritage and proximity to the city and local services. It aims to increase the diversity of housing choices to enable greater access to the heart of Ivanhoe, in-turn intensifying activity in the local economy.</p> <p>The strategy places emphasis on the importance of access, with pedestrians and cyclists able to move more safely and public transport more frequent, interconnected, and accessible for all residents.</p> <p>New buildings be sympathetic to the natural and built environment, adding to the architectural, environmental and heritage qualities of the area. New housing developments in designated precincts will have substantial trees and vegetation. New public squares will be open and landscaped and act as a new focal point for community life. The Ivanhoe Structure Plan is oriented around five key themes:</p> <ul style="list-style-type: none"> • Cultural Heritage and Identity • Land Use • Built Environment • Natural Environment • Transport and Infrastructure.

REGIONAL POLICY CONTEXT

Document	Summary
Northern Metropolitan Partnership Priorities (2017)	<p>The Northern Metropolitan Partnership is an advisory group established by the Victorian Government. The Partnership is a way for local communities to engage directly with the state and local government and advice the Victorian Government of the top priorities across the region. The Partnership has six priorities, informed by engagement work with the communities, businesses, service providers and local governments of Northern Metropolitan Melbourne.</p> <ul style="list-style-type: none"> • Transport connectivity: Improving transport connectivity across the region to ensure people have better access to services and employment opportunities. • Jobs and economy: Attracting investment and creating more local jobs to improve regional prosperity and liveability for all. • Health and Wellbeing: ensuring all residents have access to affordable primary health and community services that cater to their needs with a focus on prevention • Environment sustainability: Protecting and enhancing the region's natural assets and reducing the impact of climate change. • Connected Young People: Prioritising the voice of young people so that they feel supported to pursue their aspirations. • Lifelong Learning: Supporting a seamless approach to lifelong learning to develop a more skilled, work-ready, employed, resilient and connected community.
Melbourne Industrial and Commercial Land Use Plan	<p>The Melbourne Industrial and Commercial Land Use Plan provides an overview of industrial and commercial areas across metropolitan Melbourne and aims to build upon policies, strategies and actions to assist in improving these industrial and commercial precincts. The land-use plan builds upon the metropolitan strategy of <i>Plan Melbourne (2017-2050)</i> to improve job innovation and productivity in the Metropolitan region. Given Latrobe has been identified as a national employment Industrial Cluster (NEIC), this strategy plays a central role in guiding the future industrial and commercial land use in Melbourne.</p>
Latrobe NEIC Draft Framework Plan	<p>The La Trobe National Employment and Innovation Cluster is the key location for the growth of employment and business in the north-eastern region of Melbourne. The framework plan identifies a thirty-year strategy to strengthen local business and services by defining actions to improve amenity of the cluster. 6 Key strategic outcomes have been identified in the strategy, these include:</p> <ol style="list-style-type: none"> 1. A transformed transport network that supports economic growth of the cluster 2. Employment growth and innovation in health, education and research industries with higher job density 3. A boost in jobs growth and the development of attractive public domains in employment areas with new town centres 4. Improved public open space and community infrastructure to meet changing needs. 5. Sustainable development in future transport, public realm and built form activities. 6. Structure plans that support future growth of the key education, health, employment precincts and activity centres.

Plan Melbourne (2017 – 2050)	<p>Plan Melbourne is a long-term plan to accommodate Melbourne’s future growth in population and employment. The following outcomes to drive Melbourne as a competitive, liveable and sustainable city are relevant to the City of Banyule:</p> <ul style="list-style-type: none"> • Melbourne is a productive city that attracts investment, supports innovation and creates jobs; • Melbourne provides housing choice close to jobs and services; • Melbourne has an integrated transport system that connects people to jobs and services and goods to market; • Melbourne is a distinctive and liveable city with quality design and amenity; • Melbourne is a city of inclusive, vibrant and healthy neighbourhoods; and • Melbourne is a sustainable and resilient city.
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STATE POLICY CONTEXT

Document	Summary
Department of Jobs, Precincts and Regions (DJPR) Strategic Plan (2019-2023)	<p>The DJPR Strategic Plan is focused on growing Victoria’s economy and ensuring it benefits all Victorians, with the aims to:</p> <ul style="list-style-type: none"> • Create and maintain jobs; • Foster a competitive business environment; • Be a globally connected economy; • Build prosperous and liveable regions and precincts; • Grow vibrant, active and creative communities; • Support the transition to a sustainable economy; • Facilitate shared economic prosperity; and • Foster a fair and inclusive society.
DJPR Visitor Economy Recovery and Reform Plan (2021)	<p>This report was developed in response to COVID-19’s significant negative economic impact on the Victorian visitor economy. The goal of the plan is for the industry to reach \$35 billion in annual visitor spend and generate 300,000 additional jobs by June 2024. The key themes identified in the plan as enablers of the visitor economy are:</p> <ul style="list-style-type: none"> • Products and infrastructure; • Industry strengthening; • Destination marketing; • Events; • Strategic collaboration and planning; and • Data and insights.
Invest Victoria International Investment Strategy (2020)	<p>Invest Victoria is the State government of Victoria’s investment attraction agency, aiming to foster long term economic prosperity by enabling business opportunities and job creation for Victoria. The International Investment Strategy aims to attract global companies from emerging and growth industries that are crucial to the state’s economy, with a particular focus on investments that deliver the following:</p> <ul style="list-style-type: none"> • Facilitate energy transition to enable emissions reduction;

	<ul style="list-style-type: none"> • Enhance capability and capacity to deliver the major transport infrastructure agenda; • Introduce new waste management solutions; and • Activate priority precincts and regions.
Recycling Victoria: A New Economy (2020)	<p>This is the Victorian Government's circular economy policy and 10-year action plan to deliver a cleaner, greener Victoria with less waste and pollution, better recycling, more jobs and a stronger economy. The following changes, which will influence future economic growth, are set to be implemented:</p> <ul style="list-style-type: none"> • By 2030, a new recycling system will be standard for households across the state; • By 2022–23, a container deposit scheme will be implemented so empty cans and bottles can be swapped for cash; • \$100 million will be invested to strengthen Victoria's waste and recycling industry, aiming to grow the local industry, create local jobs and drive innovation and new technologies; • The waste and recycling sector will be regulated as an essential service with a new waste and recycling Act and a waste authority, to put an end to illegal and unsafe storage and stockpiling of waste; • Single use plastics will be banned across Victoria by February 2023; and • The landfill levy will double.

NATIONAL POLICY CONTEXT

Document	Summary
Australia 2030: Prosperity Through Innovation Strategy (2017)	<p>This document plans for the sort of society and economy that all Australians can aspire to by 2030. The Plan is underpinned by the following five strategic policy imperatives:</p> <ul style="list-style-type: none"> • Education: respond to the changing nature of work by equipping all Australians with skills relevant to 2030; • Industry: ensure Australia's ongoing prosperity by stimulating high-growth firms and raising productivity; • Government: become a catalyst for innovation and be recognised as a global leader in innovative service delivery; • Research and development: improve research and development effectiveness by increasing translation and commercialisation of research; and • Culture and ambition: enhance the national culture of innovation by launching ambitious National Missions.
Australia's Long Term Emissions Reduction Strategy (2021)	<p>This outlines the Federal Government's plan to reduce greenhouse gas emissions to 26%-28% below 2005 levels by 2030. The plan involves four key strategic directions:</p> <ul style="list-style-type: none"> • Driving down technology costs: accelerate the development of emerging technologies through The Technology Investment Roadmap; • Enabling deployment at scale: building infrastructure, growing voluntary markets and providing finance and incentives; • Seizing opportunities in new and traditional markets: Capitalise on the global shift to low emissions, while continuing to serve traditional markets; and • Fostering global collaboration: partnering and co-investing with other nations to accelerate innovation in low emissions technology and build resilience to climate impacts.
Australia's Tech Future (2018)	<p>This document aims for all Australians to experience an enhanced quality of life and share in the opportunities of a growing, globally competitive modern economy, enabled by technology. The four key areas outlined are:</p> <ul style="list-style-type: none"> • People: developing Australia's digital skills and leaving no one behind; • Services: how government can better deliver digital services; • Digital assets: building infrastructure and providing secure access to high-quality data; and • The enabling environment: maintaining our cyber security and reviewing our regulatory systems.

Digital Transformation Strategy (2019)	The digital transformation strategy aims to deliver world leading digital services for the benefit for all Australians. The three strategic priorities to achieve this vision outlined in the document are a 'government that's easy to deal with', 'a government that's informed by you' and 'a government that's fit for the digital age'.
Global Innovation Strategy (2016)	<p>This strategy presents an integrated and coordinated approach to advance Australia's international industry, science and research collaboration. The strategy will support economic and science diplomacy efforts to:</p> <ul style="list-style-type: none"> • Foster, improve and promote international industry-research collaboration and whole of government global engagement, entrepreneurship, innovation, science and research; • Build strong research and business connections within the Asia-Pacific region; and • Leverage Australian Government investment in international programmes to help foster and support a dynamic Australian innovation system.
National Waste Policy and Action Plan (2019)	<p>This plan sets out targets and actions to guide investment and national efforts regarding waste management, recycling and resource recovery to 2030. This plan is underpinned by circular economy principles for waste and supports the implementation of better waste management plans by state and territory governments, local government, business and industry. National targets are as follows:</p> <ul style="list-style-type: none"> • Ban the export of waste plastic, paper, glass and tyres, commencing in the second half of 2020; • Reduce total waste generated in Australia by 10% per person by 2030; • 80% average recovery rate from all waste streams by 2030; • Significantly increase the use of recycled content by governments and industry; • Phase out problematic and unnecessary plastics by 2025; • Halve the amount of organic waste sent to landfill by 2030; and • Make comprehensive, economy-wide and timely data publicly available to support better consumer, investment and policy decisions.
Smart Cities Plan (2016)	<p>This sets out the government's vision for our cities, and our plan for maximising their potential. It includes three innovative pillars that will help provide the relevant data to assist in strategic planning and investments:</p> <ul style="list-style-type: none"> • Smart Investment; • Smart Policy; and • Smart Technology.

INTERNATIONAL POLICY CONTEXT

The United Nations' Sustainable Development Goals (SDGs) were developed in 2015, forming a part of the UN's global development framework (which informs economic development). There are 17 SDGs intended to be achieved by 2030 and are each comprised of specific targets and indicators. These are listed below, and have been considered in the development of the Banyule Economic Development Strategy.

1. **End poverty** in all its forms everywhere;
2. **End hunger**, achieve food security and improved nutrition and promote sustainable agriculture;
3. Promote **healthy lives** and promote well-being for all at all ages;
4. Ensure inclusive and equitable **quality education** and promote lifelong learning opportunities for all;
5. Achieve **gender equality** and empower all women and girls;
6. Ensure availability and sustainable management of **water and sanitation** for all;
7. Ensure access to **affordable, reliable, sustainable and modern energy** for all;
8. Promote sustained, inclusive and **sustainable economic growth**, full and productive employment and decent work for all;
9. Build resilient **infrastructure**, promote inclusive and sustainable **industrialisation**, and foster **innovation**;
10. **Reduce income inequality** within and among countries
11. **Sustainable cities**: Make cities and human settlements inclusive, safe, resilient and sustainable;
12. Ensure **sustainable consumption and production** patterns;
13. Take urgent action to **combat climate change** and its impacts by regulating emissions and promoting developments in renewable energy;
14. **Life below water**: Conserve and sustainably use oceans, seas and marine resources for sustainable development;
15. **Life on land**: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably managed forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss;
16. Promote **peaceful and inclusive societies** for sustainable development, provide access to **justice** for all and build effective, accountable and **inclusive institutions** at all levels; and
17. Strengthen the means of implementation and revitalise the **global partnership** for sustainable development.

APPENDIX B NIEIR ECONOMIC TERMS & DEFINITIONS

OUTPUT

Output by industry is a gross measure of the total sales of each industry sector in the City of Banyule. It does not measure how productive each industry sector is at producing this output - which is measured by value added.

By comparing the output of each industry sector to a regional benchmark, you can clearly see the structure of the City of Banyule's economy. This can be done by directly comparing the percentage contribution of each industry to the total output, relative to the benchmark, or by using a location quotient, where a number greater than one indicates a high concentration of that industry and less than one indicates a lower concentration.

EXPORTS

Exports by industry are sales of goods and services to non-resident households, businesses and other organisations, outside the City of Banyule boundaries. Exports (domestic) include all exports from the area to other parts of Australia. Exports (international) includes all exports from the Region to countries outside Australia. local sales

Local sales by industry measures the output of local industries that is sold locally. This includes sales to local consumers, businesses and other organisations.

EMPLOYMENT BY INDUSTRY

Employment data presented are estimates based on National Economics modelling from a number of sources. They are NOT Census figures, and should not be directly compared to the employment numbers in the "Worker Profiles" section of economy.id. They are a more accurate and up-to-date estimate of employment in the LGA than the Census figures, and give a clear idea of the employment breakdown by industry, however it is not possible to derive the range of worker characteristics from them that are available in Census data, so both modelled and Census data on employment are presented as part of economy.id.

The estimates from NIEIR will generally be higher than the Census figures because they adjust for:

1. Persons missed by the Census
2. Persons who didn't state their employment status or place of work
3. Persons who reported no fixed place of work
4. Persons whose place of work was not a valid address which could be coded by the ABS.

Derivation: In general, the Census understates employment by 15-20%, including about 12.5% of known working population in the Census who could not be coded to a valid workplace.

Estimates of employment by industry from ATO income tax returns are used by postcode of residence and are converted to LGA of residence. Tax data is used because it is more timely and accurate than Census income data.

The Census undercount listed above is identified and allocated to workplace locations in accordance with the distribution for similar industry types of residents of the LGA who nominated a workplace. The results are then adjusted on a quarterly basis by employment results in the ABS Labour Force Survey. Estimates are also checked against commercial and industrial floorspace completion rates by location and industry in intercensal years.

VALUE-ADDED

Value added by industry is an indicator of business productivity in the City of Banyule. It shows how productive each industry sector is at increasing the value of its inputs. It is a more refined measure of the productivity of an industry sector than output (total gross revenue), as some industries have high levels of output but require large amounts of input expenditure to achieve that.

APPENDIX C CONSULTATION OUTCOMES

OVERVIEW

This section summarises the key outcomes from consultation with community, business and government stakeholders to better understand the issues and opportunities for economic development in Banyule.

The purpose of this analysis is to identify key priorities of stakeholders, which informs the strategic directions and recommendations for the City.

CONSULTATION SUMMARY

A holistic consultation process was undertaken, including a combination of surveys, workshops and targeted interviews with the following stakeholder groups:

- Activity centre managers;
- Local small business owners and operators;
- Large employing businesses/organisations;
- Regional organisations;
- Council's Business Reference Group; and
- Council Officers from various departments.

ISSUES & OPPORTUNITIES

The key issues and opportunities identified within the consultation process have been categorised into the following themes:

- Activity centres & employment precincts;
- Health & education;
- Business development & support;
- Workforce development;
- Visitor economy; and
- Environmental sustainability.

Note: The following provides a summary of the key points identified during the consultation process that are relevant to economic development in Banyule. Individual statements have been amalgamated and categorised where appropriate.

Activity Centres & Employment Precincts

Stakeholders identified the following issues and opportunities related to activity centres and employment precincts.

- Improve planning for each of Banyule's activity centres that creates a series of vibrant centres that have a consistent/uniform quality municipal wide.
- Promote placemaking and amenity investments in activity centres to create a strong sense of place and improve liveability outcomes.
- Provide additional support to activity centres from a council resourcing perspective.
- Explore the opportunities to leverage the shift to remote working associated with the pandemic, particularly in relation to establishing co-working spaces in Banyule.
- Improve planning for industrial precincts in the context of changing demand for industrial land. Ensure existing transport and parking issues are addressed in the planning phase.
- The future investment planned for Northland and Latrobe University should be leveraged to maximise the economic benefits to Banyule.
- Action is needed to facilitate activation of the Latrobe NEIC – there has been no significant progress to date.

Health & Education

Key findings related to health and education include:

- Ensure the health industry can continue to grow sustainably in Banyule. Austin Health is forecasting significant growth (particularly in the mental

health space) and indicated labour shortages and climate change are key challenges.

- Potential for much stronger collaboration between health industry and Council.
- Opportunity for Council to implement training and skills support that aligns with the employment needs of the health sector.
- Facilitate an increase in accommodation options for hospital visitors.
- Latrobe University is undergoing a significant expansion over the next 10 years which can be leveraged by Council, particularly in relation to the local business base (eg. business expansion into West Heidelberg)

Business Development & Support

Issues and opportunities related to business development and support are summarised below:

- Provide opportunities for existing businesses to grow and attract new business investment in Banyule.
- Continue to improve relationships between local businesses and Council ie staying in regular contact with businesses through the entire growth cycle
- Provide training programs and suitable infrastructure for small businesses (inc. home-based businesses and sole traders), to facilitate networking opportunities and support business development.
- Offer the use of under-utilised Council assets to local businesses during busy periods.
- Continue to provide targeted business support from Council, particularly for businesses recovering from the impacts of COVID-19 restrictions.
- Reduce red tape (ie planning constraints) for businesses to ensure existing and new businesses are able to expand in a post-COVID environment.
- Ensure there are commercial land opportunities for micro-businesses in Banyule seeking to transition from home to an external space

- Maintain Council's Banyule Business branding to clearly identify services provided by Council to businesses.

Workforce Development

The consultation summary points regarding workforce development are outlined below:

- Address workforce shortages and recruitment difficulties for Banyule's employer base to support business operations and growth. This requires joint assistance to job seekers, collaborating with employment providers and supporting businesses promoting employment vacancies.
- Provide targeted support to health and community services, as well as hospitality businesses to deal with current and future workforce shortages.
- Improve the attractiveness of Banyule to workers, through placemaking investments, desirable retail and hospitality offerings and leveraging its strategic location in proximity to metropolitan Melbourne.
- Increase the number of co-working spaces and meeting/conference spaces in Banyule to accommodate the increasing number of residents working remotely from home.
- Increase the availability of diverse and affordable housing for workers, which was identified as a barrier for local employment.

Visitor Economy

Stakeholders identified the following issues and opportunities related to the visitor economy:

- Provide additional visitor accommodation and hospitality offer to support the needs of visitors associated with the health industry.
- Opportunity for strategic infrastructure linking in with VFR market.
- Expand Banyule's night time economy – potential opportunities include use of the municipality's industrial precincts as well as night markets.

- Explore the opportunity for improved collaboration and industry partnership, including affiliation with state tourism boards, connecting with tourism operators, etc.

Environmental Sustainability

Stakeholder outcomes related to environmental sustainability include:

- Increase awareness and build industry capacity to improve sustainable business practices and use of green technology including renewable energy usage, recycling opportunities, waste recovery, and other circular economy initiatives.
- Consider financial (or other) incentives for businesses taking initiatives to use renewable energy or who undertake other sustainability initiatives.
- Ensure economic development initiatives acknowledge the importance of environmental and social outcomes

CONSULTATION STAKEHOLDER SUMMARY

Stakeholder/s	Format	Date	Number of Responses/Attendees
Local businesses	Survey	November 2021	70
Traders' associations	Workshop	26 th October 2021	11
Economic Development Council Department	Workshop	28 th October 2021	8
Business Reference Group	Workshop	29 th October 2021	8
Various Council Departments	Workshop	28 th October 2021	11
Dolphin Products	External one-on-one interview	16 th October 2021	1
Simpson Barracks	External one-on-one interview	17 th October 2021	1
La Trobe University	External one-on-one interview	21 st October 2021	2
Austin Health	External one-on-one interview	25 th October 2021	1
NORTH Link	External one-on-one interview	4 th November 2021	1



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