



10.2 **DRAFT SPATIAL ECONOMIC AND EMPLOYMENT FRAMEWORK**

EXECUTIVE MEMBER: **BRIAN TEE, GENERAL MANAGER, CITY GROWTH AND DEVELOPMENT**

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1. PURPOSE

- 1.1 To seek Council endorsement of the draft Spatial Economic and Employment Framework (SEEF) and supporting technical report for public engagement.

2. EXECUTIVE SUMMARY

- 2.1 The City of Port Phillip is home to a substantial business and employment base which capitalise on its proximity to the CBD and Port Phillip Bay. Its economic and employment role has evolved from early industrial and seaside resort functions towards professional services as part of an expanded central city, and the specialisations of tourism and creative industries. The importance of the traditional shopping strips has endured. This evolution is shaped by boarder economic forces and local conditions, requiring regular updates to economic and land use policies and strategies.
- 2.2 Council has a role in facilitating business and employment through creating an environment conducive to economic activity and investment. Land use planning is one of the key tools available to Councils to direct, facilitate and optimise economic activity. It shapes employment and economic activity through a combination of policy and controls that influence the type, intensity, and combination of uses that are permissible on land.
- 2.3 The draft Spatial Economic and Employment Framework (SEEF) focuses on the relationship between land use planning and economic activity. Its preparation has included research and economic analysis and targeted consultation with businesses, real estate and government representatives, representatives in the creative sector and Council's Business Advisory Committee.
- 2.4 The draft SEEF aligns with and responds to the community vision, strategic directions and long term challenges in the *Council Plan 2021-31*.
- 2.5 It has a 20 year planning horizon, enabling Council to:
- 2.5.1 Understand and realise Port Phillip's economic and employment growth opportunities over the coming years - capitalising on key spatial drivers and respond to trends.
- 2.5.2 Shape employment and economic growth across the municipality by providing:
- a strategic basis for future decisions on employment land;
 - direction for the employment outcomes in Activity Centres; and
 - strategic basis to update planning policy and controls in the Port Phillip Planning Scheme.



2.6 The document includes:

- a vision for Port Phillip's employment land that has been crafted to facilitate economic prosperity at the local and metropolitan level and implement State Planning Policy;
- seven objectives to achieve the vision;
- five directions with strategies to provide a strategic basis for future decisions on employment land and to update planning policy and controls in the Port Phillip Planning Scheme.

2.7 Public engagement on the draft SEEF is proposed to occur for 4 weeks and focus on seeking feedback on the Vision, Objectives, Directions and Strategies.

2.8 Following public engagement, the SEEF would be finalised, taking into consideration the feedback received and the most recent Census data.

3. RECOMMENDATION

That Council:

3.1 Notes the report on the Draft Spatial Economic and Employment Framework

3.2 Endorses the Draft Spatial Economic and Employment Framework (attachment 1) for the purposes of public engagement

3.3 Endorses the Technical report (attachment 2) as a supporting document for draft Spatial Economic and Employment Framework for the purpose of public engagement and

3.4 Authorises the Chief Executive Officer (or delegate) to finalise and make minor changes that do not materially alter the Draft Spatial Economic and Employment Framework (attachment 1) for the purposes of enabling public engagement.

4. KEY POINTS/ISSUES

4.1 The City of Port Phillip is home to a substantial business and employment base which capitalise on its proximity to the CBD and Port Phillip Bay. Its economic and employment role has evolved from early industrial and seaside resort functions towards professional services as part of an expanded central city, and the specialisations of tourism and creative industries. The importance of the traditional shopping strips has endured.

4.2 Council has a role in facilitating business and employment through creating an environment conducive to economic activity and investment. Land use planning is one of the key tools available to Council to direct, facilitate and optimise economic activity. It shapes employment and economic activity through a combination of policy and controls that influence the type, intensity, and combination of uses that are permissible on land.

4.3 The draft Spatial Economic and Employment Framework (SEEF) focuses on the relationship between land use planning and economic activity. It allows Council to understand and realise Port Phillip's economic and employment opportunities and provides a strategic basis for future decisions on employment and updates to planning policy and controls in the Port Phillip Planning Scheme.



- 4.4 The preparation of the SEEF has involved economic research and analysis that considered the planning policy framework, strategic context and economic and employment profile and trends. It also includes employment projections alongside an assessment of development capacity across zones capable for accommodating employment activity.
- 4.5 It meets planning policy in the Port Phillip Planning Scheme, implements state planning strategies (Plan Melbourne, Draft Inner Metro Framework Plan and Melbourne Industrial and Commercial Land Use Plan), and recognises the Fishermans Bend Framework. It also promotes three key concepts for employment, namely an expanded central city, enterprise precincts and 20-minute neighbourhoods. Fishermans Bend, South Melbourne and the St Kilda Road Precinct are recognised as being of state significance whilst all other employment precincts and activity centres are identified as being regionally or locally significant.
- 4.6 Key trends influencing economic change and opportunity include: the focus on advanced manufacturing for Fishermans Bend; changes in the retail sector and the need for greater diversification of land uses in activity centres that are historically reliant on traditional retail trade; the need for space to be made available for new businesses across a range of sectors and employment land type, to recover from the COVID pandemic; and an ageing population increasing demand on health related activities.
- 4.7 Spatial drivers of change to the municipality's economy include: the city fringe – rather than the CBD - becoming an attractive alternate office location for many businesses; investment in public transport (Anzac Station), health and education precinct (the Alfred) and Melbourne's Arts Precinct; the gradual spatial shift west of the CBD creating opportunities for Port Melbourne and South Melbourne; and the employment catalysts in Fishermans Bend – University of Melbourne and the National Economic and Innovation Cluster. Port Phillip's waterfront assets and precincts (Station Pier, St Kilda Triangle and foreshore, and St Kilda Marina) also present economic opportunities for the local areas, Port Phillip, and Melbourne's visitor economy.
- 4.8 Employment in the City of Port Phillip is projected to increase by 30,000 to 50,000 jobs over the next 20 years, with the greatest employment growth projected to occur in the industries of Professional, Scientific and Technical Services, Education and Training and Health Care and Social Assist.
- 4.9 Despite having more than 400 hectares of land in zones which promote business and economic activity, less than 24 hectares is reserved solely for employment purposes. This results in a risk that current employment space is displaced by residential land use over time.
- 4.10 The SEEF sets out vision, objectives and series of directions and strategies to support economic growth and vitality over the coming years.
- 4.11 The vision for Port Phillip's employment land has been developed to facilitate economic prosperity at the local and state levels and support the delivery of the community vision.
- 4.12 The objectives are:
- To accommodate employment growth in locations of advantage due to existing clusters, infrastructure, and place characteristics.



- To manage transition of former industrial areas strategically and proactively – particularly Fishermans Bend – so that economic opportunities are maximised and consider local specialisations and opportunities.
- To ensure that residential land use complements, rather than displaces, economic activity and employment.
- To support the recovery, resilience, and growth of specialised sectors with links to creative identity, innovation and specialization.
- To create amenity rich places and precincts that attracts and retains a talented professional workforce.
- To promote opportunities for business and employment growth aligned with health and education institutions.
- To promote the availability of a range of retail, service and employment types in activity centres and villages.

4.13 Five directions have been developed to achieve the vision and objectives:

1. **Accommodate and optimise an expanded Central City:** Employment land in the northern parts of the municipality - St Kilda Road, Fishermans Bend as well as South Melbourne have an important role to play in accommodating demand for employment which has previously been attracted to the CBD and adjacent areas.
2. **Support areas of specialisation and innovation:** Many of Port Phillip's specialisations are linked to creative pursuits and innovation, attributes which are embedded in the cultural identity of the community. Spatially, key areas of specialisation and innovation have been identified in South Melbourne and St Kilda. Both locations are experiencing challenging economic conditions, which if not addressed, could erode the accumulated economic and social value of these activity clusters.
3. **Position precincts to reflect changing work practices and attract talent:** Business attraction and retention depends to a great extent on the ability to attract and retain talent in the context of strong competition from other city fringe locations and changing workplace and precinct amenity expectations.
4. **Strengthen and diversify activity centres and key villages:** Port Phillip has a network of thriving activity centres and villages that provide goods and services to residents across the municipality, often in high amenity settings.
5. **Align housing and employment policy:** In the context of an inner metropolitan location such as Port Phillip with substantial areas of flexible zoning, it is critical that economic and planning policies and strategies are aligned.

5. CONSULTATION AND STAKEHOLDERS

- 5.1 Preparation of the draft SEEF has included targeted consultation with businesses, real estate and government representatives, representatives in the creative sector and Council's Business Advisory Committee. The findings are embedded in the technical report at Attachment 2 to this report.



5.2 Consultation included the following methods.

- A survey of all registered businesses in the municipality to understand the 'health' of the business sector. A total of 190 responses were received.
- Written and verbal input from the Port Phillip Business Advisory Group (BAG), comprised of representatives of trader groups, real estate, commercial property owners, sustainability, arts and culture, social enterprise and accessibility, hospitality and tourist.
- A focus group of selected representatives of the arts and cultural sector, primarily music, theatre, film and dance.
- Workshop with representatives of the Victorian Department of Jobs, Precincts and Regions.
- Direct interview with selected business owners and real estate agents.

5.3 Public engagement on the draft SEEF is proposed for 4 weeks (June/July 2023) and focus on seeking feedback on the Vision, Objectives, Directions and Strategies.

5.4 The engagement would continue conversations with those groups consulted in the preparation of the draft SEEF, as well as:

- Introduce the project to the wider community and inform them about why the SEEF has been prepared; and
- Create opportunities for community/stakeholders to share their thoughts on the vision, objectives, directions and strategies.

6. LEGAL AND RISK IMPLICATIONS

6.1 There is no anticipated legal risk with endorsing the draft SEEF and supporting technical report for public engagement. Engagement is a non-statutory process considered valuable to inform the vision, objectives, directions and strategies in the final SEEF.

7. FINANCIAL IMPACT

7.1 Engagement on the draft SEEF and supporting technical report is within the allocated budget.

8. ENVIRONMENTAL IMPACT

8.1 The SEEF has a vision which seeks to have local employment land that *will meet the needs of residents and provide opportunities for employment close to home, responding to the need for sustainable, resilient and liveable communities.*

9. COMMUNITY IMPACT

9.1 Public engagement will allow stakeholders to share their thoughts on the vision, objectives, directions and strategies to help shape economic and employment activity across the municipality over the next 20 years.

10. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY

10.1 The draft SEEF responds to and aligns with, the community vision and following Strategic Directions in the Council Plan 2021-23.

- Liveable: A City that is a great place to live, where our community has access to high quality public spaces, development and growth are well-managed, and it is safer and easy to connect and travel within.



- Sustainable: A City that has a sustainable future, where our environmentally aware and active community benefits from living in a bayside city that is greener, cooler, cleaner and climate resilient.
- Vibrant: A City that has a flourishing economy, where our community and local businesses thrive, and we maintain and enhance our reputation as one of Melbourne's cultural and creative hubs.

10.2 It also responds to the longer-term challenges identified in the Council Plan:

- A city of economic and social contrasts
- Climate change and the environment
- The strength and diversity of our local economy
- Future proof our growing City
- Getting wound our dense inner City

10.3 The draft SEEF aligns with Creative and Prosperous City 2023-26, which provides a series of outcomes and actions to support economic development, particularly acknowledging the role of creative industries including through supporting key places and precincts, being a prosperous city, connecting and growing business and through focusing on the role of arts, culture, and creative industries.

10.4 It also aligns with the adopted Live Music Action Plan 2021-24 which recognises the role that live music plays in Port Phillip and uses it as a tool for social and economic recovery for local businesses.

11. IMPLEMENTATION STRATEGY

11.1 TIMELINE

11.1.1 Public engagement is programmed to commence in June 2023 and for four weeks.

12. OFFICER DIRECT OR INDIRECT INTEREST

12.1 No officers involved in the preparation of this report have any material or general interest in the matter.

ATTACHMENTS

1. Draft Spatial Economic and Employment Framework [↓](#)
2. Technical Report [↓](#)