

# Melbourne East

## REGIONAL PLAN 2020

### Opportunities for achieving economic growth

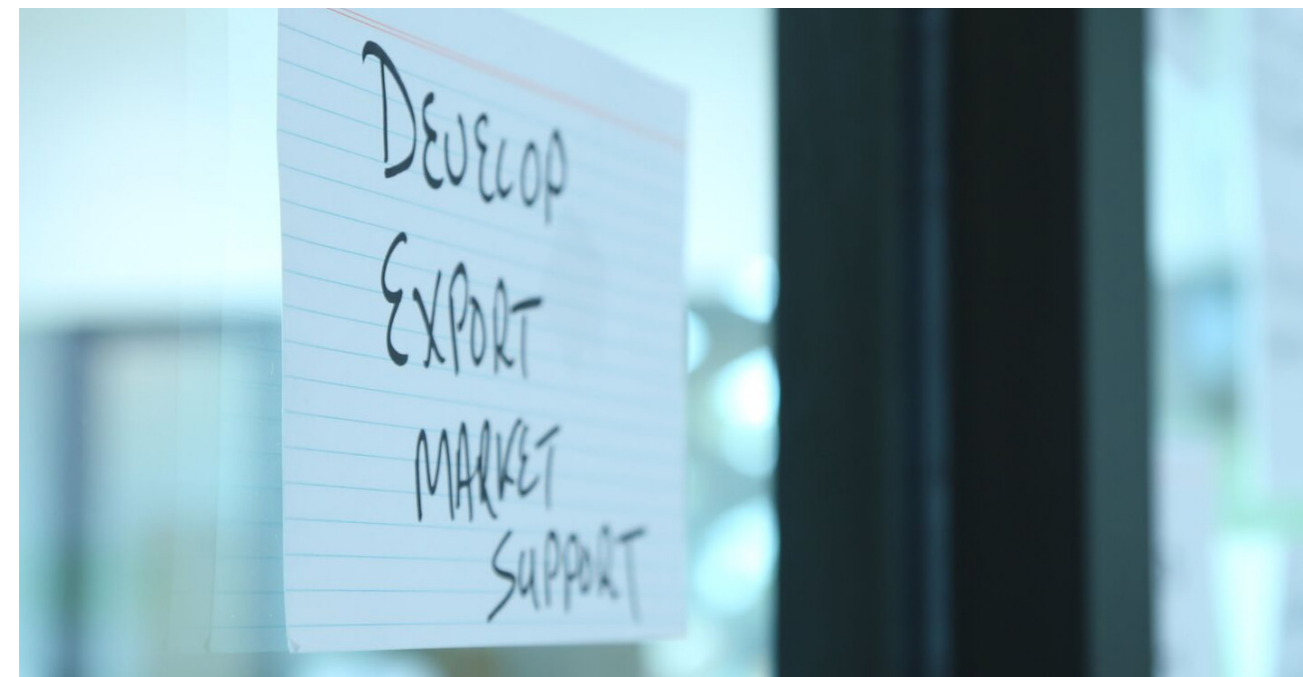
#### Import replacement and routes to market

A 2014 study of the Bayswater Kilsyth Industrial Precinct\* quantified \$692M of leakage of the professional, scientific and technical services sector. In other words, in the knowledge-based economy of Melbourne East, one of our employment precincts is importing \$692M of services.

The associated survey showed that businesses within the precinct desired increased networking and business-to-business opportunities, including the identification of new local suppliers or customers.

Access to high speed broadband, improved access roads and routes to market, amenity and planning application processes were also identified as essential enablers of business growth.

We need to consider new markets, new routes to markets, and opportunity for accessing local supply to generate local employment and reduce the impost on transport networks.



#### Case Study

##### Mondelez Food Innovation Centre

The Food Innovation Centre is a one stop shop that has world class capabilities, facilities and expertise that can support manufacturers in the food industry. It is an independent commercial Innovation Centre of Excellence, dedicated to driving capability, collaboration and creation of innovation in product and packaging to grow Australian businesses in the Asia Pacific.

Set up with the support of the Victorian Government, the Food Innovation Centre is about fast-tracking innovation and enabling businesses to export ready for Asian markets. It is dedicated to unlocking consumer insights and product innovation for export into Asian markets, where demand is increasing and opportunities are significant.

The approach is about de-risking the 'front-end' of innovation to maximise product success, from first identification of a business opportunity through to early concept, prototype development and testing. The Food Innovation Centre philosophy is to fail early and fast during product development to deliver more commercially viable and robust solutions. They collaborate with an extensive network of service providers in the 'back-end' of innovation to help commercialise and execute in market.

*"Few would argue that Asia is an economic powerhouse and is growing fast. As a region it's our biggest trading partner. And with the signing of new Free Trade Agreements (FTAs) and the development of the ASEAN Economic Community, it's likely that Australia's trade with Asia will continue to grow"*

Quote from PwC 2014 Passing us by: Why Australian businesses are missing the Asian opportunity. And what they can do about it

# Melbourne East

## REGIONAL PLAN 2020

### Opportunities for achieving economic growth

#### Increasing population and ageing workforce

Over a million residents lived in Melbourne East in 2011 and the population is forecast to increase to more than 1,214,000 by 2031. This represents a net increase of more than 185,000 additional residents at an average growth rate of 9,250 residents per annum.

It is also forecast that over the next 15 years the number of people aged 70 years plus will rise from 12%, to more than 16 % of the regional population. There will also be increase of more than 26,000 people in the 60 to 69 age group.

Deloitte Access Economics<sup>xi</sup> noted in 2015 that employment in the eastern region is of the order of 425,000 jobs – the most significant of all Melbourne metropolitan regions. As a result, the impact of an ageing workforce will therefore be felt more within Melbourne East.

The Melbourne East Regional Plan 2020 helps prepare businesses and training providers for planning for future workforce needs, and innovative partnerships to address those needs.

Importantly, the regional economic partnerships framework recognises that there are multiple stakeholders involved in both growing, and retaining jobs in the region.

#### Quick facts

The regional workforce, like the regional community, will age over the next 15 years to 2031. The indicative forecast is:

- A decrease of some 5,000 people in the 15 to 24 age group
- An increase of more than 32,000 people in the 35 to 49 age group
- An increase of more than 26,000 people in the 60 to 69 age group.

#### Case Study

##### Siemens Professional Education Germany

Siemens has established technical academy in Berlin based on key concepts from the STA-Berlins Associate Engineer program in Mechatronic Systems. Siemens offers an in-house certification program that colleges and universities around the world use to strengthen their students technical skills. It uses systems focused training integrated with hands on learning focused on trouble shooting and problem solving. The result is graduates who are well-grounded individuals and can adapt to new work situations quickly and appropriately.

This is an example of a partnership across industry (with specific employability needs), training providers and educators.

# Melbourne East

## REGIONAL PLAN 2020

### Collaboration and a shared vision for economic growth

The development of the Melbourne East Regional Plan 2020 brings together all levels of Government around a Regional Economic Partnership that incorporates the potential for collaboration with key agencies and stakeholder groups.

Our Melbourne East region is ready for this level of collaboration and commitment to a bold, technology-enabled and outcome-focused regional economic partnership.

As we enter an era of increasing opportunity we know that the future prosperity and liveability of our region will be directly linked to our preparedness to adopt innovative approaches to regional partnerships, governance, policy settings and planning for growth.

#### Quick facts

Our framework for regional collaboration:

- Collaboration and a shared vision for economic growth
- Aligned and coordinated governance
- Targeted investment attraction
- Planning for growth
- Metrics to evaluate outcomes





# Melbourne East

## REGIONAL PLAN 2020

### Collaboration and a shared vision for economic growth

#### Partnership participants

The Melbourne East Regional Plan is a regional economic partnership between the following parties:

#### Eastern Metro CEOs and Mayors Group

An alliance between the seven Eastern Metro Councils of Boroondarra, Manningham, Whitehorse, Maroondah, Knox, Monash and Yarra Ranges Shire.

#### Regional Development Australia (RDA) Melbourne East

A Commonwealth appointed body, whose role is to support, facilitate and promote economic growth in the region.

#### Eastern Regional Management Forum (ERMF)

A whole-of-government approach to addressing regional development across economic, social and environmental issues.

#### Department of Economic Development Jobs Transport and Resources (DEDJTR)

The agency that has responsibility for economic growth – investment and jobs. In particular, the Melbourne East Regional Economic Partnership recognises and work with the Eastern Victorian Government Business Office (VGBO).

#### Metropolitan Development Victoria (MDV)

Instituted in April 2016, MDV is a new business unit within DEDJTR (along the lines of Regional Development Victoria) that will provide access to Cabinet through the Melbourne East Regional Economic Partnership.

#### Plan Melbourne Refresh It is proposed that

Plan Melbourne 2016 will be an enduring strategy with a long-term focus supported by a 'rolling' implementation plan. The role of and partnerships with the Metropolitan Planning Authority and sub-regional planning groups will be more clearly articulated in Plan Melbourne 2016 implementation.

#### Melbourne East Regional Economic Development Group (MEREDG)

Formed in 2015 as part of the pilot of the Regional Economic Partnership, the MEREDG comprises Council officers charged with operational delivery of economic projects and initiatives, representatives of the DEDJTR Eastern VGBO, and RDA ME.

# Melbourne East

## REGIONAL PLAN 2020

### Case Study

#### Melbourne East Regional Sport and Recreation Strategy

The Melbourne East Regional Sport and Recreation Strategy has been developed to support and guide Melbourne East Councils and stakeholders in the planning and delivery of regional level sport and recreation facilities and shared recreation trails. This strategy investigates the issues and opportunities impacting the planning and provision of regional level facilities, using the information provided by the seven represented Councils, State Sporting Associations, State Government and other regional stakeholder groups.

The Melbourne East Regional Sport and Recreation Strategy identifies the current gaps in regional facility provision and provides clear strategic directions and a planning framework to assist stakeholders and funding providers to prioritise and develop regional projects.

The following priority areas have been identified through the development of this strategy and require collective action from Councils and other regional stakeholders to enable the successful planning and future development of regional sport and recreation facilities and shared trails in Melbourne's East:

- Governance and partnerships;
- Knowledge and understanding of the region;
- Sustainable, flexible and efficient facility development.



# Melbourne East

## REGIONAL PLAN 2020

### Collaboration and a shared vision for economic growth

#### Aligned and coordinated governance

The benefits derived from an aligned and coordinated governance can be maximised if linked accountabilities and responsibilities cascade down through the management levels within an organisation, and align across the partner organisations (commonly referred to as a 'matrix approach' for service delivery across multiple partners).

The Governance Framework<sup>xiii</sup> for the Melbourne East Regional Economic Partnership provides:

- strategic context for the Melbourne East Regional Economic Partnership;
- clarification around roles, responsibilities and accountabilities, and ensures that authority and decision-making occurs appropriately; and
- a structure to verify and safeguard individuals' responsibility within and without the Regional Economic Partnership.

The governance framework has been developed to acknowledge the legitimate interest of each partner, and maximise the benefits of purpose-driven collaboration through shared business intelligence, and efficacy in the application of resources and tools.

It does not seek to replicate organisations' internal lines of authority, rather it is hoped that one of the benefits of collaboration will be streamlined and there will be efficient delivery of shared business goals.

Reporting responsibilities, accountabilities and decision-making processes that form the overall matrix for the Regional Economic Partnership are identified within the framework; the output is a regional and cohesive reporting and communications framework.



#### Case Study

##### Arden Macaulay Precinct Collaboration

The City of Melbourne identified the Arden Macaulay precinct as an urban renewal area that could accommodate significantly more residents and employment growth over the next 30 years. A 30 year structure plan was put in place to guide strategies and actions relating to land use, transport, community infrastructure and sustainable infrastructure. Collaboration was required by up to 15 stakeholder agencies to achieve the policy changes, design and research work needed to deliver on the structure plan.



# Melbourne East

## REGIONAL PLAN 2020

### Collaboration and a shared vision for economic growth

#### Targeted investment attraction for Melbourne East

The Regional Economic Partnership has agreed on the unique value proposition for Melbourne East based on the region's exceptional liveability, knowledge-based employment, and agglomeration of like economies in key precincts. To sustain and grow the vision for the region, it is essential that we leverage existing strengths to promote further investment attraction.

The Melbourne East Regional Economic Partnership has agreed on a set of criteria for assessing emerging projects and initiatives (listed below).

|  |  |
|--|--|
| <b>Investment</b><br>Promote opportunities for investment (and re-investment) by emphasising the region's comparative advantage.   | <b>Workforce</b><br>Develop workforce capability to meet jobs of the future.   |
| <b>Innovation</b><br>Promote the addition of new capabilities – particularly in high value sectors (health, advanced/high tech manufacturing, professional services, education). | <b>Reputation</b><br>Promote the Melbourne East reputation to domestic and international markets, and new markets.   |
| <b>Exports</b><br>Support export growth in existing markets, access to new markets, and/or significant growth of business export capability.                                     | <b>Local expenditure</b><br>Extend local supply chains by communicating the opportunity for import replacement.  |
| <b>Employment</b><br>Support investment that generates jobs in sectors of regional comparative advantage to and meet the 2020 target of 4000 jobs within the region.             | <b>Liveability and Amenity</b><br>Promote considerable improvement in connectivity (hard and soft infrastructure), the built environment (employment precincts) and access (markets, services and employment). |

These criteria form the basis of how the Regional Economic Partnership will assess and prioritise emerging projects, initiatives and advocacy, premised on what will both sustain and grow the comparative and competitive advantage of our economy.

To assist all levels of government, potential investors and developers in reviewing and re-setting priority projects and initiatives, an investment attraction tool has been developed for assessing investment potential of a project or initiative against the criteria identified above.

A guide to using the Tool will be available on the Melbourne East website.<sup>xiii</sup>

### Case Study

#### The Investment Plan for Europe

The Investment Plan for Europe was adopted in 2014 as the first major initiative of the Juncker Commission. A European Fund for Strategic Investments has been established that is able to respond quickly to financing needs. The European Investment Project Portal went live in February 2016 and provides a transparent pipeline of investable projects. A European Investment Advisory Hub has been in operation since September 2015, and functions to enhance the quality of public and private actors across the EU to structure financially sound projects in order to bring them to maturity.



# Melbourne East

## REGIONAL PLAN 2020

### Collaboration and a shared vision for economic growth

#### Planning for growth – place-based planning for Melbourne East

The Melbourne East Regional Plan 2020 sets out a plan for growing the regional economy through investment, projects and initiatives targeted to opportunities significant to Melbourne East.

Our region is similar to Inner Melbourne, whereby land availability is declining, and the cost of land is increasing. The transition of the manufacturing sector presents an opportunity for increased specialisation of industry sectors within business precincts, and the potential re-purposing of brown field land.

This is a place-based plan aimed at leveraging the existing strengths and future potential of our employment precincts. It promotes the activation of precincts based on: agglomeration of like economies, targeted investment, and supporting hard and soft infrastructure that connects businesses to each other along with employees to their place of work.

The presence of key institutions and facilities in the region supporting education, health and research, (including three major universities, major health precincts, CSIRO and the Australian Synchrotron) has led to clusters of research and development, health and advanced manufacturing.

Melbourne East is ranked in the top three Australian regions for its technological readiness, and ranks first in the competitiveness of its human capital and innovation through the number of people working in research, science and technology.

Within the region, 9,900 people work across sectors such as Computer Systems Design & Related Services and Professional, Scientific, Computer & Electronic Equipment Manufacturing, generating \$5.2 billion in sales (including \$2.2 billion in exports).<sup>xiv</sup>



*"The core idea at the centre of information-based agglomeration economies is that all of our knowledge builds on things that we learn from people around us. The central premise is that the presence of knowledgeable neighbours enables an apprentice steelworker to learn his craft, but it also makes a biotechnology researcher more innovative. The interaction of smart people in urban areas both enhances the development of person-specific human capital and increases the rate at which ideas are formed"*

Quote from Ed Glaeser in 2010, Agglomeration Economics, University of Chicago

*"Well-planned employment clusters give people living in the middle and outer suburbs good access to jobs close to where they live and also increases local services."*

Quote from Planning Minister, Richard Wynne MP

#### Case Study

##### Monash National Employment Cluster April 2016

The Metropolitan Planning Authority is planning for jobs growth and new investment opportunities through a place-based focus on the employment cluster in the Monash University and the business and industrial areas of Huntingdale, Clayton, Mulgrave, Notting Hill and Springvale.

Changes to planning rules across commercial and industrial land are intended to encourage development that increases jobs and services. The objective is improved amenity that will result in more cafes, hotels, services and entertainment, as well as improved parks, cycle ways and pedestrian links.

In partnership with the cities of Monash, Kingston and Greater Dandenong, the MPA is consulting with local business to develop ideas to attract more investment through smart planning, improved amenities and better transport connections.



# Melbourne East

## REGIONAL PLAN 2020

### Our Regional Economic Partnership

#### Metrics to evaluate the regional economic partnership

The Regional Economic Partnership has committed to a target of 4,000 new jobs by 2020.

Deloitte Access Economics™ recommend ten dimensions of prosperity in place that resonate with the Melbourne East place-based approach to economic growth:

1. Human Resources – people power
2. Natural Resources – endowed wealth
3. Physical Capital – buildings and equipment
4. Social Capital – social connections
5. Innovation & Entrepreneurship – desire for the new and willingness to take risks
6. Leadership & Contribution – capacity and willingness to lead and collaborate
7. Material Standards – economic wellbeing
8. Health & Safety – physical, mental and emotional wellbeing
9. Natural Amenity – beauty of the surroundings
10. Local Amenities – convenience and accessibility in meeting everyday needs

The Melbourne East region is endowed with significant natural and man-made assets, a highly skilled labour force and a thriving knowledge-based economy.

As the regional economic partnership evolves, metrics that support evaluation of the outputs and outcomes of implementation plans will be developed. These metrics will be linked to the development of Precinct Investment Plans, and enable emerging priorities to be incorporated and assessed as required.

The process of assessing emerging priorities will be facilitated through the Melbourne Project Priority Assessment Tool 2016, against which metrics will be developed and measured.



### Case Study

#### Victoria's new China Strategy – partnerships for prosperity

The Victorian Government's vision is that Victoria becomes the gateway connecting China and Australia. The partnership strategy is built around three themes of deeper understanding, genuine connections, and mutual prosperity. Six directions align with these themes and will drive the immediate actions of Government.

1. Strengthen government alliances within China's economic development zones—providing a clear focus to our efforts while creating an entrée to broader engagement with China
2. Establish Victoria as Australia's centre of excellence for Asia insights and capabilities
3. Build connections through reciprocal cultural partnerships and by establishing new platforms for people-to-people engagement
4. Attract investment, including into the Government's infrastructure pipeline, to support Victoria's continued economic growth
5. Support successful business engagement with China
6. Target trade activity according to Victoria's competitive advantages and identified market opportunities in China

Clear metrics have been agreed to evaluate the success of the new China Strategy, including:

- **More investment and jobs** - Victoria's total share of Chinese investment to Australia to increase from 8% to 20% by 2026
- **More trade** - Victoria's exports to China anticipated to increase by over \$5 billion over the next 10 years.
- **More visitors** - Overnight expenditure by Chinese visitors to Victoria to increase from \$2.2 billion in 2015 to over \$3.4 billion by 2026.
- **More students** - Chinese post-graduate student enrolments in Victoria to grow by 25% over the next 10 years.

# Melbourne East

## REGIONAL PLAN 2020

### Melbourne East Integrated Regional Action Plan 2020

The intent of the Action Plan 2020 is to deliver against a set of regional priorities that reflect the capacity for leverage of our region's existing assets, and provide a satellite view of infrastructure and investment needs for economic growth. Our six regional priorities are:

#### 1. Investment attraction

Communicate the Melbourne East value proposition as Australia's premier lifestyle and business destination

#### 2. Accommodation

Extend the availability of suitable and affordable to meet growing demand (student, business population growth)

#### 3. Precinct activation

Promote targeted place-based investment attraction that leverages existing strengths of activity centres, knowledge, research and development precincts etc.

#### 4. Connectivity

Promote soft and hard infrastructure that supports and sustain jobs of the future, along with the liveability and amenity of the region

#### 5. Employability

Encourage work placements, internships, graduate placement (career readiness with the right skills for future jobs)

#### 6. Import replacement

Enable targeted high value import replacement (e.g. professional services currently imported into significant business precincts).



| Objective   | Actions  | Regional Priority | Timeframe | Output   |
|---|--|-------------------|-----------|--|
| Generate considerable opportunities for additional investment and grow opportunities for effective collaboration within the region and beyond                         | 1. ME website development linking to relevant providers of data  | 1,2,3             | Short     | Digital view of investments on foot, or proposed, including information to facilitate investment decisions                     |
|   | 2. Collate investment pipeline data on a regional basis  | 1,2,3,4           | Short     |  |
|   | 3. Identify strategic sites for value capture  | 1,2,3,4           | Short     |  |
|   | 4. Scope a regional portal for investor and developer information and process on land use, planning permits, regulation etc. | 1,2,3,4           | Medium    | Digital and regional approach to land use enquiries, planning applications, and consolidated map of green and brownfield sites |
|   | 5. Spatial mapping of regional land/property availability and potential for regional economic growth                         | 1,2,3,4           | Medium    |  |
| Generate significant level of employment in sectors that are key to Melbourne East comparative advantage i.e. high value jobs that generate prosperity for the region | 6. Audit council structure plans for missed or lost opportunity (NACs, etc)  | 1,2,3,4,6         | Short     | Precinct re-activation plans informed by business intelligence, and promoting a unique investment offering                     |
|   | 7. Undertake economic analysis of activation potential   | 2,3,4,5,6         | Short     |  |
|   | 8. Survey businesses in precincts identified suitable for reactivation   | 1,2,3,6           | Medium    |  |
|   | 9. Develop a reactivation plan for each precinct that addresses business need (e.g. accommodation, services, etc)            | 1,2,3,4,5         | Medium    |  |



# Melbourne East

## REGIONAL PLAN 2020

### Melbourne East Integrated Regional Action Plan 2020

| Objective   | Actions  | Regional Priority | Timeframe | Output  |
|---|--|-------------------|-----------|---|
| 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 | 10. Coordinate, maintain and communicate a regional calendar of business development programs and events                         | 2,3               | Short     | Melbourne East Business Program Calendar  |
|   | 11. Map broadband connectivity across region's precincts and identify lost business opportunity                                  | 1,2,3,6           | Short     | Evidence-based strategy (i.e. economic potential that would be released) to advocate for broadband access       |
|   | 12. Map the innovation centres and hubs, connect them digitally to each other and businesses                                     | 1,2,3,5,6         | Short     | Digital connectivity for businesses, and between businesses, that enables cluster development opportunities     |
|   | 13. Connect B2B and build communication of opportunities within region for leveraging existing and/or new businesses             | 2,3,5,6           | Medium    |   |
| 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                                | 14. Develop a plan for aggregating regional export potential   | 2,6               | Short     | Facilitation of clusters of high value exports  |
|   | 15. Business network functions aimed at promoting export opportunity and developing B2B collaboration                            | 2,3,5,6           | Short     |   |
|   | 16. Undertake a study to identify potential for commercialisation opportunities of R&D   | 1,2,3,5,6         | Short     |   |
| Enable considerable extension of local supply chains – including a significant level of import replacement, and substantially widens regional industry's awareness of local supply                        | 17. Use social media to build forums of engagement   | 1,2,3,5           | Short     | Supply chain mapping within and between Melbourne East precincts that identifies import replacement opportunity |
|   | 18. Map supply chains within key precincts   | 2,3,6             | Short     |   |
|   | 19. Map regional supply chains and opportunity for import replacement  | 2,3,6             | Medium    |   |
| Enable significant opportunities for development in of future workforce capability requirements   | 20. Survey employers to identify future workforce needs  | 2,3,4,5           | Short     | Partnerships established to address future workforce needs  |
|   | 21. Establish a regional employer and training provider framework  | 1,2,3,4,5         | Medium    |   |
| Significantly extend the reputation of Melbourne East to domestic markets and into international markets and new investors  | 22. Communicate local stories via web and social media   | 1,2,3,4,5,6       | Short     | Melbourne East has a reputation for being a 'smart' place to do business  |
|   | 23. Establish a regional portal for investor and developer information and process on land use, planning permits, regulation etc | 1,2,3,5           | Medium    |   |
|   | 24. Map key precinct needs for investment attraction that will boost economic activity   | 1,2,3,4,5         | Short     | Precinct infrastructure plans that address transport, accommodation and amenity needs                           |
| Enable considerable improvement in connectivity, the built environment, access to export markets, regional services and/or regional employment opportunities  | 25. Identify the student housing demand and develop a plan to meet that need   | 1,2,4             | Short     |   |
|   | 26. Survey workforce of key precincts to map travel to work data   | 2,3,5             | Short     |   |
|   | 27. Develop a plan to move people to and from place of work and study that is efficient and safe                                 | 2,3,4,5           | Medium    |   |



# Melbourne East

## REGIONAL PLAN 2020

### Appendices

The sources of data for the Melbourne East Regional Plan 2020 are identified below. They include specific studies undertaken by the RDA Melbourne East (and partners), as well references to current and relevant literature sources.

- <sup>i</sup> PwC Small Business Digital Growth 2015
- <sup>ii</sup> The need for High Speed Broadband in SE Melbourne's Industrial Precincts: Study of economic effects of lack of access to the NBN, Geografia 2015
- <sup>iii</sup> Monash Employment Cluster Economic and Business Intentions Report, Urbis 2014
- <sup>iv</sup> Bayswater Industrial Precinct Review Project, AEC 2014
- <sup>v</sup> City of Whitehorse Economic Benefits of a Box Hill Transport Interchange, Hale Consulting 2015
- <sup>vi</sup> Planning Institute Australia, John Holland August 2015
- <sup>vii</sup> Study of the Economic Impact of International Education in Melbourne East, Hill PDA 2015
- <sup>viii</sup> Creating Innovation and Knowledge-Based Business and Employment in Melbourne East, Geografia 2012
- <sup>ix</sup> Regional Competitiveness Index utilises data from ABS and other sources to identify, and compare, the relative competitiveness capabilities of Australia's 564 Local Government Areas (LGAs) as well as each of the 60 RDA regions including Melbourne East.
- <sup>x</sup> Bayswater Kilsyth Industrial Precinct Report, AEC 2014.
- <sup>xi</sup> Deloitte Access Economics, 2015.
- <sup>xii</sup> Governance Framework for the Eastern Melbourne Regional Economic Partnership April 2016
- <sup>xiii</sup> A Guide for using the Project Priority Assessment Tool for potential regional initiatives or projects in Melbourne East 2016.
- <sup>xiv</sup> REMPLAN, 2015
- <sup>xv</sup> Deloitte Access Economics, The Purpose of Place Reconsidered, 2016.







An Australian Government Initiative



Regional Development Australia

MELBOURNE EAST  
[www.aboutME.org.au](http://www.aboutME.org.au)

