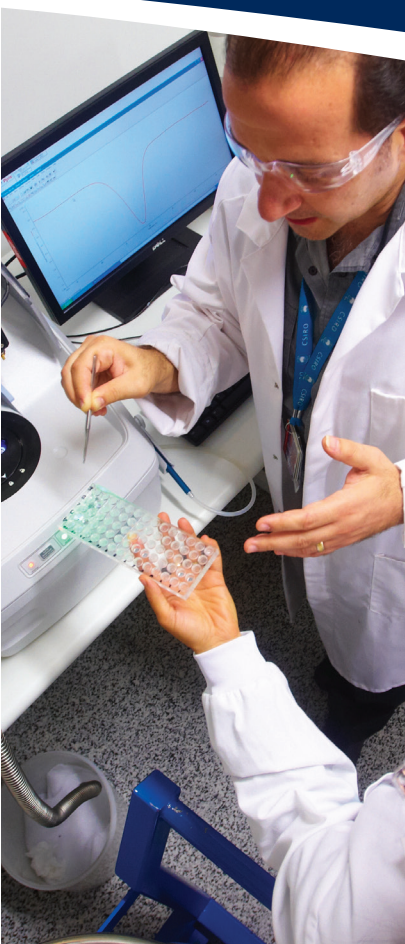


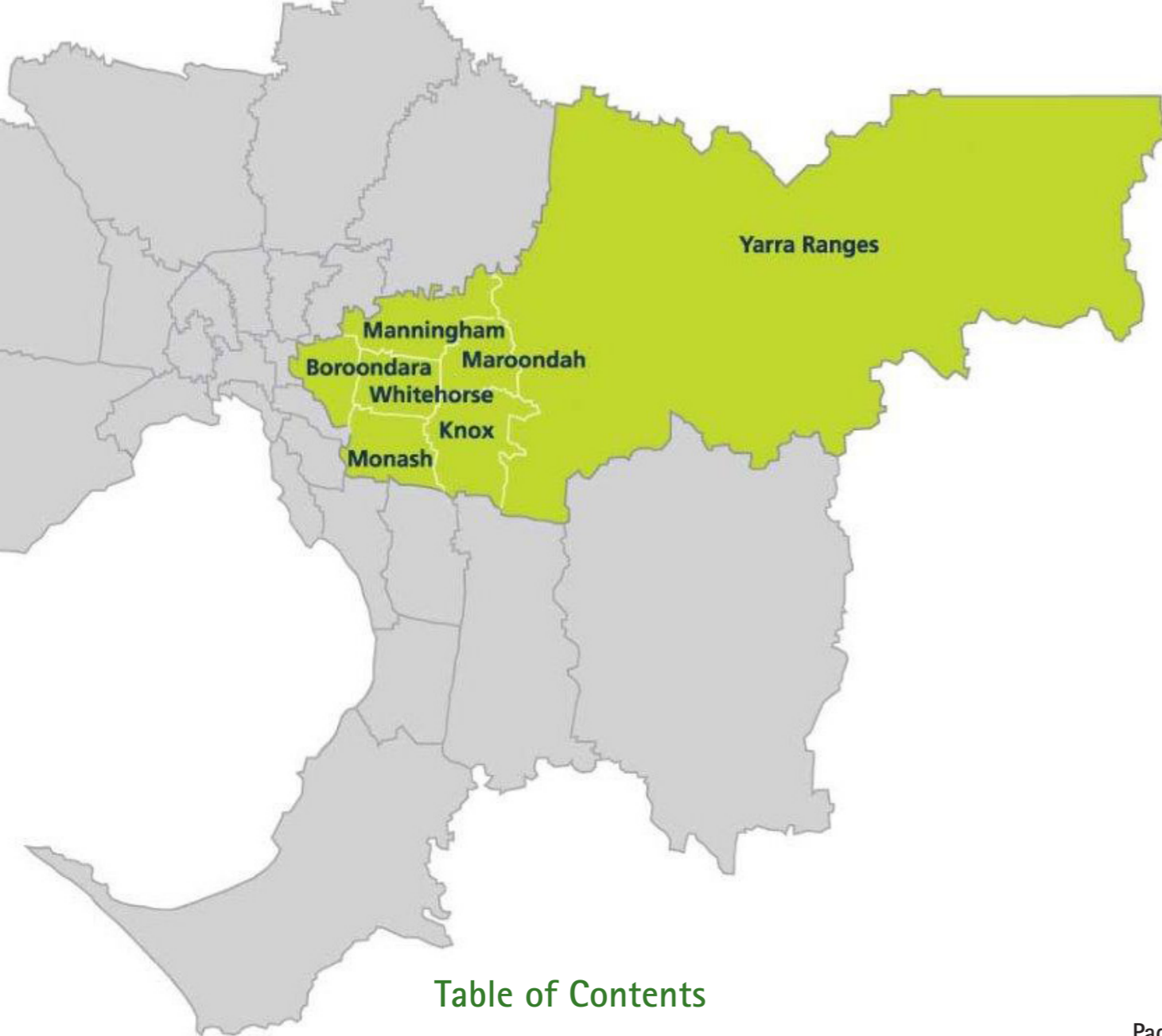
REGIONAL PLAN 2020



Melbourne East 2020

AUSTRALIA'S PREMIER LIFESTYLE AND BUSINESS DESTINATION





Melbourne East

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A message from the Chair

The Melbourne East Regional Plan 2020 is a future-focussed approach to meeting the demands of an increasing population, changing demographic, and evolving workforce needs.

It sets out a plan for the Eastern Metro Councils, state and federal government agencies, businesses and communities of interest to manage growth.

We have collaborated on this plan so that we position Melbourne East to fulfil its vision of Australia's premier lifestyle and business destination. The intent is to address our regional challenges, and simultaneously, take advantage of the opportunities for positioning Melbourne East as a global business hub.

It outlines what we need to do to sustain and grow the exceptional liveability of our region as our population grows, infrastructure ages, and future workforce needs evolve into the more high tech and high skilled employment opportunities.

Our Melbourne East Regional Plan provides a roadmap for short, medium and longer term actions. The actions are linked to a set of six regional priorities that align with the current and future regional economy.

This is a collective view of the partners to the Melbourne East Regional Economic Partnership. It is consistent with the Victorian Government Future Industries Strategies and the Commonwealth determinants of regional economic growth.

It is also a view that we have shared with the private sector and sought their feedback, so that it reflects industry needs.

The time is ripe for collaboration across the three levels of government, the private sector, and communities of interest in a bold, technology-enabled and outcome-focussed regional economic partnership.

As we enter an era of increasing opportunity, the future prosperity and liveability of our region will be directly linked to our preparedness to be smart and innovative about policy settings and planning for growth.

Steve Kozlowski, Chairman
Melbourne East RDA Committee

Table of Contents

	Page
A message from the Chair	3
Executive Summary	4
Our vision for Melbourne East	5
Purpose of the Melbourne East Regional Plan 2020	6
The Melbourne East Regional Economic Partnership Framework	7
Snapshot of the current regional economy	8
Regional priorities for Melbourne East	9
How do the Regional Priorities support economic growth in Melbourne East?	10
Opportunities for achieving economic growth	12
Collaboration and a shared vision for economic growth	25
Melbourne East Integrated Regional Action Plan 2020	36
Appendices	40

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REGIONAL PLAN 2020

Executive Summary

The Melbourne East Regional Plan 2020 articulates a strategic roadmap for Melbourne East for achieving economic growth, addressing the challenges we face, and a plan to provide an environment where local and global businesses and investors can set up and flourish.

Melbourne East is already acknowledged as one of Australia's premier regions to live, work, play, study, and do business.

Our vision is for Melbourne East to be Australia's premier lifestyle and business destination.

Our six regional priorities to drive long term economic growth are:

- Investment attraction
- Accommodation
- Precinct activation
- Connectivity
- Employability
- Import replacement

We intend to be smart, innovative and collaborative about how we achieve all these priorities.

Our Regional Economic Partnership provides the 'how' – it is a collaborative and integrated model for economic growth. It enables a united focus for attracting investment, and a cohesive and unique value proposition that is the Melbourne East region.

Through this united voice, we can leverage the comparative advantage of our knowledge economy and the strength of current investments in health, professional services, education, research and high tech manufacturing sectors.

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Our vision for Melbourne East

Our vision is for Melbourne East to be Australia's premier lifestyle and business destination

Melbourne East is positioned to become a global business hub and this Melbourne East Regional Plan (MERP) is a 'call to action'.

As a destination for investment, Melbourne East is ranked in Australia's top five for access to major roadways, five passenger rail lines, and multiple tram and bus routes.

Lifestyle choices range from inner-city living with buzzing cafes, restaurants and bars, and state of the art wineries. Residents enjoy a choice of hospitals, medical facilities and health services, as well as some of Australia's leading private schools, universities and other tertiary institutions.

The region has Australia's most highly qualified workforce and hosts a network of over 102,000 existing businesses. The forecast for population growth is strong and the number of residents in the region is expected to grow by 185,000 people over the next 15 years through to the year 2031.

To meet demand, the MERP promotes an objective approach to prioritising investment in infrastructure (both public and private), integrated investment attraction plans, and governance that enables efficient, effective, and accountable decision-making and service delivery.

As the economy of Melbourne East grows, so too will community requirements and expectations for both soft and hard infrastructure. The forming of the Melbourne East Regional Economic Partnership focusses us on initiatives that will retain the exceptional liveability of the region, whilst growing the economy at the same time.

The Regional Economic Partnership underpins an ambitious and innovative plan to sustain and grow the reputation of Melbourne East as Australia's premier lifestyle and business destination.

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Purpose of the Melbourne East Regional Plan 2020

The Melbourne East Regional Plan (MERP) is a strategic plan for managing economic development and population growth, with a four year window of initiatives that are aligned across the policy areas of the Commonwealth, Victorian and Eastern Metro Local Government areas.

It is a living document that aims to respond to the long-term significant economic challenges and opportunities for the Melbourne East region, whilst providing scope for reassessment of emerging priorities and adaptation to the changing political landscape.

The MERP is informed by critical pieces of work undertaken by the RDA Melbourne East and its partners, and by case studies of best practice locally, nationally, and globally. It provides a framework from which priority projects and initiatives are identified, agreed, and advocated for.

There are five pillars that provide guidance and a framework for establishment, implementation and evaluation Regional Economic Partnership that will drive the implementation of the MERP:

1. Collaboration and a shared vision for economic growth
2. Aligned and coordinated governance
3. Targeted investment attraction
4. Planning for growth
5. Metrics to evaluate the regional economic partnership

These pillars are the foundation for success of the regional economic partnership. It is an approach premised on continuous improvement and building stakeholder alignment across the issues within the region, opportunities for change, and optimisation of the existing assets that underpin the Melbourne East economy.

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Framework for the Melbourne East Regional Economic Partnership

1 Collaboration and a shared vision for economic growth	2 Aligned & coordinated governance	3 Targeted investment attraction	4 Planning for growth	5 Metrics to evaluate outcomes
Regional issues	Regional issues	Regional issues	Regional issues	Regional issues
<ul style="list-style-type: none"> Lack of coordination of regional priorities Inconsistent methodology for prioritising investment and infrastructure needs Missed opportunity for value capture through public investment Lack of place-based coordinated adoption of smart technologies 	<ul style="list-style-type: none"> Non-integrated model and process for commitment to priority investment (public and private) Organisational agendas create barriers and differing priorities Lack of leadership vehicle to broker place-based outcomes Disparate vehicles to engage industry and communities of interest in collective decision-making 	<ul style="list-style-type: none"> Lack of a broad view of land availability Lack of place-based planning Lack of commitment to evidence-based regional value proposition Lack of intra-regional transport networks Inconsistent broadband access High level of exports of knowledge-based services to other regions 	<ul style="list-style-type: none"> Lack of place-based planning for investment Lack of regional approach to facilitating planning applications Lack of planning for a changing and growing population Lack of regional position on workforce development Lack of regional framework for student/employer engagement 	<ul style="list-style-type: none"> There are few integrated models to learn from Metrics need to reflect the Melbourne East value proposition Need to integrate metrics across multiple partners
Opportunity for change	Opportunity for change	Opportunity for change	Opportunity for change	Opportunity for change
Regional Economic Partnership evolves to accommodate broader stakeholder group	Governance that coordinates resource allocation, decision-making, delivery and accountability	Regional approach to investment opportunity, and facilitation, including planning enquiries	Precinct Investment Plans identifying infrastructure (soft and hard) and workforce development that will accelerate growth	Authorising environment with the authority, consent, legitimacy, to review and re-evaluate regional priorities

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Snapshot of current regional economy

The Melbourne East economy is significant and growing, with a workforce in excess of 475,000 people, more than 102,000 businesses generating over \$105 billion in sales, and more than \$23B in exports.

The MERP seeks to leverage the existing knowledge economy strength of the region:

- Melbourne East is ahead of all Australian regions in the competitiveness of its human capital and innovation through the number of people working in research, science and technology
- Melbourne East has an outstanding presence of key institutions and facilities relating to education, health and research including three major universities, major health precincts, CSIRO and the Australian Synchrotron

Our professional services sector supports over 30,000 jobs of which more than 13,600 are involved in advanced design, technology, science and research

Our health sector supports over 58,000 jobs across 20 major health facilities and 6,000 businesses and organisations

Our education sector supports over 40,000 jobs including more than 12,000 jobs in the tertiary education sector

Our manufacturing sector has the greatest density of high tech sectors in Victoria, including technical equipment and pharmaceutical product manufacturing. These two sub-sectors generate 25% of manufacturing jobs and more than 20% of Melbourne East total exports

Our visitor economy that features the Yarra Valley and Dandenong Ranges, and generates more than 15,200 jobs and attracts four million visitors each year.



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Regional Priorities for Melbourne East

At the start of the journey, the Regional Economic Partnership has agreed on a set of regional priorities that reflect the capacity for leverage of existing assets, and provide a satellite view of infrastructure and investment needs that will be a catalyst for economic growth.

- **Investment attraction**
Communicate the Melbourne East value proposition as Australia's premier lifestyle and business destination
- **Accommodation**
Extend the availability of suitable and affordable accommodation to meet growing demand (student, business population growth)
- **Precinct activation**
Promote targeted place-based investment attraction that leverages existing strengths of activity centres, knowledge, R&D precincts etc
- **Connectivity**
Promote soft and hard infrastructure that supports and sustain jobs of the future, along with the liveability and amenity of the region
- **Employability**
Encourage work placements, internships, graduate placement (career readiness with the right skills for future jobs)
- **Import replacement**
Enable targeted high value import replacement (e.g. professional services currently imported into significant business precincts).

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How do the Regional Priorities support economic growth in Melbourne East?

Regional priority	Objective	Strategy	Result
Investment attraction Communicate the Melbourne East value proposition as Australia's premier lifestyle and business destination	Generate considerable opportunities for additional investment and grow opportunities for effective collaboration within the region and beyond.	<ul style="list-style-type: none"> Develop a digital and integrated regional service for facilitating investor enquiry and planning applications. 	1. Digital view of land availability and investment opportunity, data to inform investment decisions, and online service delivery
Accommodation Extend the availability of suitable and affordable accommodation to meet growing demand (student, business population growth)	Significantly extend the reputation of Melbourne East to domestic markets and into international markets and new investors.	<ul style="list-style-type: none"> Develop a housing strategy (based on evidence from the institutions on the shortfall of supply) to meet growing demand from international students, e.g. A student 'airbnb' strategy. 	2. Education precinct accommodation and services that enhance the student experience
Precinct activation Promote targeted place-based investment attraction that leverages existing strengths of activity centres, knowledge, health, research and development precincts etc.	Add significant new capability and/or value to the comparative advantages of the regional economy, and in particular the high value industry sectors identified in the Melbourne East Investment Strategy.	<ul style="list-style-type: none"> Map travel to work data and identify infrastructure needs for employment precincts. Facilitate the appropriate type of development to stimulate activity 	3. Precinct Investment and Infrastructure Plans that realise investment in office space, high speed broadband, hospitality, transport and amenity services 4. Funded plan to re-development of the Box Hill transit interchange and town centre 5. Co-location of significant and allied investment in the Wantirna Health Precinct
Connectivity Promote soft and hard infrastructure that supports and sustains jobs of the future, along with the liveability and amenity of the region	Enable considerable improvement in connectivity, the built environment, access to export markets, regional services and/or regional employment opportunities.	<ul style="list-style-type: none"> Map broadband connectivity across the regional precincts and identify economic potential that could be released by access to high speed broadband. 	6. Access to high speed broadband within and between key employment precincts 7. Westall Road Extension 8. Completed Metro Ring Road from Greensborough to the Eastern Freeway 9. Western Distributor in place as alternative access to airport and freight terminals
Employability Encourage work placements, internships, graduate placement (career readiness with the right skills for future jobs) and an employer culture that supports employee well-being	<ul style="list-style-type: none"> Generate significant levels of employment in sectors that are key to Melbourne East comparative advantage i.e. high value jobs that generate prosperity for the region. Enable significant opportunities for development in future workforce capability requirements. 	<ul style="list-style-type: none"> Develop reactivation plans for precincts and activity centres based on business intelligence. Develop an employer engagement framework that digitally links internship opportunities across the region Map workforce development needs and build partnerships that address business need. 	10. Precinct re-activation plans that meet business needs and generate future workforce potential 11. A regional view of internship opportunities for the international education sector 12. A future-ready workforce plan for Melbourne East
Import replacement Enable targeted high value import replacement (e.g. professional services currently imported into significant business precincts)	<ul style="list-style-type: none"> Enable considerable extension of local supply chains – including a significant level of import replacement, and substantially widen the regional industry's awareness of local supply opportunities. Enable significant export growth in existing markets, access to the development of new export markets and/or a significant growth of regional industry's export capability. 	<ul style="list-style-type: none"> Map supply chains within and between Melbourne East precincts that identify import replacement opportunity. Facilitation of clusters of high value exports 	13. Increased levels of local expenditure that are measurable, including jobs added as a result 14. Increased value of premium high value exports

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Opportunities for achieving economic growth

There is a range of opportunities that is likely to influence whether Melbourne East is able to achieve economic growth and realise its vision.

We need to find the relevant opportunities to support and address:

- Accommodating population growth and ageing transport infrastructure
- High speed broadband access that could accelerate economic growth
- Long term precinct investment planning to build our regional economy
- International Education – the engine room for the Melbourne East regional economy
- Commercialisation of research and development – smart business, smart precincts
- Office space for the growing professional services sector
- Import replacement and routes to market
- Our growing and ageing population



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Accommodating population growth and ageing transport infrastructure

Every day our regional road and public transport network moves nearly 600,000 employees within, into, or out of the region.

The staggering number of people movements can be attributed to many factors, including the prevalence of highly-paid and highly-qualified jobs in CBD Melbourne.

Recent studies tell us that the region needs to address the following challenges that impact our transport network:

- sufficient jobs for residents of the region
- connectivity between key employment precincts
- investment in key precincts to make them more employee-friendly (such as access to public transport, restaurants, and fitness centres)
- investment in accommodation to support international students and short-term stays associated with the significant education, health, and R&D institutions
- the benefit of a regional approach to a student-employer engagement framework that offers graduate employment, internships and pathways to commercialise research and development
- vital freight corridors that connect precincts and regions to ports and distribution centres.

"It's not transportation, it's transformation that we need"

Torkel Patterson – Central Japan Railways Company at a recent Sydney Rail Conference

Quick facts

- 245,000 residents live and work in the region (119,000 of these workers travel within the region)
- 116,000 people travel into the region for work
- 230,000 people who live in the region travel to work outside of the region

Case Study

Bus Rapid Transit System, Curitiba, Brazil

In the 1960s, Curitiba, the capital city of the state of Parana in Southern Brazil, experienced explosive population growth, with the number of residents tripling between 1940 and 1965. Faced with a rapid influx of immigrants attracted to the city's fast paced growth, traffic congestion became a serious challenge for urban planners. Now frequently referred to as one of the world's original 'smart mobility cities', Curitiba's Master Plan saw the introduction of a number of innovative urban initiatives that have secured the city's reputation as green and well organized, boasting a renowned quality of life for its still growing resident population.

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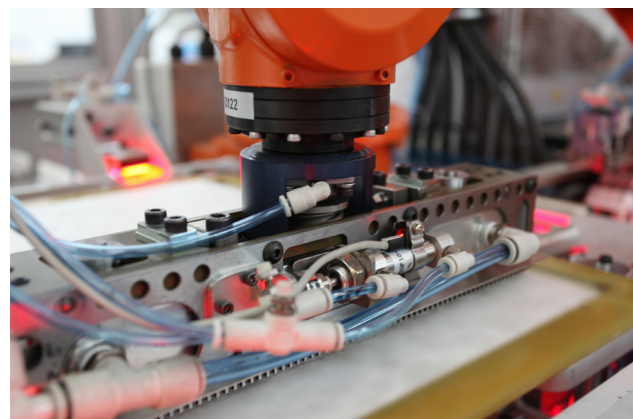
Opportunities for achieving economic growth

High speed broadband access that could accelerate economic growth

A report released by PwC in 2015 revealed modelling that showed how accessing digital technology by small business can unlock additional output potential. PwC stated that 53% of the potential economic benefit can be made by small businesses located outside Australia's inner metropolitan centresⁱ.

The core of the value proposition for our region is premised on our strengths in the knowledge economy – med tech, pharma, health, professional services, education – all of which require reliable access to high speed broadband.

Melbourne East is yet to analyse the potential for economic growth as a consequence of improved regional access to high speed broadband, however, results from surveys of the Bayswater and Monash employment precincts identified that the lack of access to high speed broadband within these precincts was an impediment to business growth.



Case Study

Study of the economic effects of lack of access to the NBN (Melbourne South RDA)

A 2015 surveyⁱⁱ of 322 businesses in south-east Melbourne employing 6,566 people, found that:

- most enterprises rely on ADSL
- the majority rely on digital access for teleconferencing, large file exchanges and cloud computing
- One third of enterprises said that broadband speed and reliability is poor to very poor
- Large export-oriented enterprises were the most dissatisfied with the quality of the service
- One quarter of enterprises would consider re-locating to gain access to high speed broadband

Analysis of the survey outputs identified that the economic benefits of access to high speed broadband for the 322 participating businesses would lead to a total of:

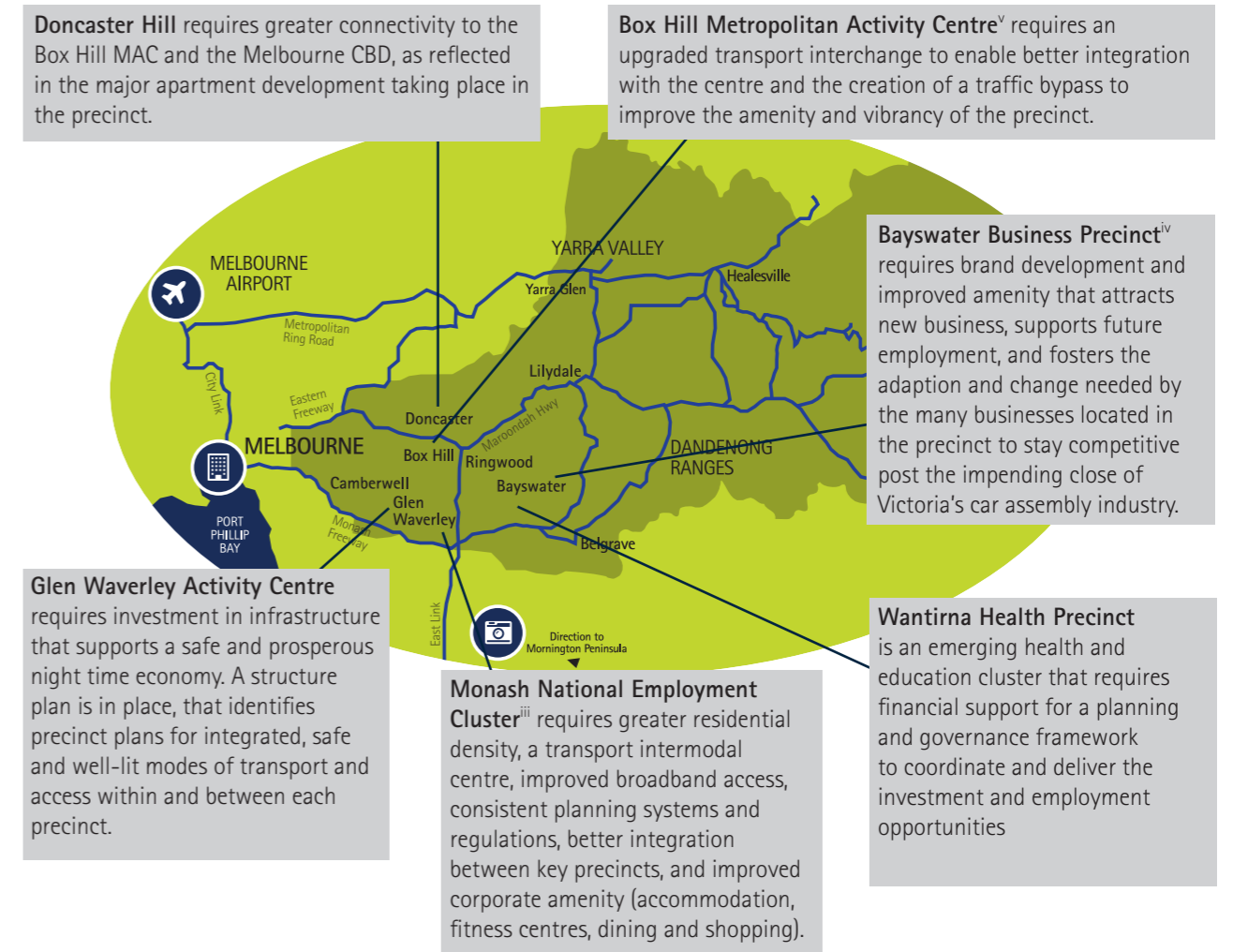
- \$110M in additional productivity
- \$73.9M of additional gross regional product
- 586 additional full time employee jobs

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Long term precinct investment planning to build our regional economy

Evidence from business surveys and studies of employment precincts support a more targeted approach to precinct planning, based business intelligence:



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Opportunities for achieving economic growth

International Education – the engine room for the Melbourne East economy

Universities generate the intellectual capital that will grow the future economy^{vi}, and we have an opportunity to introduce a new planning regime for precincts that act as a hub around which new and high value components of the economy will thrive.

Melbourne East is the largest exporter of education outside of the CBD. Studies^{vii} have identified a number of key issues that need to be addressed to grow potential of the education sector.

- Availability of suitable student accommodation
- Transport connectivity, particularly north-south routes

- The student experience on campus (integration with domestic students)
- Community engagement and cultural connections (e.g. volunteering)
- Employment opportunities (graduate, internship, work placements, etc.)
- Collaborative approaches to regional promotion of the international education opportunity
- Recognition of education as a key economic sector in the region

An example of an opportunity for improvement would be the investment in a railway station serving the Monash Clayton university campus, and the provision of an inter-modal exchange at Huntingdale Station that supports movement of knowledge workers, students and visitors.



Case Study

The experience of international students

As a graduate from the University of Pisa, Fabio was attracted to studying for a PhD in the world's most liveable city with prestigious universities that held a globally competitive rank. Fabio successfully applied for a scholarship with CSIRO for undertaking a thesis on early detection methods for emerging viruses, using the Hendra virus as a case study.

The research was a collaboration between University of Melbourne and CSIRO which resulted in Fabio needing to travel significant distances between the institutions. He had no car, so Fabio relied on public transport, and sometimes it would take an hour to commute between the university and CSIRO.

Originally from Tuscany, Fabio enjoyed the melting pot of culture in Melbourne, although he constantly craved further opportunities to socialise with local students. He believes he would have benefited from being part of local networks that would increase his awareness of social opportunities.

"Fabio relied on public transport to get him around Melbourne. He recalled how it would often take him an hour to commute between the University of Melbourne and CSIRO on the Monash University campus, using a combination of train, bus and walking... his reliance on public transport came with a hefty financial burden... and Fabio worked two part-time jobs to cover his expenses"

Quote from case study of Fabio, PhD student at CSIRO, Making the most of living in the liveable city

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Opportunities for achieving economic growth

Commercialisation of research and development – smart business, smart precincts

Studies within the region have shown that to grow knowledge-based employment, there is a need to improve the integration and commercialisation of ideas with commercial potential, and foster the executive and employability skills to leverage from them.

There is an ongoing need to encourage collaboration and partnerships, where key education and research institutions and infrastructure are aligned to innovation and the knowledge economy.

In building connectivity within the region, and between businesses, innovation can be realised through "access to capital and commercialisation pathways.....the flow of people, ideas and capital needs to be nurtured."^{viii}

"Taiwan takes steps to plug the brain drain... through implementing a ground-breaking scheme that sees the government subsidizing the full pay of desired foreign talent, such as research and development, for small and medium-sized enterprises that form the backbone of the Taiwan economy"

Quote from the Straits Times 11 April 2016

Case Study

Ballarat West Employment Zone

The Ballarat West Employment Zone (BWEZ) is the biggest investment development project in the region and is unique in regional Victoria in terms of the scale of economic land development. Developed as a partnership between the City of Ballarat, Regional Development Victoria and Major Project Victoria, the economic zone is expected to create up to 9000 jobs and inject \$5 billion per annum into the Ballarat economy. It is a staged development of 438 hectares of land adjacent to the Ballarat Airport as a high-quality industrial estate for a range of manufacturing, agribusiness, construction, freight and logistics, and research and development uses. It will include large lots, a freight hub, access for high-productivity freight vehicles and top-quality infrastructure. The project budget for BWEZ Stage 1 is \$30.169M. Regional Development Victoria has allocated \$25.169M and the City of Ballarat has delivered \$5M.

Case Study

ASTech – Trajan collaborative

ASTech is a partnership between University of Tasmania and Trajan, combining research, industry knowledge to innovate in product design, development and manufacturing techniques. Trajan is the sole commercial collaborator, and establishment of new nodes at University of South Australia and LaTrobe University are underway. ASTech aims to develop new capabilities and technologies that have the potential to progress the deployment of portable separation science systems into society, as well as training the next generation of industry-ready researchers.



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Opportunities for achieving economic growth

Office space for the growing professional services sector

The professional services sector in Melbourne East grew by more than 2,500 in the period 2006 to 2011. Outside of Melbourne CBD, the region is the largest employer in this sector, however the challenges are:

- 92% of the more than 15,000 businesses in this sector are non-employing or have no more than 4 employees – suggesting that there is a significant number of home based businesses; and/or that many businesses in the sector have a need for small spaces from which to operate
- 68% of all businesses in the sector have an annual turnover of less than \$200k – which may suggest that these businesses have limited funds for accessing commercial space and/or associated facilities such as meeting areas

Comparatively, Melbourne East ranks quite low in the Regional Competitiveness Index^x for “Business Start-Ups” which indicates that there are barriers to business start-ups in the region, including access to appropriate operating spaces.

There is a need to leverage the professional services capability of businesses in the region – with respect to their markets, customers and suppliers, as well as with other businesses with whom they may collaborate. Increasing the level of digital connectivity will support and potentially offset the need for access to commercial space, particularly for small businesses.



Case Study

BizHub Ringwood

BizHub has been a long-held dream and now it is a reality with the assistance from the Australian Government with funding of \$3 million from the National Stronger Regions Fund. BizHub is a one-stop-shop business resource centre giving you unprecedented access to education, skill and business development. It is home to activated, collaborative workspaces, learning and development programs and meeting spaces for your business growth and success.

BizHub provides a range of services to assist local businesses to develop and grow including:

- Co-working space to grow your business in an entrepreneurial and collaborative environment
- BizHub (www.bizhubmaroondah.com.au) – a website offering a wide range of business resources and information
- a Business Directory on the BizHub website where local businesses can register their details for free
- a fortnightly email containing current news, upcoming training sessions, events and business tips
- business development programs – skills training and assistance programs
- promotional and networking opportunities
- mentoring support
- employment assistance – BizMatch Job Board
- recognising and promoting new and successful businesses

