Monash Employment Cluster

Economic and Business Intentions Project Report

26 November 2014

urbis

URBIS STAFF RESPONSIBLE FOR THIS REPORT WERE:

Directors	Brendan Rogers, Shane Robb, Rhys Quick, Sue Say
Associate Director	Liz Ernst
Research Analyst	Liam Ratcliffe
Job Code	MA8872

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Executive Summary

ACTIVITY IN THE MONASH EMPLOYMENT CLUSTER

Employment growth in the Monash Employment Cluster and south east Melbourne in general has been limited over the last 5-10 years, driven by the decline of the manufacturing industry in Australia, the industry the region continues to rely on most heavily. While the old industrial base is still important, it is in decline, and it is creating a need for the employment opportunities to be replaced through emerging industries.

There are various nodes within the Cluster which are quite distinct:

- The northern Monash Freeway node is a mixed precinct, influenced by the location of the Monash University and the scientific and technical precinct, although with manufacturing and wholesale trade still being important employers.
- The Princes Highway (Middle) node's employment base reflects the location of the Monash Medical Centre and the manufacturing industry which remains.
- The West and South nodes are both still heavily manufacturing-oriented, with a more predominant blue collar workforce.

Given the large size of the Cluster and the differences between the various nodes, the needs of workers and businesses are likely to differ by location, nature of business and the profession of workers.

The combination of knowledge and research based industries ensures the Cluster is well positioned to target new growth markets and provide employment for the continued growth of Melbourne's south east population.

However, the future growth of the Cluster will face some hurdles. Employment growth has been stifled by the natural decline of the broad manufacturing base in the area, and the fact that other precincts can now provide industrial occupiers with cheaper, more accessible and more integrated accommodation options.

Knowledge-based industries will form part of the solution in replacing the declining employment base, however the size and diversity of the Cluster will mean there will need to be a wider range of new employment options emerging to support growth.

PROFILE, NEEDS AND ATTITUDES OF EXISTING BUSINESSES

An online survey has been conducted of 189 businesses, employing around 10,000 employees which represents about 12.5% of the total employees in the Cluster. Over half of those who participated in the survey are in the Manufacturing, Wholesale Trade, Professional, Scientific and Technical Services or Construction industries, with two-thirds located in the north or middle nodes. The average size of businesses in the survey is 52 employees (located on-site), which is larger than the average for the Cluster as large businesses were specifically targeted for the survey.

Just over half of businesses surveyed are leasing their premises, with the average time at their current address being 10 years. The average lease expires in 4.7 years. Those with 100 employees or more typically have between 6-12 years left on their lease.

About one third of businesses currently export or are interested in exporting. There are a number of barriers they face where they would benefit from support, such as information, training and useful contacts to get started.

Whilst the majority of businesses in the Cluster Study Area remained the same size in the last two years, there has been a small net increase in size overall. Large businesses with 100 employees or more are more likely to have expanded than contracted, whilst smaller businesses have tended to stay the same size. Looking forward, half expect to stay about the same size in the next two years and two fifths expect to grow; mostly smaller businesses and with growth expected in the vicinity of 25% or less.

There is indication of significant movement ahead, with one quarter unlikely to be in their current location in the next five years, increasing to half in the next 10 years. Movement is most likely in the north and middle nodes and among larger businesses with 100-500 employees. Positively, around two thirds of those considering moving said they would be likely to remain in the Monash Employment Cluster. On the flipside, this suggests that in five years, around 10% of businesses surveyed are likely to have left the Cluster, increasing to around 17% in ten years.

The key strengths of the Cluster include proximity to clients, accessibility by road and size of the site/premises. Other strengths include: proximity to staff residences, suppliers and the freeway, fitting with their business image/culture and occupancy costs.

The main weakness is lack of public transport, particularly getting people into the Cluster, rather than between nodes. Other weaknesses include lack of quality hotels/apartments, availability of parking for customers and staff, lack of cycle paths, congested roads and proximity to retail, leisure and entertainment facilities.

Overall, however, the research suggests that businesses are generally happy with their location in the Cluster. Most don't have high expectations of surrounding facilities and amenities; seeing it as a place to work and they have adapted to what's in the area. However, the level of amenity is more likely to be an issue when attracting new businesses to the Cluster.

Going forward, the key opportunities to help shape the Cluster for the future include:

- Extend Westall Road to connect with the Monash Freeway.
- Construction of the Rowville railway line from Huntingdale station.
- Upgrade Huntingdale station.
- Railway lines grade separation program.
- Better co-ordinated bus and train timetables.
- Add cycle paths.
- Quality hotels/apartments (short and mid-term).
- Additional retail –restaurants/cafes, lunch places, coffee, bar, banks, stationery, kitchen supplies, etc.
- More recreational facilities.
- Coordinate mobile services to this area, such as food trucks/trolleys, yoga/well-being classes and fitness classes, etc.
- Give the Cluster a sense of identity and market it accordingly. Make businesses feel like they belong to something (currently operating individually).
- Better access to Monash University (parking and convenience).
- Improve connections with CSIRO, Monash Health and local business.

PERCEPTIONS OF OWNERS, DEVELOPERS AND AGENTS

The thoughts of owners, developers and agents were similar to businesses:

- Most respondents consider the reason businesses were attracted to the Cluster was a combination of a cost benefit relative to alternate locations and access to an immediate work force.
- Insufficient public transport relative to other locations is considered to be the major limitation in attracting businesses to the Cluster.

- An improvement in public transport to the area is considered to be the best option available to Government to enhance development/employment opportunities within the Cluster.

- Recent development activity within the Cluster was identified as predominantly being for office and administration (head office) purposes.

- The marketplace consistently agreed the best description for the Cluster was a well-regarded location, yet constrained by a lack of public transport options.

Where the respondents were provided the opportunity to freely comment on other observations, the following were submitted as being of most relevance:

- Access to retail amenity was identified by a couple of respondents as being a detractor to the location.

- Planning, process and restrictive aspects were also identified by a number of respondents as being a negative to development activity.

- Public transport to the location was again reinforced as a driver to enhance development in the precinct.

RECOMMENDATIONS AND PRIORITIES

Priority Precinct for Development

Urbis recommend the initial development focus should be to the north east of the Cluster. This **"Priority Precinct"** represents the best immediate opportunity to create further development and employment. The land within this area comprises not only the immediate development opportunities, but also the major manufacturing uses which are currently at risk. Around 80% of employment in the Cluster Study Area considered in this report is located in the defined precinct.

The Priority Precinct, however, needs an established and recognisable market identity to assist and enhance the opportunity for further employment creation. This identity, coupled with an established and transparent multiple council, consistent business support mechanism will contribute to the employment development opportunities.

Primary and Secondary Actions

The responses from businesses in the Cluster have highlighted actions that we have classified as either a primary or secondary focus.

- **Primary focus**: This includes initiatives relating to public transport and improved road access. Quite simply, they should be the primary focus because they will physically help to get people in and around the Cluster and allow the Cluster to grow. Specifically, this should include:

  – Improvements to public transport: additional railway lines such as the construction of the Rowville railway line, improved bus networks within the Cluster and better coordinated timetables between rail and bus, upgrade to Huntingdale Station.

  – Improved roads and accessibility: extension of Westall Road to connect with the Monash Freeway, railway line grade separation program (particularly around Clayton/Centre Road), creation of cycle lanes.

- **Secondary focus** – these initiatives focus on improved amenity in the Cluster and whilst they are important initiatives to address, they should be considered a secondary focus because they will rely on an increase in residents in the area to support them beyond a 9am-5pm weekday schedule. These include:

  – Attracting quality hotels/apartments for both short and mid-term accommodation.

- – Improving retail facilities such restaurants/cafés, lunch/coffee places, bars, banks, stationery.
- – Providing more recreational facilities that businesses have access to, such as yoga, pilates, sports venues, gyms etc.
- – In the short term, coordinating mobile services for the Cluster including food and beverage-related, fitness/well-being classes etc.
- – Leveraging the role of Monash University.
- – Facilitating relationships between CSIRO/Monash Health and local businesses.
- – Supporting businesses to export or to get started in export. This could be through providing information regarding markets and relevant useful contacts, investigating Australian Government regulations that may be prohibitive, and/or providing training/information sessions for personnel interested in exporting.

Other Economic Enablers

In addition to the primary and secondary focus actions above, other economic enablers have been identified to drive longer term growth in the Cluster. These include:

- Encourage an increasing proportion of people to live and work in the Cluster through both residential and business activity.
- Build on the existing activity generators and encourage new activity generators in strategic locations.
- Identify appropriate locations for retail and other community uses necessary to support increased numbers of both workers and residents.

Marketing

Key messages to inform future marketing initiatives for the Cluster include:

- Clearly define the Cluster and make businesses aware that they are part of it (the largest Cluster with the largest concentration of employment outside of the CBD).
- Demonstrate clear benefits of being part of the Cluster.
- Demonstrate the vision for the future, such as improved public transport and roads.
- Provide information about education, training and networking events that are planned for the Cluster.

Planning Framework

The recommendations in relation to revisions to the planning framework include:

- Define what constitutes the Monash Employment Cluster from a planning policy perspective to provide clarity and focus for all key stakeholders, including identifying a series of precincts/nodes.
- Provide greater clarity in regard to timeframes for and commitment to the implementation of infrastructure investment.
- Confirm the extent of existing public transport infrastructure and the interim strategies, as well as the longer-term investment to better inform private sector investment decisions.
- Align all planning policies in regard to the agreed Cluster area, as opposed to Council areas.
- Following the development of a detailed strategy for the Cluster, review the current zoning provisions to identify the areas and nature of changes required to the land use controls.

- Undertake a detailed analysis of the extent, nature and preferred location for retail and related services that will be required to support the needs of the future employees/residents, and how to best enable this through the planning controls.

- Assess the merits and need for portions of designated employment land to be rezoned to facilitate growth and diversity for a mix of uses including higher density housing.

- Review the built form controls for the Cluster to identify the changes that will be required to accommodate the future needs of a more diverse employment base, and future higher density housing.

Introduction

National employment clusters are designated geographic concentrations of interconnected businesses and institutions that make a major contribution to the national economy and Melbourne's position as a global city.

Six locations have been identified in Plan Melbourne that can, or have the potential to, provide high job concentrations in suburban locations throughout Melbourne. Three exist now, due to their number of businesses, institutions and high levels of employment. These are the Monash, Parkville and Dandenong South Employment Clusters. Three are designated as emerging, due to their potential and geographic opportunity. These are the La Trobe, East Werribee and Sunshine Employment Clusters.

These clusters will play an important role in shaping the future of Melbourne. Adopting these Employment Clusters will help optimise planning for major infrastructure provisions, while creating opportunities for people to live closer to jobs and allow businesses to be located closer together.

Urbis has been engaged to provide consultancy advice on the **Monash Employment Cluster**. A Cluster Study Area has been defined which is generally bounded by the Monash Freeway to the north, Heatherton Road to the south, Springvale Road to the east and Huntingdale Road to the west. A map of this area is shown in the map below. The Cluster Study Area provides employment to around 70,000 people and covers parts of three municipalities including the Cities of Monash, Kingston and Greater Dandenong.

The importance of the Monash Employment Cluster is articulated in Plan Melbourne:

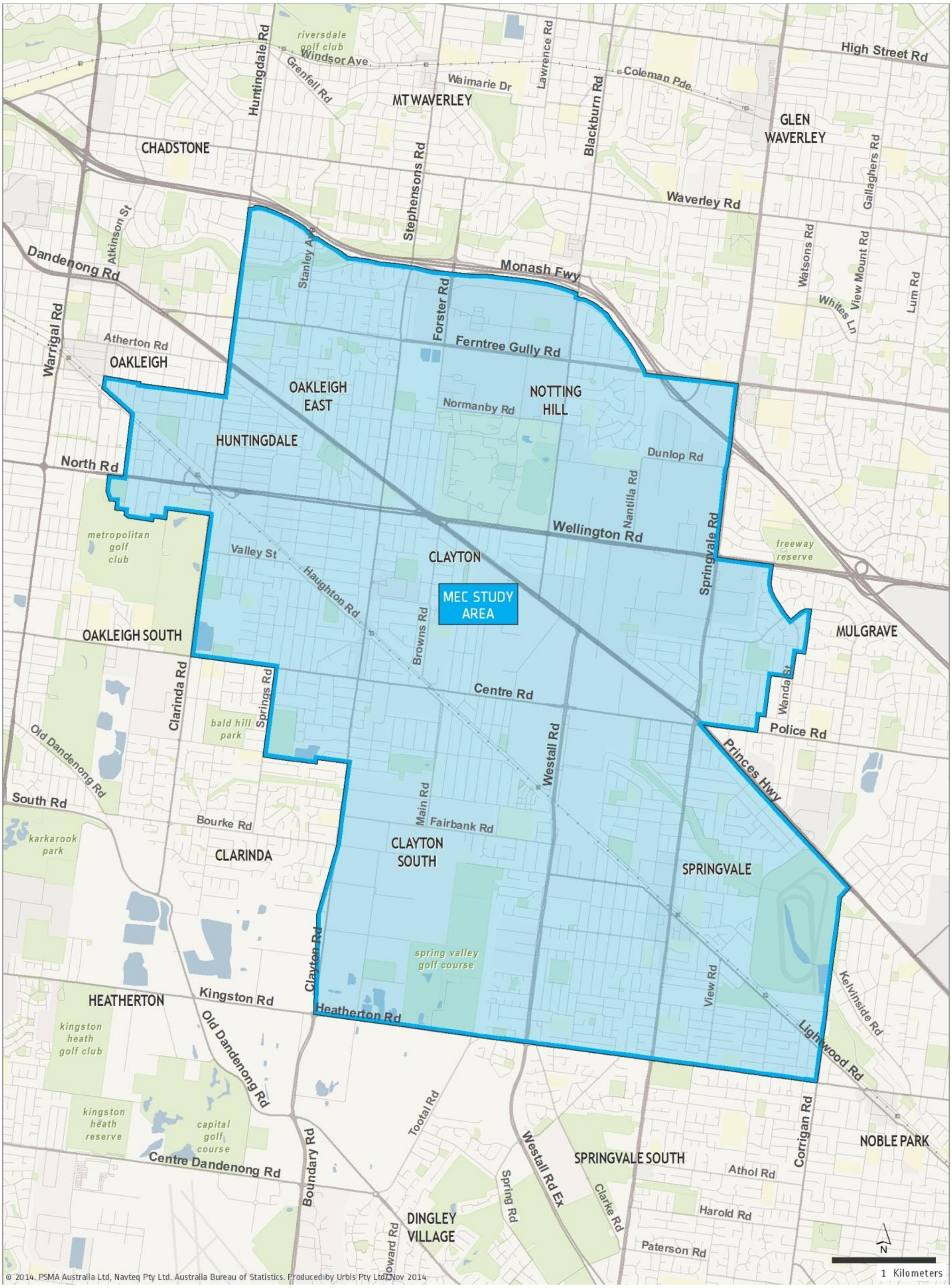
> *"The Monash Employment Cluster has a critical mass of leading education, health, research and commercialisation facilities including Australia's largest university (Monash University), the Australian Synchrotron, the Melbourne Centre for Nanofabrication, Monash Medical Centre, CSIRO's largest site in Victoria, Monash Business Incubator and the Monash Enterprise Centre. The government has recently invested in a new Monash Children's Hospital at Clayton, to be completed in 2016. The cluster's mix of education, research and commercial facilities creates a unique environment for innovation and world-leading research, which will continue to contribute significantly to Melbourne's economy. This unique blend of knowledge- and research-based activities will also assist existing businesses, for example in the manufacturing sector, and produce products and services that are competitive in the global market."* [1]

Our engagement by the Melbourne Planning Authority (MPA) and Department of State Development, Business and Innovation (DSDBI) is with the intention to investigate infrastructure and investment alternatives to both support existing businesses within the Cluster, but also to ensure the Cluster is best placed to secure new businesses and foster development and further employment.

[1] Plan Melbourne, Page 52

Site Location

MONASH EMPLOYMENT CLUSTER STUDY AREA

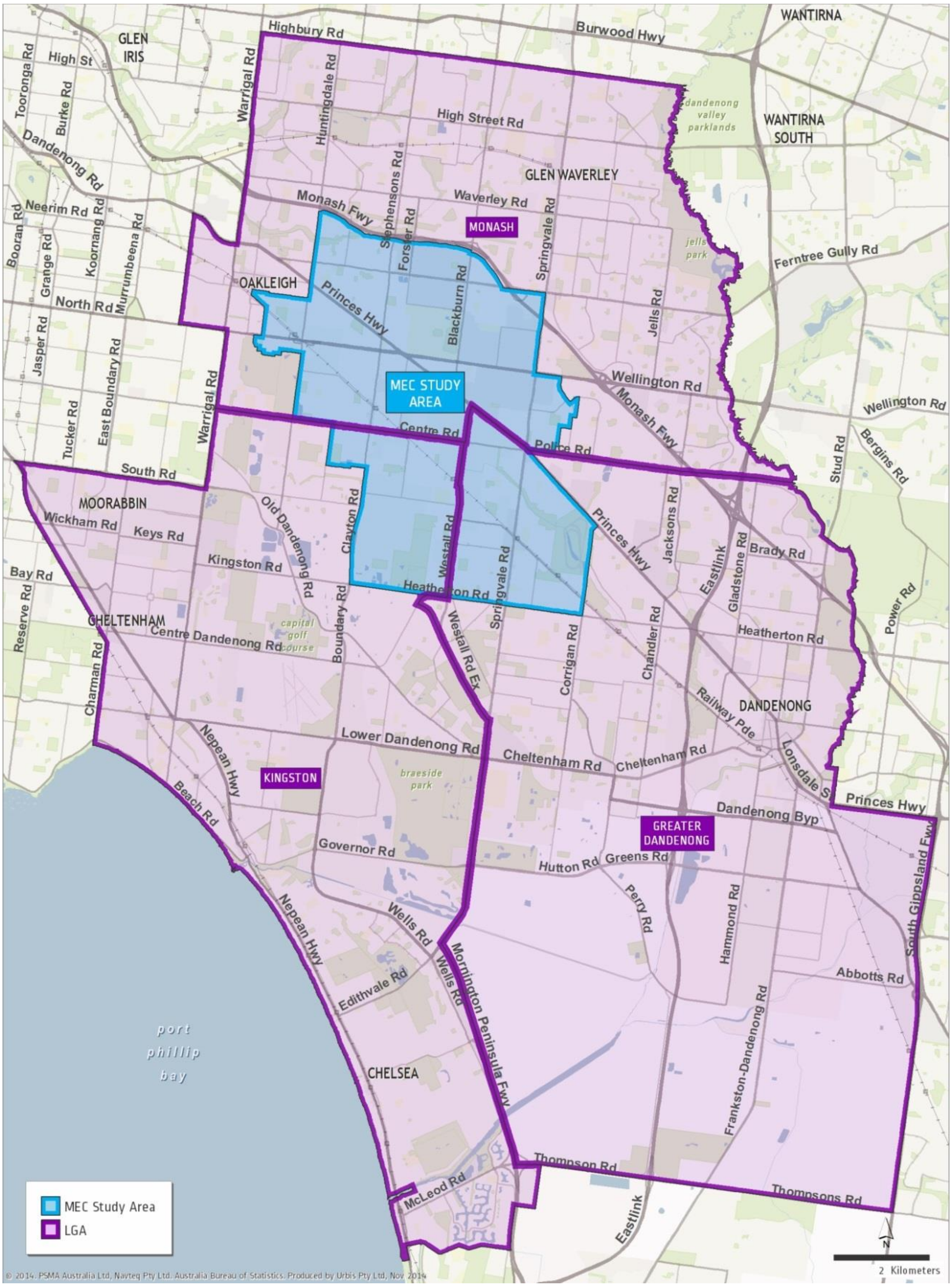


1 Regional Context

In this section we provide an overview of population, employment and business trends within the South East Melbourne Region (SEMR) generally. This provides some context to the current environment within which the Monash Employment Cluster will operate. In this section, the SEMR refers to the combined area of the Cities of Monash, Kingston and Greater Dandenong. This area is shown in Map 1.1.

Regional Context

MUNICIPALITIES COVERING THE CLUSTER STUDY AREA MAP 1.1



1.1 POPULATION

Table 1.1 outlines the historic and forecast population figures for the SEMR, compared against the Melbourne and Victorian statistics. As an established area, the SEMR has historically grown at a slower rate than that of Melbourne and Victoria overall. From 2006 to 2014, the SEMR grew at an average annual rate of 1.4% compared to Melbourne's rate of 2.1%. In absolute numbers, the population of the SEMR rose from 435,500 in 2006 to 487,200 in 2014. Relative to Melbourne and Victoria overall, the SEMR is again expected to grow at a slower rate through to 2022 based on forecasts from the Department of Transport, Planning and Local Infrastructure. That said, the population of the SEMR is still expected to increase by well over 5,000 per year to reach 532,000 by 2022. The forecast rates of growth could also well be conservative, should goals of increasing residential density in established areas be achieved.

Historic and Forecast Population

SELECTED GEOGRAPHICAL AREAS, 2006 - 2022 TABLE 1.1

	Population				
	2006	**2010**	**2014**	**2018**	**2022**
Monash	167,000	175,700	184,600	191,200	196,200
Kingston	138,400	147,400	153,300	159,800	166,300
Greater Dandenong	130,100	140,200	149,300	159,600	169,500
SE Melb Region	**435,500**	**463,400**	**487,200**	**510,700**	**532,000**
Melbourne	*3,760,800*	*4,105,900*	*4,438,700*	*4,801,800*	*5,173,900*
Victoria	*5,061,300*	*5,461,100*	*5,843,500*	*6,271,300*	*6,722,100*
		Annual Population Growth (no.)			
		2006-10	**2010-14**	**2014-18**	**2018-22**
Monash		2,175	2,225	1,650	1,250
Kingston		2,250	1,475	1,625	1,625
Greater Dandenong		2,525	2,275	2,575	2,475
SE Melb Region		**6,975**	**5,950**	**5,875**	**5,325**
Melbourne		*86,275*	*83,200*	*90,775*	*93,025*
Victoria		*99,950*	*95,600*	*106,950*	*112,700*
		Annual Population Growth (%)			
		2006-10	**2010-14**	**2014-18**	**2018-22**
Monash		1.3%	1.2%	0.9%	0.6%
Kingston		1.6%	1.0%	1.0%	1.0%
Greater Dandenong		1.9%	1.6%	1.7%	1.5%
SE Melb Region		**1.6%**	**1.3%**	**1.2%**	**1.0%**
Melbourne		*2.2%*	*2.0%*	*2.0%*	*1.9%*
Victoria		*1.9%*	*1.7%*	*1.8%*	*1.8%*

1. As at June

Source : ABS; Victoria In Future; Department of Transport, Planning and Local Infrastructure; Urbis

1.2 WORKPLACE LOCATION OF SEMR RESIDENTS

In the 2011 Census of Population and Housing, 194,400 of the residents of the SEMR provided information on the location of their place of work within Victoria. The responses are detailed in Table 1.2 below. The City of Melbourne was the single largest local government area of employment for SEMR residents, accounting for 17% of employed residents. The next three largest employment locations were the LGAs that comprise the SEMR – the Cities of Monash, Kingston and Greater Dandenong. Almost 87,000 SEMR residents, 44.6% of respondents, find work within the local area.

This demonstrates why the MEC is a key employment cluster within Plan Melbourne. The area already supports a large percentage of local residents with jobs, and will have to continue to do so to align with the ideals of Plan Melbourne to have a higher proportion of people working near to where they live in employment clusters that are decentralised from the Melbourne CBD. Nonetheless, this also illustrates that large numbers of residents are travelling into the CBD for employment, perhaps reflecting the lack of white collar employment opportunities locally.

Place of Work

SEMR RESIDENTS, 2011 — TABLE 1.2

LGA	Number	Percentage
Melbourne (C) [1]	33,000	17.0%
Monash (C)	31,800	16.4%
Kingston (C)	30,000	15.4%
Greater Dandenong (C)	24,900	12.8%
Glen Eira (C)	6,300	3.2%
Stonnington (C)	6,300	3.2%
Whitehorse (C)	5,800	3.0%
Knox (C)	5,400	2.8%
Port Phillip (C)	5,200	2.7%
Bayside (C)	5,200	2.7%
Boroondara (C)	4,700	2.4%
Casey (C)	4,300	2.2%
Yarra (C)	3,900	2.0%
Other	27,600	14.2%
Total [2]	194,400	**100%**

1. Includes place of work 'Capital City Undefined: Greater Melbourne.

2. Includes place of work 'undefined' and 'no fixed address'.

Source : ABS Census of Population & Housing 2011 ; Urbis

1.3 WORKERS IN THE SEMR

Table 1.3 shows the change in employment in the South East Melbourne Region against selected aggregated areas. As shown in Table 1.3, employment numbers in the South East Melbourne Region have been relatively flat between 2006 and 2011, growing at an average annual rate of 0.2%. In contrast, employment numbers in Metropolitan Melbourne and Victoria overall grew at 1.0% and 2.6% per annum respectively. Metropolitan Melbourne (used interchangeably throughout this report with the term 'Melbourne') is defined to be the equivalent of the 2006 ABS Melbourne Statistical Division geography.

Count of Total Workers

2006 & 2011 TABLE 1.3

Geographical Area	2006[1]	2011[1]	Average Annual Change (No.)	Average Annual Change (%)
South East Melb Region [2]	230,000	232,800	+560	+ 0.2%
Metropolitan Melbourne	1,545,100	1,682,700	+27,520	+ 1.7%
Victoria	2,045,200	2,192,000	+29,360	+ 1.4%

1. Exlcudes workers with no fixed address or capital city or state/territory undefined.

2. Includes Greater Dandenong, Kingston and Monash LGAs

Source : ABS Census of Population & Housing 2006 & 2011 ; Urbis

Growth at the industry level has varied substantially. Strong growth has been experienced in Health Care and Social Assistance, Education and Training, Construction, and to a lesser degree Professional, Scientific and Technical Services. Growth in these industries has offset significant job losses in Retail Trade, and particularly Manufacturing (6,450 job reduction or -11%). Nonetheless, Manufacturing remains the key employer in the region accounting for just under 1 in 4 jobs (refer Table 1.4).

The overall employment growth across the three municipalities in the SEMR of 1.0% was far below that of the 5.3% of growth in job numbers experienced in Metropolitan Melbourne. The industry trends within the SEMR, in terms of the specific industries in growth and decline, generally reflect the wider Melbourne landscape overall (refer Table 1.5).

Industry of Work

CITIES OF KINGSTON, GREATER DANDENONG AND MONASH, 2006 - 2011 — TABLE 1.4

	2006		2011		Change		
Industry	**Number**	**Percentage**	**Number**	**Percentage**	**Number**	**%age**	**%age Pts**
Manufacturing	59,460	26.2%	53,010	23.1%	-6,450	-10.8%	-3.1
Retail Trade	26,490	11.7%	25,010	10.9%	-1,480	-5.6%	-0.8
Health Care and Social Assistance	19,730	8.7%	23,570	10.3%	+3,840	+19.5%	+1.6
Wholesale Trade	23,330	10.3%	23,560	10.3%	+230	+1.0%	+0.0
Education and Training	17,110	7.5%	19,230	8.4%	+2,120	+12.4%	+0.9
Construction	12,360	5.4%	13,910	6.1%	+1,550	+12.5%	+0.6
Professional, Scientific and Technical Services	11,440	5.0%	12,310	5.4%	+870	+7.6%	+0.3
Transport, Postal and Warehousing	10,840	4.8%	10,950	4.8%	+110	+1.0%	+0.0
Other Services	8,490	3.7%	8,820	3.8%	+330	+3.9%	+0.1
Accommodation and Food Services	8,570	3.8%	8,460	3.7%	-110	-1.3%	-0.1
Public Administration and Safety	7,200	3.2%	7,880	3.4%	+680	+9.4%	+0.3
Administrative and Support Services	6,080	2.7%	5,930	2.6%	-150	-2.5%	-0.1
Financial and Insurance Services	4,800	2.1%	5,370	2.3%	+570	+11.9%	+0.2
Rental, Hiring and Real Estate Services	2,970	1.3%	3,060	1.3%	+90	+3.0%	+0.0
Electricity, Gas, Water and Waste Services	2,590	1.1%	2,930	1.3%	+340	+13.1%	+0.1
Information Media and Telecommunications	3,330	1.5%	2,850	1.2%	-480	-14.4%	-0.2
Arts and Recreation Services	1,900	0.8%	2,040	0.9%	+140	+7.4%	+0.1
Agriculture, Forestry and Fishing	560	0.2%	530	0.2%	-30	-5.4%	-0.0
Mining	110	0.0%	140	0.1%	+30	+27.3%	+0.0
Total	**227,360**	**100%**	**229,560**	**100%**	**+2,200**	**+1.0%**	

1. Excludes inadequately described, not stated and not applicable

Source : ABS Census of Population & Housing 2006 & 2011 ; Urbis

Industry of Work

METROPOLITAN MELBOURNE, 2006 & 2011

TABLE 1.5

	2006		2011		Change		
Industry	**Number**	**Percentage**	**Number**	**Percentage**	**Number**	**%age**	**%age Pts**
Health Care and Social Assistance	160,820	10.5%	190,900	11.8%	+30,080	+18.7%	+1.3
Manufacturing	209,150	13.7%	184,790	11.5%	-24,360	-11.6%	-2.2
Retail Trade	182,840	11.9%	174,380	10.8%	-8,460	-4.6%	-1.1
Professional, Scientific and Technical Services	136,770	8.9%	160,860	10.0%	+24,090	+17.6%	+1.0
Education and Training	124,450	8.1%	140,420	8.7%	+15,970	+12.8%	+0.6
Construction	84,030	5.5%	93,930	5.8%	+9,900	+11.8%	+0.3
Accommodation and Food Services	88,300	5.8%	91,320	5.7%	+3,020	+3.4%	-0.1
Public Administration and Safety	81,500	5.3%	89,780	5.6%	+8,280	+10.2%	+0.2
Wholesale Trade	90,480	5.9%	87,200	5.4%	-3,280	-3.6%	-0.5
Financial and Insurance Services	79,560	5.2%	87,700	5.4%	+8,140	+10.2%	+0.2
Transport, Postal and Warehousing	72,530	4.7%	76,420	4.7%	+3,890	+5.4%	+0.0
Other Services	57,630	3.8%	59,090	3.7%	+1,460	+2.5%	-0.1
Administrative and Support Services	50,430	3.3%	51,720	3.2%	+1,290	+2.6%	-0.1
Information Media and Telecommunications	40,670	2.7%	40,160	2.5%	-510	-1.3%	-0.2
Arts and Recreation Services	26,560	1.7%	30,520	1.9%	+3,960	+14.9%	+0.2
Rental, Hiring and Real Estate Services	23,800	1.6%	26,270	1.6%	+2,470	+10.4%	+0.1
Electricity, Gas, Water and Waste Services	11,660	0.8%	16,230	1.0%	+4,570	+39.2%	+0.2
Agriculture, Forestry and Fishing	8,130	0.5%	7,740	0.5%	-390	-4.8%	-0.1
Mining	2,450	0.2%	3,080	0.2%	+630	+25.7%	+0.0
Total	**1,531,760**	**100%**	**1,612,510**	**100%**	**+80,750**	**+5.3%**	

1. Excludes inadequately described, not stated and not applicable.

Source : ABS Census of Population & Housing 2006 & 2011 ; Urbis

1.4 CONTRIBUTION TO THE STATE ECONOMY

Table 1.6 below shows the contribution that the selected SEMR makes to Metropolitan Melbourne and the state of Victoria as a whole. The Gross Regional Product (GRP, in constant June 2012 dollars) grew from 2006 to 2008 in line with Melbourne and Victoria, however has stagnated since 2008. Conversely, Melbourne and Victoria's GRP has continued to rise, meaning that the SEMR's proportional contribution to the state economy has fallen from 11.0% in 2008 to 10.1% in 2013.

SEMR Contribution to the Victorian Economy

GROSS REGIONAL PRODUCT, 2006 – 2013, $2012 TABLE 1.6

Year	SEMR GRP ($B)	Metropolitan Melbourne GRP ($B)	Metropolitan Melbourne SEMR proportion	Victoria GRP ($B)	Victoria SEMR proportion
2006	29.6	211.5	14.0%	271.5	10.9%
2007	30.5	220.1	13.9%	279.4	10.9%
2008	32.1	230.6	13.9%	290.7	11.0%
2009	32.1	234.0	13.7%	294.2	10.9%
2010	32.0	240.4	13.3%	301.4	10.6%
2011	32.5	249.9	13.0%	310.8	10.5%
2012	32.2	256.9	12.5%	318.7	10.1%
2013	32.2	257.4	12.5%	318.5	10.1%

1. Year ending June 30.

Source : economy.id ; REMPLAN ; Urbis

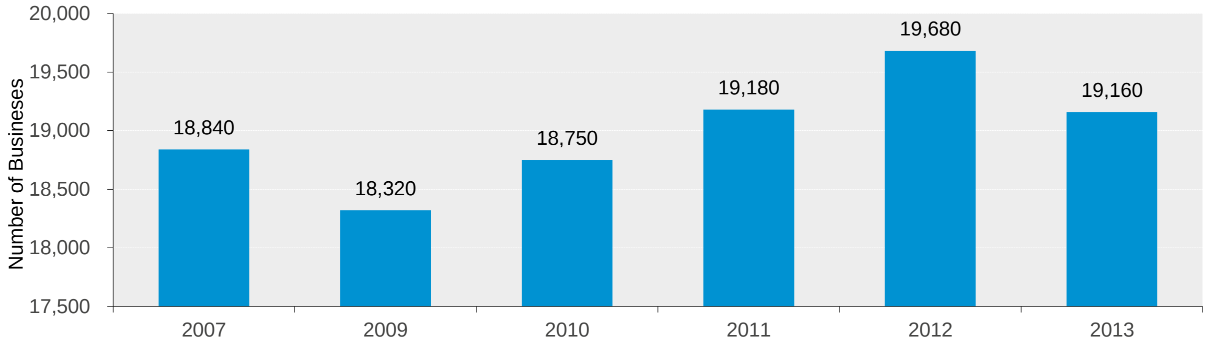
1.5 BUSINESS OVERVIEW

The stagnation of GRP is also reflected in the change of the number of businesses in the SEMR, as reported in the ABS' Counts of Australian Businesses series. A high level analysis of the data in this ABS series has been taken in this report to provide a general overview of the state of the analysed region, due to some of the shortcomings of the series. The ABS Count of Australian Businesses only includes those businesses actively trading goods and services which particularly impact on counts for the Public Administration and Safety, Education and Training and Health Care and Social Assistance ANZSIC division.

The number of businesses in the SEMR rose between 2009 and 2012, before dipping slightly in 2013 (refer Chart 1.1). There were approximately 840 more businesses in the SEMR in 2013 compared to 2009, however the GRP of those business was roughly equivalent in those two years. The count of businesses, as shown in the table below, does not make any allowances for the size of businesses in terms of employees or turnover.

Count of Businesses

SEMR, 2007 - 2013 CHART 1.1



1. As at June
2. Excludes non-employing businesses (sole proprietorships and partnerships without employees).
3. Includes Cities of Greater Dandenong, Kingston and Monash.
4. Only includes businesses which actively trade in goods or services.
5. No data released as at June 2008.
Source : ABS Counts of Australian Businesses, including Entries and Exits (Cat 8165.0) ; Urbis

1.6 REGION SUMMARY

In conclusion, the employment landscape in the SEMR has been quite stagnant over the last 5 years. A key driver of this has been the decline of the manufacturing industry in Australia, which the region continues to rely on heavily for jobs. This declining employment base will need to be replaced over time. Increasing employment opportunities in the growth industries such as Professional, Scientific and Technical Services, Education and Training and Health Care and Social Assistance will be important in growing the region's employment over time.

2 Monash Employment Cluster Description and Activity

Within the context of the South East Melbourne Region, the Monash Employment Cluster, as designated in Plan Melbourne, will play a critical role in expanding the employment base and economic capacity of the area. In this section, we hone in on the attributes of the Cluster.

2.1 THE MONASH EMPLOYMENT CLUSTER

The Monash Employment Cluster (MEC) is located in the south-eastern suburbs of Melbourne, approximately 17 km from the Melbourne CBD at its western edge.

The finalised investigation area and potential boundary of the MEC is to be developed by the Metropolitan Planning Authority (MPA), in consultation with local government. The MPA and Urbis have worked in collaboration to define a MEC Study Area for the purposes of this report.

Map 2.1 below outlines the boundaries of the MEC study. The Monash Freeway forms the majority of the northern boundary. The eastern boundary closely follows Springvale Road to the north of the Princes Highway. Corrigan Road forms the eastern boundary south of the Princes Highway. The southern-most point of the MEC runs along Heatherton and Kingston Roads. The eastern boundary extends past Huntingdale Road near the train line, but only as far as Clayton Road to the south.

The total site area for the Cluster is approximately 5,379 hectares, comprising a wide and diverse range of uses including but not limited to residential, industrial, commercial, retail, education, research and development, medical and recreational. The focus of our studies has been in the non-residential aspects of the Cluster of business uses that generate employment.

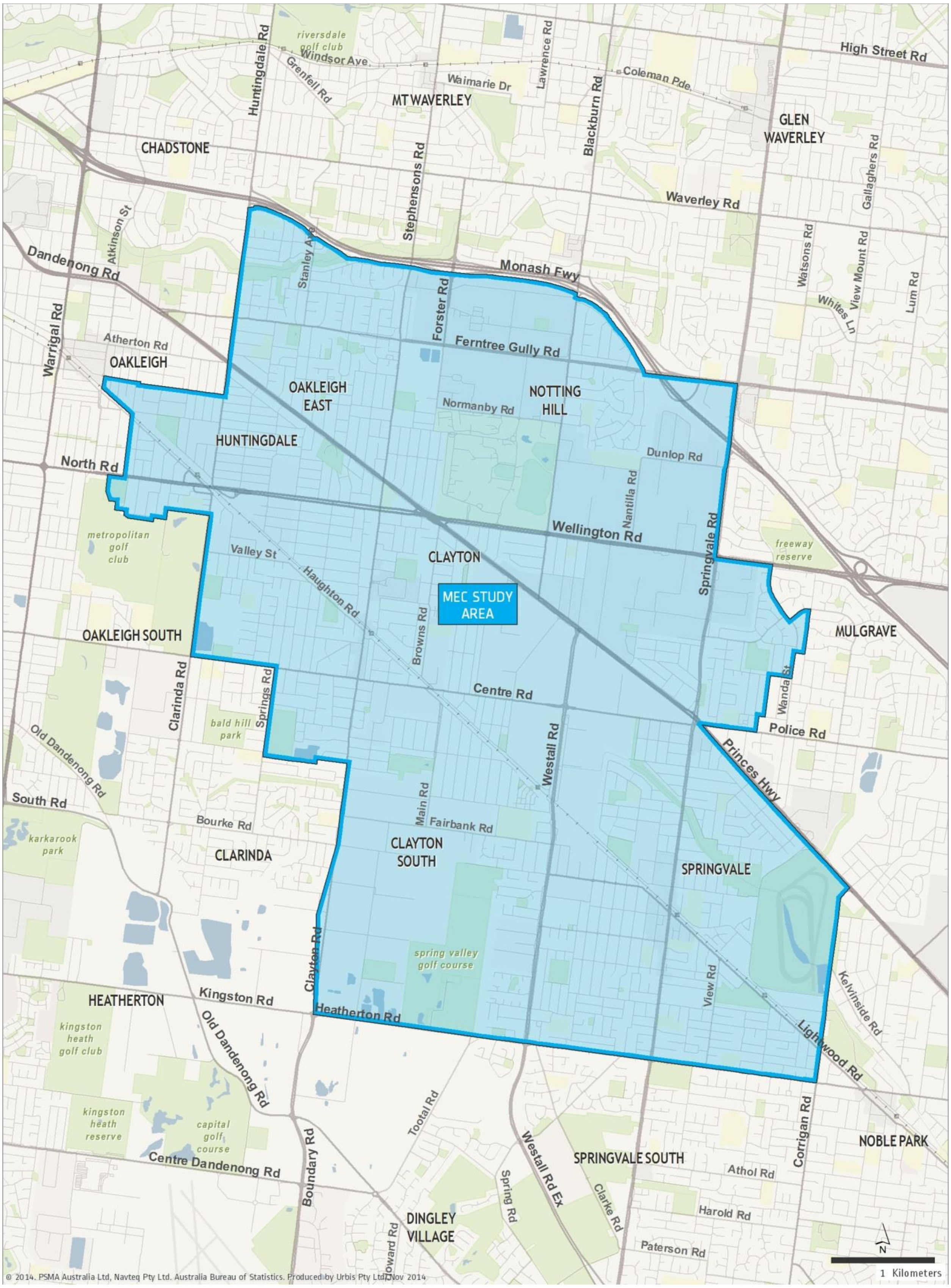
The Cluster overlaps the three local government areas (LGAs) of Monash, Kingston and Greater Dandenong.

The Monash National Employment Cluster exhibits a number of attributes that make it a critical employment precinct for Melbourne. Recognised as the largest employment node outside of the CBD already, the development of the precinct to date has been driven by various forces including:

- access via the Monash Freeway, and to some extent, the Princes Highway;
- the continued expansion of Monash University and the emergence of the technology precinct that has developed around it with institutions such as the CSIRO and the Australian Synchrotron;
- the growth of the Monash Medical Centre; and
- the history of the area as an important industrial employment zone.

Area of Investigation

THE MONASH EMPLOYMENT CLUSTER STUDY AREA — MAP 2.1



2.2 NODES WITHIN THE CLUSTER

The uses undertaken within the Cluster vary considerably across what is a broad and diverse area. We have therefore sought to refine the Cluster Study Area to ensure a higher level of informed research is derived by adopting the following Nodes:

- Monash Freeway Node (north)
- Princes Highway Node (middle)
- Huntingdale Road Node (west)
- Westall Road Node (south)

The Nodes are graphically illustrated in Map 2.2 below.

Major land uses within each Node (based upon current zoning) are summarised in the following table:

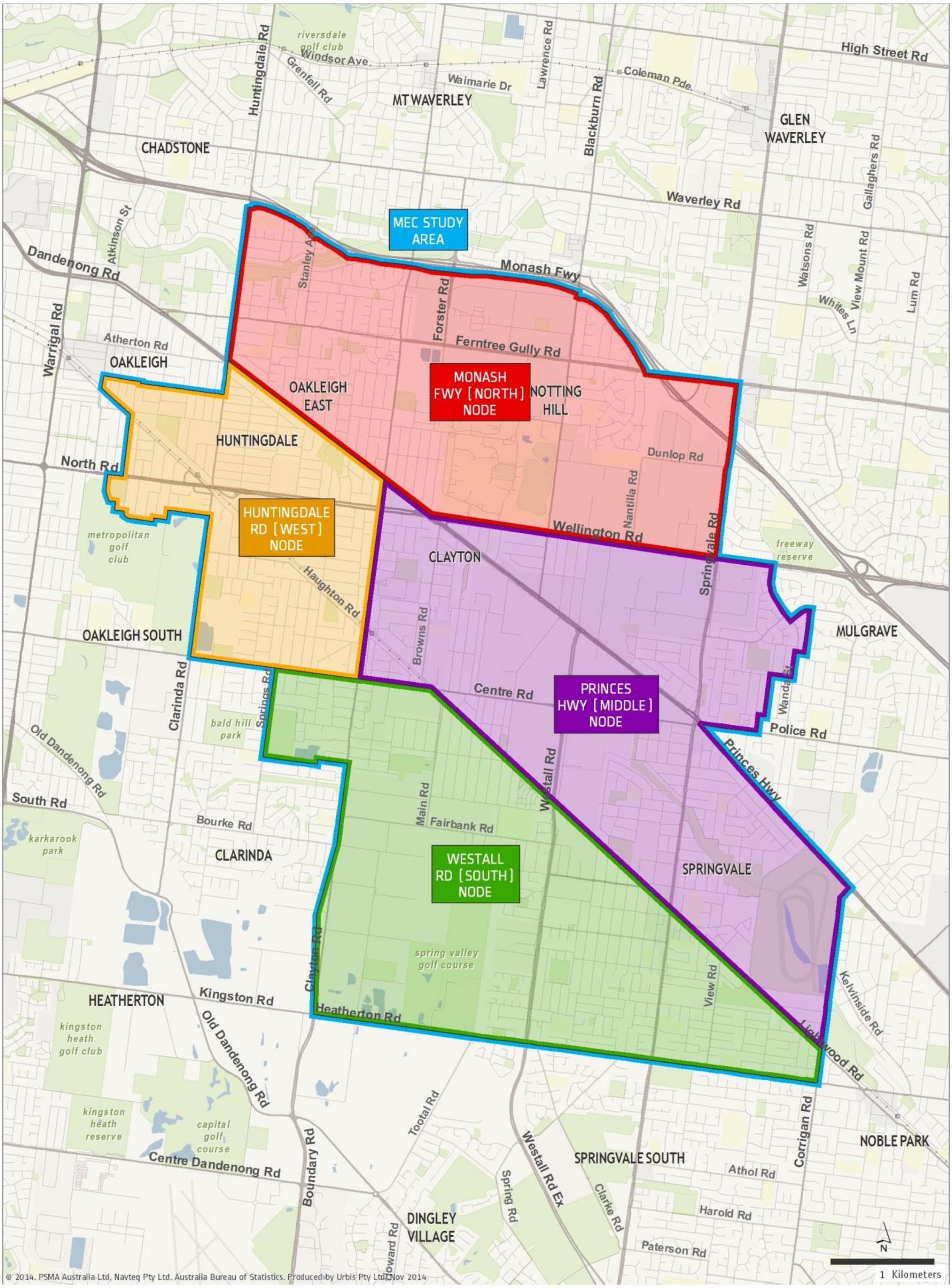
NODE	TOTAL LAND AREA (HA)	COMMERCIAL & SUZ6 ZONED (HA)	INDUSTRIAL ZONED (HA)	RESIDENTIAL ZONED (HA)
Monash (North)	1,490	958	14	386
Princes Highway (Middle)	1,415	206	352	585
Huntingdale (West)	479	11	103	305
Westall (South)	1,992	116	286	768
Total	**5,379**	**1,291**	**755**	**2,044**

Evident from the above table is that 75% of employment land is in the North and Middle Nodes. Further description of the nodes is provided below.

Node Location

MONASH EMPLOYMENT CLUSTER STUDY AREA

MAP 2.2



2.2.1 MONASH FREEWAY NODE (NORTH)

Major Road Boundaries

This Node aligns with the Monash Freeway and is generally bounded by Springvale Road to the east, Huntingdale Road to the west and Wellington Road to the south. This node has a combined employment land area of around 970 hectares.

Major Occupiers

This Node includes Monash University, CSIRO and the Australian Synchrotron which combined occupy approximately 125 hectares.

Road Infrastructure

The Monash Freeway is the major arterial road accessing this Node with secondary access provided by either Springvale Road or the nearby Princes Highway.

Public Transport

This Node is detached from major railway lines, being approximately midway between the Glen Waverley line to the north and the Dandenong/Cranbourne line to the south, whilst bus services operate along the major arterial roads within the Node.

Major Occupiers/Uses

Recognising the Monash University Clayton Campus is within this Node, education represents a significant portion of employment whilst the Synchrotron and CSIRO currently employ within the research and development sphere. The majority of premises beyond these major occupiers comprise office/admin functions in addition to smaller scale industrial/high tech development. The majority of former manufacturing facilities developed in the 1960s within this Cluster have since either vacated or their site has been redeveloped.

Existing Retail Amenity

Located within the Monash Freeway Node there is relatively limited retail amenity, other than strip retail predominantly associated with the surrounding residential precincts although the Pinewood Shopping Centre on Blackburn Road and Brandon Park Shopping Centre on Springvale Road are situated just outside the Node.

2.2.2 HUNTINGDALE ROAD NODE (WEST)

Major Road Boundaries

This Node is bounded by Dandenong Road (Princes Highway) to the north, Clayton Road to the East, and Centre Road to the south, with the western most boundary being the outer edge of the Monash Employment Cluster, although predominantly comprising Clarinda Road. This node has a combined employment land area of around 115 hectares.

Major Occupiers

This Node is the smallest of the four identified and is predominantly residential in nature save for smaller industrial and retail pockets around the intersection of North Road and Huntingdale Road. The major occupier in this precinct is Assa Abloy.

Road Infrastructure

Dandenong Road (Princes Highway) is the major arterial road servicing this location, with the Monash Freeway accessed via either Warrigal Road or Forster Road within a few kilometres of the Node.

Public Transport

This Node is perhaps the best served by public transport as it contains Huntingdale Railway Station, with both Clayton and Oakleigh Railway Stations just outside the Node, and with the extensive bus services operating along North Road, the hub of the main industrial and retail activity.

Major Occupiers/Uses

The industrial precinct within the Huntingdale Road Node predominantly comprises older style facilities utilised by smaller scale local businesses. Recent non-residential development has predominantly been limited to small scale industrial unit activity.

Existing Retail Amenity

Retail amenity within this Node includes the strip retail on Huntingdale Road near its intersection with North Road and strip retail to the western side of Clayton Road.

Oakleigh Central (Federation Centres) shopping centre and the adjoining Oakleigh retail shopping precinct, in addition to the regional Chadstone Shopping Centre, are both situated within 2 km of this Node.

2.2.3 PRINCES HIGHWAY NODE (MIDDLE)

Major Road Boundaries

The Node is predominantly bounded by Wellington Road to the north, Clayton Road to the west and the Dandenong railway line to the south, with Corrigan Road the main eastern elevation. This node has a combined employment land area of around 560 hectares.

Major Occupiers

The major landholder in this Node is the Sandown Race Track, positioned to the far eastern edge, occupying just over 100 hectares of land.

Other major occupiers within the Node include manufacturing premises occupied by Bosch, TPG and UniDrive, with these three occupiers alone accounting for almost 30 hectares.

The other major occupier within this precinct is the Monash Medical Centre, occupying around 13.5 hectares to Clayton Road at the western fringe of the Node.

Road Infrastructure

Princes Highway extends through this Node with other major arterial roadways including Springvale Road and Westall Road.

Public Transport

The Dandenong railway line extends along the southern boundary of the Node, providing Clayton Railway Station to its western-most end, with Westall Station, Springvale Station and Sandown Park Station also along the southern boundary. Within the Node, public transport is limited to local bus services which operate along many of the major arterial roadways.

Major Occupiers/Uses

Recognising the size of the land holding at Sandown Park, recreation comprises the predominant non-residential land use within the precinct. Beyond this use, the majority of non-residential activity includes:

- Retail – the recently developed Springvale Homemaker Centre of some 72,000 sq.m of lettable area, including IKEA.
- Major manufacturing complexes operated by PPG, Bosch, UniDrive and Peters.
- The former Nissan manufacturing plant known as Clayton Business Park, owned by Goodman, which is of circa 30 hectares targeted for mixed use (residential and commercial) development due to its proximity to Westall Railway Station.

A number of small to mid-size industrial premises servicing local businesses have been developed within this Node over the past ten years.

Existing Retail Amenity

The major retail activity within this Node is the Springvale Homemaker Centre bulky goods development at the intersection of Princes Highway and Westall Road, comprising some 72,000 sq.m of floor space and including IKEA and Harvey Norman.

Other pockets of retail activity include the eastern side of Clayton Road and small pockets of strip retail along Springvale Road.

2.2.4 WESTALL ROAD NODE (SOUTH)

Major Road Boundaries

The Node aligns with the Dandenong railway line to the north and is predominantly bounded by Heatherton Road to the south and Clayton Road to the west. This node has a combined employment land area of around 400 hectares.

Major Occupiers

The largest single land use in the area is the Spring Valley Golf Club. Adjacent to this land holding are a number of landfill and market garden sites, all in proximity of the northern side of Heatherton Road.

There are no single large-format occupiers comparable to those in the other Nodes, with the majority of non-residential activity comprising a mix of small to medium scale industrial premises utilised for both manufacturing and warehousing purposes.

Road Infrastructure

Westall Road extends through the centre of this Node in a north-south orientation with other major roads including Springvale Road and Heatherton Road.

This Node is notably detached from major freeways, with the Monash Freeway approximately 4 km north of the northern-most part of the Node.

Public Transport

Westall, Springvale and Sandown Park Railway Stations align with the northern boundary of the Node, with local bus services operating along the major arterial roadways within the Node.

Major Occupiers/Uses

A significant portion of the non-residential use land within this Node includes the Spring Valley Golf Club and adjoining landfills and market gardens. Major industrial activity within this precinct is at either Oakleigh South to the corner of Centre Road and Clarinda Road or to the eastern side of Clayton Road between Whiteside Road and Osborne Road.

Existing Retail Amenity

Retail amenity within this Node is predominantly limited to the strip retail provided along Springvale Road.

2.3 MONASH EMPLOYMENT CLUSTER WORKER PROFILE

The following sub-section focusses more specifically on the employment landscape of the MEC Study Area.

2.3.1 NUMBER OF WORKERS

In 2011, the MEC Study Area's 67,970 workers accounted for 29.2% of the SEMR workforce of 232,800. In actual fact, the MEC number quoted below (and throughout this report) actually understates the true number of workers within the Study Area, as it doesn't include those workers who did not provide adequate information for the ABS to pinpoint their working location by Destination Zone (DZN). That is, some workers may only have referred to their workplace as being in the City of Monash, or even Metropolitan Melbourne, without providing more detailed information. For the purposes of analysis in this report, we have adopted a total of 68,000 workers.

2.3.2 NODE OF EMPLOYMENT WITHIN THE CLUSTER

The number of workers across the Cluster Study Area has remained relatively stable over recently recorded years. Growth has occurred in the central part of the Cluster (Princes Highway node) offsetting declines in the south, and to a lesser extent, the north (refer Table 2.1).

Place of Work

MEC NODES, 2006 & 2011 TABLE 2.1

	2006		2011	
Node	**Number**	**Percentage**	**Number**	**Percentage**
Monash Fwy (North)	30,670	45.1%	30,150	44.4%
Princes Hwy (Middle)	22,980	33.8%	24,350	35.8%
Westall Rd (South)	9,100	13.4%	8,190	12.0%
Huntingdale Rd (West)	5,190	7.6%	5,280	7.8%
Total	**67,940**	**100%**	**67,970**	**100%**

1. Excludes workers who may work in the Cluster, but did not provide enough detail to identify their place of work by DZ zone.

Source : ABS Census of Population & Housing 2006 & 2011 ; Urbis

2.3.3 WORKER DEMOGRAPHIC PROFILE

Table 2.2 below provides a breakdown of gender of workers within the MEC Study Area, benchmarked against Metropolitan Melbourne, according to the 2011 ABS Census. Almost three in five workers within the Study Area are male. In comparison, there is greater balance across Melbourne as a whole, as 52% of the workers are male and 48% of the workers are female. This partly reflects the nature of the current employment opportunities and the dominant industries within the Cluster.

Gender of Workers

MEC AND METROPOLITAN MELBOURNE, 2011 TABLE 2.2

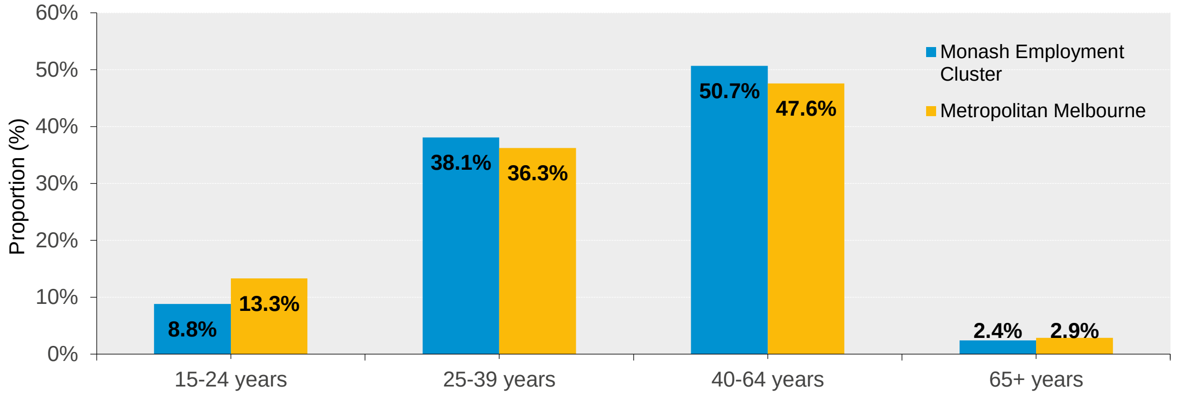
Monash Employment Cluster	**Number**	**Percentage**
Male	39,900	59%
Female	28,100	41%
Total	**68,000**	**100%**
Metropolitan Melbourne		
Male	841,100	52%
Female	788,800	48%
Total	**1,629,900**	**100%**

Source : ABS Census of Population & Housing 2011 ; Urbis

Chart 2.1 below provides a breakdown of the age profile of Study Area workers in 2011 and benchmarks this against the Melbourne average. A total of 88.8% of Study Area workers are aged between 25 and 64 years of age, 4.9% points higher than the Melbourne benchmark. Conversely, the Study Area has a lower proportion of workers between the ages of 15 and 24 (8.8%), compared against the benchmark figure of 13.3%.

Age Profile

MEC STUDY AREA AND METROPOLITAN MELBOURNE AVERAGE, 2011 CHART 2.1

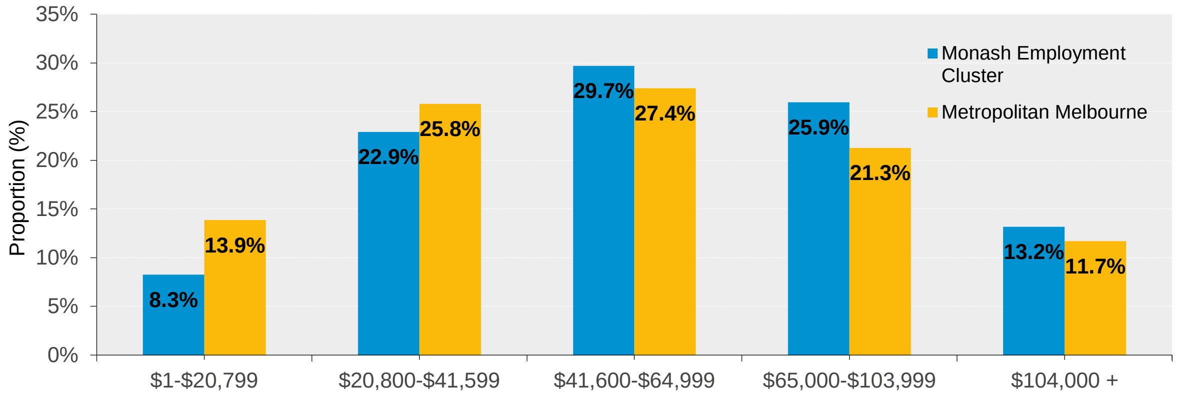


1. Excludes inadequately described, not stated and not applicable.
2. Excludes workers who did not provide adequate information on their place of work to be coded by DZN.
Source : ABS Census of Population & Housing 2011 ; Urbis

The income breakdown of Study Area workers compared to the Metropolitan Melbourne benchmark is displayed below in Chart 2.2. There is a higher proportion of MEC workers in all of the top three income brackets ($41,600-$64,999, $65,000-$103,999 and $104,000+ annually) in comparison to the benchmark. Overall, 68.8% of MEC Study Area workers earn over $41,600 annually, whereas this proportion is 60.3% for Melbourne overall.

Income Profile

MEC STUDY AREA AND METROPOLITAN MELBOURNE AVERAGE, 2011 CHART 2.2



1. Excludes negative income, nil income, inadequately described, not stated and not applicable.
2. Excludes workers who did not provide adequate information on their place of work to be coded by DZN.
Source : ABS Census of Population & Housing 2011 ; Urbis

The differential in age and income profiles between MEC Study Area workers and the benchmark can partly be explained by the labour force status of the respective workforces. Only 23% of Study Area workers work part-time, compared to 31% for the benchmark (refer Table 2.3). A higher proportion of full-time workers is correlated to a higher income profile, while the limited residential population and retail offer in most of the Cluster also reduces employment opportunities for young and part-time workers.

Labour Force Status

MEC STUDY AREA AND METROPOLITAN MELBOURNE AVERAGE, 2011 TABLE 2.3

Monash Employment Cluster	**Number**	**Percentage**
Full Time	50,300	77%
Part Time	14,700	23%
Total	**65,000**	**100%**
Metropolitan Melbourne		
Full Time	1,066,800	69%
Part Time	486,700	31%
Total	**1,553,500**	**100%**

1. Excludes 'not stated'

Source : ABS Census of Population & Housing 2011 ; Urbis

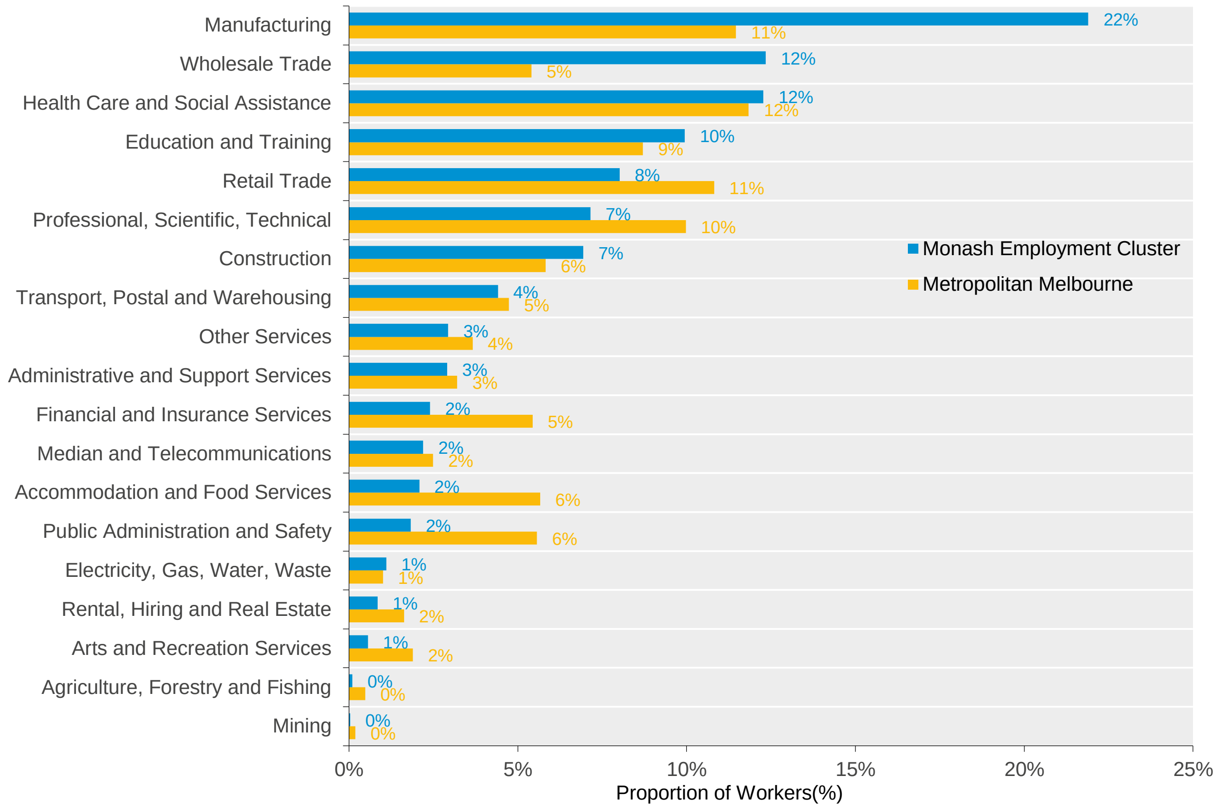
2.3.4 INDUSTRY OF WORK

Chart 2.3 below shows the proportion of MEC Study Area workers in each industry benchmarked against the average of workers in that industry across Metropolitan Melbourne. This information shows that 22% of Study Area workers are employed in the manufacturing industry and a further 12% employed in both Wholesale Trade, Health Care and Social Assistance.

The employment options in the Study Area do not display the same diversity as those across Metropolitan Melbourne overall. 56.5% of Study Area workers are engaged within the four industries of Manufacturing, Wholesale Trade, Health Care and Social Assistance, and Education and Training. In comparison, the top 4 industries across Greater Melbourne as a whole employ only 44% of the total workforce, and there are 10 industries that employ at least 5% of the workforce each. The Monash Medical Centre and associated facilities generate the largest employment in the health care and social assistance industry, while Monash University drives employment in education and training. Despite the technology uses that have developed to the north of the Cluster, Professional, Scientific and Technical Services employment is a smaller proportion of total employment than it is across Melbourne.

Industry of Work (by Workers)

MEC STUDY AREA AND METROPOLITAN MELBOURNE AVERAGE, 2011 — CHART 2.3



1. Excludes inadequately described, not applicable and not stated.

2. Excludes workers who did not provide adequate information on their place of work to be coded by DZN.

Source : ABS Census of Population & Housing 2011 ; Urbis

The top industries of work across the four employment nodes within the Study Area are shown below in Table 2.4. Consistent amongst the top industries for all nodes is manufacturing. 28% of workers in each of the Huntingdale Road (West) (1,460 workers) and Westall Road (South) (2,290 workers) Nodes are in the manufacturing industry. The Manufacturing industry is the top employing industry in these nodes. 26% (6,130) and 16% (4,800) of workers in the Princes Highway (Middle) and Monash Freeway (North) Nodes respectively also work in the manufacturing industry. Wholesale Trade also appears in the top four industries for each of the four nodes. 59% (4,850) of Study Area wholesale trade workers work within the Monash Freeway (North) Node. Monash University contributes greatly to the number of Education and Training workers (5,280) within the Monash Freeway (North) Node and the Monash Medical Centre accommodates a high proportion of the 6,180 Health Care and Social Assistance workers within the Princes Highway (Middle) Node. This is expected to grow with the new Children's Hospital development.

Given the large size of the Cluster and the differences between the various nodes, the needs of workers and businesses are likely to differ by location, nature of business and the profession of workers.

Industry of Work (by Workers)

MONASH EMPLOYMENT CLUSTER STUDY AREA NODES, 2011 — TABLE 2.4

Industry	Number of Workers	Percentage of Workers [1]
Monash Fwy (North)		
Education and Training	5,280	18%
Wholesale Trade	4,850	16%
Manufacturing	4,800	16%
Professional, Scientific, Technical	3,360	11%
Huntingdale Rd (West)		
Manufacturing	1,460	28%
Retail Trade	530	10%
Construction	480	9%
Wholesale Trade	470	9%
Princes Hwy (Middle)		
Health Care and Social Assistance	6,180	26%
Manufacturing	6,130	26%
Retail Trade	2,540	11%
Wholesale Trade	2,040	8%
Westall Rd (South)		
Manufacturing	2,290	28%
Wholesale Trade	920	11%
Retail Trade	790	10%
Health Care and Social Assistance	730	9%

1. As a proportion of total workers in the employment node.

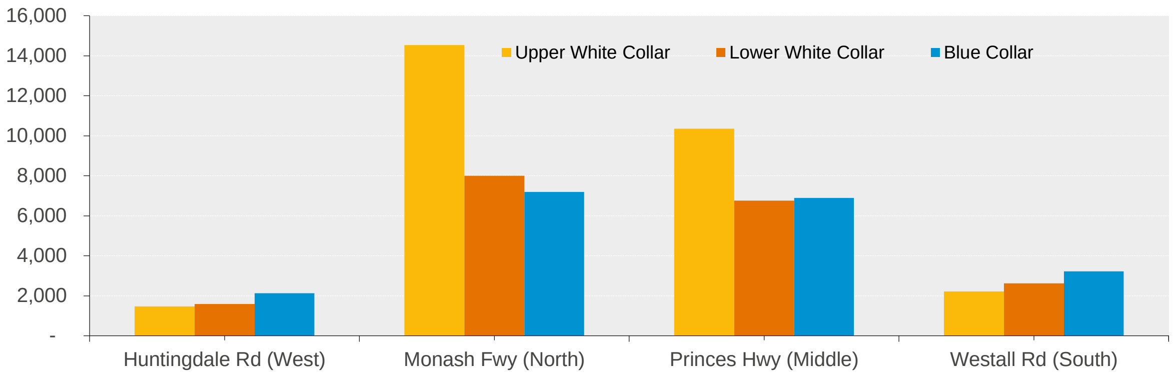
2. Excludes inadequately described, not stated and not applicable.

Source : ABS Census of Population & Housing 2011 ; Urbis

A breakdown of occupation category (upper white collar, lower white collar and blue collar) of workers is provided below in Chart 2.4. The high prevalence of upper white collar workers in the Monash Freeway node is in part determined by the major occupiers of that node, namely Monash University, CSIRO and the Synchrotron. The Monash Medical Centre is responsible for a similar situation in the Princes Highway Node. The Huntingdale Road and Westall Road Nodes, with a higher proportion of manufacturing jobs, have a higher proportion of blue collar workers.

Occupation of Workers

BY EMPLOYMENT NODE, 2011 CHART 2.4



1. Excludes Inadequately described, not stated and not applicable.
2. Upper White Collar includes Managers and Professionals.
3. Lower White Collar includes Community and Personal Service Workers, Sales Workers, Clerical and Administrative Workers
4. Blue Collar includes Labourers, Machinery Operators and Drivers, Technicians and Trades Workers
Source : ABS Census of Population & Housing 2011 ; Urbis

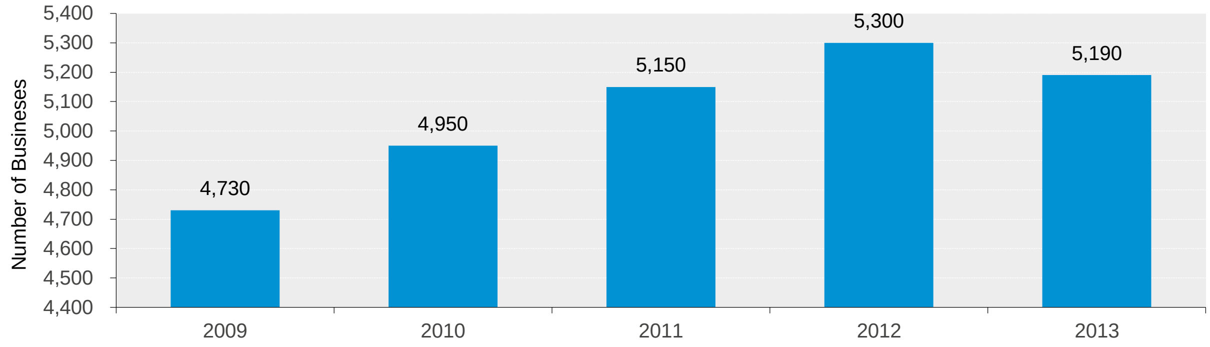
2.4 MONASH EMPLOYMENT CLUSTER BUSINESS PROFILE

The ABS Count of Australian Businesses series (referred to previously in sub-section 1.5 above) can be used to analyse businesses represented in the MEC. In this sub-section, we are able to analyse the businesses within the Statistical Areas (as defined by the ABS) of Clayton, Clayton South, Springvale, Mulgrave, Oakleigh – Huntingdale and Mount Waverley South (SA2s). The geographies listed above are the most relevant to the MEC Study Area, which is not able to be analysed in isolation using this ABS series.

Chart 1.5 below shows the number of businesses registered in the selected area from 2009 to 2013. The trend evident closely mirrors that of the wider South East Melbourne Region. The number of businesses rose each year from 2009 to 2012 before dropping off slightly in 2013. As at June 2013 there were 5,190 businesses registered in the selected area, up 460 from 4,730 in June 2009. Once again, this series only includes those businesses actively trading goods and services, and the below chart excludes non-employing businesses (of which there were 6,770 registered in June 2013).

Count of Businesses

SELECT SA2 GEOGRAPHIES, 2009 - 2013 CHART 2.5

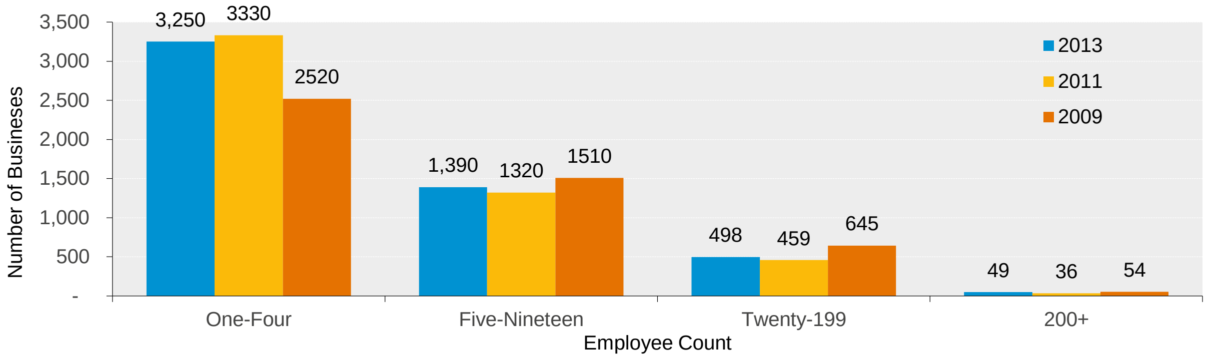


1. As at June
2. Excludes non-employing businesses (sole proprietorships and partnerships without employees).
3. Includes Clayton, Clayton South, Springvale, Mulgrave, Oakleigh-Huntingdale and Mount Waverley - South
4. Only includes businesses which actively trade in goods or services.
Source : ABS Counts of Australian Businesses, including Entries and Exits (Cat 8165.0) ; Urbis

Chart 1.6 breaks down the employing businesses across four different employee count categories from 2009 to 2013. Of the 5,190 employing business in 2013, 63% employed between 1-4 employees, while at the other end of the scale 49 (or 0.9%) employed 200 people or more. Since 2009, the proportion of small businesses (1-4 employees) in the area has increased significantly at the expense of all other employment count categories. By way of comparison, 69% of employing businesses across Metropolitan Melbourne employ 1-4 people and 0.4% employ 200 or more.

Count of Businesses by Number of Employees

SELECT SA2 GEOGRAPHIES, JUNE 2009 – JUNE 2013 CHART 2.6



1. As at June
2. Excludes non-employing businesses (sole proprietorships and partnerships without employees).
3. Includes Clayton, Clayton South, Springvale, Mulgrave, Oakleigh-Huntingdale and Mount Waverley - South
4. Only includes businesses which actively trade in goods or services.
Source : ABS Counts of Australian Businesses, including Entries and Exits (Cat 8165.0) ; Urbis

2.5 JOURNEY TO WORK ANALYSIS

As part of the Census of Population and Housing, the Australian Bureau of Statistics (ABS) collects journey to work data. This data shows how people get to and from work (i.e. mode of transport), as well as the location of their home and their workplace.

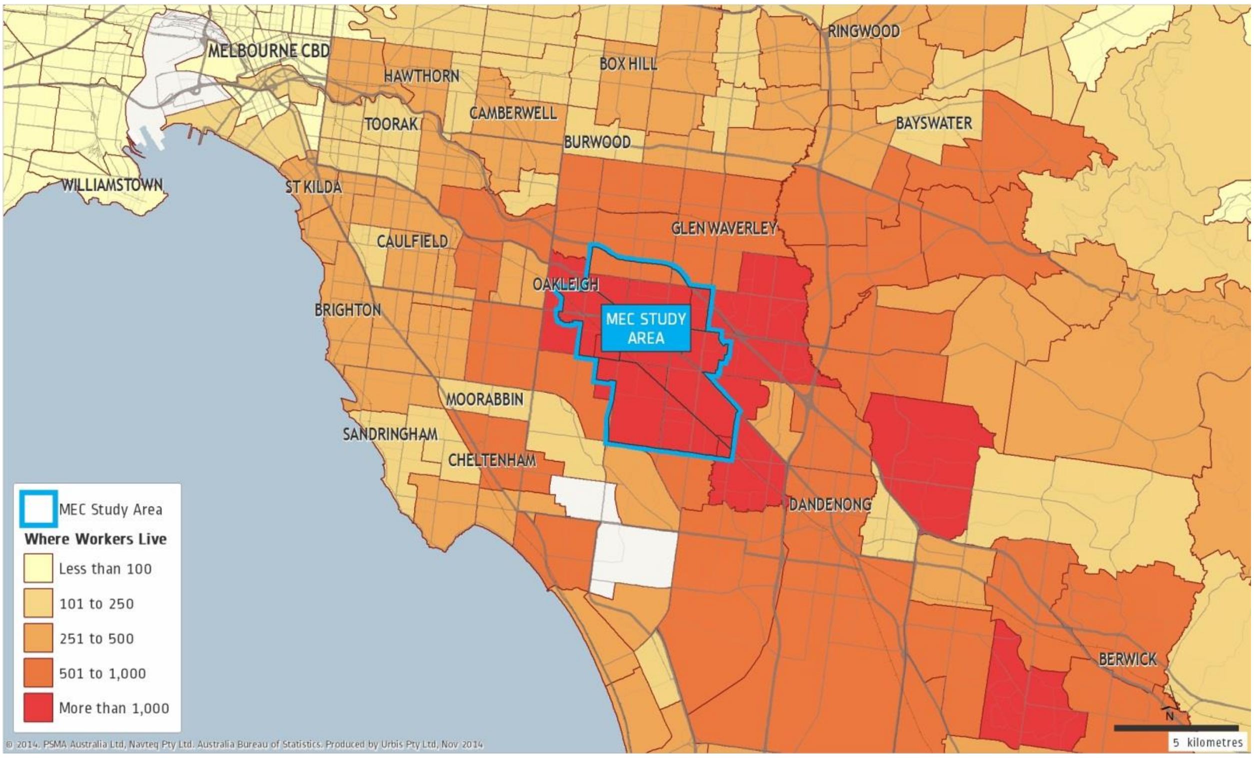
Map 1.2 below shows where Monash Employment Cluster Study Area workers live, summarised by ABS Statistical Area 2 (SA2). SA2s are general purpose medium-sized areas, often sized similarly to suburbs. Their aim is to represent a community that interacts together socially and economically. The map illustrates that the MEC Study Area exhibits a high level of self-containment, with the highest density of workers living in and around the Cluster itself in areas such as Clayton, Springvale and Oakleigh – Huntingdale (refer Table 2.5). A higher number of workers employed in the MEC Study Area are from its eastern fringe in comparison to the western fringe. Mulgrave, Noble Park and Wheelers Hill, which sit on the eastern boundary of the MEC Study Area, all provide over 1,000 employees to the Cluster. The MEC Study Area also draws a large number of workers from further east in areas such as Endeavour Hills and Narre Warren.

Overall, the MEC Study Area draws a relatively large proportion of workers from beyond its eastern boundary, and a smaller proportion from beyond its western boundary. This may be as a result of peoples' preference to drive towards the CBD for work. People who live between the MEC and the Melbourne CBD also face similar travel costs whether they travel to the CBD or MEC, whereas the travelling costs (and time) to go to the CBD are more onerous on those who live to the east of the MEC.

A further factor influencing the nature of the workforce in the Cluster is the residential location of white and blue collar workers. The inner south east suburbs contain a higher proportion of white collar workers, with blue collar workers more common in the outer south east. With the Cluster providing more blue collar employment relative to the CBD, a larger share of workers in the Cluster Study Area are travelling from the outer south east.

Journey To Work

PLACE OF RESIDENCE OF MEC STUDY AREA WORKERS MAP 2.3



Place of Residence, SA2

MONASH EMPLOYMENT CLUSTER STUDY AREA WORKERS, 2011 TABLE 2.5

SA2	Number	Percentage
Clayton	1,830	3%
Springvale	1,680	2%
Oakleigh - Huntingdale	1,600	2%
Noble Park	1,430	2%
Mulgrave	1,330	2%
Wheelers Hill	1,220	2%
Endeavour Hills	1,060	2%
Narre Warren South	1,030	2%
Clayton South	1,010	1%
Mount Waverley - South	1,000	1%
Keysborough	970	1%
Glen Waverley - East	960	1%
Other	52,510	78%
Total	**67,630**	**100%**

Source : ABS Census of Population & Housing 2011 ; Urbis

Table 2.6 below shows that, at a broader level, a high proportion of MEC workers originate from the municipalities of Monash, Dandenong, Knox and Casey. However, the majority of workers are still travelling a considerable distance to work in the Cluster. The average journey to work is 13.5 km, measured in a straight line from the workers' SA1 of usual residence to the centroid of the MEC node in which they work.

Place of Residence, SA3

MONASH EMPLOYMENT CLUSTER STUDY AREA WORKERS, 2011 — TABLE 2.6

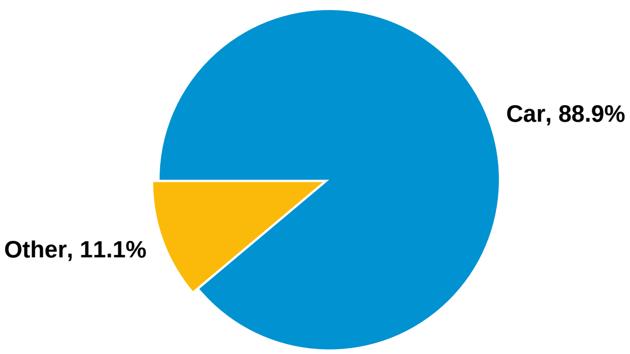
SA3	Number	Percentage
Monash	10,103	15%
Dandenong	8,922	13%
Knox	5,380	8%
Casey - North	4,286	6%
Casey - South	4,039	6%
Glen Eira	3,570	5%
Kingston	3,085	5%
Frankston	2,717	4%
Boroondara	2,247	3%
Yarra Ranges	1,997	3%
Whitehorse - West	1,865	3%
Maroondah	1,688	2%
Other	17,728	26%
Total	**67,627**	**100%**

Source : ABS Census of Population & Housing 2011 ; Urbis

88.9% of MEC Study Area workers travel to and from work by car, either as a driver or passenger (refer Chart 2.7). This is a large majority when compared to the 68% of workers who travel by car to work in Metropolitan Melbourne overall. The high prevalence of driving to work is due to the lack of alternative public transport options to major employment destinations within the MEC. A further 3.6% of MEC Study Area workers either walked or rode a bicycle to work or worked at home. Only 1.3% of Study Area workers nominated the train as their method of transport to work, without combining it with any other form of transport. The comparable Metropolitan Melbourne figure was 6.8% in 2011.

Method of Transport to Work

MEC STUDY AREA WORKERS, 2011 — CHART 2.7



Other includes:

Walk (1.5%)

Bus (1.4%)

Worked at Home (1.4%)

Train (1.3%)

Train/Bus combination (1.0%)

1. Car includes those who travelled as driver or as passenger.
Source : ABS Census of Population & Housing 2011 ; Urbis

In summary, the MEC Study Area has a relatively high level of self-containment (proportion of people who both live and work in the area) and also attracts a high proportion of its working population from beyond its eastern boundary. Access to the Cluster appears to be a lot easier using private transport via the Monash Freeway and Princes Highway rather than the current public transport options that are available.

2.6 RECENT INDUSTRIAL DEVELOPMENT IN MELBOURNE'S SOUTH EAST

Map 2.4 shows industrial development of buildings over 10,000 sq.m undertaken within the MEC Study Area and nearby, including the Dandenong area, over the period from 2011 to today. A number of these occupiers have relocated from either the MEC or the nearby industrial precincts of Moorabbin & Braeside.

Key observations from the map include:

- Almost all this development has occurred in the new industrial estates in Keysborough and Dandenong South which benefit from strong major arterial access (most notably Eastlink).

- The development has been driven by opportunity to secure new, in many instances purpose built premises, at a cost equal to or below rents for secondary premises in the MEC.

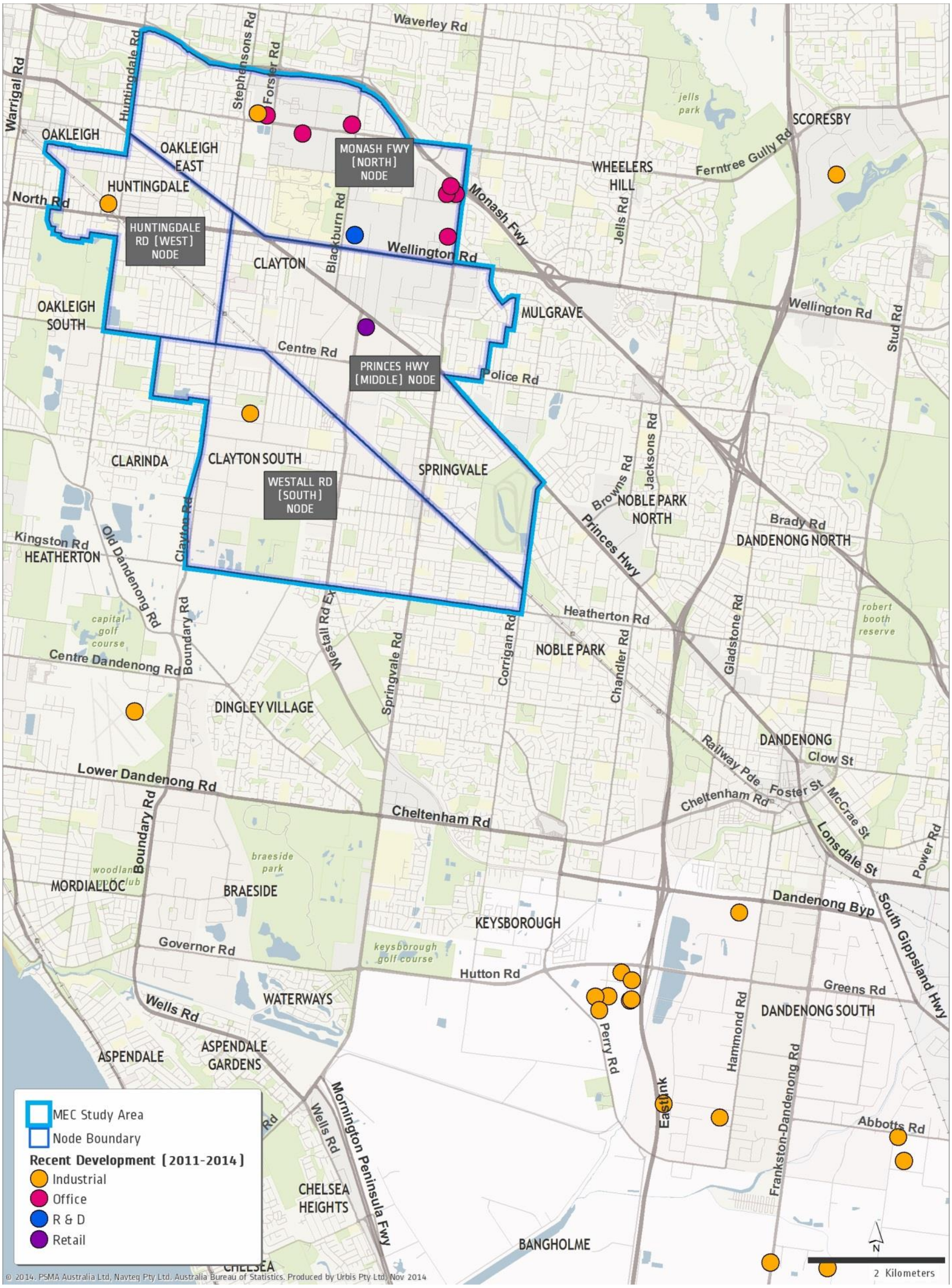
- We expect this trend to continue as manufacturing activities in the MEC cease and these businesses move to an importation and distribution model, relocating either to Melbourne's west or outer south east.

- Strong opportunities exist within the MEC to retain some of the current employment activity where the head office/administration activity is retained in the local area yet distribution is moved to a more efficient location. Adidas is a recent example, having vacated a combined office and warehouse at 767 Springvale Road for a new office at Nexus Corporate Park and a distribution warehouse at Truganina.

- Local manufacturers, including those associated with the soon to cease motor vehicle manufacturing industry, are struggling to compete in a global market. As these businesses downsize or shift to a distribution model, significant employment numbers are at risk within the MEC.

Recent Developments (2011-2014)

MONASH EMPLOYMENT CLUSTER STUDY AREA AND OTHER SOUTH EAST MARKETS MAP 2.4



2.7 MAJOR AVAILABLE DEVELOPMENT SITES

The Cluster Study Area comprises a total non-residential zoned area of approximately 3,334 hectares with individual sites ranging in size from approximately 1,000 sq.m up to 113 hectares. The main employment zones of Commercial and Industrial (including Monash Council's SUZ6) total around 2,046 hectares.

A number of the major sites (over 5 hectares) within the precinct are owner occupied, most notably illustrated in the following table:

STREET ADDRESS	MUNICIPALITY / LGA	ZONE	OWNER	SITE AREA (HA)
Wellington Road, Clayton	Monash	PUZ2	Monash University	113.3
Lightwood Road, Springvale	Greater Dandenong	SUZ1	Sandown Racing Club	102.0
246 Clayton Road, Clayton	Monash	PUZ3	Monash Medical Centre	13.5
14 McNaughton Road, Clayton	Monash	IN1Z	PPG	13.1
151 Wellington Road, Clayton	Monash	SUZ5	Australian Synchrotron	11.9
1555 Centre Road, Clayton	Monash	IN1Z	Robert Bosch Australia	10.1
17-55 Nantilla Road, Clayton	Monash	SUZ6	William Adams	8.3
633-655 Springvale Road, Mulgrave	Monash	SUZ6	NEC	7.3
461 Heatherton Road, Clayton South	Kingston	SUZ2	E&I Baguley	6.9
45-49 McNaughton Road, Clayton	Monash	IN1Z	UniDrive	6.5
370-372 Ferntree Gully Road, Notting Hill	Monash	PUZ6	Waverley Industries	5.7

The above owner occupied properties represent a significant proportion or total land area within the Cluster and are all currently actively utilised; they are therefore not considered to present as immediately developable sites and only provide further development and employment opportunity if the current occupier seeks to expand.

Separate to this we have identified major development sites (targeting 1+ hectare or capable of over 3,000 sq.m of lettable area) which are either currently vacant and owned or controlled by active developers which we have categorised as having immediate development capability (i.e. within 2 years). In addition, we have identified substantial development sites which are controlled by development groups with relatively short remaining lease terms (up to 3 years) which we have identified and categorised as medium-term development opportunities.

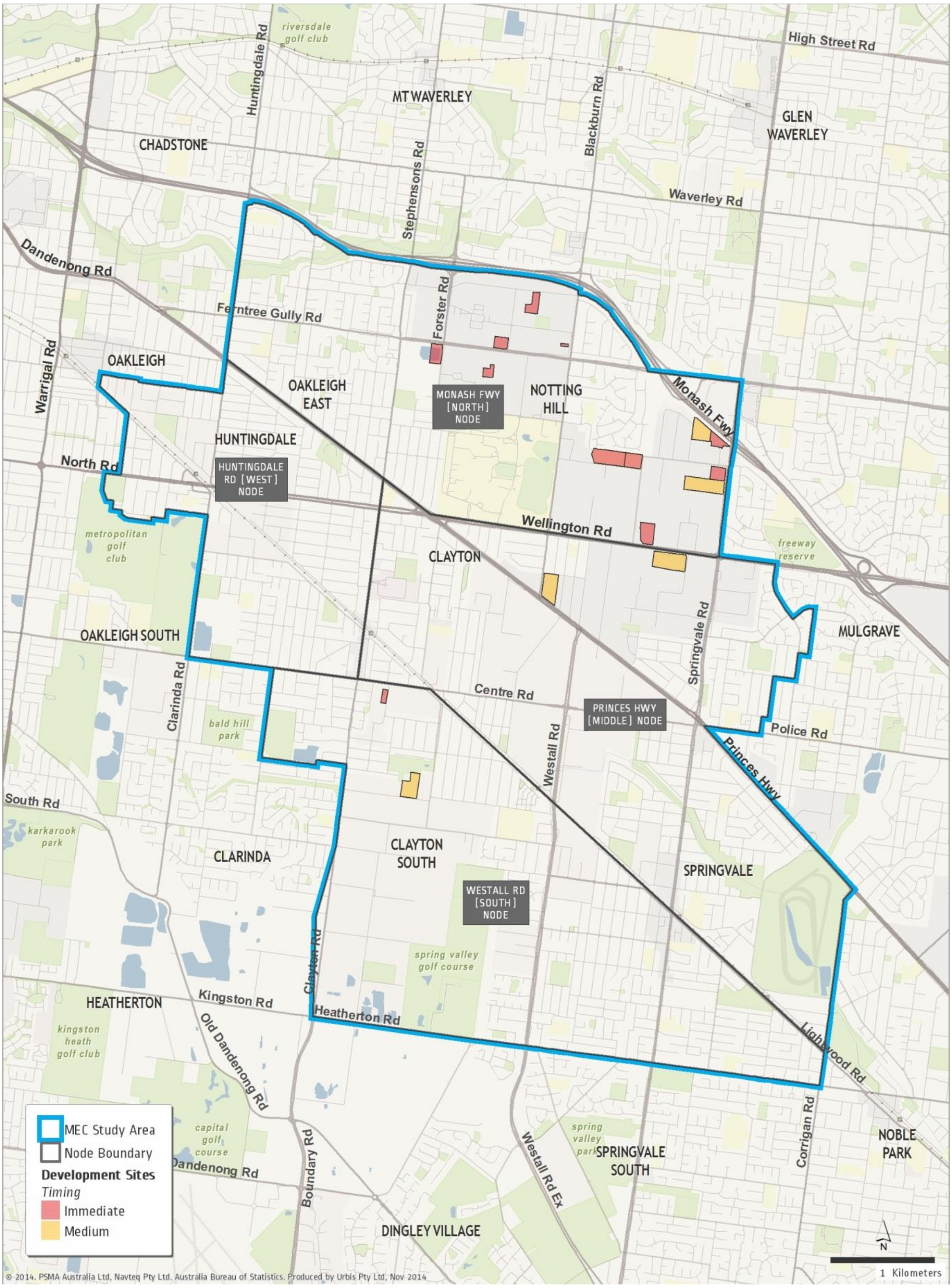
We summarise these sites in the following table and graphically illustrate their location within the Cluster Study Area thereafter.

STREET ADDRESS	MUNICIPALITY / LGA	ZONE	OWNER	SITE AREA (HA)	DEVELOPMENT TIMEFRAME
211 Wellington Road, Mulgrave	Monash	SUZ6	Australand/CIP	3.4	Immediate
17-55 Duerdin Street, Clayton North	Monash	SUZ6	Bryson	6.3	Immediate
633-655 Springvale Road, Mulgrave	Monash	SUZ6	NEC (For Sale)	1.7	Immediate
232-256 Ferntree Gully Road, Mount Waverley	Monash	SUZ6	NPD	1.8	Immediate
Part 329-355 Ferntree Gully Road, Mount Waverley	Monash	SUZ6	Dexus	1.3	Immediate
68 Ricketts Road, Mount Waverley	Monash	SUZ6	Suleman	1.8	Immediate
38 Dunlop Road, Mulgrave	Monash	SUZ6	Salta	0.5	Immediate
294 Ferntree Gully Road, Notting Hill	Monash	SUZ6	Goodman	0.8	Immediate
549 Blackburn Road, Mount Waverley	Monash	SUZ6	Private	0.5	Immediate
1 Audsley Road, Clayton South	Kingston	IND1	Virtus Property	0.7	Immediate
Part 254 Wellington Road, Mulgrave	Monash	SUZ6	Charter Hall	5.0	Medium
2-20 McDonalds Lane, Mulgrave	Monash	SUZ6	Salta	2.9	Medium
86-102 Whiteside Road, Clayton South	Kingston	Industrial 1	Virtus Property	2.3	Medium
633-655 Springvale Road, Mulgrave	Monash	SUZ6	NEC (For Sale)	4.9	Medium

The above identified sites represent a total site area of approximately 34 hectares, ranging in size from approximately 0.5 hectares up to almost 5 hectares. Of the total site area identified we have characterised approximately 19 hectares as being suitable for immediate development, whilst the remaining 15 hectares is considered to be available for development in the medium-term.

Development Sites

MONASH EMPLOYMENT CLUSTER STUDY AREA — MAP 2.5



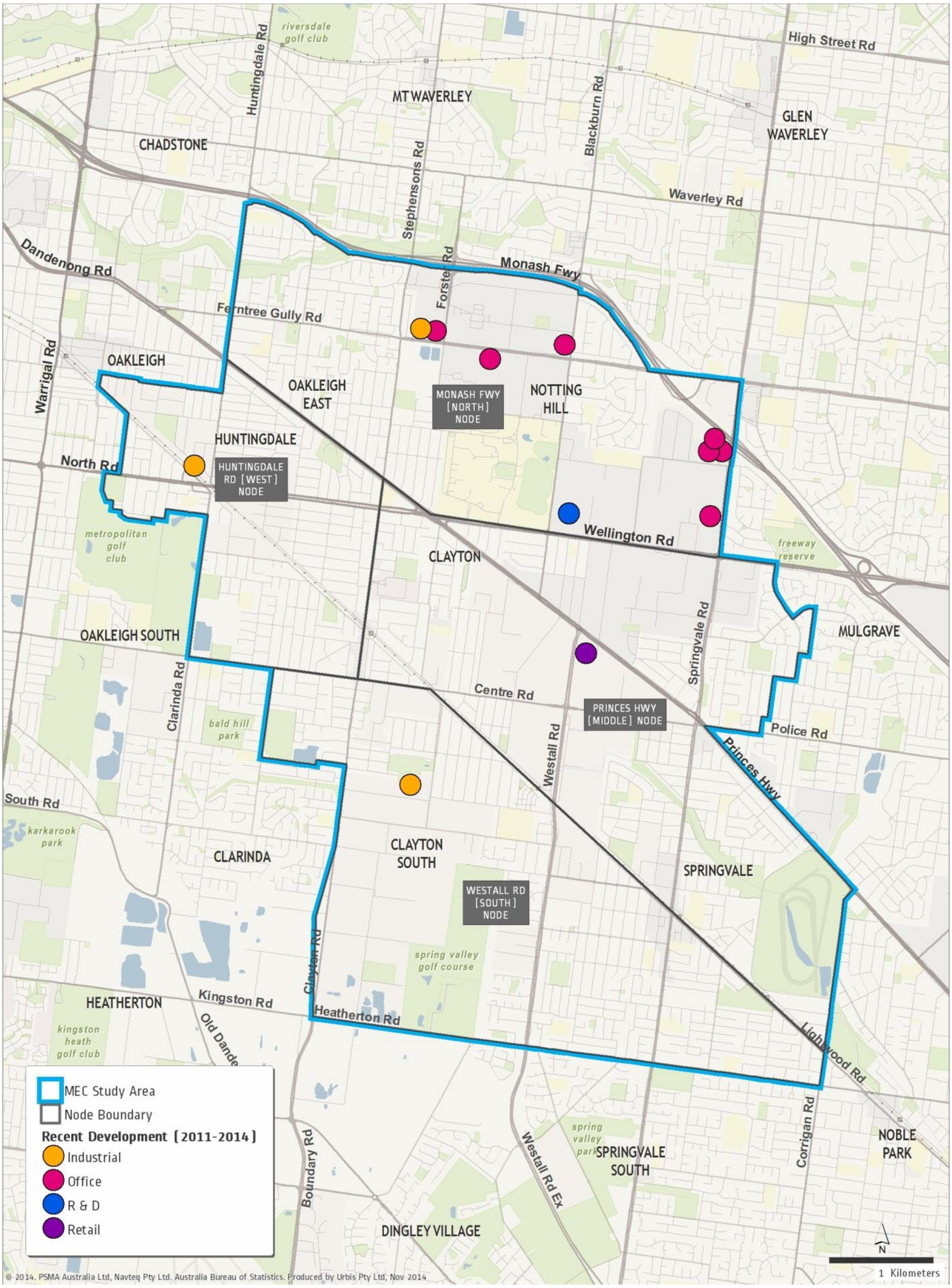
We have also identified the recent development/construction activity undertaken within the Cluster Study Area over the past five year period, which again we summarise in the following table and illustrate locationally thereafter in Map 2.5.

ADDRESS	MUNICIPALITY / LGA	ZONE	OCCUPIER	OWNER	USE	FROM
Ferntree Gully Road, Mount Waverley	Monash	SUZ6	Olympus	Goodman	Offices	Mount Waverley
Ferntree Gully Road, Mount Waverley	Monash	SUZ6	Schneider	Goodman	Offices	Mount Waverley
86-102 Whiteside Road, Clayton	Kingston	INZ1	N/A – Speculative	Virtus Property	Warehousing	N/A - Speculative
38 Dunlop Road, Mulgrave	Monash	SUZ6	Carlisle Homes	Salta	Offices	Mulgrave
38 Dunlop Road, Mulgrave	Monash	SUZ6	ADP	Salta	Offices	Mulgrave
38 Dunlop Road, Mulgrave	Monash	SUZ6	Bristol Myer Squibb	Salta	Offices	Springvale
8 Railway Avenue, Oakleigh	Monash	IND1	Various	Icon	Warehousing	N/A
679 Springvale Road, Mulgrave	Monash	SUZ6	Agilent Technologies	Agilent Technologies	Offices	Mulgrave
917 Princes Highway, Springvale	Greater Dandenong	IND1	IKEA, Harvey Norman and others	IKEA & Harvey Norman	Retail	Various
151 Wellington Road, Clayton	Monash	SUZ5	N/A	Syncrotron	Research and Development	N/A
193 Forster Road, Mount Waverley	Monash	SUZ6	N/A – Speculative	Private	Office	N/A
193 Forster Road, Mount Waverley	Monash	SUZ6	N/A – Speculative	Private	Warehousing	N/A
549 Blackburn Road, Mount Waverley	Monash	SUZ6		Private	Office	Mount Waverley

Recent Developments (2011-2014)

MONASH EMPLOYMENT CLUSTER STUDY AREA

MAP 2.6



2.8 MONASH EMPLOYMENT CLUSTER EMPLOYMENT LANDSCAPE SUMMARY

It is clear that while the old industrial base is still important, it is in decline and creating a need for employment opportunities to be replaced through emerging industries. Some further larger employers will be important.

The various nodes within the Cluster are quite distinct:

- The northern Monash Freeway Node is a mixed precinct influenced by the location of the University and the scientific and technical precinct, although with manufacturing and wholesale trade still being important employers.

- The Princes Highway (Middle) Node's employment base reflects the location of the Monash Medical Centre and the manufacturing industry which remains.

- The West and South Nodes are both still heavily manufacturing oriented with a more predominant blue collar workforce.

Given the large size of the Cluster and the differences between the various nodes, the needs of workers and businesses are likely to differ by location, nature of business and the profession of workers.

The combination of knowledge and research based industry ensures the Cluster is well positioned to target new growth markets and provide employment for the continued growth of Melbourne's south east population.

However, the future growth of the Cluster will face some hurdles. Employment growth has been stifled by the natural decline of the broad manufacturing base in the area, and the fact that other precincts can now provide industrial occupiers with cheaper, more accessible and more integrated accommodation options. This declining employment base will need to be replaced over time. Knowledge-based industries will form part of the solution, however the size and diversity of the Cluster will mean there will need to be a wider range of new employment options emerging to support growth.

3 Profile, Needs and Attitudes of Businesses Operating Within the Monash Employment Cluster

3.1 OBJECTIVES AND METHODOLOGY

This section of the report provides the findings of research conducted among businesses within the Monash Employment Cluster Study Area which involved an online survey, a focus group and ten one-on-one depth interviews.

The key objective of the research is to profile existing businesses and institutions in the cluster, understand the most important criteria when determining the location for their business, identify the key drawcards and barriers to the cluster and the initiatives and other changes which are of greatest value to these businesses for the future.

3.1.1 ONLINE SURVEY

A total of 189 businesses participated in the online survey, which was conducted from 24th July 2014 to 23rd September 2014.

Urbis designed and hosted the survey which DSDBI implemented by emailing a survey link to their database of over 1,000 businesses in the Study Area. The Monash and Kingston Councils also assisted by emailing the survey to an additional 290 businesses on their databases.

One person per business was invited to complete the survey. The aim was to include those who had responsibility for their office location decisions. A list of all participating businesses is shown in Appendix A.

The questionnaire was designed by Urbis in consultation with MPA and DSDBI. A copy is provided in Appendix B.

3.1.2 FOCUS GROUP

One focus group was conducted by Urbis among key businesses located in the Cluster. The group consisted of 6 respondents who were responsible for the location decisions for their business and was conducted at Monash University, Caulfield Campus, on 17th September 2014. A representative from each of the following businesses participated in the focus group:

- UniDrive Pty Ltd/GKN Driveline
- Monash University
- Olympus Australia
- Vesta Group Pty Ltd
- Waterwerx Pty Ltd
- Schneider – Electric

The group was moderated by Sue Say from Urbis and ran for 1.5 hours.

3.1.3 DEPTH INTERVIEWS

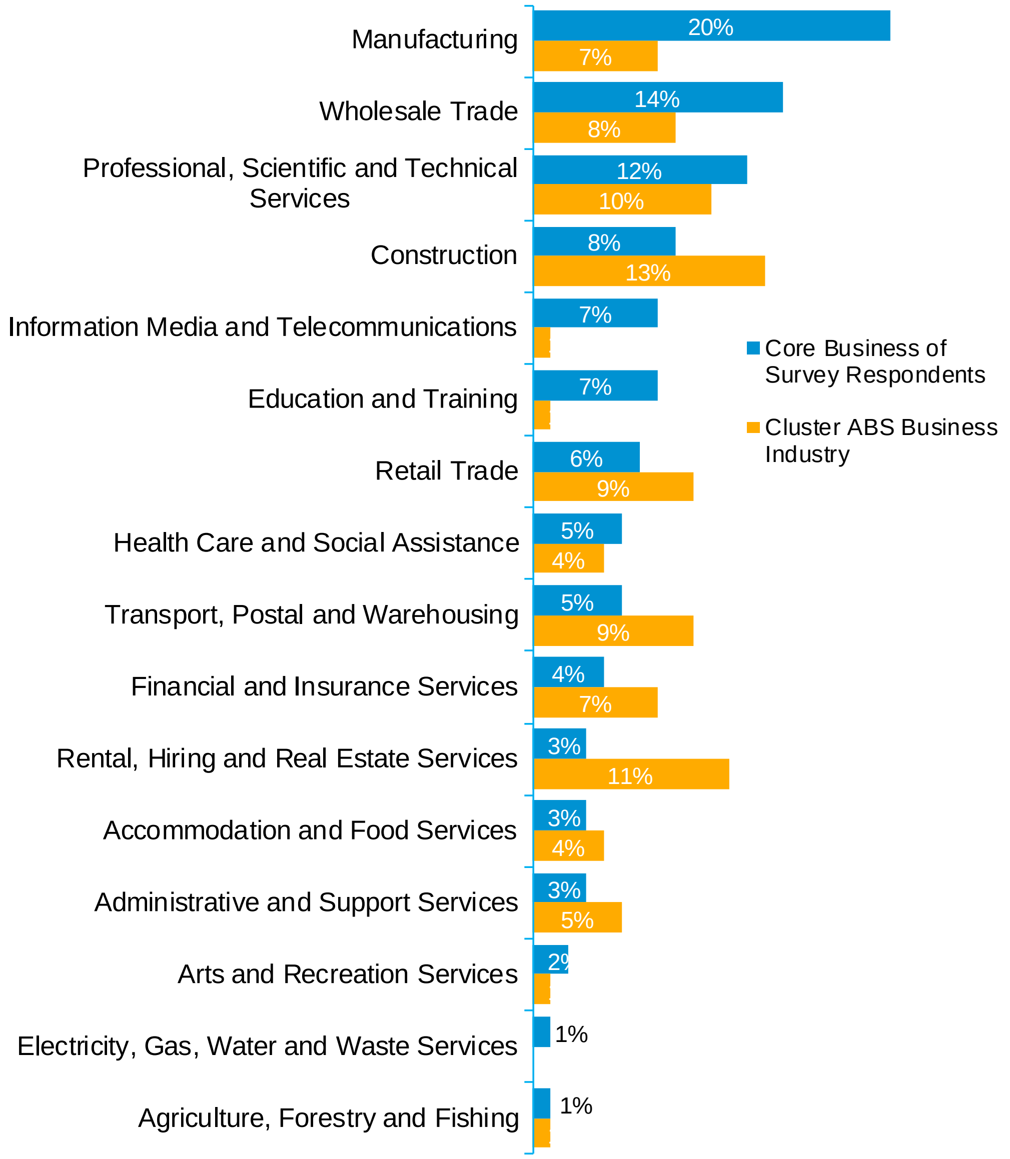
DSDBI conducted ten depth interviews with large businesses that had been located in the Cluster for several years or more. These businesses have been included in the list of businesses who participated in the research in Appendix A. A summary of these interviews is included in Appendix C.

3.2 PROFILE OF BUSINESSES

The online survey included a good representation of businesses located in the Cluster. As shown in Chart 3.1 below, the core areas of business undertaken by those who participated in the survey are manufacturing, wholesale trade, professional, scientific and technical services and construction.

Core Area of Business

MONASH EMPLOYMENT CLUSTER ONLINE SURVEY CHART 3.1



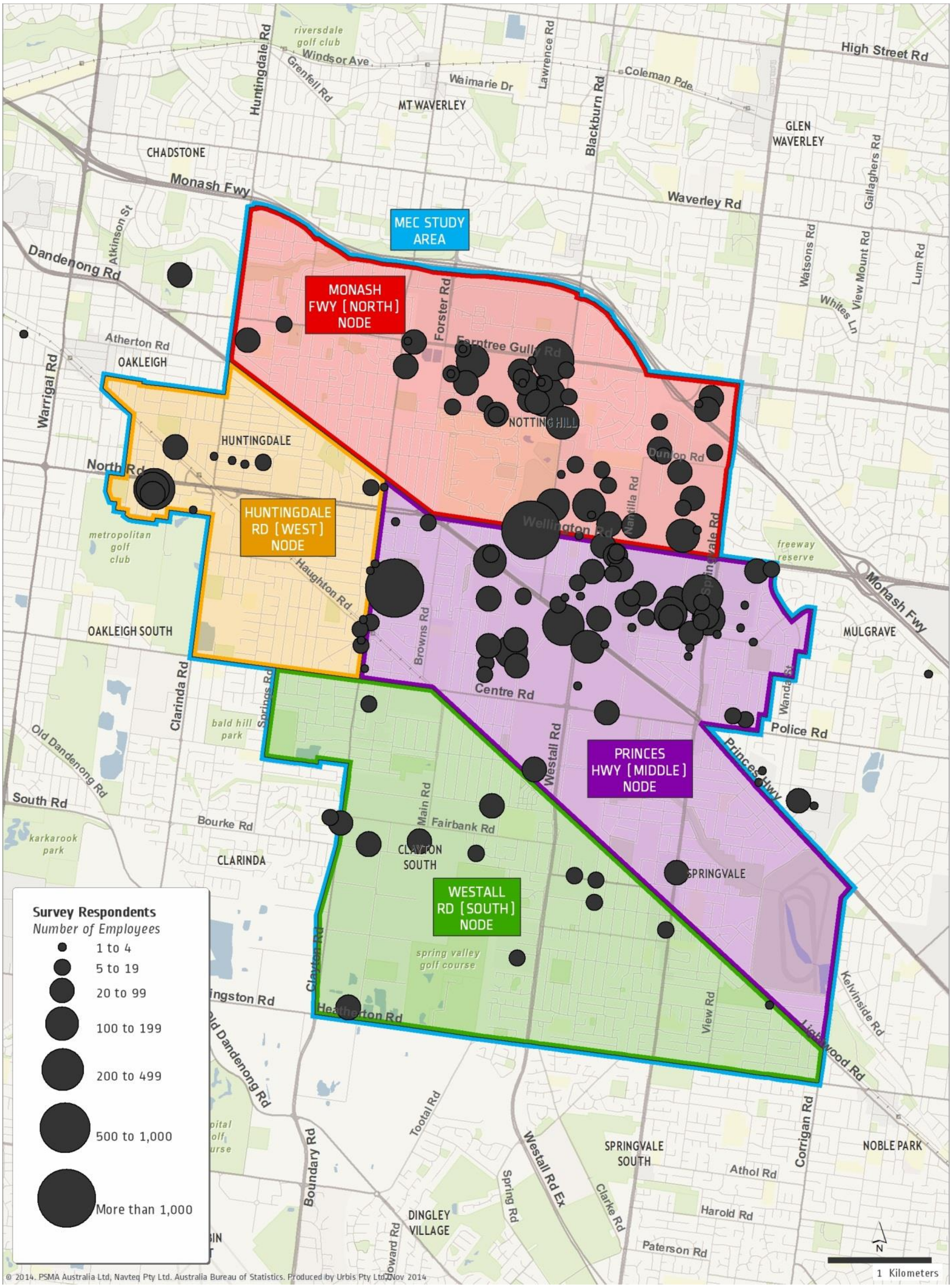
Base: All Respondents; Sample Size n= 189
Source: Urbis, Monash Employment Cluster Online Survey, July 2014

Map 3.1 illustrates that the majority of the businesses surveyed are located in the middle (37%) and north (31%) nodes. One in ten (10%) businesses is located in the west node and 7% in the south node. This distribution by node generally reflects the actual distribution of businesses located in the Cluster Study Area, with the majority located in the north and middle nodes. A further 13% of businesses who completed the survey are located just outside the Study Area boundary and 2% did not provide an address. There is a good mix of industry type from each node.

Location of Business by Node

MONASH EMPLOYMENT CLUSTER STUDY AREA ONLINE SURVEY

MAP 3.1



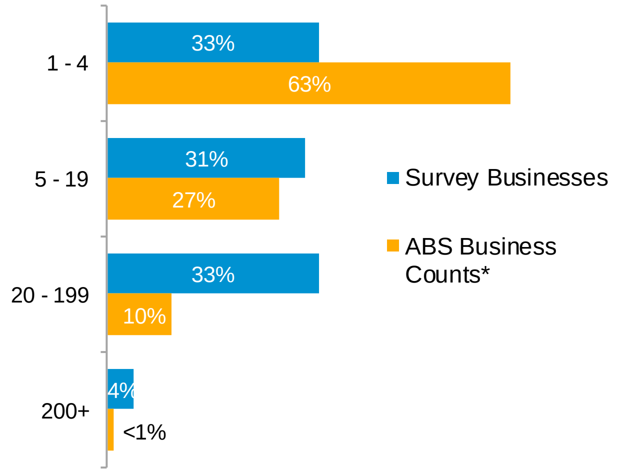
The vast majority (91%) of businesses surveyed are the head/principal office site for their business.

Chart 3.2 shows the number of full-time employees at the business site compared with the ABS Business Counts (excluding non-employing businesses) for the Cluster Study Area. As shown, the survey included a significantly higher proportion of businesses with 20+ employees which is to be expected, as larger businesses were targeted for the survey. The average employee size of those surveyed is 52 employees. In total, the survey coverage was around 10,000 employees, which represent about 15% of total employees in the Cluster Study Area (based on around 68,000 employees in the Cluster).

Number of Full Time Employees at Site

MONASH EMPLOYMENT CLUSTER ONLINE SURVEY

CHART 3.2



Base: All Respondents; Sample Size n= 189

Source: Urbis, Monash Employment Cluster Online Survey, July 2014

** excluding non-employing businesses*

Businesses located in the north and middle nodes are typically larger (average approximately 65+ employees) than those in the west and south nodes (average approximately 35 employees). Those involved in Health Care and Social Assistance or Education and Training tend to have the greatest number of employees (averaging 100+), followed by industries such as Administrative and Support Services, Accommodation and Food Services, Agriculture, Forestry and Fishing, Wholesale Trade and Manufacturing (average 50-75 employees). The industries with fewer employees include Information Media and Telecommunications, Rental, Hiring and Real Estate Services and Financial and Insurance Services (average less than 20 employees).

For each business surveyed, the number of employees who are located outside the Cluster was investigated to gauge the total size of the businesses. The average number of employees throughout Victoria is 88 per business (or 36 excluding those in the Cluster on average), which increases to 130 throughout Australia (or 78 excluding those in the Cluster). One quarter (26%) of businesses surveyed have an overseas presence, with an average of 69 employees per business working overseas.

Just over half (60%) of businesses have remained the same size in terms of employee numbers located on site in the Cluster in the last 2 years. One quarter (23%) have expanded whilst the remaining 17% have contracted, resulting in an overall net increase in employee numbers among those surveyed. A greater proportion of businesses from the north and south nodes expanded in the last 2 years, compared to other nodes. Small businesses (i.e. four employees or less) are most likely to have remained the same size. Large businesses with 100 employees or more are more likely to have expanded than contracted.

The average floorspace among two-thirds (67%) of businesses who provided this figure is 353 sq.m. Businesses in the west node tend to be larger on average, with a floorspace of over 900 sq.m. There is little difference in the average floorspace among the remaining nodes (average 250 sq.m-350 sq.m).

Lease status and tenure details of those surveyed are shown below in Charts 3.3 - 3.5 and can be summarised as follows:

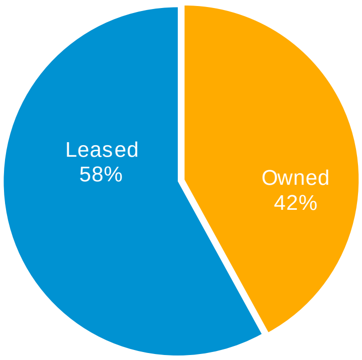
- 58% of businesses are currently leasing their premises and this is fairly consistent throughout nodes. Site ownership (42%) tends to be more common among businesses in the following industries: Arts and Recreation Services; Retail Trade; Professional, Scientific and Technical Services; Health Care and Social Assistance and Manufacturing.

- The average length of time that businesses have been at their current address is 10 years. Nearly two in five have been there less than 5 years (40%) or 5-20 years (43%) and a further 15% have had longer durations of 20 years or more. There is a positive relationship between number of employees and length of time at current address, with larger organisations typically staying at their site longer. Ownership is higher amongst businesses that have been at their site for 5 years or more.

- The average lease expires in 4.7 years, with 2-5 years (25%) being the most common length of the time left on the lease. Larger organisations (100+ employees) have more time until lease expiry, typically between 6-12 years.

Sites Owned vs. Leased

MONASH EMPLOYMENT CLUSTER ONLINE SURVEY CHART 3.3

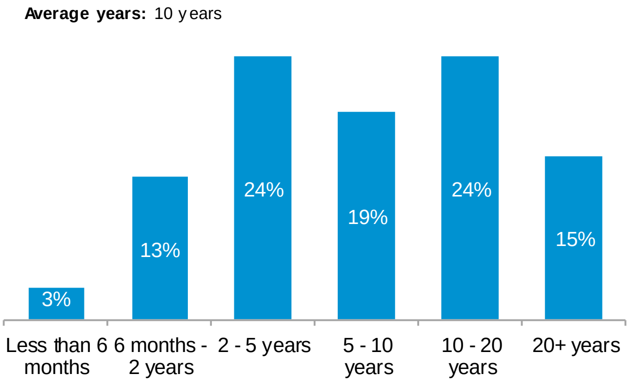


Base: All Respondents; Sample Size n= 189

Source: Urbis, Monash Employment Cluster Online Survey, July 2014

Duration at Current Address

MONASH EMPLOYMENT CLUSTER ONLINE SURVEY CHART 3.4

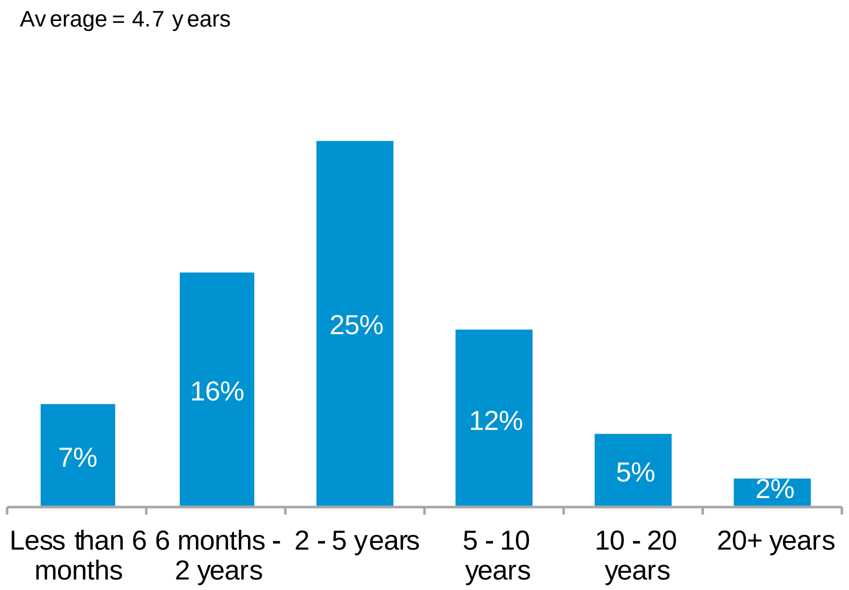


Base: All Respondents; Sample Size n= 189

Source: Urbis, Monash Employment Cluster Online Survey, July 2014

Lease Expiry

MONASH EMPLOYMENT CLUSTER ONLINE SURVEY — CHART 3.5



Base: Those who are currently leasing their site; Sample Size n= 110

Source: Urbis, Monash Employment Cluster Online Survey, July 2014

3.3 EXPORT

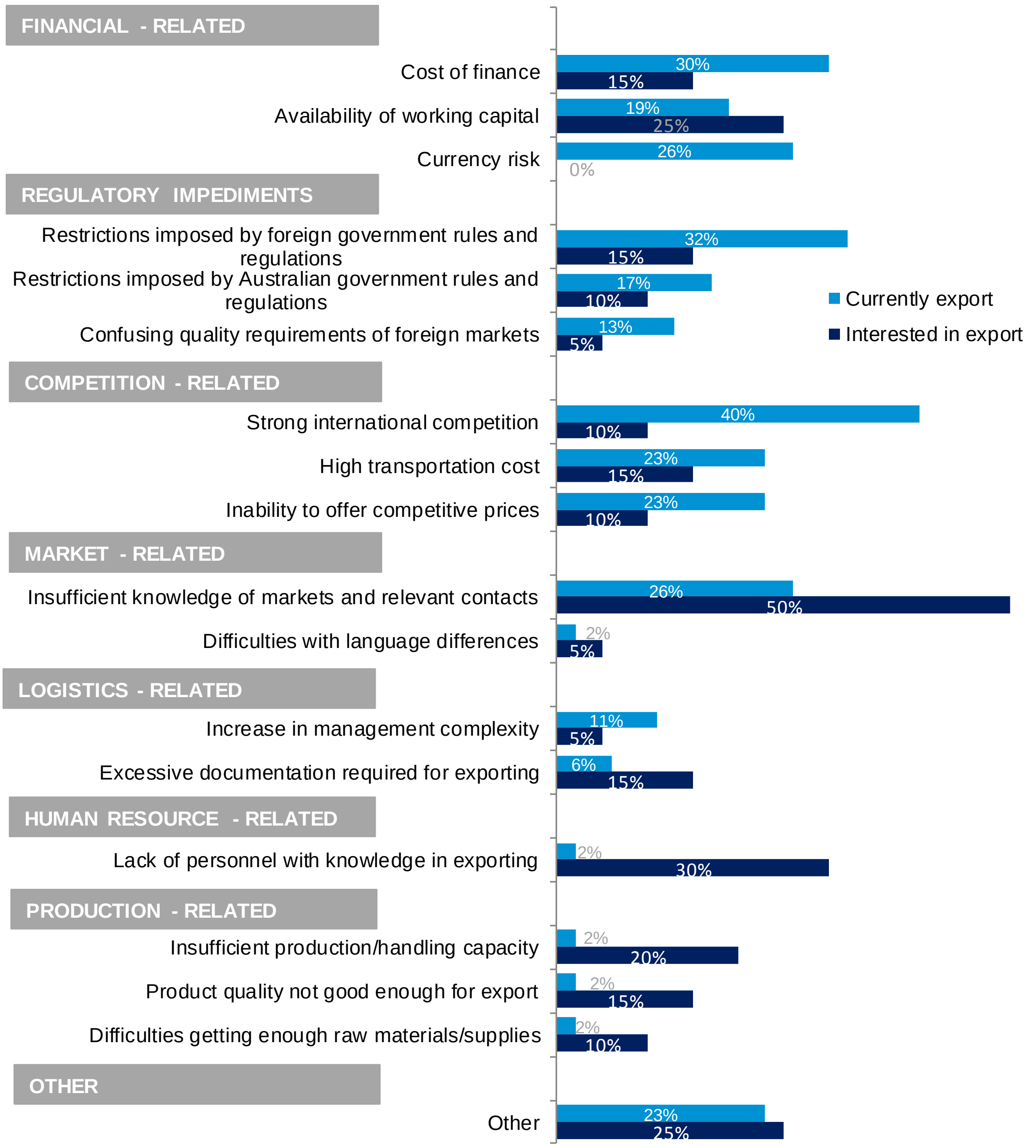
The online survey explored the role of businesses in exporting goods or services overseas and any barriers they face. One quarter (25%) of businesses surveyed are currently involved in export and a further 11% are interested but don't currently export. The majority (65%) however, said they are not interested in exporting.

The main barriers faced by those who export or are interested in exporting are shown in Chart 3.6 and include:

- Insufficient knowledge of markets and relevant contacts. This is particularly an issue for those looking to get into exporting.
- Competition-related factors such as strong international competition and inability to offer competitive prices, seen as more of an issue among those currently exporting.
- Regulatory impediments, particularly foreign restrictions, but also those imposed by the Australian Government.
- Barriers relating to finance, such as cost of finance, availability of working capital and currency risk.
- Lack of personnel with knowledge in exporting; mainly an issue for those interested in exporting.

Main Barriers to Export

MONASH EMPLOYMENT CLUSTER ONLINE SURVEY CHART 3.6



Base: Businesses currently exporting or interested, Sample Size = 67

Source: Urbis, Monash Employment Cluster Online Survey, July 2014

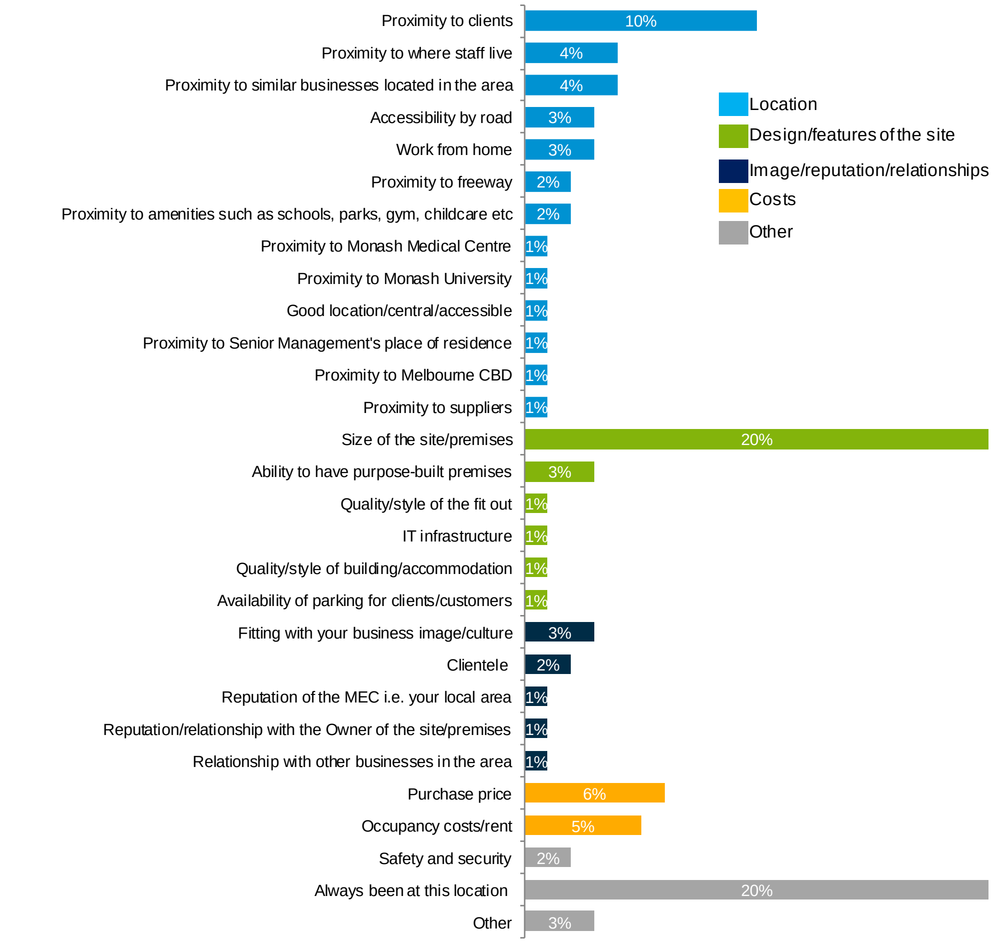
3.4 PERCEPTIONS OF THE CLUSTER

Chart 3.7 shows the main reasons why businesses moved into the Monash Employment Cluster. Size of premises and proximity to clients are the main drivers for locating in the Cluster. Whilst it did not come up as a key driver in the online survey, proximity to suppliers was found to be an important driver for some businesses in the focus group.

Secondary drivers include purchase price and occupancy costs/rent, proximity to staff residences and proximity to similar businesses. One in five (20%) said they had always been at this location and didn't provide any other reason for entering the Cluster in the first place.

Main Reason for Moving into the Cluster

MONASH EMPLOYMENT CLUSTER ONLINE SURVEY CHART 3.7



Base: All Respondents; Sample Size n= 189

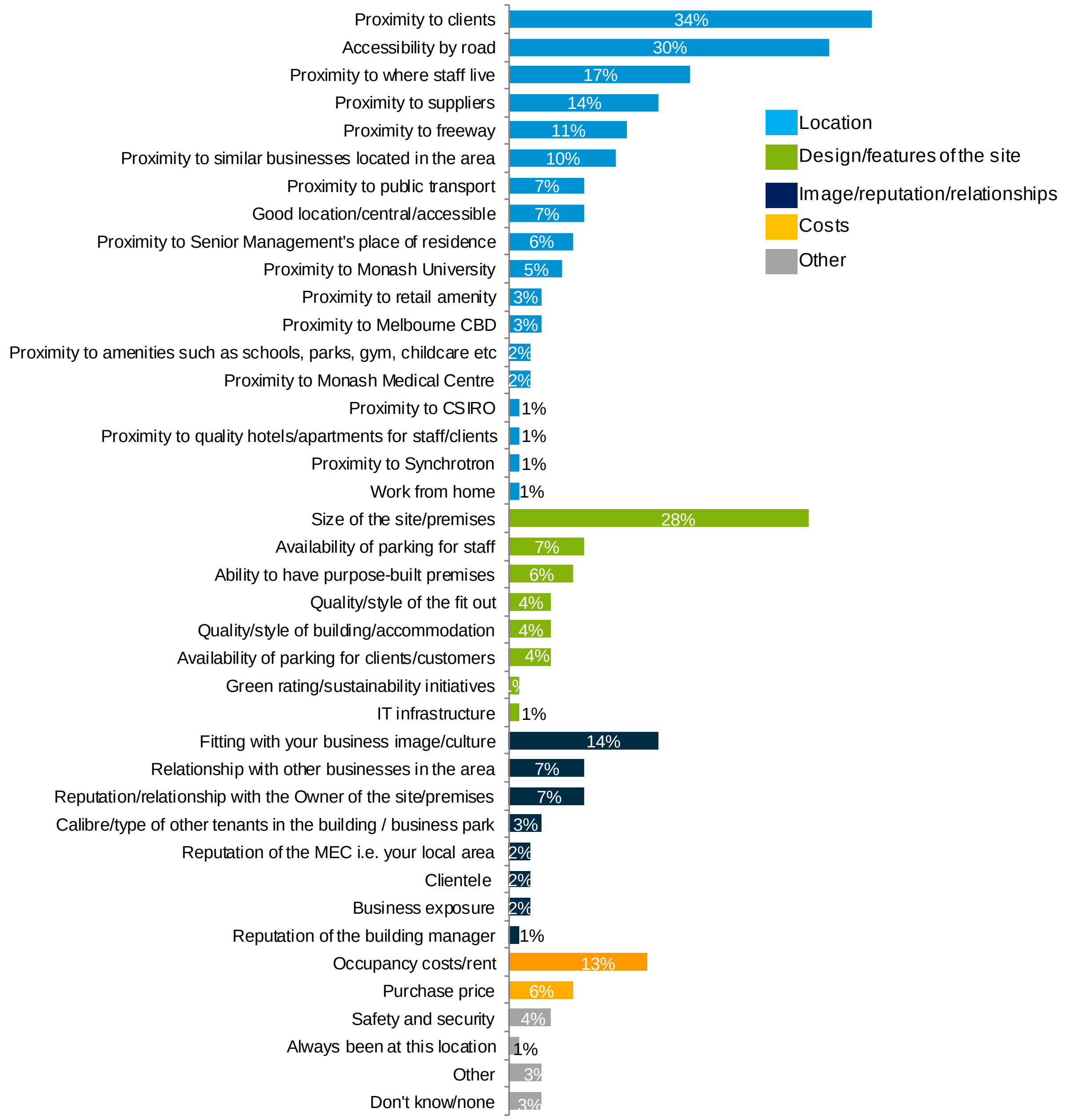
Source: Urbis, Monash Employment Cluster Online Survey, July 2014

Regardless of whether it was their main reason for moving or not, businesses were asked what they consider to be the key strengths or benefits of the Cluster and these results are shown in Chart 3.8. This highlights that locational attributes are viewed as the key benefits of the Cluster, mentioned by 83% of businesses, in particular, proximity to clients and accessibility by road as well as proximity to staff residences, suppliers and the freeway. Although it was not identified as a strong driver to moving into the Cluster in the first place, one third (32%) of businesses acknowledge aspects relating to their image/reputation and relationships that benefit from being in the Cluster, particularly that it fits with their business image/culture (14%).

These perceived strengths are fairly common throughout the sample of businesses who participated in the survey but there are some minor variations. Proximity to clients is seen as more of a benefit for those in the west, north and middle nodes than those in the south, whilst accessibility by road is more likely to be mentioned by those in the north and middle nodes. Those in the north node are slightly more likely than others to mention proximity to staff residences, suppliers, the freeway and similar businesses as strengths. Fitting with business image is more likely to be perceived as a strength by businesses in the north, middle and south nodes but less so than those in the west. Those in the west are more likely to cite relationships with other businesses, business exposure, reputation/relationship with the owner of the site/premises and proximity to public transport as benefits of the Cluster. Benefits relating to the design/features of the site, such as the size of the premises and ability to custom build are more likely to be mentioned by those in the south node, but are also reasonably strong among businesses in the middle and north nodes.

Key Benefits/Strengths of the Cluster

MONASH EMPLOYMENT CLUSTER ONLINE SURVEY CHART 3.8



Base: All Respondents; Sample Size n= 189

Source: Urbis, Monash Employment Cluster Online Survey, July 2014

The above mentioned strengths of the Cluster were echoed in the focus group, with some further insights including:

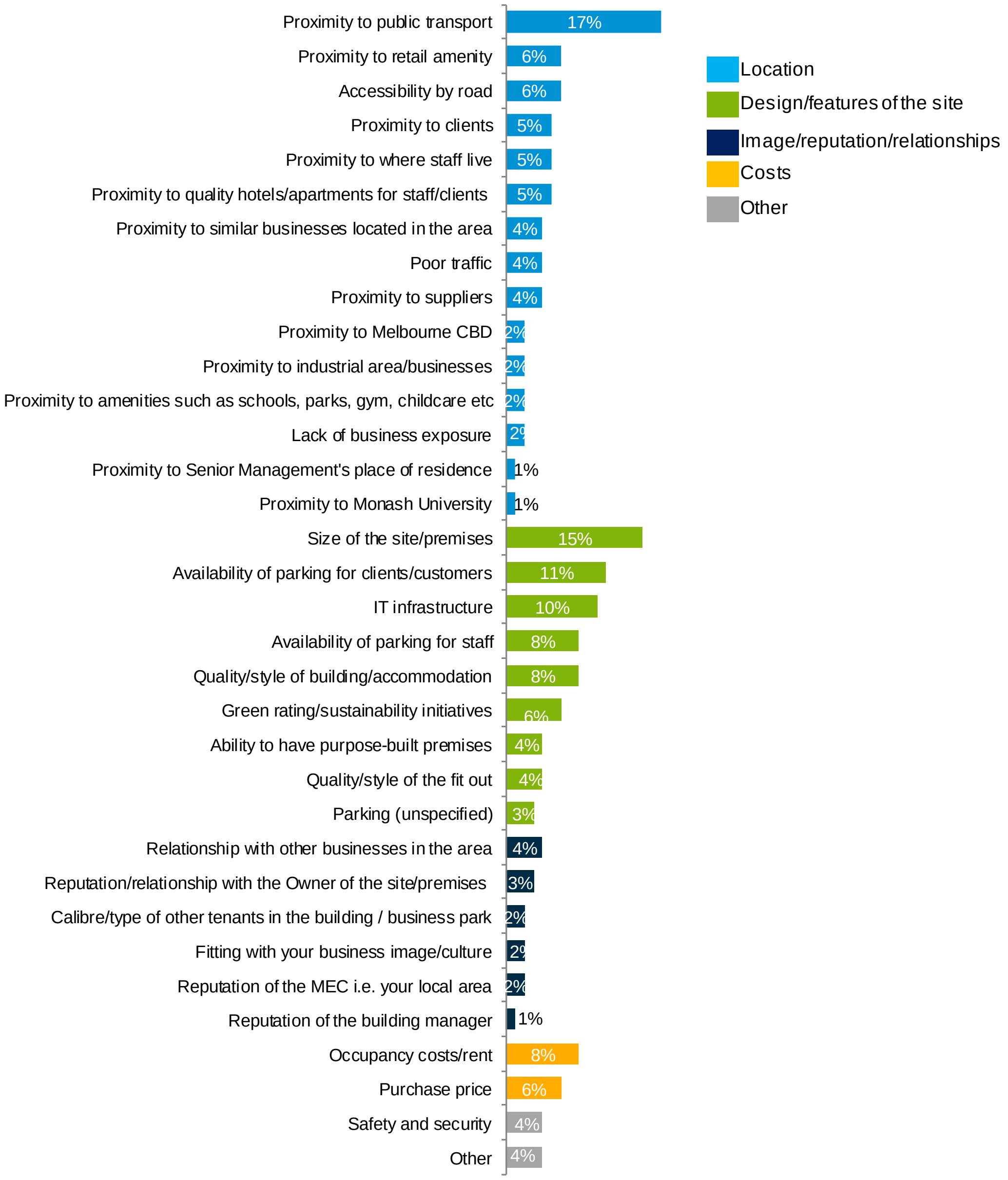
- Most said the Cluster has a commercial/industrial feel due to these types of businesses in the area and they think this helps with their corporate image.
- Staff parking is also viewed as a strength by some in the focus group, particularly those with larger premises, although others noted this as a problem. Given the problem with public transport, the majority of employees drive to work.
- Proximity to Monash University and the calibre of students that the university attracts, along with graduate programs that some organisations have with the university are also key benefits.

The drawbacks or limitations of the Cluster were explored in the research and the results are shown in Chart 3.9. Overall, locational attributes and design/features of the site/premises are the main areas of dissatisfaction, both mentioned by nearly half (46%) as weaknesses of the Cluster.

The main issue for businesses in the Cluster is proximity to public transport, mentioned by nearly one in five who participated in the online survey (17%) and well supported by the focus group. In fact, it was mentioned in the focus groups that public transport has been a reason for a number of potential employees being turned off taking a position in a business in the Cluster. The main issue with public transport is getting people to the Cluster from home, not between nodes. Rail is considered the ultimate solution but many acknowledge this will be many years off. Interim measures suggested in the focus group include better coordination of bus and train timetables and improving the appearance and safety of Huntingdale Railway Station (which is currently considered to be inadequate and the need to cross a busy road and wait for buses on the corner of a dilapidated factory is dangerous).

Key Limitations/Drawbacks of the Cluster

MONASH EMPLOYMENT CLUSTER ONLINE SURVEY CHART 3.9



Base: All Respondents; Sample Size n= 189

Source: Urbis, Monash Employment Cluster Online Survey, July 2014

The next most mentioned weaknesses in the online survey are the size of the site mentioned by 15% and parking (15%), including parking for clients/customers (11%) and staff (8%). As mentioned above, parking is indeed an issue for some businesses, with Monash University in particular noting problems which then affect other businesses as students take up the street parking in surrounding areas, an issue that has apparently been reported to Council but hasn't been acted upon, in the opinion of those surveyed.

Other locational attributes that are not viewed favourably include proximity to retail, accessibility by road and proximity to clients, staff residences and quality hotels/apartments; each mentioned by at least one in twenty (5%) businesses in the online survey and supported by the focus group. Further insights from the focus group on these issues include:

- There is a lack of quality or good value hotels/apartments in the area (Quest and Novotel are considered overpriced and not great quality). There is also a lack of moderate term (3-6 months) accommodation options. More accommodation options are needed for visiting international and interstate clients, staff from other regions coming to this location for work or training and quite specific needs for Monash University (such as parents of students, attendees at conferences/seminars, visiting professors, etc). It was acknowledged that not all visitors want to stay in the area as the city is an appealing option. Having restaurants/cafés and bars makes a more attractive precinct for a hotel.

- Lack of cycle paths in the area is a key complaint as many employees would like to cycle into work, particularly given the issues with public transport and traffic. However, they say the roads are extremely dangerous, carrying heavy traffic (Springvale Road up to Huntingdale Road are considered the worse spots) and cycle paths seem to abruptly end once they get inside the Cluster.

- Traffic congestion in the area, with Blackburn and Westall Roads considered the main issues.

- Lack of retail amenity in the Cluster is not considered to be a key deterrent, but it does affect the ability to attract and retain staff and similarly, it is likely to be important for businesses who may be considering moving into the area. However, most of the focus group respondents had been located in the Cluster for several years or more and so had learned to adapt to this limitation. The types of retail they said were most lacking include:

  - Banking

  - Stationery needs (some businesses hire someone to take care of their needs or order online, whilst others are having going to the shops themselves. The closest Officeworks is in Springvale South outside of the Cluster Study Area, which is inconvenient).

  - Lunch spots: casual take-away or sit in. Most businesses in the focus group had adapted to this by self-catering and getting food trucks (e.g. Tasty Truck) and/or food/coffee to service their business.

  - Restaurants for client entertainment and staff functions are very limited for choice, with only two in the Cluster that they talked about: Fedele's Italian Restaurant in Glen Waverley and Sette Bello, also Italian, on Springvale Road. Both were said to be very busy (often booked out) and not great quality.

  - Convenience/supermarket: this was only raised as an issue for Monash University who are planning to put a supermarket on campus.

- Recreational facilities are also lacking in the area and some of the large businesses (such as Monash University and Sneider) have adapted by bringing these services in-house, including: yoga, pilates, gyms, health and wellbeing classes/courses and entertainment.

Other weaknesses identified in the online survey include: IT infrastructure, quality/style of the building, and green rating/sustainability initiatives, each mentioned by 5% or more of businesses, however these were not raised as areas of concern among those in the focus group.

There are some key differences in perceptions of the limitations of the Cluster as follows. Proximity to public transport is the key drawback for those in the west, north and middle nodes but is much less of an issue among those in the south. Parking is also not raised as an issue for those in the south. Proximity to retail amenity is more of an issue for those in the north and middle nodes than other nodes. Quality/style of the building is more likely to be raised as an issue by those in the middle node. Accessibility by road, proximity to quality hotels/apartments and IT infrastructure are seen as drawbacks of the Cluster for all nodes.

3.5 RELATIONSHIPS WITHIN THE CLUSTER

The majority (83%) of businesses said they engage with other businesses, services or institutions in the Cluster, with the extent of these relationships generally being low to moderate as shown in Chart 3.10. Just over one in ten (15%) said they have extensive dealings with others within the Cluster. Those in the west node are the least likely to engage with others, whilst those in the south are the most likely.

The City of Monash is the main collaborator in the Cluster, mentioned by 40% of businesses. This is followed by Monash University who collaborates with just over one quarter (28%), the Kingston City Council and the CSIRO who each engage with one in five businesses (20% and 19% respectively). Monash Health, the City of Greater Dandenong (Council) and Australian Synchrotron engage with around one in ten (10%-16%) businesses. These results are shown in Chart 3.11.

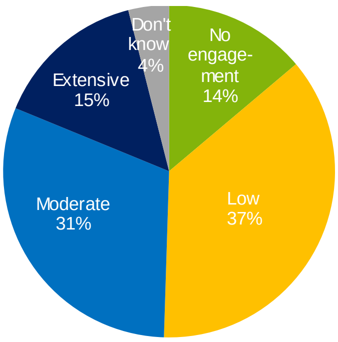
Some key take-outs from the focus group in terms of relationships include:

- There is good opportunity for Monash University to play a greater role for the Cluster and market themselves accordingly. This includes engaging more with industry, partnering with CSIRO, Synchrotron and Monash Health for research and teaching arrangements, putting their retail strategy in place for the Clayton Campus (for more entertainment, restaurants and bars, etc.) and generally opening the University up more to the public. The University is very keen to take on more of this role. However, it is critical that parking issues are addressed.

- There is an expectation that CSIRO and Monash Health should be engaging more with local businesses. A few were aware of the SEMIP initiative which they considered to be a good idea but felt it needed better publicity and businesses need to understand how they could benefit.

Extent of Relationships within the Cluster

MONASH EMPLOYMENT CLUSTER ONLINE SURVEY — CHART 3.10

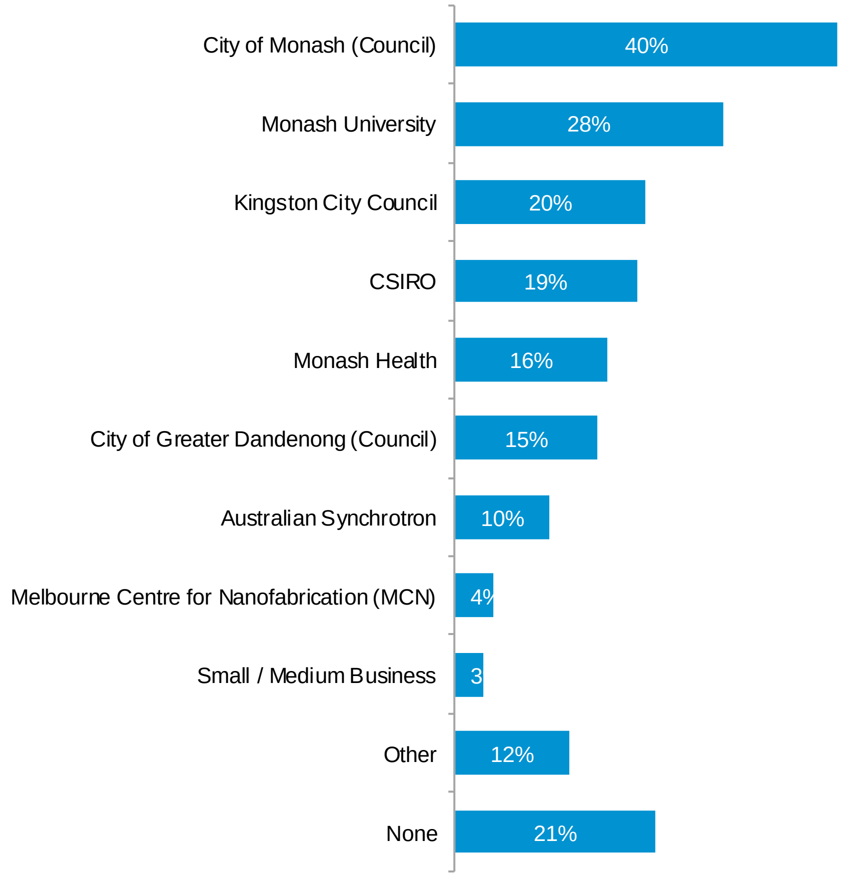


Base: All Respondents; Sample Size n= 189

Source: Urbis, Monash Employment Cluster Online Survey, July 2014

Main Businesses/Institutions Engaged With

MONASH EMPLOYMENT CLUSTER ONLINE SURVEY CHART 3.11



Base: Those who have some engagement with other businesses in the cluster, n=156

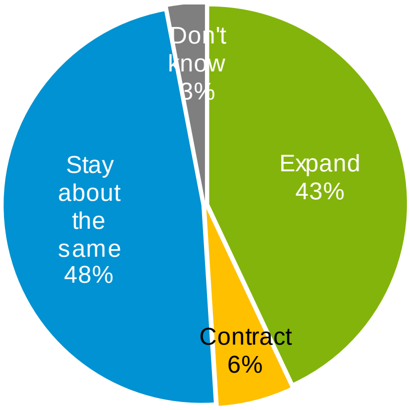
Source: Urbis, Monash Employment Cluster Online Survey, July 2014

3.6 FUTURE INTENTIONS

The future intentions of businesses in terms of expansion and location were gauged in the survey and the results are shown in Chart 3.12. Half (48%) expect to stay around the same size in terms of employee numbers in the next two years and more than two fifths (43%) expect to grow. About one in twenty (6%) expect to contract. Those who expect to expand are from all nodes in the Cluster, but less likely the west, and include both very small and very large companies. The majority of businesses (80%) expect this growth to be in the vicinity of 25% or less. One in ten (12%) expect to see growth of 25-50% and a similar proportion (9%) are expecting more significant growth of 50% or more. Only a handful of businesses (i.e. n=3) with 20 employees or more expect to see growth of 25%+. Generally, it is the smaller businesses who are expecting the most growth.

Expected Change in Employee Number in the Next 2 Years

MONASH EMPLOYMENT CLUSTER ONLINE SURVEY CHART 3.12

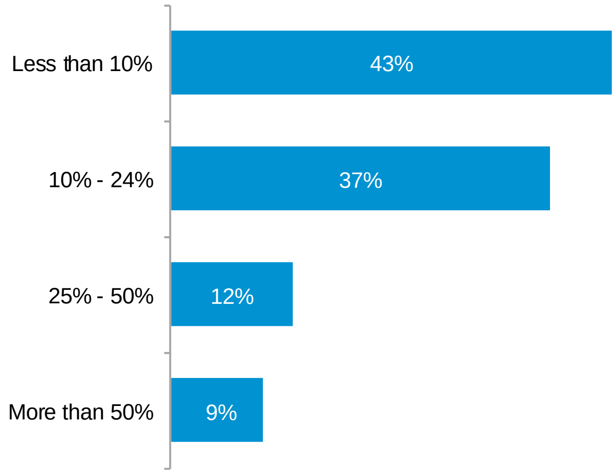


Base: All Respondents; Sample Size n= 189

Source: Urbis, Monash Employment Cluster Online Survey, July 2014

Expected Expansion in Employee Number in the Next 2 Years

MONASH EMPLOYMENT CLUSTER ONLINE SURVEY CHART 3.13



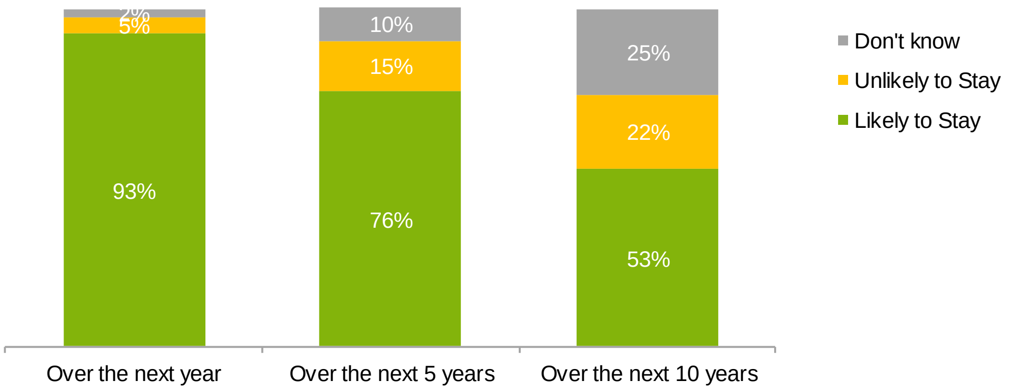
Base: Those who expect employee numbers to expand, n= 82

Source: Urbis, Monash Employment Cluster Online Survey, July 2014

There is indication of significant movement ahead, with one quarter (25%) of those surveyed unlikely to be in their current location in the next 5 years and increasing to nearly half (47%) in the next 10 years, as shown in Chart 3.14. Those in the north of the Cluster are slightly more likely to move in the next 5 years than those in other nodes, but looking ahead 10 years, it is both the north and middle nodes where the most movement is expected. In terms of the size of businesses, it is larger businesses with 100-500 employees who are the most likely to move.

Likelihood to Stay at Current Location in the Future

MONASH EMPLOYMENT CLUSTER ONLINE SURVEY — CHART 3.14



Base: All Respondents; Sample Size n= 189

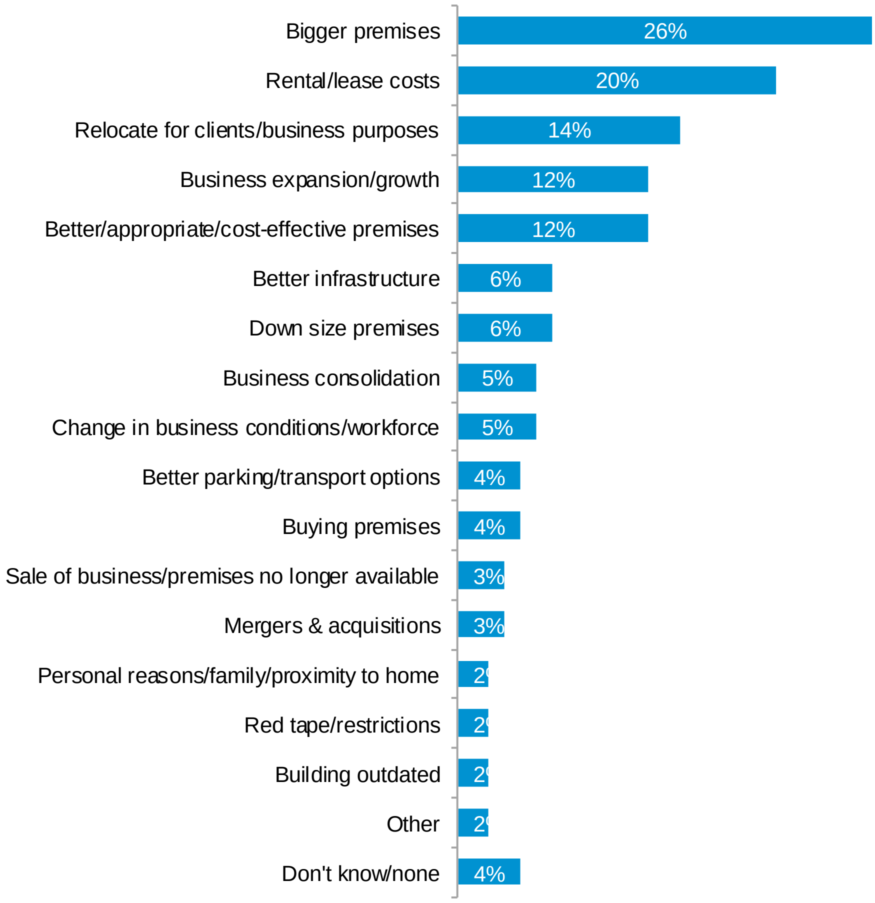
Source: Urbis, Monash Employment Cluster Online Survey, July 2014

The main reasons given for potentially moving are shown in Chart 3.15 and include the need for bigger premises, rental lease/costs, to be closer to clients, expansion/growth and to move to better/more appropriate/cost-effective premises.

Reasons for Moving within the Next 10 Years

MONASH EMPLOYMENT CLUSTER ONLINE SURVEY

CHART 3.15



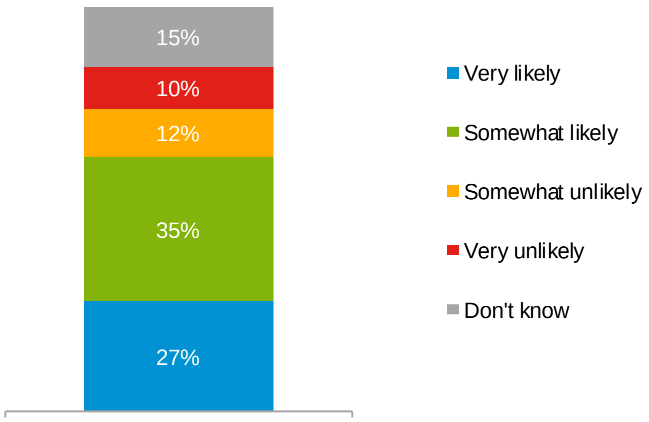
Base: Those who are unlikely to stay in current location over the next 10 years, n=125

Source: Urbis, Monash Employment Cluster Online Survey, July 2014

As shown in Chart 3.16, for those businesses who are considering moving in the future, 62% said they are likely to remain within the Monash Employment Cluster, which includes 27% who said ‘very likely to remain’ and 35% who said ‘somewhat likely to remain’. Those in the north node are the most likely to remain in the Cluster (77%), closely followed by those in the middle node (59%). Businesses with between 5 and 100 employees are less likely to say they would remain in the Cluster than both smaller and larger businesses.

Likelihood to Stay in the Cluster Among Those Likely to Move

MONASH EMPLOYMENT CLUSTER ONLINE SURVEY CHART 3.16



Base: Those who are likely to move from current location; Sample Size n= 125

Source: Urbis, Monash Employment Cluster Online Survey, July 2014

The most popular alternative locations that businesses within the Cluster would consider moving to are as follows:

- Dandenong (15%), mentioned by businesses in all nodes but particularly the west
- Clayton (10%), all nodes but less so those from the north
- Mulgrave (7%), those from the north and middle nodes
- Melbourne CBD (6%), those from the north and middle nodes
- Dandenong South (6%), a popular choice among those from the middle node
- Glen Waverley (5%), those from the middle and north nodes only.

Furthermore, Dandenong, Clayton and the CBD are the only alternative suburbs mentioned by businesses with more than 100 employees. Dandenong and Dandenong South are particularly popular choices among manufacturing and construction businesses, whilst the latter would also consider Clayton, Glen Waverley, Notting Hill and Carrum Downs. Professional businesses are most likely to consider the CBD as their alternative location.

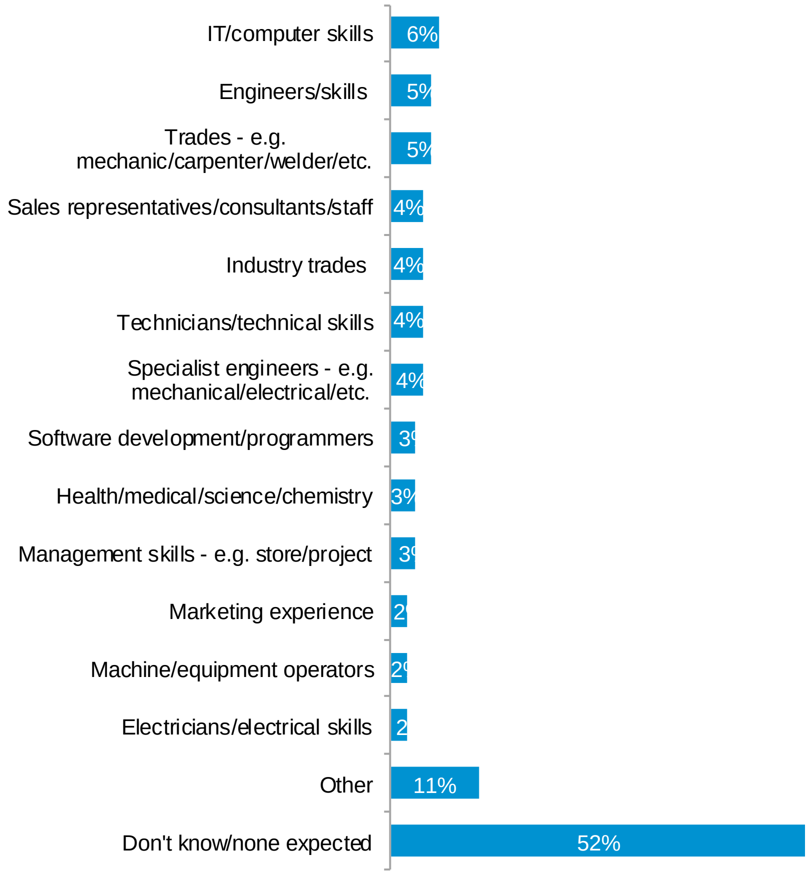
3.7 SKILL SHORTAGES

The online survey also investigated any shortages in skills that businesses envisage may become an issue over the next 10 years that would require up-skilling. Half of the businesses surveyed didn't envisage any shortage in skills or said they don't know and the other half provided responses as shown in Chart 3.17. Topping this list are IT/computer skills, mentioned by 6% of businesses from a fairly broad range of industries, followed by engineering skills (5%) and trade skills (5%). There were a number of other skills each mentioned by less than one in twenty businesses (< 5%).

Skills Required Over the Next 10 Years

MONASH EMPLOYMENT CLUSTER ONLINE SURVEY

CHART 3.17



Base: All Respondents; Sample Size n= 189

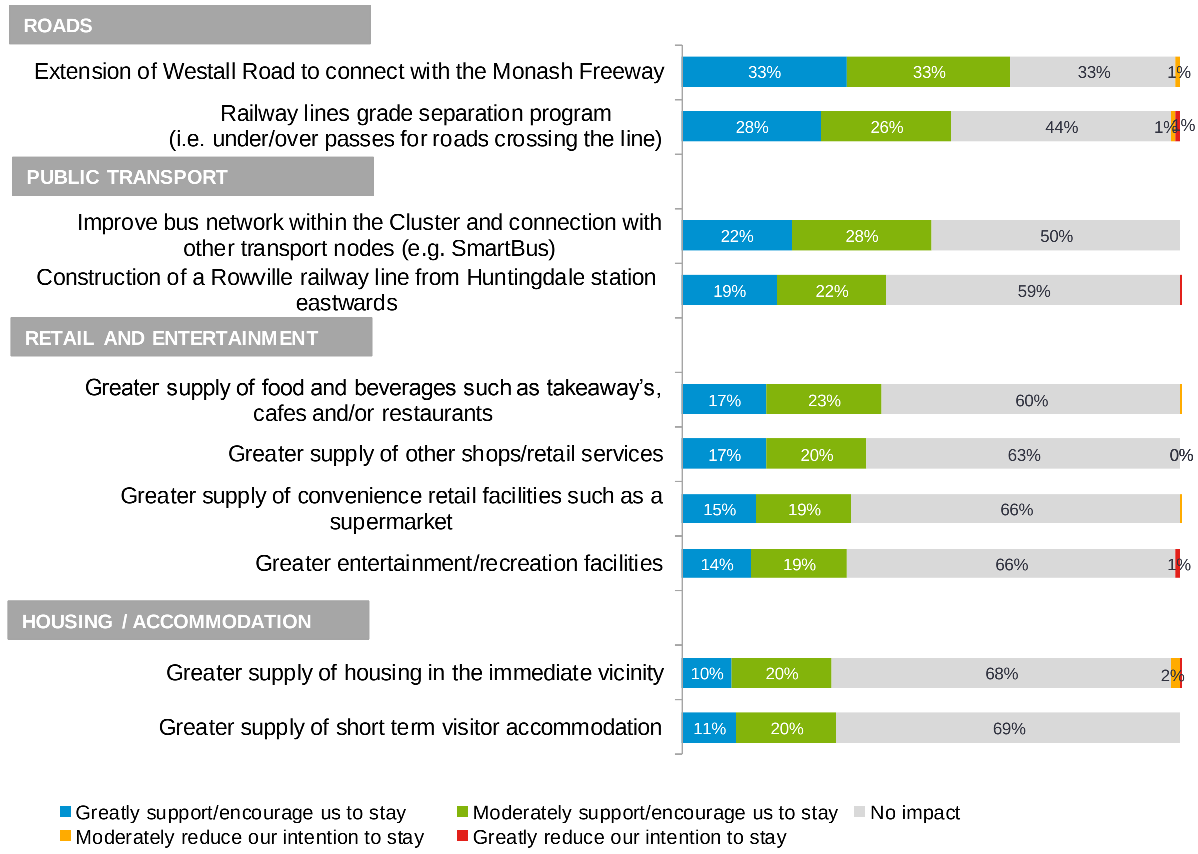
Source: Urbis, Monash Employment Cluster Online Survey, July 2014

3.8 RESPONSE TO INITIATIVES

The research tested a number of potential infrastructure and investment initiatives that the Government could introduce in the future and asked businesses to rate each initiative on the extent to which it would support their business and encourage them to stay in the Cluster. The results are shown in Chart 3.18.

Reaction to Potential Initiatives

MONASH EMPLOYMENT CLUSTER ONLINE SURVEY CHART 3.18



Base: All Respondents; Sample Size n= 189

Source: Urbis, Monash Employment Cluster Online Survey, July 2014

Improvements to the roads would have the most positive impact on businesses within the Cluster, with both the extension of Westall Road and the railway lines grade separation program being the two most popular initiatives, with 66% and 53% of businesses saying this would encourage them to stay in the Cluster respectively. Those who are located closest to Westall Road (i.e. in the south and middle nodes) are the most enthusiastic about extending the road to the Monash Freeway but the response from others is also very positive. The railway line grade separation program has broad appeal but a stronger response is seen among businesses that have been at their location for at least 5 years. In the focus group, some businesses said they can be 20 minutes late in peak hour if they get caught at the crossing on Clayton and Centre Road.

The two public transport initiatives are ranked as the next most popular initiatives. Improving the bus network and connection with other transport nodes would encourage 50% of businesses to remain in the Cluster, whilst the construction of a Rowville railway line from Huntingdale station would positively impact 41% to stay in the Cluster. Both these initiatives have very broad appeal.

The focus group found similar results, in that the priority for the future should be in improving the roads and public transport, with the additional suggestion to create some safe cycle paths. An upgrade of Huntingdale Railway Station is also encouraged, not just to improve its function and safety but also to improve its appearance as an entry point into the Cluster.

Initiatives relating to retail/entertainment and housing/accommodation also tested positively, but not to the extent of road and transport improvements. Just over one third of businesses said improvements to retail and entertainment would encourage them to stay in the Cluster; with greater supply of food and beverages such as takeaways, cafés and/or restaurants the most popular option, encouraging 40% of businesses to stay in the Cluster. This is closely followed by a greater supply of other shops/retail services, with 37% saying this would make a difference (suggestions such as Officeworks and Bunnings were provided in the focus group), and greater supply of convenience facilities, such as a supermarket, and greater recreation/entertainment facilities the next most popular, with 34% of businesses saying it would encourage them to stay. All these improvements to the retail and recreation amenity have broad appeal across the nodes.

Housing and accommodation initiatives, such as greater supply of housing in the immediate vicinity, and greater supply of short-term visitor accommodation, would encourage just less than one third of businesses to remain in the Cluster. The most positive response to housing is seen from those in the south, whilst an increase supply of short term accommodation is favoured slightly more by those in the south and the west. As previously mentioned in the weakness section, lack of short (and mid) term accommodation was also identified as a key issue in the focus group, not only a lack of quality and good value hotels/apartments, but also moderate term (3-6 months) options. However, unless the retail and entertainment amenity is also largely improved, the CBD will always remain an appealing option.

3.9 SUMMARY AND CONCLUSIONS

The online survey covered a total of around 10,000 employees which represents about 15% of total employees in the Cluster Study Area. Over half of those who participated in the survey are in the Manufacturing, Wholesale Trade, Professional, Scientific and Technical Services or Construction industries, with two-thirds located in the north or middle nodes. The average size of businesses in the survey is 52 employees (located on-site), which is larger than the average for the Study Area, as large businesses were specifically targeted for the survey.

Just over half of businesses surveyed are leasing their premises, with the average time at their current address being 10 years. The average lease expires in 4.7 years. Those with 100 employees or more typically have between 6-12 years left on their leases.

About one third of businesses currently export or are interested in exporting. There are a number of barriers they face where they would benefit from support, such as information and training and useful contacts to get started.

Whilst the majority of businesses in the Cluster remained the same size in the last two years, there has been a small net increase in size overall. Large businesses with 100 employees or more are more likely to have expanded than contracted, whilst smaller businesses have tended to stay the same size. Looking forward, half expect to stay about the same size in the next two years and two fifths expect to grow; these are mostly smaller businesses and with growth expected in the vicinity of 25% or less.

There is indication of significant movement ahead, with one quarter unlikely to be in their current location in the next five years, increasing to half in the next 10 years. Movement is most likely in the north and middle nodes and among larger businesses with 100-500 employees. Positively, around two thirds of those considering moving said they would be likely to remain in the Monash Employment Cluster. On the flipside, this suggests that in five years, around 10% of businesses surveyed are likely to have left the cluster, increasing to around 17% in ten years.

The key strengths of the Cluster include proximity to clients, accessibility by road and size of the site/premises. Other strengths include: proximity to staff residences, suppliers and the freeway, fitting with their business image/culture and occupancy costs.

The main weakness is lack of public transport, particularly getting people into the cluster, rather than between nodes. Other weaknesses include lack of quality hotels/apartments, availability of parking for customers and staff, lack of cycle paths, congested roads and proximity to retail, leisure and entertainment facilities.

Overall, however, the research suggests that businesses are generally happy with their location in the Cluster. Most don't have high expectations of surrounding facilities and amenities, seeing it as a place to work, and they have adapted to what is in the area. However, the level of amenity is more likely to be an issue when attracting new businesses to the Cluster.

Going forward, the key opportunities for the Cluster for the future are to:

- extend Westall Road to connect with the Monash Freeway;
- construction of the Rowville railway line from Huntingdale station;
- upgrade Huntingdale Railway Station;
- railway lines grade separation program;
- better coordinate bus and train timetables;
- add cycle paths;
- quality hotels/apartments (short and mid-term);
- add retail: restaurants/cafes, lunch places, coffee, bar, banks, stationery, kitchen supplies, etc;
- more recreational facilities;
- coordinate mobile services to this area such as food trucks/trolleys, yoga/well-being classes and fitness classes etc;
- give the Cluster a sense of identity and market it accordingly; make businesses feel like they belong to something (currently operating individually);
- better access to Monash University (parking and convenience); and
- improve connections with CSIRO and Monash Health and local business.

4 Owners, Developers and Agents' Perceptions

In addition to the survey of businesses located within the Monash Employment Cluster, discussions with 13 owners, developers and estate agents who operate in the Cluster were undertaken to gain further insight into the market's perception of this location.

The owners and developers included in this stage of the research include the following:

- Salta
- Goodman
- Australand
- Pellicano
- Dexus
- Virtus Property
- CIP (Commercial and Industrial Property)

For real estate agents, discussions were held with commercial and industrial leasing operatives from a range of major real estate firms and local commercial and industrial agents. Groups we have spoken to include:

- Colliers International
- CBRE
- Knight Frank
- JLL
- Savills
- Crabtrees

Questions presented to these market participants have in part reflected some of the questions directed at the major occupiers within the Monash Employment Cluster. In addition, we have sought their views on major factors that have impacted recent development in the Cluster, in addition to the prospects and/or hindrances to future development within the Cluster. Major questions presented to these participants can be summarised as follows:

- Rank your view on the reasons businesses are attracted to the Cluster.
- Rank the limitations in attracting businesses to the Cluster.
- Where could Government invest to achieve the best outcome for increased development/employment?
- What has been the end use of recent development completed in the Cluster?
- Where does the Cluster sit relative to competing locations?
- Are there any key matters you want to raise not included in the questions presented?

The most notable points to highlight from these discussions, which are also outlined on the charts on the following pages, can be summarised as follows:

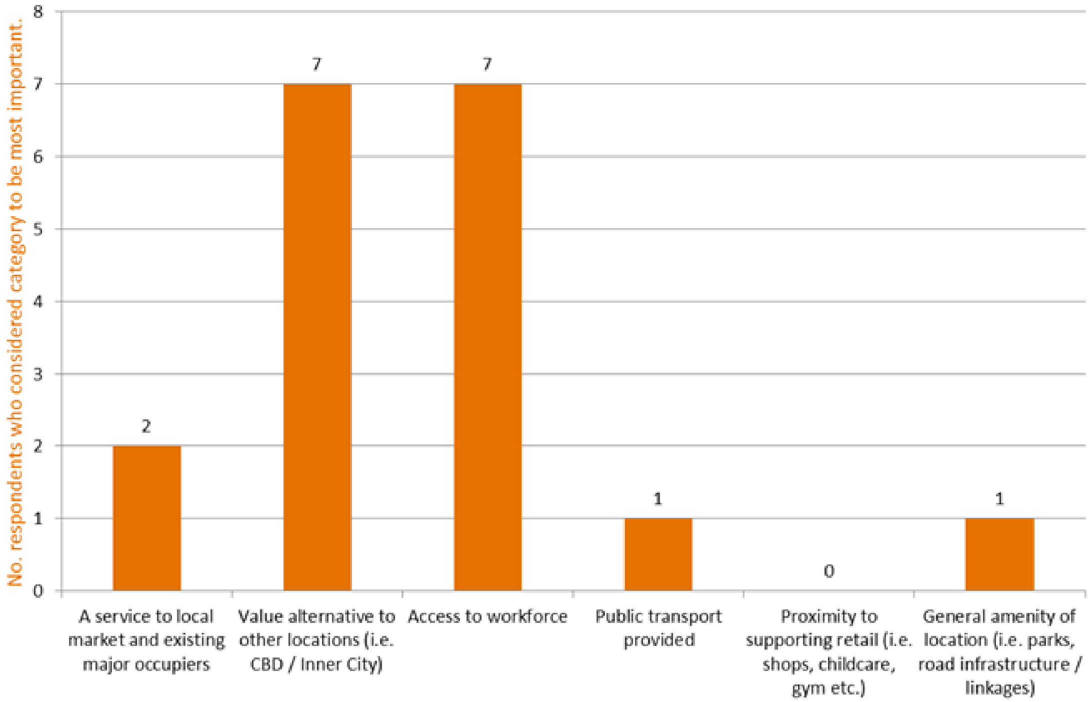
- Most respondents consider the reason businesses were attracted to the Cluster was a combination of a cost benefit relative to alternate locations and access to an immediate work force.
- Insufficient public transport relative to other locations is considered to be the major limitation in attracting businesses to the Cluster.
- An improvement in public transport to the area is considered to be the best option available to Government to enhance development and employment opportunities within the Cluster.
- Recent development activity within the Cluster was identified as predominantly being for office and administration (head office) purposes.
- The marketplace consistently agreed the best description for the Cluster was a well-regarded location yet constrained by a lack of public transport options.

Where the respondents were provided the opportunity to freely comment on other observations, the following were submitted as being of most relevance:

- Access to retail amenity was identified by a couple of respondents as being a detractor to the location.
- Planning, process and restrictive aspects were also identified by a number of respondents as being a negative to development activity.
- Public transport to the location was again reinforced as a driver to enhance development in the precinct.

Reasons Businesses are Attracted to the Cluster

MONASH EMPLOYMENT CLUSTER — CHART 4.1

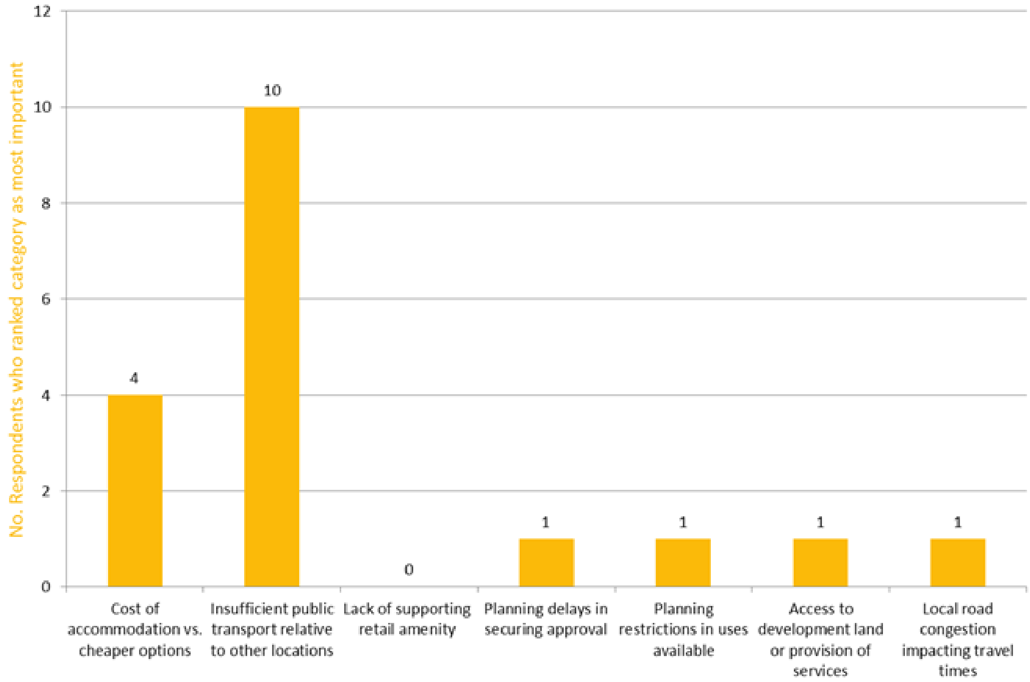


Question 1: Please rank in order, from 1-6 with 1 being considered the most important, your view on the reasons businesses are attracted to the Monash Employment Cluster.

Limitations in Attracting Businesses to the Cluster

MONASH EMPLOYMENT CLUSTER

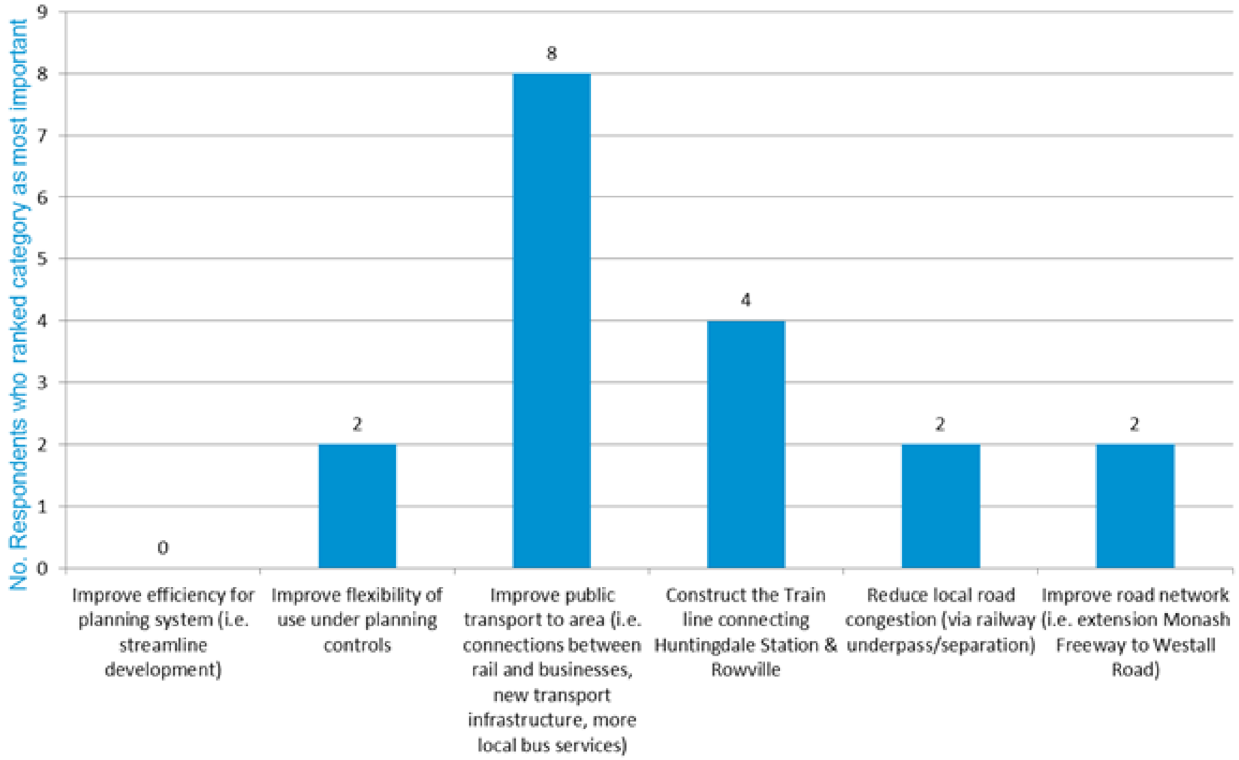
CHART 4.2



__Question 2:__ Please rank, from 1-7 with 1 being considered the most important, the limitations in attracting businesses to the Cluster:

Where Government Investment Could be Best Spent to Achieve the Best Outcome for Increased Development/Employment in the Cluster

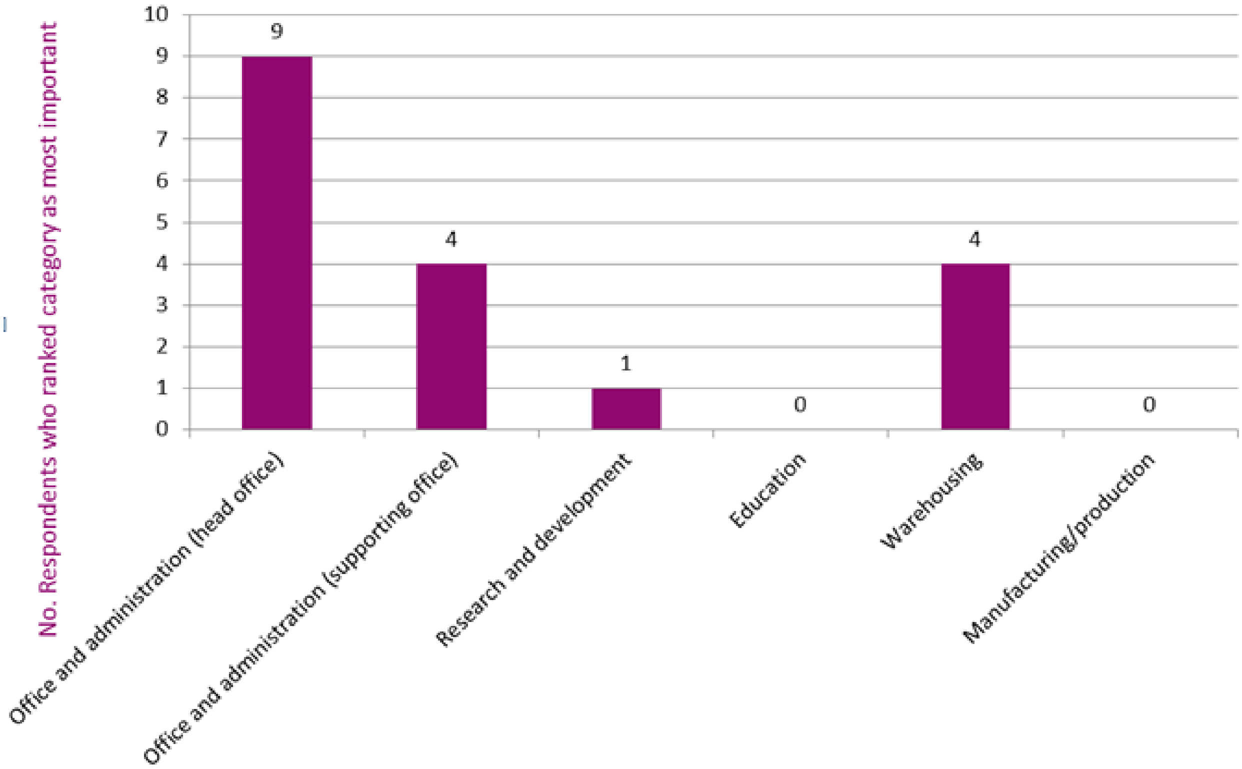
MONASH EMPLOYMENT CLUSTER CHART 4.3



Question 3: In your opinion, where could Government investment be best spent to achieve the best outcome for increased development and employment in the Cluster? Please rank the options from 1-5 with 1 being considered the most important.

Predominant Uses Undertaken on Site in Recent Development Transactions

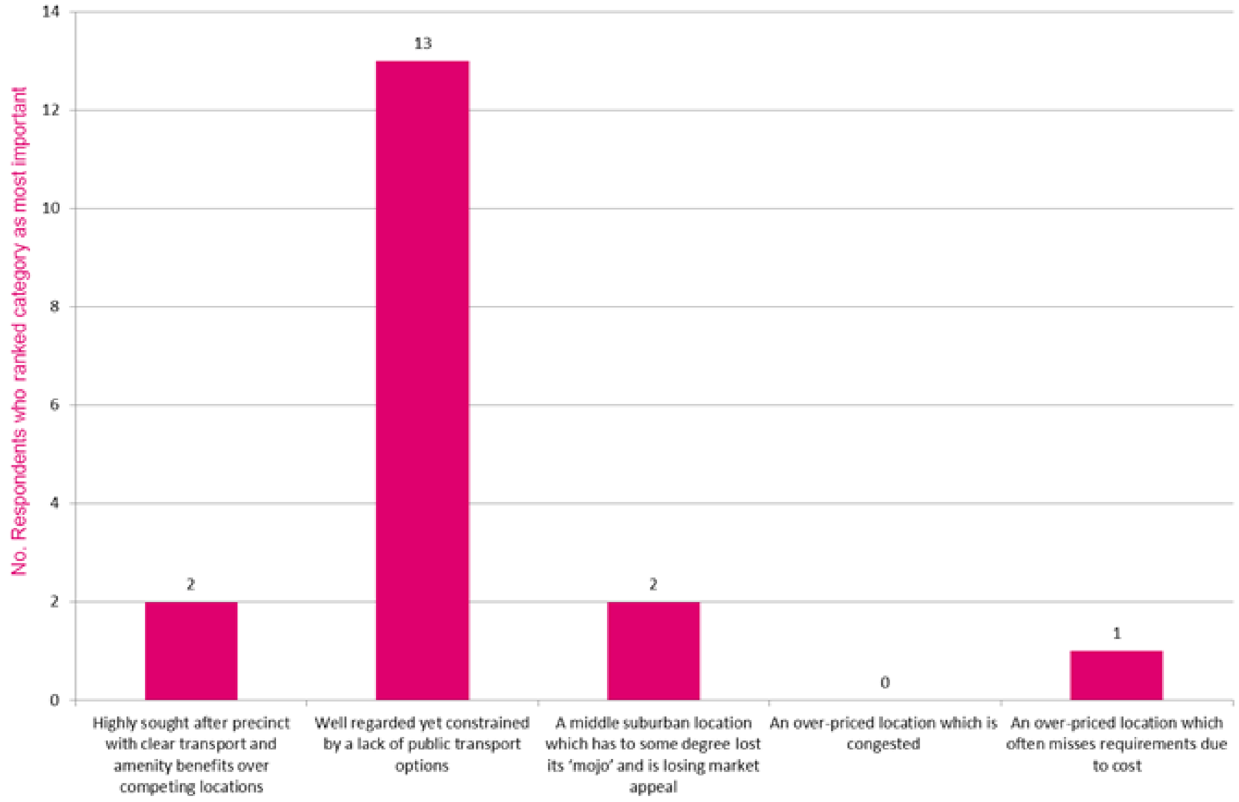
MONASH EMPLOYMENT CLUSTER CHART 4.4



Question 4: Considering the recent new development transactions you have been involved in over the past three year period, what have been the predominant uses undertaken on-site?

Best Description of the Market Position of the Monash Employment Cluster

MONASH EMPLOYMENT CLUSTER CHART 4.5



<u>Question 5:</u> In your view, which of the following best describes the market position of the Monash Employment Cluster?

5 Planning Policy and Control Considerations

5.1 PLANNING POLICY & CONTROL FRAMEWORK CONTEXT

The current planning control and policy framework reflects an evolution of controls by multiple Councils over a number of years, primarily focused on the municipal strategies of each of the three Councils. A number of the controls and policies, particularly in regard to built form, setbacks and landscaping, have been in place for a long time, certainly prior to the Council amalgamations in the mid-1990s. Whilst there have been changes to zone provisions over time, including the introduction of the Victoria Planning Provisions in 1999, and the more recent Commercial and Residential Zones reforms, the overall framework that applies to the area has been relatively constant for some time. In essence, the planning framework for the study area, illustrated in the zoning map below, can be summarised as follows:

- The Monash Technology Precinct across the northern portion of the area. This includes key elements such as the Monash University, CSIRO and Australian Synchrotron as well as a substantial area to the north and east of these, consisting of a mixture of business parks, manufacturing and assorted businesses. This is now within a Special Use zone, Public Use zone or Commonwealth land that sits outside the state planning controls.

- The Monash Medical Centre precinct with the existing hospital and proposed new Children's Hospital within Public Use zones.

- A number of industrial precincts, primarily around Westall Road, central to the study area, and to the south around South Road and Clayton Road, with a third node to the west around Wellington Road, and a number of smaller scattered pockets. The main focus within these is manufacturing and service industry, although some are beginning to evolve, to include office and business park type uses, subject to what the zones allow.

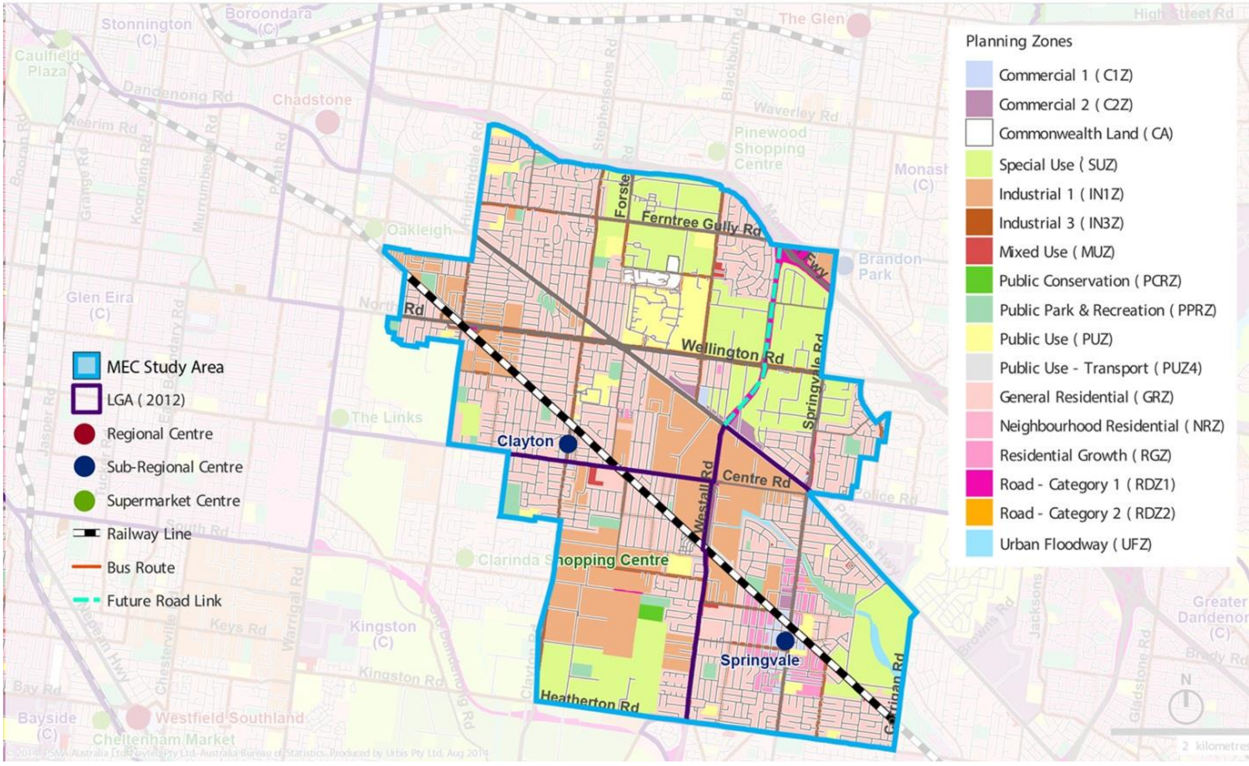
- From an Activity Centre network perspective, there are a limited number of centres within the study area. The only sub-regional level centre is Springvale at the south-east corner of the Study Area, which is one of only two designated Activity Centres under Plan Melbourne within the area. The other is Clayton, a supermarket based centre to the south, in the Dandenong Rail Corridor. Other activity centres on the edge of the study area which serve the Monash Employment Cluster (MEC) include Brandon Park and Oakleigh on the northern and western edge of the Study Area. For higher order retail and service needs, the MEC is proximate to the Chadstone Activity Centre.

- There are substantial areas of residentially zoned land within the Study Area, occupying the bulk of the north-west area and a substantial portion of the south-east. Some of these residential areas are pockets that are surrounded by non-residential areas.

- There are a couple of large areas of land in the south dedicated to specific uses, and zoned Special Use, including Landfill and Waste transfer, a Golf Club and the Sandown Racecourse, all of which occupy substantial areas of land.

Current Zoning

MONASH EMPLOYMENT CLUSTER STUDY AREA MAP 5.1



The major existing transport infrastructure servicing the region, which the planning framework reflects, includes:

- The Monash Freeway
- Dandenong Road
- Westall Road
- Wellington Road
- Springvale Road
- The Dandenong Rail Corridor
- The bus network using the arterial road network, which includes a major metropolitan bus interchange at Monash University, Clayton Campus

Other more recent planning initiatives, including transport proposals, are reflected in Plan Melbourne, which is discussed below.

The Local Planning Policy Framework for each of the Councils currently reflects the position prior to Plan Melbourne, and whilst work is underway to review this, such as the Industrial and Housing Strategies being undertaken by the City of Monash, this has not yet been incorporated into the planning schemes. For example, the only locations contemplated for higher built form, (i.e. above 5 levels), is within Activity Centres. Whilst there is a recognition in some of the local policies that the nature of employment is changing, and some strategies are underway, there has not yet been any significant changes to the planning controls apart from the recent State led zone reforms that were generally applied consistently across the state.

An exception to this situation was the application of the Special Use 5 Zone to the Monash Technology Precinct to replace the Business 3 Zone at the request of Council, rather than a Commercial 2 zone. The key difference under this exception is that it maintains the prohibition on shop uses within the Monash Technology Precinct. The Special Use Zone has removed the office floorspace condition that existed under the Business 3 Zones, where Councils had included specific office floorspace allowances for particular sites under the zone.

Each Council has effectively set up its own framework with limited, if any, consideration of the broader employment cluster, and how to complement or support employment activity within adjoining municipalities. This is not unexpected, given that the concept of a broader “Employment Cluster” did not exist from a State or Metropolitan policy context. Whilst employment land was recognised as important, until Plan Melbourne, there was more of a focus on the Activity Centre network in regard to the foci for employment, and how these were supported by public transport, with other employment areas considered more on a case by case basis. The Monash University precinct was acknowledged as a Specialised Activity Centre under the previous Metropolitan Policy, but this was focused on the University and its surrounds.

The planning framework has had a significant focus on relatively low density development for employment uses outside of activity centres, based on a business park or industrial park model with substantial setbacks and landscaping requirements. There has been a deliberate focus on Activity Centres for the provision of retail and related services.

Prior to the recent zone reforms that rationalised all the Business zones and also amended the Industrial zones the potential for the nature of employment to evolve was far more dependent on the planning controls on land being amended to facilitate change. Office floor space beyond 500 sq.m in an industrial zone was prohibited, and office space within the Business 3 Zone was controlled by the floor areas specified in the schedule. Now there is scope to make an application for a permit for office in an Industrial zone and the use is as of right in the Special Use 5 Zone. The policy framework in the planning scheme at the local Council level, however, has not yet been updated to reflect the new directions in Plan Melbourne.

5.2 PLAN MELBOURNE AGENDA

As part of its new policy agenda, Plan Melbourne has introduced a far greater focus on employment areas outside of Activity Centres. These include National Employment Clusters, state significant industrial precincts and health and education precincts, some of which overlap. The Monash Employment Cluster is identified as Melbourne’s largest established cluster with a unique mix of education, research and industry participants. A key objective for the Monash Employment Cluster is to leverage and build on the existing critical mass of the leading education, health, research and commercialisation facilities to assist and build on existing businesses, but also to diversify. The opportunity to increase residential density within and/or adjoining these clusters is also identified as part of the strategy. This builds on the objectives of increasing the diversity of these areas, making them vibrant and sustainable places, and also providing employment opportunities closer to where people live.

Some of the other key initiatives in Plan Melbourne that are relevant to the planning for the Monash Cluster are:

- The upgrade of the Dandenong Rail Corridor as part of the Cranbourne-Pakenham Rail Corridor project.
- The potential Rowville rail extension along Wellington Road.
- The potential extension of Westall Road to connect to the Monash Freeway.
- The health node focused around the Monash Medical Centre, and the new Children’s Hospital.
- The urban renewal opportunities identified along the Dandenong Rail Corridor between Hughesdale and Dandenong, through the MEC.

The importance of key partners and linkages, to the growth and diversification of the Monash Employment Cluster, including to nodes beyond the study area, is also identified. This includes the linkages between the Monash University Clayton and its Caulfield campus as well as Chadstone Shopping Centre. The potential to strengthen these linkages as both areas diversify and grow is identified and supported.

The policy objectives within Plan Melbourne set a clear agenda for growth and diversification in both the quantum and type of employment to ensure Melbourne remains competitive within an increasingly global market place, but more fundamentally to support the growth of Melbourne in a sustainable way.

This is the first time that the Study Area has been considered as a collective or cluster to explore how the current employment base that has established over time, in the context of a combination of separate policy initiatives and controls, can now be further leveraged and built on.

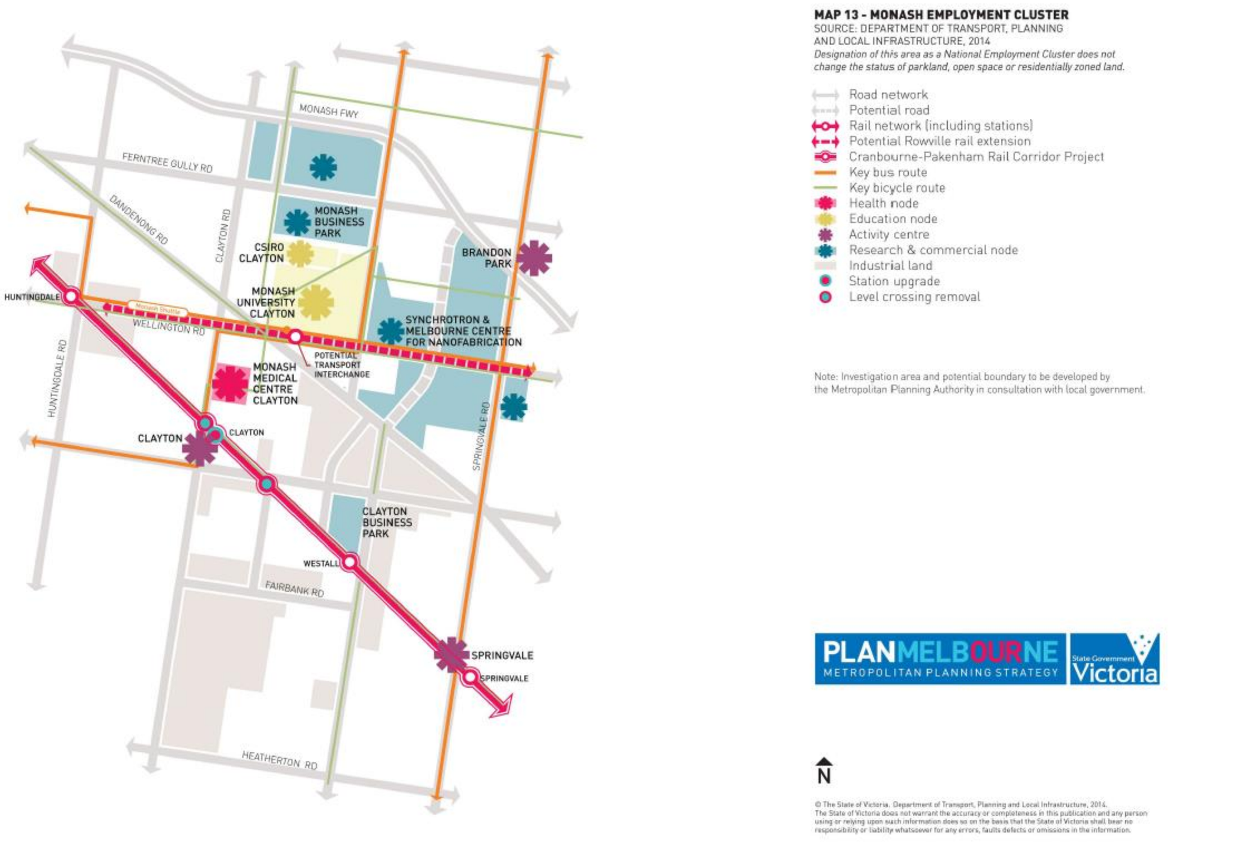
Whilst Plan Melbourne identifies a number of public transport and urban renewal initiatives that will be relevant to the Monash Employment Cluster, this is at a high level, and the clear direction is that this area needs further strategic work. This work will need to identify and establish actions to address the matters that will be required to facilitate or enable the key objectives of building on the current employment base, as well as creating additional housing opportunities close to employment.

Plan Melbourne illustrates a notional area (see image below) but states that the investigation area and potential boundary is to be developed by the Metropolitan Planning Authority, in consultation with local government.

Plan Melbourne

MONASH EMPLOYMENT CLUSTER DEPICTION

MAP 5.2



The definition of what constitutes the Monash Employment Cluster from a planning policy perspective will be an important step to provide clarity and focus for all key stakeholders. Given the scale of the area involved, it will be important for the business and development community to understand where planning policy and control changes are likely, as well as proposed government investment in infrastructure and services to support this policy, as this will inform its decision making. In order to prioritise and focus initiatives, consideration should be given to a series of precincts/nodes connected by defined linkages, within a broader area or some variation on this.

The purpose of this study is to inform future government initiatives, including more detailed planning work, such as a Strategic Framework Plan, and related planning policy and control framework changes focused on the evolution and growth of the Monash Employment Cluster.

5.3 PLANNING FOR THE EVOLUTION OF THE MONASH EMPLOYMENT CLUSTER

The economic analysis summarised above has identified that the nature of employment is changing over time with a decline in the manufacturing base, and a balancing increase in more office based or comparable businesses. What Plan Melbourne proposes is not just the continued gradual change of the Cluster, but rather the facilitated growth and evolution of the Cluster, with increased employment densities, a greater diversity of employment, supporting retail and services and complementary housing. The detailed strategic planning for the Cluster will need to take account of what is important for existing businesses in their decision making to locate and invest in the area, but perhaps more importantly to consider what catalysts or changes to the planning framework are needed to help facilitate or enable significant growth.

There are a wide range of factors that will need to be considered as part of the detailed strategic planning for the cluster, and the role of this study is not to provide a comprehensive review of these. Having said this, some of the key planning related issues that will need to be considered and addressed, based on the outcomes of the survey and analysis work that has been undertaken, include:

- infrastructure planning and investment;
- land use policy and controls; and
- built form policy and controls.

An important consideration for the future strategic planning for the area should be whether the planning framework will enhance the competitive advantages of the area for the mix of education, research, business and industry organisations being targeted.

5.3.1 INFRASTRUCTURE PLANNING AND INVESTMENT

The large proposals for transport infrastructure investment are shown in Plan Melbourne, which is a positive, but some of these are long-term, and there is a lack of clarity as to when others will occur. Clearly there are significant challenges in regard to availability of funding and hence the ability to provide clear commitment, but where possible it would be a positive to provide greater clarity in regard to timeframes for or commitment to implementation, and the priorities. One example of this could be to confirm the Westall Road extension by way of a Public Acquisition Overlay in the Planning Scheme as soon as a firm commitment to its funding is available.

As public transport is clearly an important consideration for businesses it will also be important to confirm the extent of the current public transport system that serves the area as part of the Strategic Framework Plan, as well as identifying the plans for the future improvements to this. For example, the identification of the two major bus interchanges that serve this region, being the interchanges at Monash University (Clayton Campus) and Chadstone Shopping Centre, and the network these service would help inform stakeholders that there is a substantial public transport network that can be built on into the future.

Given the importance of transport and accessibility for businesses, the greater the level of information and clarity that can be provided in relation to the existing network and future investment, particularly in regard to public transport timing, the better.

5.3.2 LAND USE AND BUILT FORM POLICY AND CONTROLS

The nature of employment/land use and built form has been able to evolve to some extent over time within the study, but the scope for this to continue will be limited by the current policy and control framework in certain aspects.

Whilst the nature of the Special Use zone provisions in the North Node would provide some level of evolution, it is unlikely to be sufficient to deliver on some of the future needs, and this should be reviewed. The Industrial zone, which is the more common zone in the three other nodes, is far less able to manage or accommodate the type of change likely to be required where diversification and growth is proposed, and hence is unlikely to be suitable. Following the development of the Strategic Framework Plan for the Cluster, the current zoning provisions should be reviewed to identify the areas and nature of changes to the land use controls that will be need to implement the strategy for the Cluster.

Something that is absent from all of the employment zones within the Cluster, other than the limited areas of Commercial 1 and 2 zoned land, is the ability to provide shop uses other than the most basic convenience shops. This restricts the ability to establish retail and related services nodes or centre(s) to meet the daily needs of the worker population within the Cluster. As is evident from the survey responses, a number of existing businesses have adapted to the nature of the area and arranged for services to come to them, but this does appear to be a weakness of the location when comparing with other locations. Hence, what needs to be explored and analysed further is the extent and nature of retail and related services that will be required to support the extent and nature of growth and diversity of employment desired. Consideration also needs to be given to the location of such services and how the outcomes of the analysis can be most appropriately included in the planning controls.

The Special Use zone and Industrial zone also both prohibit accommodation other than a caretaker’s house. Given the objective of Plan Melbourne to increase housing opportunities, consideration needs to be given as to whether portions of this designated employment land be rezoned to allow for a mix of uses including accommodation, or whether this is dealt with on existing residential land adjoining the employment land. We consider that serious consideration should be given to the option of creating areas for mixed use development, given the potential to create diversity both in regard to employment but also housing choice within the Cluster, and support a broader range of businesses and services.

Also the built form controls for employment land outside activity centres have to date been primarily designed around the provision of relatively low density business park or manufacturing/industrial type outcomes with large landscaped setbacks. Whilst these controls have provided a consistency of built form and public realm outcomes, the question should be asked as to whether this approach is right for the whole of the Cluster going forward. Given the underlying objectives of growth and diversity, it is considered that greater density and height is likely to be required in appropriate locations to facilitate or enable the employment strategy, and the complementary land uses and development. With this in mind, it is considered that the built form controls for the Cluster should be reviewed to identify the changes that will be required to accommodate the future needs of a more diverse and expanded education, research, business and industry employment base, as well as the associated services and housing to support this. Again, this will need to be one of the implementation actions following the strategic work to be undertaken by the MPA in conjunction with the local Councils.

6 Recommendations and Priorities

6.1 GEOGRAPHIC PRIORITIES

Our research and investigations have found that the Study Area identified for the Monash Employment Cluster is a substantial and diverse landscape where relatively few similarities prevail between the northern most and southern most locations and employment activities.

Evident from our investigations is that the northern-most section/node has seen the majority of recent development and new employment activity, the clear majority of which has been for office use. This use is supported by its proximity to strong road infrastructure, most notably the Monash Freeway. This node has also been identified by a number of development groups who have over the past few years secured sites in this node totalling around 30 hectares available for immediate and medium-term development.

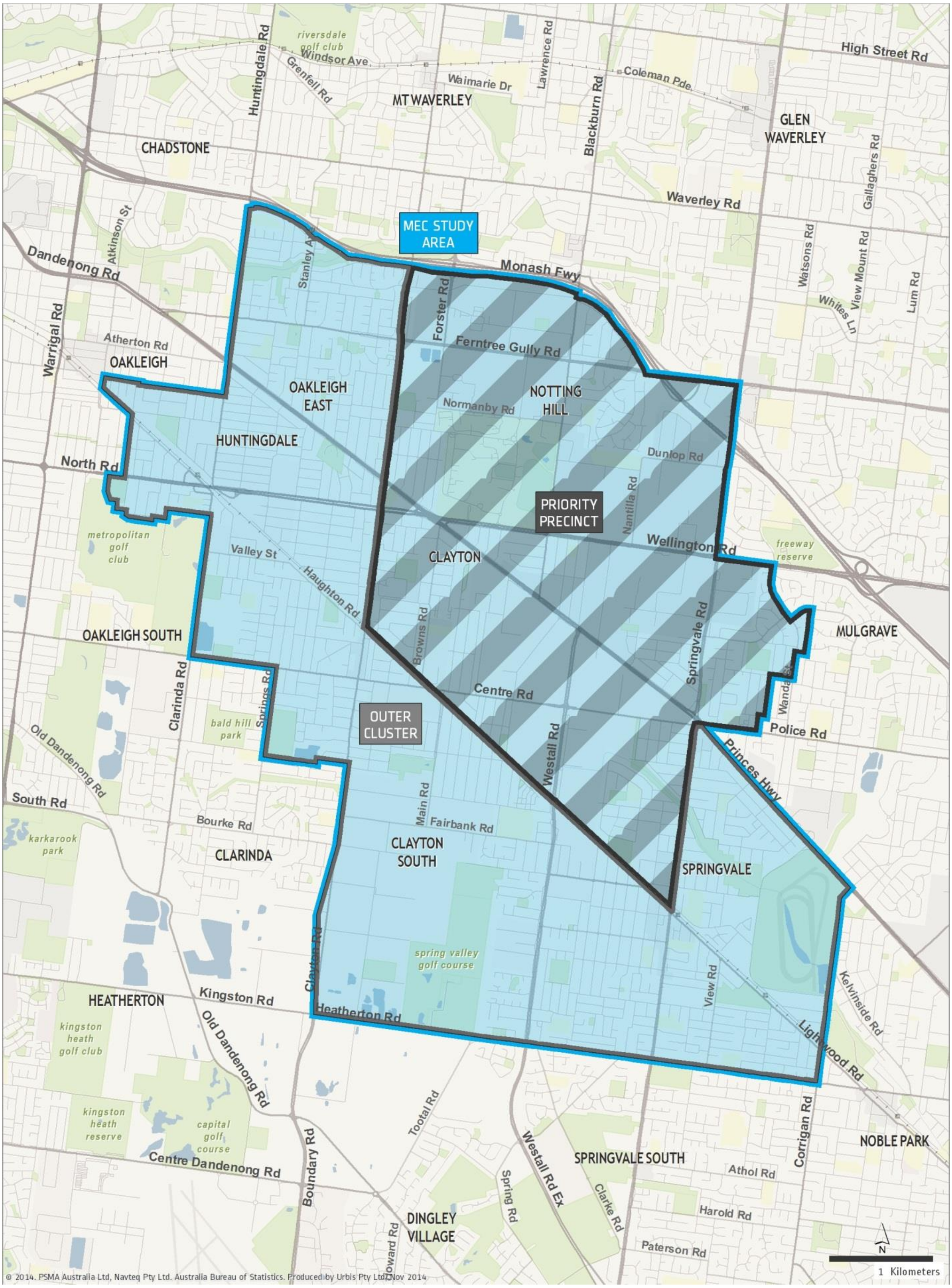
This northern node is the MEC's best immediate opportunity to create further development and employment, and we have identified an approximate boundary for the Priority Precinct within the MEC. The land within this priority area comprises not only the immediate development opportunities, but also the major manufacturing uses which are currently at risk due to a relatively high Australian dollar, Australia's failed vehicle manufacturing sector and lower priced Asian competitors. As a precinct, it represents around 80% of employment in the broader MEC Study Area.

This identified Priority Precinct, however, needs an established and recognisable market identity to assist and enhance the opportunity for further employment creation. This identity, coupled with an established and transparent multiple council approach, and a consistent business support mechanism will contribute to the employment development opportunities.

Priority Zone

MONASH EMPLOYMENT CLUSTER STUDY AREA

MAP 6.1



6.2 KEY FOCUS AREAS

The quantitative and qualitative research that was conducted among businesses and developers in the Cluster showed a good deal of consistency in terms of the main issues faced by the Cluster and the initiatives that would have the greatest impact moving forward. There are a number of recommendations for the future which have been classified as either "primary" or "secondary" according to the focus we believe they should be given.

Primary focus: This includes initiatives relating to public transport and improved road access. Quite simply, they should be the primary focus because they will physically help to get people in and around the Cluster and allow the Cluster to grow. Specifically, this should include:

- Improvements to public transport: additional railway lines such as the construction of the Rowville railway line, improved bus networks within the Cluster, better coordinated timetables between rail and bus and an upgrade to Huntingdale Railway Station.

- Improved roads and accessibility: extension of Westall Road to connect with the Monash Freeway, railway line grade separation program (particularly around Clayton and Centre Road) and creation of cycle lanes.

Secondary focus: These initiatives focus on improved amenity in the Cluster and whilst they are important initiatives to address, they should be considered a secondary focus because they will rely on an increase in residents in the area to support them beyond a 9-5pm weekday schedule. These include:

- Attracting quality hotels/apartments for both short and mid-term accommodation.

- Improving retail facilities such restaurants/cafés, lunch/coffee places, bars, banks, stationery.

- Providing more recreational facilities that businesses have access to such as yoga, pilates, sports venues, gyms, etc.

- In the short-term, coordinating mobile services for the Cluster, including food and beverage-related shops, fitness/well-being classes, etc.

- Leveraging the role of Monash University.

- Facilitating relationships between CSIRO/Monash Health and local businesses.

- Supporting businesses to export or to get started in export. This could be through providing information regarding markets and relevant useful contacts, investigating Australian Government regulations that may be prohibitive, and/or providing training or information sessions for personnel interested in exporting.

6.3 ECONOMIC ENABLERS

Recent trends will not necessarily continue indefinitely, while other trends can emerge over time in a way that is not currently foreseen. As such, it is critical to maintain flexibility in the planning and economic system to enable residents, businesses and developers to respond to market demand.

Although Government cannot dictate market forces or be overly prescriptive, actions can be implemented that encourage desired outcomes. A number of economic enablers must be in place to ensure the success of all uses within a mixed use precinct such as the Monash Employment Cluster, whether those uses are industrial, office, retail or residential.

We have summarised the key economic enablers or success drivers for the various uses within mixed use precincts such as the Monash National Employment Cluster. This analysis is provided in Appendix D. The economic enablers are grouped into general conditions and then more specific needs to encourage more office, retail and residential development respectively.

An assessment of the existing situation in the Monash Cluster against the economic enablers highlights where attention is required and will be instructive in determining future policy, planning and other actions to drive appropriate development of the Cluster. While further research is necessary to determine the appropriate mix and location of uses across the Cluster and specific instruments needed to drive the desired outcomes, the analysis of the economic enablers or success factors has highlighted some initial recommended actions, a number of which have been confirmed through the quantitative and qualitative research:

- Identify and support the redevelopment of key underutilised sites for a mix of uses.
- Investigate the potential for new infrastructure to support growth in employment and residential development (e.g. trains, other integrated transport, improved road links).
- Encourage an increasing proportion of people to live and work in the Cluster. This can only be achieved by enhancing opportunities for increasing the density of residential development in conjunction with encouraging business activity.
- Build on the existing activity generators as the key nodes within the precinct and encourage new activity generators in strategic locations, including retail/community centres and transport hubs.
- Investigate further the specific needs of the workforce and identify appropriate locations for retail and other community uses, as identified in the previous sub-section. A range of new facilities are necessary to support an increase in the number of people living and working in the same place. These include retail facilities, community services and recreational opportunities. However these uses will only become viable once the market they serve has reached a sufficient size. Therefore a series of locations for these facilities need to be identified to develop in response to demand. In some cases, necessary community facilities may not be provided by the market and could need government funding.
- Encourage clustering of new retail and community uses. While reducing restrictions on the delivery of retail and other services across the Cluster is important, dispersed development is unlikely to meet the needs of current users. For example, there needs to be a clustering of food and beverage retailing to provide a critical mass and improve amenity for workers. The Monash Employment Cluster is also too large for only one or two such precincts to serve the whole area.
- An expanded residential base is important, which will in turn drive growth in employment to service the population. This includes increasing the density of residential development in existing residential areas and allowing residential development in other mixed use precincts.
- Encourage the expansion of small businesses and growth sectors through targeted initiatives and marketing, while also allowing flexibility for new employment opportunities to emerge.

This analysis of the economic enablers for expansion of the Monash Employment Cluster has highlighted the broad course of action required to enhance the chances of successful development. Further investigation still needs to be undertaken to determine the appropriate locations for encouraging particular types of uses across the various nodes. This should be undertaken as part of future structure planning as discussed below and include additional research into the feasibility, timing, mix and range of uses in each area.

6.4 CHANGES RELATED TO THE PLANNING FRAMEWORK

Whilst the detail of changes to the planning policy and control framework will need to be informed by the more detailed strategic work proposed for the Cluster, the following recommendations are considered appropriate, based on the work undertaken in this study:

- Define what constitutes the Monash Employment Cluster from a planning policy perspective to provide clarity and focus for all key stakeholders. In order to prioritise and focus future initiatives, consideration should be given to identifying a series of precincts/nodes connected by defined linkages, within a broader area, as part of this.
- Provide greater clarity in regard to timeframes for and commitment to the implementation of infrastructure investment, particularly transport infrastructure.

- Confirm the extent of existing public transport infrastructure and the interim strategies, as well as the longer investment to better inform private sector investment decisions.
- Align all planning policy in regard to the agreed Cluster area, as opposed to Council areas.
- Following the development of the detailed strategy for the Cluster, review the current zoning provisions to identify the areas and nature of changes required to the land use controls within the Cluster.
- Undertake a detailed analysis of the extent, nature and preferred location for retail and related services that will be required to support the needs of the future employee and resident population targeted for the Cluster and identify how to best enable this through the planning controls.
- Assess the merits and need for portions of designated employment land to be rezoned to facilitate growth and diversity for a mix of uses including higher density housing.
- Review the built form controls for the Cluster to identify the changes that will be required to accommodate the future needs of a more diverse and expanded education, research, business and industry employment base, and future higher density housing with the Cluster.

6.5 PERFORMANCE MONITORING

The ultimate success of the Monash Employment Cluster will be measured by the extent to which businesses, workers, residents and other users embrace the precinct as a key employment destination for the south east of Melbourne. Here we recommend particular quantifiable measures that can be readily accessed to indicate the success of the Cluster, as well as suggest other approaches that could also be used to consider more qualitative aspects.

The table below presents a list of data sets that can be accessed for free or for a nominal cost that may give some indication of the success of the Monash Employment Cluster over time. We have grouped this data into various user types related to *Living*, *Working* and *Investing* in the area.

LIVING	WORKING	INVESTING
Estimated Resident Population Population change Number of dwellings New dwelling approvals House & Unit Data: ▪ Transactions ▪ Median prices ▪ Time on market Other Census Data including age, income, household type, education, unemployment, etc.	Number of workers Industries of persons employed in study area Occupation of persons employed in study area Estimated Income (of study area workers) People living and working within the study area/region Where do workers in the study area live Where do residents in the study area work Method of travel to work of workers in study area	Number of businesses: ▪ By number of employees ▪ By industry ▪ By turnover size Number of proposed developments (by development stage) Value of intended development activity (by development type)

We would also expect that a number of the stakeholders in the Cluster may have access to other data that may supplement the publically accessible information. This will include the MPA, DSDBI, the respective Councils, Monash University, Monash Medical Centre and potentially others.

Further detail in relation to the data sets detailed above can be provided as required. It should be noted that there may be some issues in collating data on a regular basis due to the extended timing of release for some data sets (e.g. Census of Population and Housing only every 5 years), and the availability of data at differing geographies (e.g. SA1 vs. Local Government Area vs. suburbs).

Other approaches to performance monitoring could involve regular qualitative and quantitative research with businesses and other key players in the industry. For example, consideration could be given to using the research collected as part of this report as a baseline study against which change and growth in the Cluster can be measured.

6.6 MARKETING

The general feedback from the qualitative research was that businesses are not currently aware that they are part of a cluster. They like the idea of it and would like to know more about the benefits it can offer. It is recommended that increased effort goes into marketing the Cluster, both internally for businesses located within it, and for the wider market, to assist in attracting businesses into the Cluster. Key messages to inform future marketing initiatives for the Cluster include:

- It is important to define the Cluster and make businesses aware that they are part of it (the largest Cluster with the largest concentration of employment outside of the CBD).
- Demonstrate clear benefits of being part of the Cluster. For example, it will provide government support to assist with funding and exporting and speed up the process of development.
- Demonstrate the vision for the future such as improved public transport and roads.
- Provide information about education, training and networking events that are planned for the Cluster.

Disclaimer

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This report has been prepared with due care and diligence by Urbis and the statements and opinions given by Urbis in this report are given in good faith and in the reasonable belief that they are correct and not misleading, subject to the limitations above.

Appendix A Participants in the Online Survey and Depth Interviews

The following list of businesses participated in the online survey and/or depth interviews:

4DX PTY LTD

A C HALL AIR CONDITIONING

A E SMITH & SON PTY LTD

A1 ANEXXES

ACCESS HR

ACCOUNTANCY HEALTH

ACRYLICO DISPLAYS

ADVANCED SHEETMETAL P/L

AIRDRAULIC BIRCO GROUP PTY LTD

AIRPURE AUSTRALIA

ALUMINIUM TRADE CENTRE

AMARE SAFETY PTY LTD

AMF CLAYTON

BAKER TECHNICAL SERVICES PTY LTD

BALANCE4LIFE PROGRAMS

BLITZ PUBLICATIONS

BLUEBELL WEB SOLUTIONS

BNR PARTNERS

BORTOLI WELLINGTON PTY LTD

BP PLUMBING SERVICE

BQ DESIGN

BQ DESIGN PTY LTD

BROUGHTON PUBLISHING PTY LTD

BROWN - DENARUSHA PTY LTD

BUCHER MUNICIPAL

BUSINESS ABUNDANCE

CAPITAL TRANSPORT

CARLYLE ENGINEERING

CARROL AND RICHARDSON FLAG WORLD PTY LTD

CASALINGO SMALLGOODS

C-COR BROADBAND AUSTRALIA PTY LTD

CETEC

CGT PROJECT SOULTIONS

CHADOAK PTY LTD

CHRIS DOWD PHOTOGRAPHY

CIVIC TRANSPORT SERVICE PTY LTD

CLAYTON ART & CRAFTS

CLAYTON NEWSAGENCY

CLICK CORP

CONSTRUCT RAMSAY INSULATION

DECISIONINSIGHTS

DELTA TRANSPORT

DESALN8 PTY LTD

DULUXGROUP

EACH EMPLOYMENT SERVICE

ECE FAST

ECEFAST

EDGARS TYREPOWER

ELEMENTS @ NEXUS

ENDRESS+HAUSER

ENGINEERING & STRUCTURES

ENSIGN LABORATORIES

EZITAG SYSTEMS

FOSS PACIFIC

FURNACE ENGINEERING

GEORGE WHITE & COMPANY PTY LTD

GIANT BICYCLES

GNS WHOLESALE STATIONERS

H2O PRO PTY LTD

HARCOURTS CLAYTON

HEIDELBERG AUSTRALIA

HG RAMSEY & ASSOCIATES

HIGHLIGHT PTY LTD

HR STAFF N' STUFF

HRL TECHNOLOGY PTY LTD

IMLACHS PTY LTD

INFOTRAK

IQT SYSTEMS

ITREBORN PTY LTD

JCMEL BUILDING SUPPLIES

JIRAH INDUSTRIAL DISTRIBUTORS PTY LTD

JOHN SANDS

JONOCO PTY LTD

JP CREDITLINE

J-PAC ENGINEERING

KAYDO - ALL IT SOLUTIONS FOR BUSINESS

KERRYJ INVESTMENT PTD LTD(CLENERNGY AUSTRALIA)

KODEWORKS

KURE ROOF TRUSSES AND FRAMES

MAC SERVICES PTY LTD

MAJESTIC SELECTION PTY LTD AND PLANT

MASTERLINK COMMUNICATION PTY LTD

MAZDA

MDOG GROOMING

MEDICAL DEVELOPMENTS INTERNATIONAL LTD

MEGAWOOD LARSON JUHL PTY LTD

MELBOURNE PILATES GROUP

MERCEDES BENZ

METROPOLITAN EXPRESS TRANSPORT SERVICES PTY LTD

METZ PTY LTD

MIZUNO COPORATION AUSTRALIA PTY LTD

MONASH COMMUNITY FAMILY COOPERATION LTD

MONASH HEALTH

MONASH PHYSIOTHERAPY AND SPORTS INJURIIES CLINIC

MONASH ULTRASOUND FOR WOMEN

MONASH UNIVERSITY

MOTION TECHNOLOGIES

MULGRAVE NEIGHBOURHOOD HOUSE INC.

MY ACCOUNTING MANAGER

NEVILLE CROCKER AUSTRALIA PTY. LTD

NEW CREATION PRINT

NO FUSS EVENTS HIRE

OLYMPUS AUSTRALIA

PARAMOUNT AIR CONDITIONING PTY LIMITED

PEACOCK BROS. PTY. LTD.

PEMARA LABELS

PILLAR BUILDING DESIGN CONSULTANTS P/L

PRAGMA DESIGN

PRINT MEDIA GROUP

PUMPENGINEERS PTY LTD

RAPID PAK

REACH DIGITAL

RED HOT PEPPER

RETROLOOMS PTY LTD

R-VISION SOLUTIONS PTY LTD

SAMSUNG ELECTRONICS

SCHNEIDER ELECTRIC

SCORPION TECHNOLOGY COMPUTERS

SECURECORP

SHELLY REMOVALS

SHOPGUN POWDER COATING

SL PUBLIC ACCOUNTANTS

SPECEX CONSULTING PTY LTD

SPRINGVALE RSL

SPRINGVALLEY GOLF CLUB

STILLWELL MOTOR GROUP

SUPERIOR FOOD SERVICES

SURPREME PACKAGING

SYNCHROTRON LIGHT SOURCE AUSTRALIA PTY. LTD.

TABOR COLLEGE VICTORIA

TCL ELECTRONICS AUSTRALIA

THE BANNER LADY

THE CHILDREN CENTRE

THE MONASH HOTEL

THINKRONICITY PTY LTD

THOMAS THOEUN TRAVEL AGENTS

TRIPLE HUMMER LIMOS

UGL

UNIDRIVE PTY LTD

UNIQUE MICRO DESIGN

UNIQUE MICRO DESIGN PTY LTD

UNITED FINANCIAL SERVICES

UPLIFT EVENTS

VALEWOOD CLINIC

VESTAGROUP P/L

VESTAGROUP P/L

W BOOKKEEPING SERVICES

W H BLAKELEY INDUSTIRAL KNIFES PTY LTD

WATERWERX PTY LTD

WAVERLEY INDUSTRIES LIMITED

WHARINGTON INTERNATIONAL PTY LTD

WILLIAM ADAMS

WYNDATA

Appendix B Online Survey Questionnaire

ONLINE SURVEY

This survey is simple to complete and should take around 10 minutes. The survey closes on [DATE]. All entries will go into the draw to win an iPad mini.

BUSINESS PROFILE

This first section will collect a few important details about your business to ensure a good cross-section of businesses is included in this survey. These details will be kept strictly confidential.

Q1 **Business Name:**

____

Q2 **Site Address:**

____

Q3 Is this site the Head/Principal Office for your business?

Yes 1

No.. 2

Q4 Please select the core area of business undertaken on site. [SINGLE RESPONSE]

Accommodation and Food Services	1
Administrative and Support Services	2
Agriculture, Forestry and Fishing	3
Arts and Recreation Services	4
Construction	5
Education and Training	6
Electricity, Gas, Water and Waste Services	7
Financial and Insurance Services	8
Health Care and Social Assistance	9
Information Media and Telecommunications	10
Manufacturing	11
Mining	12
Professional, Scientific and Technical Services	13
Public Administration and Safety	14
Rental, Hiring and Real Estate Services	15

Retail Trade	16
Transport, Postal and Warehousing	17
Wholesale Trade	18
Other (Please Tell Us)	90

Q5 Is the site owned by the business or leased?

Owned 1

Leased... 2

ASK IF Q5 = LEASED

Q6 When does the lease expire?

Less than 6 months 1

6 months – 2 years............................ 2

2 – 5 years... 3

5 – 10 years....................................... 4

10 - 20 years 5

20+ years... 6

Don't know... 9

ASK ALL

Q7 How long has the business been at this address?

Less than 6 months 1

6 months – 2 years............................ 2

2 – 5 years... 3

5 – 10 years....................................... 4

10 - 20 years 5

20+ years... 6

Don't know... 9

Q8a How many full time equivalent (FTE) employees work from this site?

1 - 4	1
5 - 19	2
20 – 99	3
100 - 199	4
200 - 499	5
500 - 1000	6
1000 or more	7

Q8b And how many full time equivalent (FTE) employees work for this business in Victoria?

1 - 4	1
5 - 19	2
20 – 99	3
100 - 199	4
200 - 499	5
500 - 1000	6
1000 or more	7
Don’t know	9

Q8c And how many full time equivalent (FTE) employees work for this business in Australia?

1 - 4	1
5 - 19	2
20 – 99	3
100 - 199	4
200 - 499	5
500 - 1000	6
1000 or more	7
Don't know	9

Q8d And how many full time equivalent (FTE) employees work for this business overseas?

None/ business is not overseas	8
1 - 4	1
5 - 19	2
20 – 99	3
100 - 199	4
200 - 499	5
500 - 1000	6
1000 or more	7
Don't know	9

Q9 Has the number of employees at this site increased, decreased or remained about the same in the **last 2 years**?

Increased 1

Decreased... 2

About the same.. 3

Q10 What is the total floorspace of your business (if known)?

______________________________ m^2

Q11 Does your business currently **export** goods or services overseas, or is your business interested in exporting?

Yes currently export.. 1

Don't currently export but interested................... 2

No and not interested.. 3

ASK IF Q11 = 1 or 2

Q12 What are the **main barriers to export**, if any, that your business faces? Please select as many as apply from the following list.

<u>Financial related</u>	
Availability of working capital	1
Cost of finance	2
Currency risk	3
<u>Production related</u>	
Insufficient production/handling capacity	4
Difficulties getting enough raw materials/supplies	5
Product quality not good enough for export	6
<u>Logistics related</u>	
Excessive documentation required for exporting	7
Increase in management complexity	8
<u>Human resource related</u>	
Lack of personnel knowledge in exporting	9
<u>Market related</u>	
Insufficient knowledge of markets and relevant contacts	10
Difficulties with language differences	11
<u>Competition related</u>	
Strong international competition	12
Inability to offer competitive prices	13
High transportation cost	14
<u>Regulatory impediments</u>	
Restrictions imposed by foreign government rules and regulations	15
Confusing quality requirements of foreign markets	16
Restrictions imposed by Australian government rules and regulations	17
Other	90

CHOOSING THE BEST LOCATION FOR YOUR BUSINESS

Q13 What was the **primary reason** for your business moving to its current location? Please select only the main driver of this move.

Q14 What do you think are the **key benefits or strengths** of the current location of your premises? Please select up to 5 from the following list or type in your own.

Q15 And what do you think are the main **limitations or drawbacks** of your current location? Please select up to 5 from the following list or type in your own.

	Q13 SINGLE	Q14 MULTI	Q15 MULTI
Locational attributes			
Proximity to clients	1	1	1
Proximity to suppliers	2	2	2
Proximity to similar businesses located in the area	3	3	3
Proximity to Monash University	4	4	4
Proximity to Synchrotron	5	5	5
Proximity to Monash Medical Centre	6	6	6
Proximity to CSIRO	7	7	7
Proximity to where staff live	8	8	8
Proximity to Senior Management’s place of residence	9	9	9
Proximity to public transport	10	10	10
Accessibility by road	11	11	11
Proximity to retail amenity	12	12	12
Proximity to amenities such as schools, parks, gym, childcare etc.	13	13	13
Proximity to quality hotels/apartments for staff/clients visiting from interstate/overseas	14	14	14
Image/Reputation/Relationships			
Reputation/relationship with the Owner of the site/premises occupied by the business	15	15	15
Reputation of the building manager	16	16	16
Fitting with your business image/culture	17	17	17
Calibre/type of other tenants in the building / business park	18	18	18
Reputation of the Monash National Employment Cluster i.e. your local area	19	19	19
Relationship with other businesses in the area	20	20	20
Design/Features of the Site /Building			
Size of the site/premises	21	21	21
Ability to have purpose-built premises	22	22	22
Green rating/sustainability initiatives	23	23	23
IT infrastructure	24	24	24
Quality/style of the fit out	25	25	25
Quality/style of building/accommodation	26	26	26
Availability of parking for staff	27	27	27
Availability of parking for clients/customers	28	28	28
Costs/Other			
Occupancy costs/rent	30	30	30

Purchase price	31	31	31
Safety and security	32	32	32
Other (Please tell us) ________________________________	90	90	90
Don't know	99	-	-

THE FUTURE OF YOUR BUSINESS

Q16 In the next 2 years do you anticipate that the number of employees on site will **expand or contract**?

Expand 1

Contract 2

Stay about the same 3

Don't know 9

ASK IF Q16 = 1 or 2

Q17 **And by approximately what proportion** do you think the employees at this site will [insert response to Q16 ie. "expand" or "contract") in the next 2 years?

< 10% 1

10%-24% 2

25%-50% 3

More than 50% 4

ASK ALL

Q18 **How likely is your business to stay in its current location over the next**…? [SINGLE RESPONSE FOR EACH STATEMENT]

- If code 4 selected then subsequent years cannot be codes 1 to 3
- If code 3 selected then subsequent years cannot be codes 1 or 2
- If code 2 selected then subsequent years cannot be code 1

	Very likely to stay/will stay	Somewhat likely to stay	Somewhat unlikely to stay	Very unlikely to stay/will move	Don't know
a) 1 year	1	2	3	4	9
b) 5 years	1	2	3	4	9
c) 10 years	1	2	3	4	9

ALTERNATIVE LOCATIONS

ASK IF Q18C =2-9

Q19 If your business was to move from its current location, how **likely** do you think it would be **to remain** in the Monash National Employment Cluster?

Very likely to remain/will remain	1
Somewhat likely to remain	2
Somewhat unlikely to remain	3
Very unlikely to remain/will move	4
Don't know..	9

Q20 And what would be your main **reasons for moving**? (eg. consolidation of business operations onto one site, rental costs, planning restrictions/red tape, mergers & acquisitions–M&A, better infrastructure etc)

____

____

____

Q21 What **alternative locations** would you seriously consider for your business? Please list the suburbs/areas.

____

____

____

SKILLS

Q22 **T**hinking about your workforce over the next 10 years are there any particular skill shortages that may affect your business and require upskilling? What skills are these?

____

____

____

____

IMPACT OF POSSIBLE INITIATIVES

Q23 To what extent would the following **potential major infrastructure/investment initiatives** support your business and encourage you to stay in the cluster?

	Would greatly support our business/ encourage us to stay	Would moderately support our business/ encourage us to stay	No impact	Would moderately reduce our intention to stay	Would greatly reduce our intention to stay
Construction of a Rowville railway line from Huntingdale station eastwards along North Rd and Wellington Rd to Monash University, Waverley Park and on to Rowville	1	2	3	4	5
Railway lines grade separation program (i.e. making under/over passes for any roads crossing the line)	1	2	3	4	5
Extension of Westall Road to connect with the Monash Freeway	1	2	3	4	5
Improve the bus network within the Monash National Employment Cluster and connection with other transport nodes (e.g. SmartBus)	1	2	3	4	5
Greater supply of convenience retail facilities such as a supermarket	1	2	3	4	5
Greater supply of food and beverages such as takeaway's, cafes and/or restaurants	1	2	3	4	5
Greater entertainment/recreation facilities	1	2	3	4	5
Greater supply of other shops/retail services	1	2	3	4	5
Greater supply of housing in the immediate vicinity	1	2	3	4	5
Greater supply of short term visitor accommodation	1	2	3	4	5

BUILDING RELATIONSHIPS

Q24 How would you rate the **extent of relationships** your business has with other businesses, services or institutions in the Monash National Employment Cluster?

Extensive engagement/dealings with 1

Moderate engagement/dealings with.................. 2

Low engagement/dealings with 3

No engagement/dealings with 4

Don't know 9

ASK IF Q24 IS NOT CODE 4

Q25 Which are the main businesses or institutions in the Monash National Employment Cluster that your business currently **engages** or **collaborates** with? Please select as many as apply from the following list.

Australian Synchrotron	1
Melbourne Centre for Nanofabrication (MCN)	2
Monash University	3
Monash Health	4
CSIRO	5
City of Monash (Council)	6
City of Greater Dandenong (Council)	7
Kingston City Council	8
Others (Please tell us)	9

Q26 What else, if anything, would make the Monash National Employment Cluster a **more attractive location** for your business in the future? Please consider potential challenges (technical and non-technical) that you would like to overcome.

____

____

____

____

____

____

Thank you for your time. If you would like to be entered into our draw to win an iPad Mini please provide your contact details:

Your name: ______________________________

Position: ______________________________

Telephone Number: ______________________________

Email: ______________________________

Postal Address: ______________________________

In the future we may be running some discussion groups with businesses in the Monash National Employment Cluster. Would you be interested in participating in a group discussion?

Yes	1
No	2

As this is market research it is carried out in compliance with the Privacy Act and the information you provided will be used for research purposes only.

Appendix C Depth Interview Results

KEY POINTS

- **LOCATION** provides good access to clients, suppliers, major road arterials and staff
- **CHALLENGES** include lack of public transport, road congestion, IT infrastructure, and retail amenities
- **OPPORTUNITIES** include increased engagement with training providers, across supply chain, and linkages across medical/research/bio tech
- **PRIORITY INITIATIVES** are (in order):
    1. Railway lines grade separation
    2. Extension of Westall Road to connect to Monash Fwy
    3. Improve the bus network
    4. NBN
    5. Improve retail amenities in industrial precincts
    6. Construction of Rowville railway line

Company	Location	Location strengths	Employees (site)	Importer / Exporter?	Business engagement	Challenges	Opportunities	Priority initiatives
1	➢ Head office ➢ Long term ownership ➢ 43k sq.m ➢ Stay for 5 years	**Proximity** to ➢ Clients ➢ Suppliers ➢ Staff ➢ Major arterial roads	➢ 500-600 ➢ **Increased** #employees ➢ Expect **10% increase**	➢ Import ➢ Export	➢ Monash Uni ➢ CSIRO	➢ **Land too expensive** for expansion ➢ **Site size limiting** capacity ➢ **Parking** for staff	➢ **Expansion** needed	1. Railway lines grade separation program 2. Extension of Westall Road to connect with Monash Fwy
2	➢ 2-5 years ➢ Leased ➢ 6.7k sq.m ➢ May stay	**Proximity** to ➢ Clients ➢ Staff ➢ Public transport ➢ Major arterial roads	➢ 100-199 ➢ No change in #employees ➢ Expect **10% increase**	➢ no	➢ minimal	➢ Level crossings ➢ Leasing costs ➢ Decline in demand with closure of auto industry	➢ Workforce development in IT ➢ NBN connectivity	1. Railway lines grade separation program 2. Extension of Westall Road to connect with Monash Fwy

Company	Location	Location strengths	Employees (site)	Importer / Exporter?	Business engagement	Challenges	Opportunities	Priority initiatives
3	➢ Head office ➢ 5-10 years ownership ➢ Likely to stay 1 year only	**Proximity** to ➢ Staff ➢ Major arterial roads ➢ Retail amenities ➢ Staff amenities	➢ 100-199 ➢ **Increased** #employees ➢ Expect **10% increase**	➢ No	➢ Moderate (TAFE/RTOs)	➢ Congestion on Monash Fwy ➢ Level crossings ➢ IT	➢ **Expansion** needed ➢ **NBN** essential ➢ **Workforce development in auto service skills**	1. Railway lines grade separation program 2. Extension of Westall Road to connect with Monash Fwy 3. Retail and food beverage amenities 4. Continuation of EastWest link 5. IT such as NBN
4	➢ Head office ➢ Long-term ownership	**Proximity** to ➢ Clients ➢ Suppliers ➢ Staff ➢ Major arterial roads	➢ 100-199 ➢ **Decreased** #employees ➢ Expect **10% increase**	➢ Export		➢ Currency volatility ➢ Staff knowledge in export ➢ Austrade is expensive ➢ Shipping costs ➢ Council car parking requirement ➢ Street parking that limits truck access ➢ Road congestion	➢ Keen to purchase land to expand	

Company	Location	Location strengths	Employees (site)	Importer / Exporter?	Business engagement	Challenges	Opportunities	Priority initiatives
5	➢ Head office ➢ Lon term ownership ➢ 25 acres ➢ Likely to stay 10years	**Proximity** to ➢ Major arterial roads	➢ 200-499 ➢ **Decreased** #employees ➢ Expect **10-20% increase**	➢ No	➢ Minimal (some supply chain engagement)	➢ Outgrown space ➢ Workforce development – consistent supply of diesel mechanics ➢ Accessibility for B-doubles ➢ Public transport	➢ Need to expand	1. Construction of Rowville Railway line 2. Railway lines grade separation program 3. Extension of Westall Road to connect with Monash Fwy 4. Improve the bus network 5. Food and beverage amenities
6	➢ Head office ➢ Owned 2-5 years ➢ 500sm ➢ Likely to stay 10 years	**Proximity** to ➢ Staff ➢ Major arterial roads Size of premises	➢ 60 ➢ 20% Increase #employees	➢ Yes	➢ Low level with Monash Uni	➢ Country-specific rules and regulations ➢ Lack of government support and/or funding ➢ Lack of public transport ➢ Lack of support and funding for upskilling		1. Construction of Rowville Railway line 2. Extension of Westall Road to connect with Monash Fwy 3. Improve the bus network 4. Food and beverage amenities 5. General staff and accommodati on amenities

Company	Location	Location strengths	Employees (site)	Importer / Exporter?	Business engagement	Challenges	Opportunities	Priority initiatives
7	➢ Head office ➢ Long-term ownership ➢ Very likely to stay 10 years	**Proximity** to ➢ Clients ➢ Monash Uni ➢ Synchrotron ➢ CSIRO ➢ Staff	➢ ?? ➢ Increase in #employees ➢ Likely to expand 10%	➢ No	➢ Moderate engagement with Synchrotron, MCN, UNI, CSIRO	➢ Lack of physical infrastructure connecting Monash Health to medical, bio tech and research precinct ➢ Public transport	➢ Investment in health precinct and children's' health centre ➢ Investment in infrastructure that links businesses ➢ Recruit medical staff ➢ Train more nurse-aids	1. Railway lines grade separation program 2. Construction of Rowville Railway line 3. Improve the bus network 4. Accommodation amenities
8	➢ Head office ➢ Leased 35,000sm ➢ Very likely to stay 2 years	**Proximity** to ➢ Clients ➢ Suppliers ➢ Major arterial roads	➢ 200-499 ➢ Dependent on extension of contracts	➢ No ➢ Country-specific rules and regulations	➢ None	➢ IT / NBN	Workforce development in areas of: ➢ Complex engineering ➢ Chemists ➢ Quality assurance	
9	➢ Subsidiary site ➢ Leased long term ➢ Lease expires <6 months ➢ Likely to re-locate near Swinburne Uni	**Proximity** to ➢ Similar businesses	➢ 20-99 employees ➢ 100% increase #employees (last 2 years) ➢ Likely to increase further 10-24%	➢ No, but interested	➢ Swinburne Uni (Monash not easy to work with)	➢ Export risks associated with currency fluctuation ➢ Country-specific rules and regulations ➢ IT / NBN ➢ Small size of current location	➢ Workforce development (good people) – medical, IT ➢ Investment from parent company	1. NBN / high speed internet

Company	Location	Location strengths	Employees (site)	Importer / Exporter?	Business engagement	Challenges	Opportunities	Priority initiatives
10	➢ Leased long term (20+ years)		➢ 1000+ (increased in last 2 years)		➢ Extensive engagement with Synchrotron, MCN, UNI, LGAs	➢ Lack of public transport ➢ Access to CBD is via Monash Fwy which is always congested ➢ Lack of quality restaurants for meeting purposes ➢ Lack of accommodation for housing visitors ➢ Current nature of precinct is “unfriendly/ closed”, “old and unfriendly”		1. Improve bus network 2. Increase quality and quantity of restaurants 3. Increase supply of short term accommodation 4. Increase retail amenity 5. Increase entertainment facilities 6. Increase supply of housing (for employees)

Appendix D Analysis of Success Drivers For Mixed Use Precincts

CRITERIA	DESCRIPTION	ASSESSMENT	KEY RECOMMENDATIONS
General Conditions for Mixed Use Precincts			
Mix of uses	Mixed use precincts need to provide a number of uses to satisfy a range of user needs in one location such as retail, civic uses and employment. The mix of uses needs to be optimised so the mix promotes vitality, extends the hours of activity and intensifies the use of infrastructure.	The Cluster has always provided options for employment, but most parts of the precinct lack other retail and civic facilities to support office/industrial uses. Most activity is weekdays 9am-5pm.	Investigate specific needs of the workforce and identify appropriate locations to concentrate retail and other community uses. Encourage increased density of residential development to support a range of uses.
Significant employment opportunities in close proximity to residential areas	There is an increasing desire to shop, work and live in close proximity. This combination of activities adds to the relevance and importance of the precinct as a community focal point. The range of retail and community facilities able to be supported in a particular location is greater when there is a critical mass of both workers and residents, relative to a where there are only workers or only residents.	The Cluster is an established albeit changing employment zone. While the population base throughout the south east is substantial, most residents still need to travel some distance to work in the Cluster.	Encourage increased residential development to support the growth in office/white collar employment to offset a likely decline in industrial jobs and sustain retail and other community facilities.
Staging and flexibility	The staging of development of a mixed use precinct is just as critical for regeneration projects as it is for greenfield developments. In either situation, staging should be based on market demand over time. It should be recognized that change does not generally take place instantly, but rather occurs gradually or incrementally. A master-planned and staged approach ensures that a mixed use precinct can expand and evolve over time based on changing market needs.	The Monash Cluster is a large physical area. An “open slather” approach to development will not be successful as demand for certain uses does not currently exist. Development should proceed progressively around designated activity nodes.	Define nodes within the Cluster to focus development in the early stages e.g. the Monash University/Technology Precinct, Monash Medical Centre, key transport hubs.

CRITERIA	DESCRIPTION	ASSESSMENT	KEY RECOMMENDATIONS
Appropriate scale and mix	A mixed use centre has to be large enough to be a destination and attractive to a range of market segments and at the same time be of a sustainable scale to be commercially viable.	The Monash Cluster as currently defined is large and diverse. There are in fact a number of separate destinations which will make integration of the entire precinct difficult.	Define nodes within the Cluster and investigate the facilities and services that each requires.
Attractive environment and quality of offer	High quality environment and offer is important because of the availability of alternative locations for commercial operators, workers and residents alike.	Due to the industrial history of much of the area, the attractiveness of the environment is currently poor. This will need to emerge over time.	Encourage frequently used community facilities e.g. retail, which will naturally improve the quality of the environment. Residential development and the activity and landscaping that by necessity come with it can also enhance the amenity.
Strong activity generators	Significant activity generators that are used regularly and in large numbers are crucial to the anchoring of various activities. They add to the reasons for residents to want to live nearby and support other commercial operators.	A number of key activity generators already exist, particularly the University and Medical Centre. Industrial uses are now less of an activity generator. Retail and community facilities which can act to drive activity are lacking. Potential public hubs not well utilised currently.	Build on the existing activity generators as the key nodes within the precinct. Encourage new activity generators in strategic locations, including retail/community centres and transport hubs.
Strategic positioning of activity generators	The creation of mutually beneficial commercial relationships between different tenants and land uses within the precinct is a key to successful, vibrant centres. Therefore their location within precincts is of paramount importance.	The existing key activity generators are located in the north and west of the Cluster respectively.	Encourage development of major activity generators/mixed use nodes to support the south of the precinct over time.

CRITERIA	DESCRIPTION	ASSESSMENT	KEY RECOMMENDATIONS
Connectivity within the precinct	In order to maximise the benefits of co-location of uses, there must be strong connections between all uses, and with all users afforded equal access to the services, facilities and business linkages they require.	The sheer size of the Cluster creates a need for nodes and sub-precincts. Public transport connectivity within the area is poor, while north-south road linkages could be enhanced. Some informal linkages exist between businesses.	Define key nodes within the precinct. Investigate the viability of public transport and some road access improvements e.g. Westall Road extension. Encourage further connections by businesses within the Cluster.
Transport and accessibility	Easy access by car and public transport key to making a precinct destinational. This can include necessary conditions for good road access such as sufficient and cheap car parking, as well as adequate and connected public transport options.	Freeway/Highway access to parts of the Cluster is excellent, although the south is not as well serviced. Public transport connections are poor.	As above, investigate potential public transport improvements (station upgrades, new services, better integration of existing services) and road access upgrades.
Commercial Office			
Part of broader commercial precinct	Commercial properties perform best when there is significant established commercial floorspace nearby. The type of tenants in the precinct and the calibre of those tenants also influences whether commercial developments will be successful. A critical mass of various types of floorspace is ideal, co-located with broader uses such as retail and community services.	The northern part of the Cluster has developed due to the synergies of office tenants with surrounding uses. Other parts of the Cluster lack an established commercial offer to build on and will take time to emerge. There is a general lack of retail and community services.	Build on the success of the northern node. Encourage development in other areas over time as demand emerges. Investigate opportunities for other retail and community service hubs to service the established office precincts and to allow other developments to emerge.
Access to workforce	Due to changing work patterns, the distribution of white collar workers is now more evenly distributed throughout metropolitan areas than say 20 to 30 years ago, when large precincts within metropolitan areas were dominated by industrial activity and the nearby resident population provided the blue collar workforce. The erosion of industrial activity throughout Australian cities has led to widespread distribution of a white collar workforce.	In the broader south east region there is a sizable white collar workforce. The local population limited by the extent of industrial land and is currently more blue collar.	Encourage increased density of residential development including new residential areas on existing commercial land, and regeneration of existing older residential precincts.

CRITERIA	DESCRIPTION	ASSESSMENT	KEY RECOMMENDATIONS
Proximity to contacts/clients	Proximity to clients is another particularly important location factor for a suburban office. An activity reliant on servicing customers directly needs to be positioned to access as large a potential client base as possible.	Proximity to other businesses in the Cluster is good. For potential tenants looking to service a residential base (e.g. professional services), opportunities are more limited.	Increase residential density. Investigate locations for activity centres within the Cluster around which office development can proceed. Target the introduction of new businesses to complement existing and future users.
Accessibility including parking and proximity to public transport	Office precincts are usually dependent upon good accessibility across the entire metropolitan area (and beyond) as the demand for office workers is rarely restricted to one precinct. With increasing road traffic congestion, good accessibility includes both private (roads) and public (train, bus, tram) transport systems. Many private and public sector office users require parking either on site or immediately adjacent to office space for employees and clients.	Freeway/Highway access to parts of the Cluster is excellent, although the south is not as well serviced. Public transport connections are poor. Significant land available for adequate parking.	As previously stated, investigate potential public transport improvements (station upgrades, new services, better integration of existing services) and road access upgrades.
Close to amenity precinct	Office worker amenity is an increasingly important driver behind demand for office space. Amenity includes retail, including food retail and food catering options such as supermarkets, cafes and restaurants, as well as general non-food retail shops; entertainment; and to a lesser extent sporting and cultural facilities.	General amenity across most parts of the Cluster is currently considered poor. Future facilities will need to be clustered to ensure a critical mass is provided.	Investigate specific needs of the workforce and identify appropriate locations to concentrate retail and other community uses.
Price competitiveness (to central CBD);	Suburban office developments require trade-offs in order to attract tenants and one of those is that rents need to be cheaper than office space in more desirable locations.	Office rents in the Cluster are currently seen to be competitive with other potential locations, although the business surveys have shown this is not the only reason for choosing to locate in the Cluster.	No specific action necessary, although promotion of the Cluster as an office location will assist in enhancing competitiveness.

CRITERIA	DESCRIPTION	ASSESSMENT	KEY RECOMMENDATIONS
Retail			
Appropriate scale and tenant mix	A retail offer has to be large enough to be attractive to a range of market segments and at the same time of a sustainable scale. Retail needs to be suited to the needs and desires of the local residents who will ultimately determine its success.	The local retail offer is modest and concentrated in established strips currently (e.g. Clayton, Springvale). More retail facilities are needed to service the worker population and over time, an increased residential population.	Investigate specific needs of the workforce and identify appropriate locations to concentrate retail and other community uses.
Parking	Well designed, easily accessible carparking is important, especially for supermarkets and convenience related retail.	Carparking is not a major concern for existing facilities, while capacity exists to provide adequate parking for future developments.	Ensure adequate parking is provided in future developments.
Strong anchor tenants / quality of individual tenants	Strong anchor tenants drive visits and activity levels of the centre. The success of neighbourhood centres is heavily reliant on the strength of the tenants. Experienced, competent and appealing operators are important to the success of any local retail precinct.	Existing major supermarkets are supported by a range of convenience retailers. The proposed Nova Centre is intended to offer another chain supermarket and the Cluster's first discount department store. IKEA is a strong tenant in the Springvale Homemaker Centre, although not solely servicing the local market.	Future centres will need to be located to ensure an adequate market exists to anchor the major tenants, without undue impacts on existing retail precincts.
Exposure to main roads / 'ant tracks'	Exposure to main roads generates passing-by retail business, as well as providing greater accessibility to the centre. Small local convenience facilities are destination uses that must effectively serve the residential population in their immediate location. To this extent they require sufficient levels of vehicular and pedestrian flow past the centre.	Existing retail facilities are centred along main roads, although they do not effectively service the whole of the Cluster.	In determining the location of future retail centres, locations along main roads or adjacent to major public transport hubs should be considered.

CRITERIA	DESCRIPTION	ASSESSMENT	KEY RECOMMENDATIONS
Proximity to other complementary uses	Neighbourhood centres often need to be facilities that are located so that they can be used on conjunction with a journey for another purpose.	Strips such as Clayton and Springvale offer a range of local services and retail facilities. Other areas are generally underserviced though.	Future retail developments need to be considered in context of the surrounding uses.
Proximity to competitors	Due to the greater level of convenience offered by supermarket/neighbourhood centres, closer proximity to large regional shopping centres is not necessarily a problem. However if surrounded by similar centres, neighbourhood centres need to offer more in the way of convenience, accessibility or quality of operator in order to differentiate themselves from the pack.	Competition is not a significant issue currently due to the lack of retail facilities in general.	The future network of neighbourhood centres needs to be appropriately dispersed to allow all users in the Cluster convenient access while ensuring each centre serves a market sufficient to sustain it.
Higher Density Residential Development			
Proximity to CBD	A key factor in determining demand for higher density development is the distance from the CBD. People seeking to live close to the city with its attendant amenities such as employment, entertainment and retail are willing to trade off with smaller dwelling size and higher density living. This particularly applies to young professionals without children and lone person households.	The Cluster is not currently a popular residential destination due to distance from the CBD, a general lack of amenity, availability of currently better located options for higher density living. Employment opportunities are a significant factor though in the future potential for residential intensification.	Encourage development of a range of uses to improve the amenity for residential development and increase the number of people living and working in the same place.
Proximity to Transport	Close proximity to a train station or tram line supports more intensive forms of development. Being within walking distance of a train station is particularly attractive to workers commuting into the CBD or other places of employment. In the absence of strong connectivity, the product is likely to be attractive to a much reduced segment of the market.	Public transport is currently poor for most parts of the Cluster. Existing residential development has occurred around the train stations to a limited extent.	Consider the potential for public transport upgrades including improvements to existing transport hubs, better integration of services and new services. Existing train stations will provide the initial opportunities for increased residential density nearby.

CRITERIA	DESCRIPTION	ASSESSMENT	KEY RECOMMENDATIONS
Access to Freeways	Good freeway access is beneficial for residential development, particularly in outer suburban locations.	The Monash Freeway passes the Cluster to the north providing good access towards the CBD.	Consider other road links that improve access to the Freeway from all parts of the Cluster.
Retail / Entertainment Amenity	A key attraction of high density living is the improved access typically provided to a wide variety of entertainment, recreation, retail and service facilities. This is due to the critical mass of the denser population being able to support a wider range of facilities that may not be viable in a low-density area. This benefit generally extends to the ability to access these amenities within walking distance. A range of activities including retail, dining and entertainment are necessary.	The general lack of retail and entertainment amenity is a key issue influencing the limited amount of higher density residential development in the area currently outside of a few key locations (e.g. near the University).	In assessing the appropriate locations for expanded or new retail facilities, consider the ability of each to provide a mix of uses in close proximity, including residential.
Views/ Aspect	Well elevated sites or sites that have significant views such as beach, river, golf courses or scenic vistas are often attractive for high density living. These views are expected to be available in perpetuity and not likely to be built out or obscured.	Parts of the Cluster provide potential for views or an attractive aspect (e.g. the more elevated areas to the north). Much of the Cluster is flat.	No action necessary other than ensuring amenity at ground level is high (see below).
Visual Amenity	One of the attractions of apartment/townhouse living is the lack of maintenance involved, mainly from the absence of a garden. To counter the lack of private outdoor space, easy access to public open space can be a decisive factor in the choice to move to a high density environment. The open spaces should be able to accommodate a range of functions and provide a feeling of personal comfort and safety.	Given the nature of the land, visual amenity and access to public spaces is poor currently.	Allow for an appropriate provision of public open space. Encourage new development to provide an attractive public realm, although not at the expense of commercial imperatives.
Noise	An important aspect of residential developments is the level of noise pollution. Older couples and young families are more attracted to quiet living environments, compared with living on busy and noisy main roads.	Noise and other amenity issues currently exist in the area due to the extent of industrial land uses. Over time as the area diversifies, this should improve.	Encourage the siting of residential development in appropriate locations in conjunction with compatible uses.

ydney
Tower 2, Level 23, Darling Park
201 Sussex Street Sydney, NSW 2000
t +02 8233 9900
f +02 8233 9966

Brisbane
Level 7, 123 Albert Street
Brisbane, QLD 4000
t +07 3007 3800
f +07 3007 3811

Melbourne
Level 12, 120 Collins Street
Melbourne, VIC 3000
t +03 8663 4888
f +03 8663 4999

Perth
Level 1, 55 St Georges Terrace
Perth, WA 6000
t +08 9346 0500
f +08 9221 1779

Australia • Asia • Middle East
w urbis.com.au **e** info@urbis.com.au