Maribyrnong Economic and Industrial Development Strategy

Part 1 - Economic Development Strategy

Maribyrnong City Council

October 2011

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1. Introduction

This document presents an Economic Development Strategy (EDS) for the City of Maribyrnong and is Part One of the Maribyrnong Economic and Industrial Development Strategy (MEIDS).

Part Two is the Industrial Land Strategy (ILS) and provides for the categorisation of industrial land, core strategic directives, actions and implementation plans and precinct analysis and strategy.

This EDS provides the context, issues, opportunities, core strategies and directives for action in achieving Maribyrnong's future economic vision.

Supporting research & analysis is contained within the Appendices which details all key research and analysis and consultation undertaken to inform the development of the Strategy.

1.1 History of Maribyrnong

The extensive industrial development of Maribyrnong is in large part a legacy of the west's grazing past. Low rainfall rendered intensive agriculture impractical, while its extensive grasslands were attractive to graziers who required large holdings. Livestock and wool processing activities emerged along the banks of the Maribyrnong River to process the graziers' product. The Kensington stockyards were located directly across the river and Maribyrnong formed part of the stock route. The settlement's first industry was a boiling down works.

Early industry was closely associated with and served by the shipping and primary industry. William Angliss operated a slaughter house and freezing works for mutton and lamb export. At the start of the twentieth century the region was a principal producer of canned meats for the British Empire (Ratio 2007). Other plants included woollen mills, the former Geo Kinnear rope works on Ballarat Road and the CSR plant in Yarraville, which dates back to at least 1887.

The municipality's comparatively sparse settlement, large lots and established workforce (based in and around Footscray) suited the requirements of manufacturers and defence industries establishing in the first half of the twentieth century. Parts of the suburbs of Maribyrnong and Maidstone were dominated by heavy industry, quarries and Commonwealth uses, notably the explosives and ordnance factories developed as defence infrastructure for both World Wars. The explosive nature of the industry required dispersed plant on safety grounds. Following the Second World War the Commonwealth Government established the Maribyrnong Migrant Hostel on Hampstead Road.

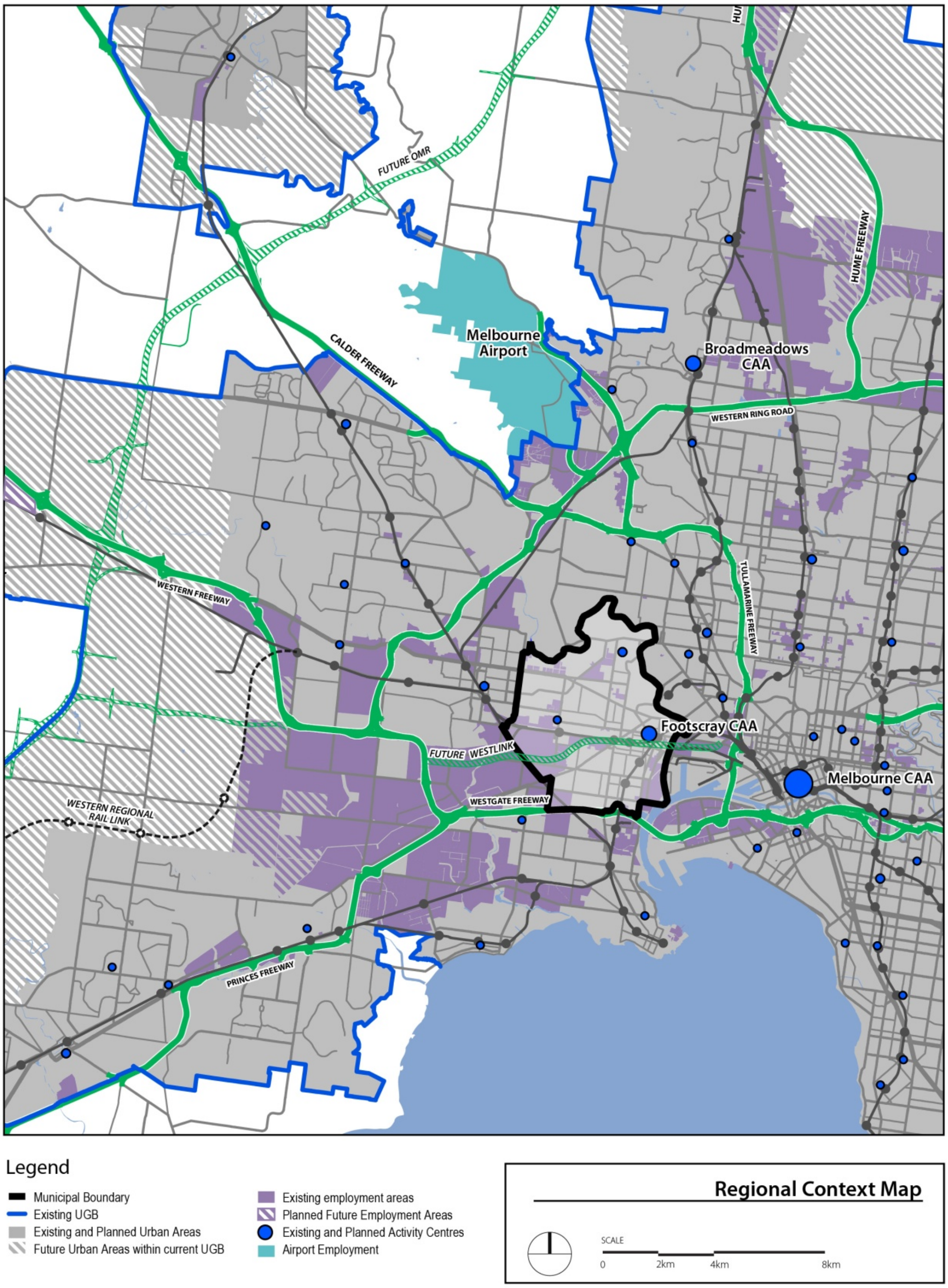
As recently as 1990, the Commonwealth and its agencies held about 360 hectares of land (or 11.5% of the municipality) (Maribyrnong City Council, 1999). This large employment base, comprising some 20,000 jobs, in turn attracted a significant population to the area, resulting in population increases and establishing the land-use geography of the City.

The location of the former Maribyrnong Migrant Hostel and the combination of affordable housing (especially rental) lead to substantial permanent settler overseas migration to the City following the Second World War. This process was also aided by plentiful stock of public housing in Braybrook and Maidstone constructed during the 1950s and 1960s.

Australian manufacturing began to decline from the mid-1970s onwards as a result of a sharp increases in labour costs, an over-valued exchange rate, the cumulative effect of the failure to match the productivity gains achieved by manufacturers in other countries, and an abrupt 25% across the board reduction in tariffs introduced in 1973 (Eslake, 2007).

The opening of the West Gate Bridge in 1978 and Western Ring Road spurred a wave of logistics-based industry on greenfield sites to the west of the municipality and led to the development of the Western Industrial Node (Laverton-North through Sunshine West, Deer Park to Derrimut).

Figure 1.1: Map of the City of Maribyrnong, Regional Context



Source: Tract

From the mid-1980s, government policies towards the manufacturing industry began to change. Quotas were replaced by tariffs, and tariffs were gradually reduced: the average rate of protection for Australian manufacturing fell from 25% in the early 1980s to 5% by 2000. Structural adjustment plans were implemented for most industries, including clothing, although most of these formal arrangements were discontinued in the 1990s. National employment in manufacturing fell from 1.4 million to 1.1 million between 1971-2 and 1991-92. At the same time employment in non-manufacturing industries increased by 2.5 million (James, 1993). Manufacturing employment was also impacted by a severe recession in the early 1990s.

Much of the municipality's former Commonwealth defence land was cleared and remediated in the 1990s, becoming available for other, predominantly residential uses. The Edgewater and Waterford Green housing estates and Central West Business Park and Shopping Centre were all developed on former defence holdings. The Maribyrnong Defence Site (MDS), on the north side of Cordite Avenue and Raleigh Road is ear marked for a major medium density residential development lead by VicUrban.

The comparative affordability of dwellings within Maribyrnong and its inner city location close to Melbourne CBD has attracted new residents from other parts of the metropolitan area, especially the Cities of Melbourne, Yarra, Port Phillip and the southern parts of Moonee Valley. The expansion of the Victoria University Footscray campus and availability of affordable rental accommodation has served to attract an influx of resident tertiary students from locally and abroad.

A noteworthy feature of Maribyrnong's population is the diversity of its composition. The City has one of the most ethnically diverse in the state and has historically been dominated by a 'blue collar' occupational profile, although this has in recent years been lessened by gentrification.

Until the 1940s the population of the Footscray area was overwhelmingly Australian born or from the British Isles. Following the Second World War waves of migrants and refugees arrived from Europe and the Americas and by 1966 almost one-third of the population was overseas born, mostly from Italy, Greece, Malta, Poland, the former Republic of Yugoslavia, and Germany. By the 1980s the area was a major location for the settlement of migrants and refugees, particularly from Indo-China, the Middle East and Central and South America. Recent arrivals include people from the Horn of Africa and India.

The City of Maribyrnong is undergoing a period of significant change. Residential properties are increasingly sought after, contributing to gentrification and increasing housing prices in suburbs such as Yarraville, Seddon, Footscray and Maidstone. At the same time, a number of large redevelopment opportunities have emerged from changes in land use as result of the restructuring of manufacturing industries and the almost wholesale relocation of the Commonwealth defence industries that once provided many thousands of jobs in the area.

Understanding this rich history and appreciating the current transition and changing nature of Maribyrnong must be a cornerstone for future economic development.

1.2 Economic Vision

The vision for the future of Maribyrnong's economy was carefully formulated after considerable consultation with local business, Council, State Government and other stakeholders.

Economic Vision

"The City of Maribyrnong is a leader in urban economic transition and renewal, embracing its traditional industrial past whilst delivering vibrant and successful urban places and meaningful employment"

Achieving The Vision...

The City of Maribyrnong becomes a diverse, vibrant and proud city, boasting one of Australia's most dynamic urban experiences. A leader in urban economic development and renewal, the City provides an incredibly varied economic landscape, including the region's most prominent healthcare facility (Western General Hospital), one the State's most engaged universities (Victoria University), home ground to the Western Bulldogs as well as modern industrial precincts that continue to generate important jobs. Footscray has become a major hub of economic, social and community activities and is known for its safety, artsy and edgy feel as well as its multicultural dimensions. Its urban villages are characterised by significant residential amenity and period charm as well as providing local shopping and employment opportunities.

Businesses in the City are engaged and linked, building on each other's strengths and challenging each other to improve and innovate. Many national and international companies are proud to call Maribyrnong home and the local community embraces entrepreneurship, delivering many successful and innovative companies. The growth of the City's major infrastructure is well planned and has significantly contributed to the economic success of the area, providing key linkages to the Port, CBD and beyond as well as respecting residential areas. The City has successfully transitioned from its industrial past to become a modern and diversified economy. During this transition, the City was able to uplift some the more disadvantaged communities and assist these residents to re-engage successfully in the local economy.

The Maribyrnong Economic Development Strategy emulates The Vision and aims to deliver real year-on-year economic and planning outcomes to support Maribyrnong's goal of becoming a leader in urban economic transition and renewal.

1.3 The Objective

Given the changing social and economic nature of Maribyrnong and the external influences acting upon it, Maribyrnong City Council (MCC) and the Victorian Department of Planning and Community Development (DPCD) have formed a partnership to jointly develop the Maribyrnong Economic and Industrial Development Strategy (MEIDS) to guide future sustainable economic development and the role and land uses of the key industrial and commercial precincts.

The objectives of the MEIDS project are to:

- Recommend strategies that assist to ensure the City's long term economic health;
- Assist local business, industry and Council in making investment decisions;
- Ensure opportunities for local employment are identified and acted upon;
- Ensure enough land is available for economic development in the context of pressures for residential development;
- Promote continued economic development in the City of Maribyrnong;
- Identify a strategic land use framework for industrial land that is complementary to existing regional and state level industrial land use policies and strategies;
- Identify core industrial land that must be retained for current and future use including land for alternative uses e.g., residential;
- Determine the future strategic direction for industrial and semi-industrial/commercial land throughout City of Maribyrnong; and
- Provide guidance on sensitive land use surrounding industrial and semi-industrial/commercial land, and land for major redevelopment opportunities.

This report presents the EDS component of the MEIDS. The EDS seeks to support the achievement of the above objectives by outlining strategies to maintain a sustainable economic future. Specifically the EDS includes:

- The international, regional, and municipal context;
- Identification of Maribyrnong's key issues;
- Maribyrnong's key economic drivers and competitive advantages;
- The core economic development activities to assist with Maribyrnong's change;
- Recommendations on key existing and future infrastructure requirements that may assist business development; and
- An implementation plan delivery of the EDS identifies resources required, potential partners and timelines for delivery of the identified activities.

1.4 The Planning & Policy Context

MEIDS and the future economic development of Maribyrnong are formed in the context of a variety of existing National, State, Regional and local policies and planning documents. A brief overview of these policies is outlined in **Appendix D**. Where possible, and appropriate, MEIDS should align with current policies and planning in and surrounding Maribyrnong.

2. The Issues

Maribyrnong is currently going through a period of transition, growth and change. As a complex economy within the inner ring of Melbourne, this period of change brings with it a number of issues for residents, businesses, investors, planners and economic policy makers. This Section details the key issues, supporting evidence and identifies a response for each identified issue.

A complete compendium of contextual information and statistics of the City of Maribyrnong can be found in **Appendix A**.

2.1 Managing Population Growth

The Issue:

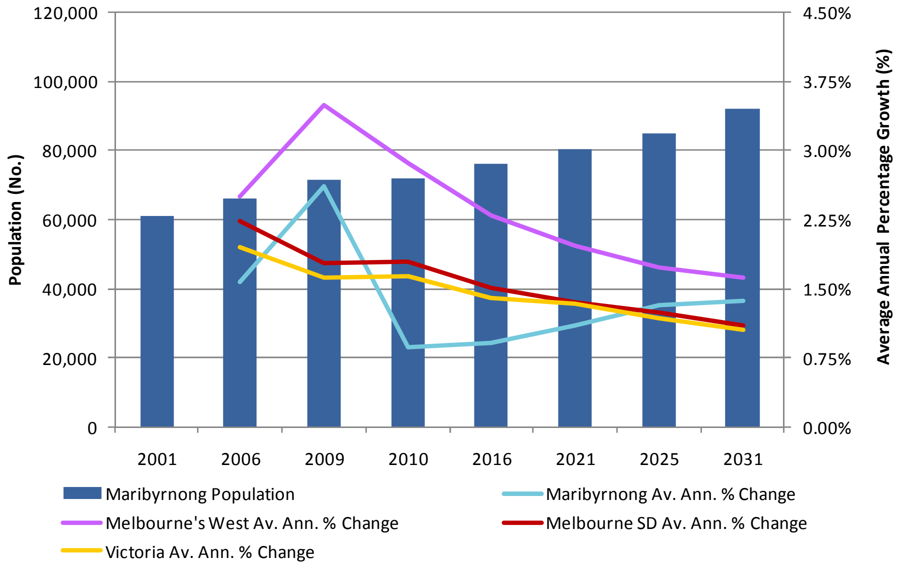
Maribyrnong is expected to experience significant population growth over the next 20 years. Managing this growth will become a critical issue for Maribyrnong, particularly for providing suitable housing to support existing and future residents, whilst maintaining balance with Maribyrnong's more traditional employment activities.

The Evidence:

Maribyrnong had an estimated resident population of 71,921 at 30 June 2009. In the eight years since 2001 the municipality's population has grown by a robust average 2.0% per annum, which compares favourably with Metropolitan Melbourne's 1.8% growth and represents a marked change from the previous period (1996-2001), when it averaged a negligible 0.2% per annum.

This recent growth has significantly exceeded earlier forecasts by the Victorian Government, contained in the *Victoria in Future* (2008). However, the City of Maribyrnong's recent growth lags Melbourne's West[1] (2.9%), where large scale greenfield residential estates in Melton (Caroline Springs) and Wyndham (Point Cook and Wyndham Vale) have developed and will continue to grow.

Figure 2.1: Maribyrnong Historic & Projected Population, 2001-2031



Sources: AEC*group*, ABS (2010a), Id (2010), Department of Planning and Community Development (2009)

[1] Melbourne's West encompasses the municipalities of Brimbank, Hobson's Bay, Maribyrnong, Melton, Moonee Valley and Wyndham.

Looking forward, there is an expectation that Maribyrnong will continue to experience population growth of 1.0% per annum to 80,464 persons by 2021, behind the growth expectations for Melbourne's West (2.2% p.a.) and Metro Melbourne (1.3% p.a.) for the period. However, average household size will continue to decrease in Maribyrnong, resulting in above average household growth (2.1% p.a.) compared to neighbouring Melbourne's West (1.9% p.a.) and Metro Melbourne expectations (1.5% p.a.). The result is the expectation for an additional 9,604 households to reside in Maribyrnong by 2021 (an average of 960 per annum).

These trends will influence future residential design and construction by creating demand for denser, multi-unit developments, providing a more compact, urban experience, compared to the traditional single family detached home and garden. Future investments in residential property will change the residential landscape but provide for an increase in population, stimulating local spending and consumption, providing economic growth.

Recent residential growth in the City has been accommodated by new housing estates on former brownfield sites (i.e. Edgewater estate, Waterford Green) as well as in Maidstone and new apartment developments around Footscray. Future population growth will be dependent on a number of exogenous and internal variables, including broader metropolitan and national growth dynamics, the timing and release of further residential infill development sites, the density of that development, demand for student accommodation and the pricing of residential product relative to its competitive alternatives.

Table 2.1: Historic & Projected Population, 2001-2031

	Historical Population				Projected Population			
Region	2001	2006	2009	2010	2021	2031	Annual Change 2001-09	Forecast Change 2009-21
Number of Persons								
Maribyrnong	61,226	66,183	71,523	72,139	80,464	92,000	2.0%	1.0%
Melbourne's West	558,253	631,482	700,046	720,108	909,962	1,073,443	2.9%	2.2%
Metro Melbourne[(a)]	3,472,207	3,744,373	3,947,730	4,018,335	4,704,719	5,278,149	1.8%	1.3%
Number of Households								
Maribyrnong	23,192	27,209	28,983	27,763	37,367	46,398	2.8%	2.1%
Melbourne's West	191,044	217,799	242,587	243,669	304,824	384,242	3.0%	1.9%
Metro Melbourne	1,260,990	1,464,644	1,575,723	1,587,660	1,882,661	2,196,296	2.8%	1.5%
Average Household Size								
Maribyrnong	2.6	2.4	2.5	2.5	2.3	2.3	-0.8%	-0.5%
Melbourne's West	2.9	2.9	2.9	2.9	2.8	2.8	-0.1%	-0.1%
Metro Melbourne[(a)]	2.8	2.6	2.6	2.6	2.5	2.4	-1.0%	-0.3%

Notes (a) Melbourne Statistical Division
Source: AEC*group,* ABS (2010a), Id (2010), Department of Planning and Community Development (2009)

While population growth certainly translates to economic growth in terms of increased spending, consumption and demand for new construction, there are also numerous challenges from increasing population. In an urban and built environment such as Maribyrnong, the challenge to accommodate the increase in dwellings in a predominantly built out environment often translates to demand for redevelopment and/or dense residential developments, which are not the traditional residential form. Equally, ensuring that there are local employment opportunities for new residents will assist in creating a more sustainable community through decreases in transport requirements, green house gas emissions and increased wellbeing through less commuting time.

The future challenge for Maribyrnong will be to accommodate for population and household growth through proactive and innovative planning whilst maintaining a high level of economic activity through investment in key employment activity areas.

The Response:

Planning can have a strong influence over future development. Lot sizes, land use, infrastructure, access, parking requirements and urban design standards can influence how these future developments are delivered. However, planning must also consider market realities for future developments and ensure that planning tools designed to influence future built form are not restrictive to the point of discouraging development.

Management of population growth areas will require firm planning principles to ensure that Maribyrnong does not transition to become a solely residential area (or dormitory suburb) but rather embraces a mixed-use and urbanisation perspective which supports and revitalises Maribyrnong's existing employment and economic activity strengths.

2.2 Concentrations Low Socio-Demographic and High Disadvantage

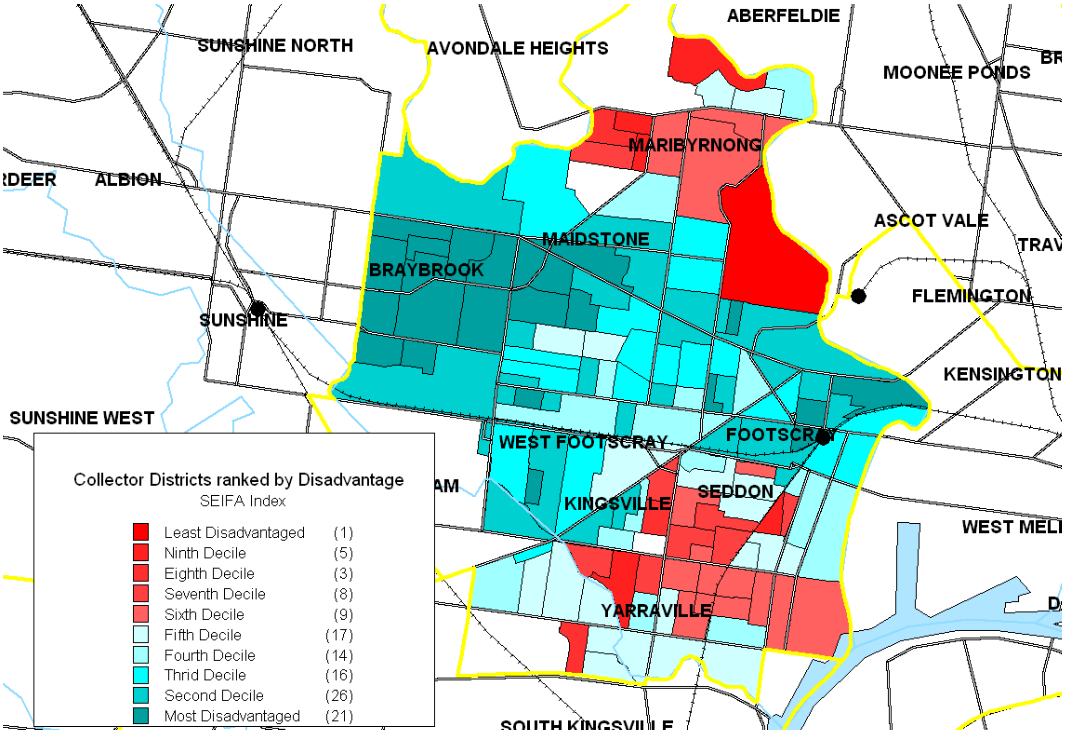
The Issue:

Maribyrnong has pockets of disadvantage evidenced by high levels of unemployment, low income earning and low skilled residents.

The Evidence:

The Socio-Economic Indexes for Areas (SEIFA), which is prepared by the ABS from Census data, supports the understanding of the City as a combination of areas of affluence and areas of significant disadvantage (Figure 2.2). SEIFA scores provide a broad understanding of the welfare of a region and are based on a variety of economic and social data, including income, education, employment and skills.

Figure 2.2: SEIFA Index, City of Maribyrnong, 2006

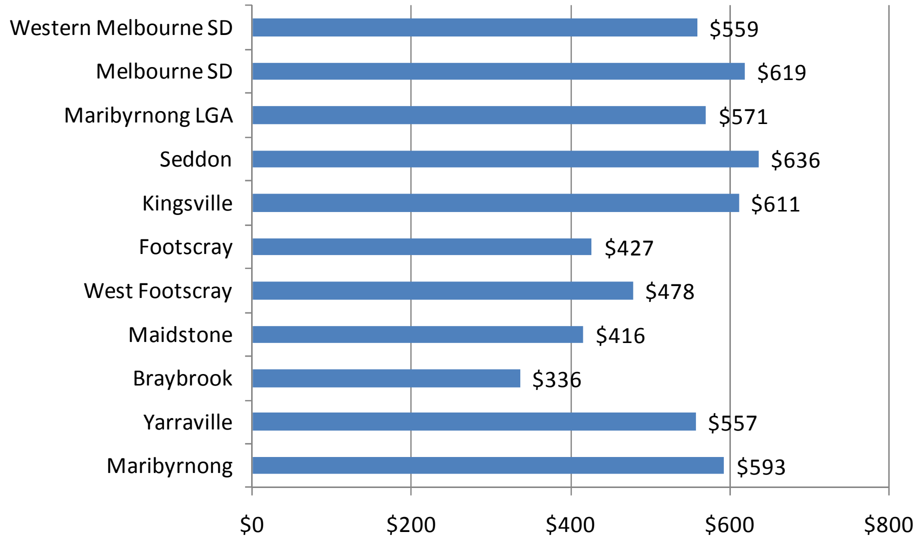


Note: Map developed at the collection district level.
Source: AEC*group*, ABS (2007)

Those in areas of disadvantage identified above generally suffer from low education levels, which lead to a lack of skills. The lack of skills and other factors generate significant challenges for residents in terms of accessing employment, which contributes to consistently high levels of unemployment and low income. Areas of Braybrook, Footscray and Maidstone all show the highest concentration of disadvantage compared to

Seddon, Maribyrnong and Yarraville which have the least disadvantage. Figure 2.3 and Figure 2.4 further highlight the disparity in social prosperity by plotting individual incomes of Maribyrnong's residents.

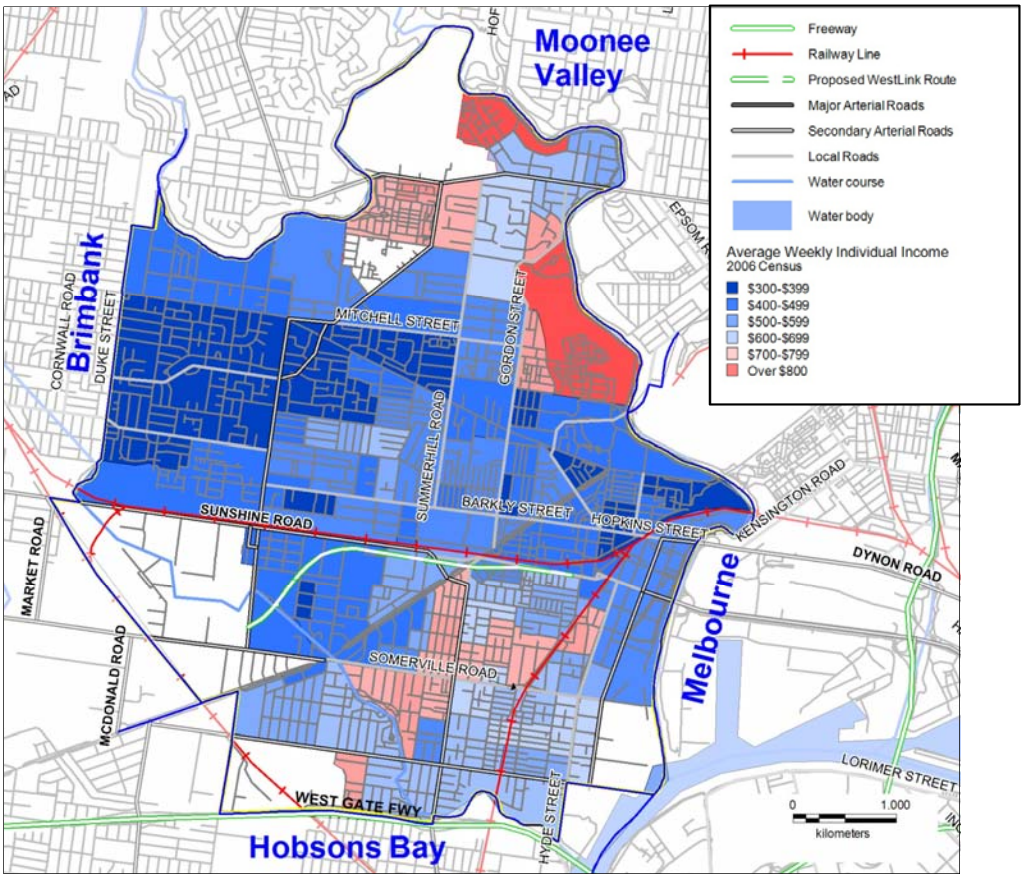
Figure 2.3: Median Individual Income, $ per week, 2006



Note: data not available for Tottenham.
Source: ABS (2007)

The disparity between the wealth amongst residents can generate a divide that forms social and community barriers, often causing tensions amongst residents. A key goal of economic development is to increase the standard of living for all residents.

Figure 2.4: Individual Income, City of Maribyrnong, 2006



Note: Map developed at the collection district level
Source: AEC*group,* ABS (2007)

The Response:

Through economic development, Council can generate local jobs that can provide entry level or relatively lower skilled positions, which can provide opportunities for disadvantaged residents. Through various training programs, residents can gain essential skills required for future employment.

However, economic development is not a panacea and further specialised help will likely be required in the region to combat these social problems. In order to effectively deal with these entrenched issues, specialised long-term strategies are needed. Often these efforts require partnerships with State and Federal Governments.

2.3 Gentrification of Selected Areas

The Issue:

Selected areas within the City of Maribyrnong, such as Yarraville and Seddon, have undergone gentrification and re-urbanisation over the past five years. While there are many benefits from this occurrence (both social and economic) there are many issues attached to ongoing gentrification of the City including affordability of housing and dislocation of the more disadvantaged households that currently reside within the catchment.

Over the past five years, areas like Seddon and Yarraville have undergone significant urban renewal and gentrification which has resulted in these areas becoming very affluent, while others continue to struggle. As urban renewal and residential development continues in Maribyrnong, the suburbs that receive this investment are likely to see income levels rise. This is due to the changing characteristics of new residents moving to region which is likely to attract highly skilled workers into the region who are likely travelling into the CBD everyday for work. As these trends continue, it would be expected that the divide between skilled and unskilled workers in the community would grow, as more CBD based professionals are attracted to the redeveloped areas of Maribyrnong that provide unique housing, amenity and proximity to the CBD.

As a result of increasing gentrification, residential property values will rise and provide some residents with the opportunity to sell their houses for a premium and relocate to another area. At the same time, rising property values can cause an affordability issue for low income earning residents. These residents may also seek to relocate to a more affordable area. At present, many of the disadvantaged areas in Maribyrnong have a strong proportion of public housing, which is likely to remain. The general trend of gentrification, rising property values and relocation of residents is typical of that type of urban change occurring in Maribyrnong. As the population continues to increase, the demographic makeup of the area will also continue to change.

Response:

While demographic change is inevitable, it is important that risks of future disparity between social groups are mitigated to ensure future community cohesion. It will be crucial for economic development activities to focus on providing jobs that lower skilled and disadvantaged residents can fill. At the same time, providing support to low-skilled residents to gain training and skills will assist them in attaining employment. Getting the balance right between affordable housing and higher residential property values will also be important to promote community cohesion.

2.4 Declines in Industrial & Manufacturing Activity

The Issue:

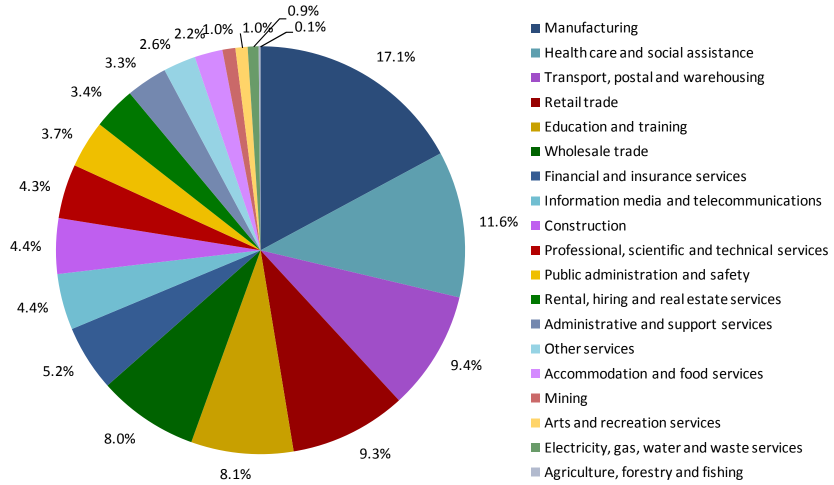
Manufacturing is Maribyrnong's largest sector (in terms of GRP) and employment in manufacturing has stabalised over the past few years. This has significant economic implications for this industrial based economy.

The Evidence:

Manufacturing is Maribyrnong's leading sector comprising 17.1% of the City's industry contribution to Gross Regional Product in 2009-10. Currently, the manufacturing industry in Maribyrnong has many large, well-known companies across a wide range of industries, including:

- Olex (power cable manufacturing in Tottenham);
- Wattyl (paint manufacturing in West Footscray);
- CSR (building materials manufacturer in Yarraville), ;
- Peerless Holdings (margarine manufacturing in Braybrook);
- Pampas (frozen pastry food, West Footscray);
- Uncle Tobys (oats and cereals food manufacturer, West Footscray);
- Smorgon (Metal distribution, Sunshine); and
- Cargill (Grain Crushing and Offal in Yarraville).

Figure 2.5: Industry Contribution to GRP, Maribyrnong 2009-10



Note: Industry contribution to GRP excludes ownership of dwellings, taxes & subsidies and statistical discrepancy which contribute to total GRP.
Source: AEC*group*, ABS (2010b), ABS (2010c)

The Australian manufacturing sector is currently going through a period of change - a trend which can be applied to Maribyrnong. This is evidenced by the declines in the Maribyrnong manufacturing sector's GRP since 2005-06 (18.7%) to 17.1% in 2009-10. Despite these declines, manufacturing continues to be a prominent industry in the area.

Nature of Employment is Changing

Over the last few decades, the character of employment in Australia and Maribyrnong has been transitioning from an economy focused on production to one focused on services. This transition has seen many traditional production style jobs (including industrial, agricultural and resource related) disappear in the face of technological advances or competition from lower cost producers from overseas. At the same time, the proportion of service sector jobs in the economy has been steadily increasing, representing demand for a wide array of services. Many residential services, such as retail, personal services, health and education, have grown as the population has increased. Other, more knowledge intensive services, such as information, communication, business and financial sectors, have also increased. The advent of the internet and the rise of information and communications technology has spurred on the growth of these sectors further.

As this transition continues, challenges and opportunities will be created across numerous sectors of the economy. For manufacturing, businesses must adapt to these changing conditions and the prospects for many high value-adding, knowledge intensive manufacturing sectors is good. While manufacturing overall may continue to lose employment, the nature of manufacturing employment is changing in line with the industry, increasing in skills, knowledge and innovation.

For Maribyrnong, these on-going structural economic changes are likely to produce a continued overall decline in manufacturing employment but also a chance to maintain some manufacturing processes, namely in the food and beverage, publishing and other niche manufacturing sectors that require proximity to the Port of Melbourne.

Despite these changes, Maribyrnong's manufacturing sector continues to increase its output in selected sub-sectors such as food and beverage, machinery and equipment and textile, clothing and footwear manufacturing.

It should be acknowledged that while the region is going through a period of transition, there are many locational aspects where Maribyrnong has a competitive advantage in attracting business investors with the proximity to the Port of Melbourne being high on the list.

However, further consultation with local industry has revealed that while manufacturing companies enjoy the benefits and advantages that Maribyrnong can offer, many of these same companies indicated that if the need to expand arose, they would more than likely consider leaving the municipality due to larger, more unencumbered land, less residential interface issues, lower land costs, less traffic congestion and greater amenity. This highlights an immediate need for Maribyrnong to revitalise its existing industrial lands to be able to cater for the changing needs of manufacturers in the region.

The Response:

Despite declines in the existing manufacturing base of the Maribyrnong economy, manufacturing remains a leading and important sector. Relocation of manufacturing businesses out of Maribyrnong has been driven by both external macro economic factors and internal factors. While the external influencing factors cannot be mitigated, it is important that local planning recognise the changing nature of manufacturing in Australia at present and competitive factors and requirements to promote investment in the City.

2.5 Growth of the Port of Melbourne

The Issue:

Rapid growth of the Port of Melbourne has resulted in an abundance of container movements and heavy vehicle traffic flows through the streets of Maribyrnong. Traffic flows and container flows to and from the Port of Melbourne is unlikely to lessen in the future with a requirement for a strategy to be developed for Maribyrnong to ease the region's traffic congestion.

The Evidence:

The Port of Melbourne is the largest container port in the country and provides strategic infrastructure for the sector within the City.

Table: Port of Melbourne Annual Throughput, 2003-04 to 2009-10

Port of Melbourne	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Ship Visits	-	-	3,542	3,524	3,580	3,423	3,175
Revenue Tonnes	59.5	64.4	64.22	70.9	75.7	71.4	75.4
Twenty-Foot Equivalent Units (shipping containers)	1.72	1.91	1.93	2	2.256	2.16	2.24

Source: Port of Melbourne (2011)

The Port of Melbourne remains important to the manufacturing industry in Maribyrnong with many transport oriented companies as well as manufacturers in very niche segments (which can and need to utilise available Port facilities) interested in the City as a location. Consultation with key stakeholders identified that the Port of Melbourne featured high on many companies lists as a key advantage for Maribyrnong (due to the proximity). In fact, further investigations by Jones Lang LaSalle into the current property market indicate that the only interest in Maribyrnong for industrial purposes is for logistics operations and very niche manufacturing operations that require direct access to Port facilities.

With future growth of the Port, the logistics sector in Maribyrnong is expected to continue to grow, as is the local traffic volumes associated with Port activity and local logistics industry activity.

The logistics sector has a relatively high economic contribution to the economy and can continue to provide valuable growth opportunities in the future. Road transport is the dominant sub-sector, indicating the strong road-based connection with the Port of Melbourne, large existing logistics operators and other firms importing or exporting goods through the Port. With the future anticipated growth of the port, there will be an increasing need for larger logistics providers to have transport depots and operations with proximity to the port, which will naturally result in increased traffic volumes, particularly heavy vehicles.

Areas where residential and industrial lands are in great proximity to one another are forcing trucks to use residential streets and causing conflict with passenger cars. Increasing levels of truck traffic through Maribyrnong in relation to port activities is applying additional pressure to the situation. The Victorian Government has responded with various infrastructure projects and transport plans, such as the planned Westlink and the planned Truck Action Plan.

In the future, traffic congestion and additional truck traffic will be major issues. The growth of the logistics sector in the future will impact on current container storage, as this land likely has a higher utilisation and economic contribution to make. Additionally, distribution centres are becoming larger, which requires a larger footprint of land. For Maribyrnong, future opportunities may revolve around providing unique transport services and other operations that will require great proximity to the Port of Melbourne. **These future opportunities will require solutions to current congestion and truck traffic.**

The Response:

The solutions for traffic flows within Maribyrnong are closely linked with land planning solutions. Better land planning for separation of residential lands and industry will coincide with the subsequent planning requirements for transport corridors and local traffic flow. Potential development of the Port of Hastings to relieve growth in demand at the Port of Melbourne will also assist in managing the growth of heavy vehicle transport that currently flows through the City of Maribyrnong to and from the Port of Melbourne.

2.6 Industrial Property Trends

The Issue:

Maribyrnong has traditionally featured as a major industrial area with a large volume of older and heavy industrial activities occurring across the City. Maribyrnong today has very little suitable greenfield areas for industrial development and a large proportion of its existing industrial areas are older which need to transition to modern premises.

The Evidence:

Land is a critical element to economic and population growth. In urban areas, the majority of land is already 'built up' and has existing land uses, providing limited opportunities for greenfield development but other chances for brownfield, redevelopment. While micro and macroeconomic conditions as well as a range of market and location factors normally drive and determine economic growth, land use planning can function as a tool for encouraging economic development. Land planning controls help to determine economic activity and the ability of zonings to match market conditions can generate economic growth. Often land zonings and other planning controls need to be changed to encourage development and changing land uses can often trigger investment and job creation. Providing certainty as to land zonings, design standards as well as a clear and transparent development application process can encourage private sector development.

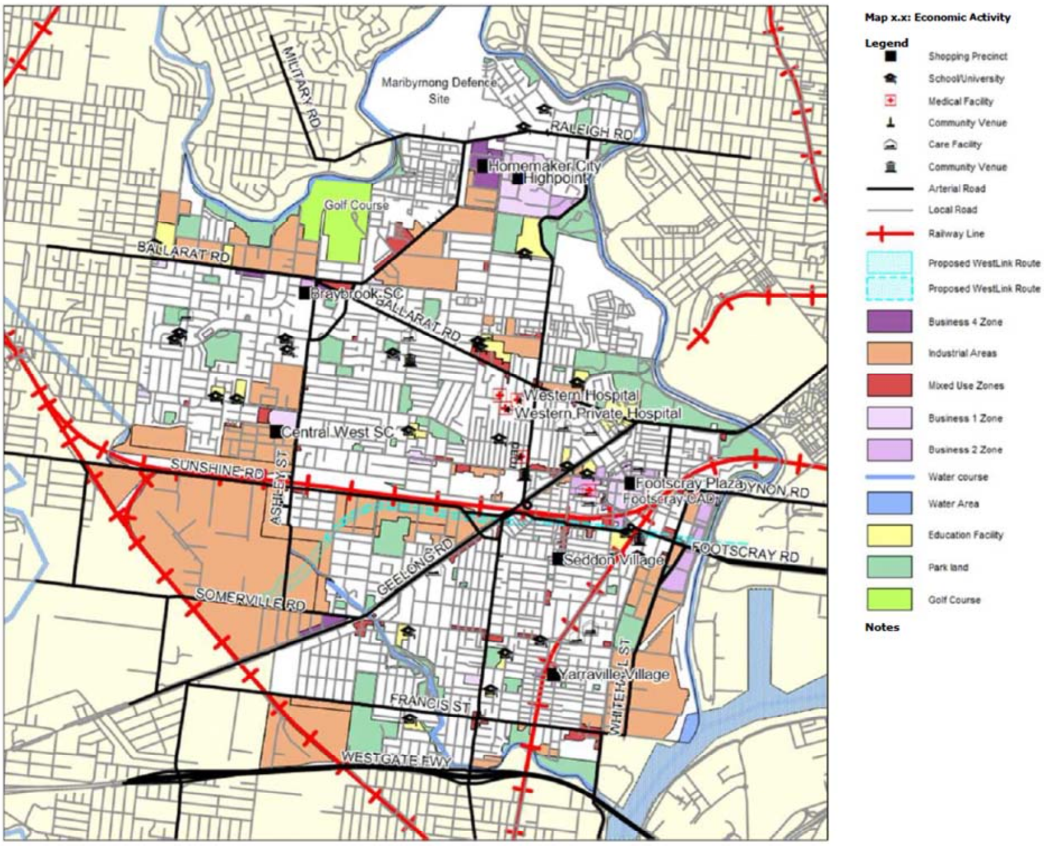
Current, land supply statistics for the City of Maribyrnong indicate that there are 532 hectares of land zoned for industrial use - 23% of existing land use areas. A further 10% are commercially zoned, and 2% zoned as mixed-use.

Table 2.2: Current Land Supply, City of Maribyrnong

Land Use / Zoning	Hectares	% of Total
Commercial	220.35	10%
Industrial	532.09	23%
Residential	1,346.45	59%
Education	50.43	2%
Public	86.77	4%
Mixed use	43.2	2%
Total	**2,279.29**	**100%**

Note: These areas exclude the Maribyrnong Defence Site which is classified as Commonwealth land.
Source: Department of Planning and Community Development (2010), City of Maribyrnong, AEC*group*

Figure 2.6: City of Maribyrnong, Land Use



Source: AEC*group*

Across metropolitan Melbourne there are approximately 23,798 gross hectares of industrial zoned land, of which 6,782.4 hectares (or 28.5%) were unimproved in 2009 (i.e. not built upon) (Department of Planning and Community Development, 2010). The City of Maribyrnong's total stock of unimproved industrial land comprised 47 lots with a modest aggregate area of 29 hectares, representing a mere 0.4% of the metropolitan total. This compares with 1,400 hectares of unimproved land in the West Industrial Node and 2,266 hectares across Melbourne's West.

Maribyrnong is outside the West Industrial node and its stock of industrial land is substantially built out. The City has 532 hectares of industrial zoned land, of which all but 5.5% was improved (i.e. built upon). This spare land capacity is dwarfed by rates of 36.8% in the West Industrial Node, 32.6% for the Western region and a metropolitan mean 28.6%. The City of Maribyrnong's undeveloped industrial land is predominantly zoned Industrial 1 which caters for specifically for manufacturing, transport and storage types of industries.

Half of the City of Maribyrnong's unimproved industrial lots (by number) had an area less than 1,000 sqm. Further industrial development within Maribyrnong is constrained by the limited availability of unimproved industrial land, relative to the comparatively plentiful supply in the West Industrial Node and Melbourne's West. Its remaining undeveloped sites tend to be small.

Maribyrnong recorded a comparatively modest consumption of industrial land between 2008 and 2009, dwarfed by take up in Wyndham, Brimbank and Hume. Between 2004 and 2008 the municipality recorded *negative* industrial land consumption averaging 3.5 hectares per annum (DPCD 2008). The majority of the Western Region's stock of vacant industrial land is located within Brimbank, Melton, Wyndham and Hobsons Bay.

Each of the above factors highlight that industrial investment and growth in Maribyrnong is severely constrained by the need o change existing industrial areas and the unavailability of substantial greenfield areas for industrial development. If future industrial and employment activities investment in Maribyrnong are to continue to be a focus, there is a need for serious planning and revitalisation of existing industrial areas.

Table 2.3: Industrial Zoned Land Stocks (Area in hectares)

	Industrial 1[2]	Industrial 2[3]	Industrial 3[4]	Business 3	Special Use	Total Industrial
Unimproved Land						
Maribyrnong City	20	0	7	2	0	29
West Industrial Node[5]	349	414	241	69	328	1,400
Melbourne's West	743	417	721	80	328	2,266
Metropolitan Melbourne	2,434	446	1,111	666	1,343	6,782
Maribyrnong as % Melb's West	2.7%	0%	1.0%	2.2%	0%	1.3%
Maribyrnong as % Metro Melbourne	0.8%	0%	0.6%	0.3%	0%	0.4%
Improved Land						
Maribyrnong City	314	0	110	79	0	503
West Industrial Node	173	1,531	161	0	542	2,407
Melbourne's West	1,744	1,533	721	90	669	4,692
Metropolitan Melbourne	8,667	1,755	1,830	1,928	2,526	16,927
Maribyrnong as % Melb's West	18.0%	0%	15.3%	86.8%	0%	10.7%
Maribyrnong as % Metro Melbourne	3.6%	0%	6.0%	4.1%	0%	3.0%
Proportion Unimproved						
Maribyrnong City	6.0%	0%	6.1%	2.2%	0%	5.5%
West Industrial Node	66.9%	21.3%	59.9%	100%	37.7%	36.8%
Melbourne's West	29.9%	21.4%	50.0%	47%	32.9%	32.6%
Metropolitan Melbourne	21.9%	20.3%	37.8%	25.7%	34.7%	28.6%

Source: Department of Planning and Community Development (2010), City of Maribyrnong, AEC*group*

The Response:

Maribyrnong must maximise efficient brownfield redevelopment for employment purposes if it is to maintain its status as an employment hub. This will require an intense planning exercise to determine key activity areas which are to be maintained as industrial areas and the proposed revitalisation of these areas to accommodate future employment. In some cases, it may also require reclassification of existing industrial areas to mixed-use, including the opportunity for retail or commercial employment. These rezoning can also assist in accommodating future residential demand but should retain a focus on job generation.

[2] The purpose of the Industrial 1 Zone (IN1Z) is to provide for manufacturing industry, the storage and distribution of goods and associated uses;

[3] The purpose of the Industrial 2 Zone (IN2Z) is to provide for heavy industry, including manufacturing, storage and distribution of goods that require a substantial buffer from more sensitive uses.

[4] The purpose of the Industrial 3 Zone (IN3Z) is to provide a buffer between heavy industrial and more sensitive uses.

[5] The West Industrial Node includes Laverton-North through Sunshine West, Deer Park to Derrimut

2.7 Conflicting Land Use Issues

The Issue:

The historical development of Maribyrnong has resulted in conflicts between residential development areas and more traditional industrial areas.

The Evidence:

Maribyrnong is approximately 2,279 ha of usable land, 59% of which is residential. Together, commercial and industrial land forms 33% of the total usable area. Maribyrnong is significantly developed, providing relatively little available land for greenfield development, compared to other Western municipalities. Greenfield industrial land for development in Maribyrnong is scarce and would be sufficient to meet just 3 months worth of West Melbourne demand.

It is this 59% residential to 33% more traditional industrial lands ratio combined with a lack of greenfield space that has resulted in major conflicting land use issues between residential and industrial lands. In fact, there are many parts of Maribyrnong where residential and industrial areas exist side-by-side, infringing upon buffer zones. The occurrence of conflicting residential and industrial land uses has many implications for both business and residents.

One of these implications is the level of traffic flows within the City, which is a major conduit to the Port of Melbourne. Traffic congestion and high volumes of truck traffic were cited as concerns for many stakeholders, as well as encroachment of heavy vehicles into residential streets. Industrial companies also raised concerns over arising areas of conflict between road freight (trucks) and residential traffic (passenger cars), particularly in terms of safety, noise and odour. The increase in traffic associated with increasing freight volumes at the Port also disturbed some businesses and residents. Retail traders expressed concern over parking regulations and enforcement tools.

Industrial incidents due to the conflict between residential and industrial lands have also arisen in the past, resulting in mass evacuations of residential streets due to the proximity of heavy industrial plants. The result of these land use conflicts is increased risks to residents as well as increased constraint for industrial businesses to minimize these risks.

Despite existing land use conflicts, population growth is expected to drive demand for an additional 9,604 new dwellings in Maribyrnong by 2021. Maribyrnong currently has planned for well over 7,500 dwellings to be delivered as part of major redevelopment projects. There is also a number of former defence and underutilised industrial sites that are earmarked for redevelopment and renewal to accommodate for future growth in housing demand.

At the same time, interest in Maribyrnong from industrial tenants has waned with consumption and enquiry levels decreasing. Many industrial companies are attracted to industrial lands further west that are more affordable, accessible and provide a more appropriate setting for industrial activities (without residential encroachment).

Despite the movement of Maribyrnong toward residential investment and renewal, the City seeks to maintain its employment hub and industrial sector status. This has been supported by recent investment of some local industrial tenants, motivated likely by proximity to port facilities or existing investments in the area (which could not be replicated if relocated).

The Response:

For Maribyrnong, to achieve a balance between future industrial and residential land use, the City will need to look closely at the existing conflicts in the area. As such, it will be important for reclassification of areas in some cases to redefine land use boundaries with appropriate areas of buffer zones to reduce the existing levels of conflict.

2.8 Ensuring Economic Sustainability

Issue:

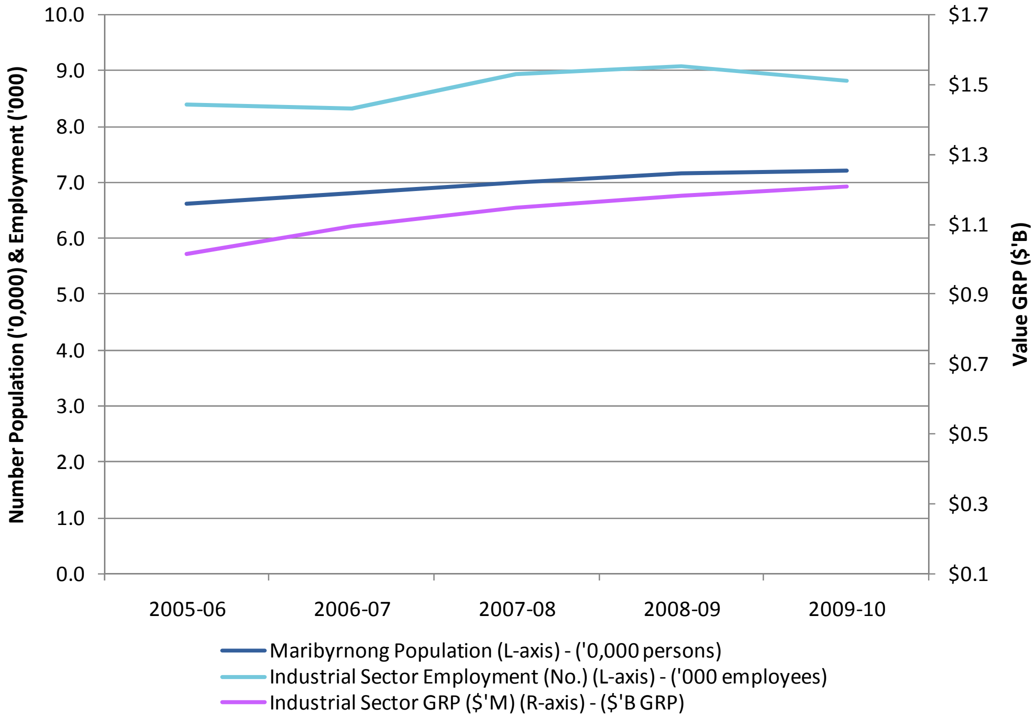
The face of Maribyrnong is changing due to population growth and changes in industry structure. Achieving growth and balance between population and industry will be important for economic stability and will be reliant upon the generation of suitable employment opportunities for local residents.

The Evidence:

Maribyrnong - a traditionally strong manufacturing hub - is undergoing a significant amount of change. This is driven by increases in demand for housing within the region in addition to the changing nature of industry within Maribyrnong - particularly that of manufacturing.

Both population and economic growth (including industrial GRP[6]) have been trending upward. These trends will continue to put pressure on local infrastructure and challenge the long-term sustainability of Maribyrnong. If industry is replaced by residential development, jobs will be lost and the economy will suffer. Equally, if residential development is not catered for the economy will suffer. In order to ensure economic sustainability into the future, these pressures will have to be effectively managed.

Figure 2.7: Maribyrnong Population and Economic Growth



Source: AEC*group*

In the future it will be important that key issues are addressed through strategic planning and a proactive and coordinated response to ensure that Maribyrnong achieves balance between its diverse communities and land use activities. Achieving this balance between residential and employment outcomes will support social and community outcomes which will be imperative to building a sustainable community and economy.

[6] Industrial GRP represents Gross Regional Product for the manufacturing, wholesale trade and transport and storage sectors.

The Response:

Achieving a sustainable Maribyrnong will be dependent upon the balance between population growth and provision of employment opportunities to support the local population. This in-turn will require strategic land use planning to reduce the current land-use conflicts presented within the City to encourage both residential and industry investment (As provided for in the ILS).

3. Competitive Advantages

Competitive advantage can be defined as an attribute or combination of attributes that allow a firm to outperform its competitors. These attributes can include access to natural resources or highly skilled personnel or use of new proprietary technology. (BBA, 2010).

For economic development, competitive advantages are the characteristics of a location that allow it to grow and diversify. These characteristics can include geographic location, infrastructure, workforce, existing business and industry structure and clusters, innovation and knowledge as well as population and business demand. Essentially, competitive advantages define the unique value proposition that a location offers to businesses.

This Chapter summarises the key competitive advantages of the Maribyrnong economy, including drivers, strategic assets, existing strengths and opportunities for future development.

Conclusions of this chapter were derived from detailed analysis and use of a number of economic tools and consultation outcomes to determine Maribyrnong's competitive advantages and areas for future growth. Detailed analysis is contained in **Appendix B**.

3.1 Drivers

Maribyrnong's economy is impacted by numerous internal and external factors that will drive the economy forward in the future. These include:

- **Population growth**: Growth due to both natural increase and migration requires increased infrastructure development and feeds into increased labour supply, housing demand and retail spending. As a growth area, Maribyrnong will need to find ways to accommodate new residents;
- **Population aging**: The average age of Australians is increasing. An increased average age feeds into increased demand for healthcare services, reduced workforce participation, increased burden on fiscal budgets (through lower taxes and increased demand for the pension) and reduced retail spending. Maribyrnong is fortunate to have a younger average age than the nation currently. However, the local population will age considerably in the future;
- **Industry changes**: Change in demand for goods and services over time will change the demand for Maribyrnong outputs. Equally, structural economic changes and exterior influences (globalisation) will continue to impact Maribyrnong. Most notably, the manufacturing sector is transitioning to greater levels of service, higher value-adding products and increased levels of knowledge and innovation. At the same time, increases in imports (due to increasing population as well as globalisation) will provide significant demand for transport and logistics services. These trends are likely to significantly impact upon Maribyrnong going forward;
- **Redevelopment and renewal:** Australian, State and Local governments are investing in the redevelopment and renewal of urban areas across Australia. For the City of Maribyrnong, these projects (i.e. Footscray CAD, Maribyrnong Defence Site and others) are geared to generating denser, more liveable areas and assisting to efficiently deal with Melbourne's population growth;
- **Infrastructure investment:** Significant infrastructure investment at the Federal, State and local level is planned locally. The Westlink development, regional rail and further development of the Port of Melbourne will impact on the City of Maribyrnong; and
- **Central Activities Districts:** Central Activities Districts (CAD) across the Melbourne region have been targeted with funds for development to enable them to progress and develop. The Footscray CAD will become a major economic driver for growth in the City.

In consideration of what is driving the Maribyrnong economy, the inherent characteristics of Maribyrnong as a place to live and work were assessed using a variety of tools to identify Maribyrnong's competitive advantages and opportunities for future development - each of which is outlined in the sections below.

3.2 Strategic Assets

The strategic asset assessment is used to identify competitive advantages by highlighting unique and specific assets in the region that can be leveraged for economic development. These assets demonstrate the unique capacity of the local economy and can provide opportunities for significant growth, when combined with other existing competitive advantages.

A strategic asset assessment of Maribyrnong identifies the following locational, geographical and existing industry characteristics that would further support growth opportunities including:

- **Proximity to export/import infrastructure:** Maribyrnong has close proximity and easy access to the Port of Melbourne. Maribyrnong also has convenient access and excellent linkages to the Melbourne and Avalon Airports, which is important to professional business services sector and high value freight import export.
- **Existing manufacturing strength:** Maribyrnong has an existing strength in the manufacturing sector particularly in many advanced manufacturing industry sectors (chemical manufacturing, food & beverage manufacturing, plastics and machinery and equipment manufacturing). This existing strength is supported by extensive supply chains and a large pool of existing workers in Melbourne's West.
- **Proximity to major education assets:** Victoria University is located in Maribyrnong. Key education and research expertise provided by the university include financial & economic services, manufacturing & mechanical engineering and health, environment & community services and a new sports science faculty. With a strong industrial and health focus in the region this asset provides a potential source of skilled labour and resource for innovative collaboration of industry.
- **Accessibility of local skill pool:** Maribyrnong has an in-flow of manufacturing employees to the area to support the large manufacturing sector of the area. Maribyrnong also has a large proportion of professional services employees which leave the area each day to work in Melbourne's CBD highlighting the opportunity for Maribyrnong to access this skill base as required in the future in order to support growth of the manufacturing sector in the region.
- **Western Hospital:** Maribyrnong has major health care facilities including major public and private hospital infrastructure servicing Melbourne's north and western region. Presence of this major infrastructure is important for community wellbeing but also provides a number of employment opportunities and opportunities for health care and associated industry in the area.
- **Proximity to CBD:** Proximity to Melbourne CBD is advantageous for professional business services as well as enhancing the appeal of residential area to professionals, which can drive construction and property sectors and increase local spending.
- **Footscray:** The Footscray CAD and associated development projects will change Maribyrnong (and Footscray) forever, increasing investment and development in the short-term and contributing to increases in population, employment and economic activity. Footscray's edgy feel and the unique character of Maribyrnong have the opportunity to encourage culture and the arts as well as increase visitation.
- **Highpoint:** The Highpoint shopping centre is the regional retail destination for Melbourne's West. This centre attracts numerous visitors into the City and future growth of the centre will include more visitors attracted to the area, increasing local spending.

3.3 Existing Strengths

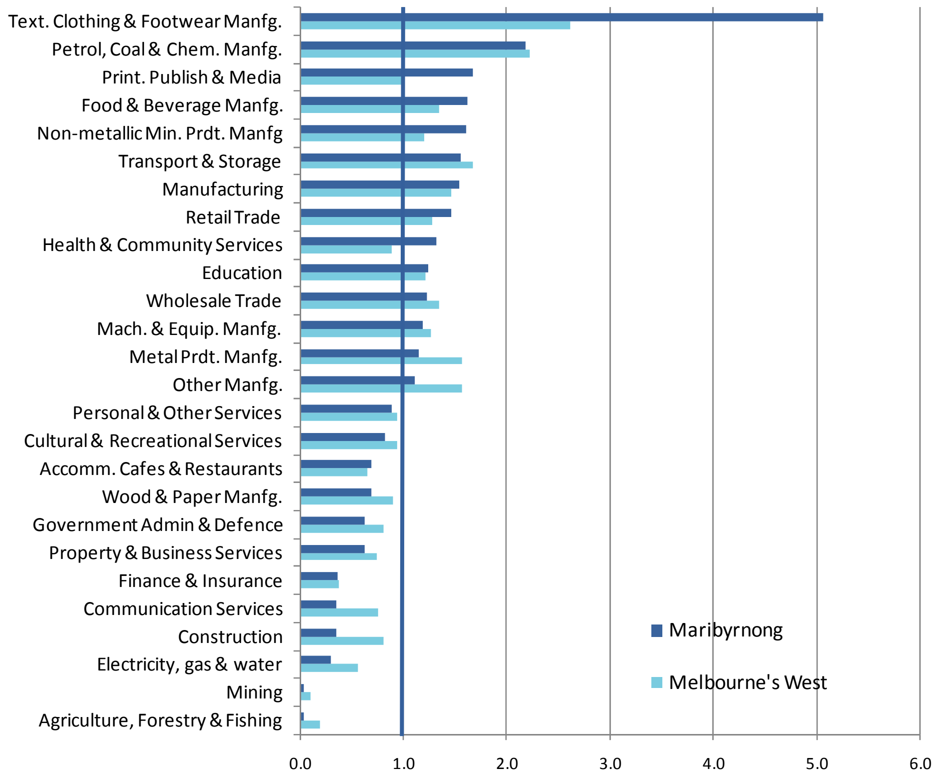
In order to demonstrate the specialisation of the economy, location quotients based on employment have been calculated. The location quotients demonstrate the degree to which a local or regional economy is specialised by examining the proportion of employment (by industry sub-sector) compared to a larger economy (Australian economy). Location quotients can be used to indicate strengths and weaknesses of a local or regional economy (i.e. a natural competitive advantage).

For the analysis, Maribyrnong and Melbourne's West were compared against employment for Australia. A location quotient of "1" means that the economies being compared have an equal share of employment (compared to Australia) for a specific industry sector, thus no potential advantage or disadvantage. A location quotient above "1" indicates a specialisation of labour and therefore an area of potential competitive advantage. If the location quotient is below "1", the area has a weakness in this particular industry sector.

Figure 3.1 below presents the location quotients for all industries at the 17-sector (1-digit) ANZSIC code level in addition to the 2-digit breakdown of the manufacturing sector.

Maribyrnong has strengths in the industries of manufacturing, transport & storage, retail trade, health & community services, education and wholesale trade.

Figure 3.1: Location Quotients (1-digit ANZSIC), All Industries by Place of Work, 2006



Source: ABS (2007)

3.4 Opportunities for Growth

Key opportunities for Maribyrnong's economic future have been identified by considering the economic drivers and competitive advantages of Maribyrnong as well as cluster mapping and understanding the value contribution of jobs in various sectors. This analysis is contained in **Appendix B**. The following areas for future economic growth are identified in the table below.

Table 3.1: Economic Development Opportunities for the Future, City of Maribyrnong

Growth Sector	High Value-Adding Activity	Why Maribyrnong?	Potential Barriers
Logistics & Wholesale Trade	• **Transport & services to transport** (freight forwarding operations, overseas freight depots, customs clearing and other related activities) • **Distribution centres** (for niche operations that require close proximity to the Port of Melbourne) • **Logistics operations** (warehousing and distribution operations servicing a variety of clients and customers for both import and export)	• **Workforce**: large existing workforce with similar skills and good workforce catchment area. • **Infrastructure**: sufficient industrial transportation infrastructure. • **Proximity and accessibility**: proximity to Port of Melbourne for import and access to road and rail infrastructure for distribution. • **Land:** existing industrial land for logistics use. • **Growth:** Growth is anticipated across the industry, based on population growth and freight volumes at the Port as well as historical employment growth of the sector.	• **Infrastructure:** transport infrastructure not upgraded to deal with congestions, truck traffic and conflict with passenger traffic. • **Land:** inability to transition underutilised industrial lands.
Professional Services	• **Professional services** (accounting, banking, legal, property, engineers, architects, external offices of main headquarters in CBD of major firms or principal office of minor firms looking outside of the CBD) • **Back office/processing centres** (centralised accounting and HR functions, insurance processing, payroll processing)	• **Accessibility of skilled workers:** Maribyrnong has a high proportion of resident workers employed in professional services in the Melbourne CBD. • **Availability of commercial space:** Maribyrnong has underutilised sites with the potential to be redeveloped to accommodate professional services and back-office centres outside of the CBD. Footscray CAD will deliver future commercial space. • **Proximity to CBD:** Maribyrnong is in proximity to the Melbourne CBD offering a cheaper commercial space alternative for firms looking to move outside of the CBD but remain in proximity to the business centre of Melbourne. • **Infrastructure upgrades:** Recent capital works around Footscray Station including a new pedestrian overpass improve accessibility and convenience. The development of a Metro underground rail service linking Footscray to Parkville, the CBD and beyond, and improved regional rail services through the City, will further enhance Footscray's accessibility as a regional hub. • **Regional Hub Status:** Central Footscray is the designated Central Activities District for Melbourne's West under metropolitan strategy (*Melbourne @ 5 Million*) and intended to be the focus of regional service delivery. • **Linkages with local education:** Maribyrnong is home to the largest Victoria University campus (VU) and offers accessibility to training in specific related courses as well as graduating students.	• **Commercial development:** commercial property development in Maribyrnong is likely to be challenging and will require Government intervention. • **Changing perceptions:** changing current perceptions of Maribyrnong as 'industrial' and 'dirty' will assist to encourage professional services.

Growth Sector	High Value-Adding Activity	Why Maribyrnong?	Potential Barriers
Health Care & Social Services	• **Hospitals** (public & private hospitals and associated patient care facilities) • **Laboratories & Diagnostic Facilities** (diagnostic testing centres, radiology facilities, oncology and other medical testing facilities) • **Allied health & GP super clinics** (GP/medical centre clinics, physiotherapy, chiropractics, pharmacy, dental, optics, other)	• **Established major hospitals (public & private):** Maribyrnong has major public and private hospitals of substantial size and capacity which service the broader Melbourne's West Region. • **Growing & ageing population:** Maribyrnong and Melbourne's West population is experiencing significant growth and the population is ageing. As such significant health care services will be required to service the population in the future. • **Workforce**: large existing workforce in healthcare and good workforce catchment area. • **Linkages with local education:** Maribyrnong is home to the largest Victoria University campus (VU) and offers accessibility to training in specific related courses as well as graduating students.	• **Future expansion:** inability of the Western Hospital to expand will reduce growth in the health sector. • **Skills shortages:** skills shortages across nursing, doctors and other health professionals.
Food & Beverage Manufacturing	• **Baked goods** (breads, biscuits, etc.) • **Processed foods** (packaged foods, frozen foods, ingredients, snack foods, etc.) • **Health food & drinks** (niche food & beverage, health food drinks, super foods, high energy sports foods)	• **Population growth:** Product demand for food and beverages is linked to population growth. Melbourne has a strong regional population growth and demand for food and beverage products. • **Established business supply chain:** There is an established food and beverage manufacturing base in Maribyrnong with supporting manufacturing services, transport, wholesale trade and input suppliers to support industry growth and specialisation of technology. • **Proximity to export infrastructure:** Maribyrnong is located in close proximity the major export infrastructure such as the Port of Melbourne and Airport (domestic & international). • **Linkages with local education:** Maribyrnong is home to the largest Victoria University campus (VU) and offers accessibility to training in specific related courses as well as graduating students.	• **Industrial development:** inability to transition underutilised land to compete with more dominant industrial lands West of Maribyrnong. • **Globalisation:** continued threat of offshoring some production of food products to low cost countries.
Property Development	• **Residential development** (medium to high density residential dwellings, affordable housing, student housing) • **Commercial development** (office buildings, commercial developments as part of larger redevelopment areas) • **Mixed-use development** (retail, commercial and residential developments)	• **Population growth:** metropolitan Melbourne's population is expected to reach 5 million before 2030 and there will be significant demand for residential dwellings and employment space (retail and commercial). • **Availability of underutilised industrial land:** Maribyrnong has considerable amount of legacy industrial property, which is currently underutilised and unlikely to be redeveloped as industrial premises. Population growth will generate demand for residential and employment lands. • **Proximity to Melbourne CBD and accessibility:** Maribyrnong offers proximity to the amenities of Melbourne's CBD as well as excellent transportation links (road and rail) to the CBD and other parts of the broader region. • **Unique character of Maribyrnong's villages:** the industrial heritage of Maribyrnong provides a unique character and growing amenity will be attractive to many people and provide for numerous redevelopment opportunities.	• **Underutilised land:** inability to transition underutilised land to a more productive state could impair future property development. • **Amenity:** if amenity in Maribyrnong does not change, some potential property development would be at risk.

Growth Sector	High Value-Adding Activity	Why Maribyrnong?	Potential Barriers
Culture and Arts	• **Music** (local music venues, opportunities for regional musicians) • **Arts** (venues for local artists across a range of mediums) • **Festivals** (various festivals) • **Education** (potential to locate other education providers to the City)	• **Population growth:** The population of Melbourne's West and Maribyrnong is growing and changing, which will create a demand for more cultural activities, including interest in local music, arts and other cultural activities. • **Unique character of Maribyrnong's villages:** the industrial heritage of Maribyrnong provides a unique character and attractive spaces for musicians and artists. • **Accessibility:** Maribyrnong's proximity to Melbourne's CBD and road/rail infrastructure make it very accessible for visitors to enjoy an increased arts and culture provision in Maribyrnong.	• **Changing perceptions:** changing current perceptions of Maribyrnong as 'industrial' and 'dirty' will to create.

Source: AEC*group*

4. Core Economic Development Activities

Economic development can provide a platform to deal with many of the issues facing Maribyrnong and to leverage the many strengths and opportunities to provide value to the local economy and generate positive outcomes for residents. **This chapter discusses core economic development activities and provides recommendations** to ensure Maribyrnong's long term economic health and to assist Council in making decisions that will support local businesses and industry.

The EDS aims to encourage local employment and promote the continued economic development of the City. The EDS provides specific and strategic direction for economic development activities to achieve the vision and deliver specific future goals aimed at improving the standard of living in the City.

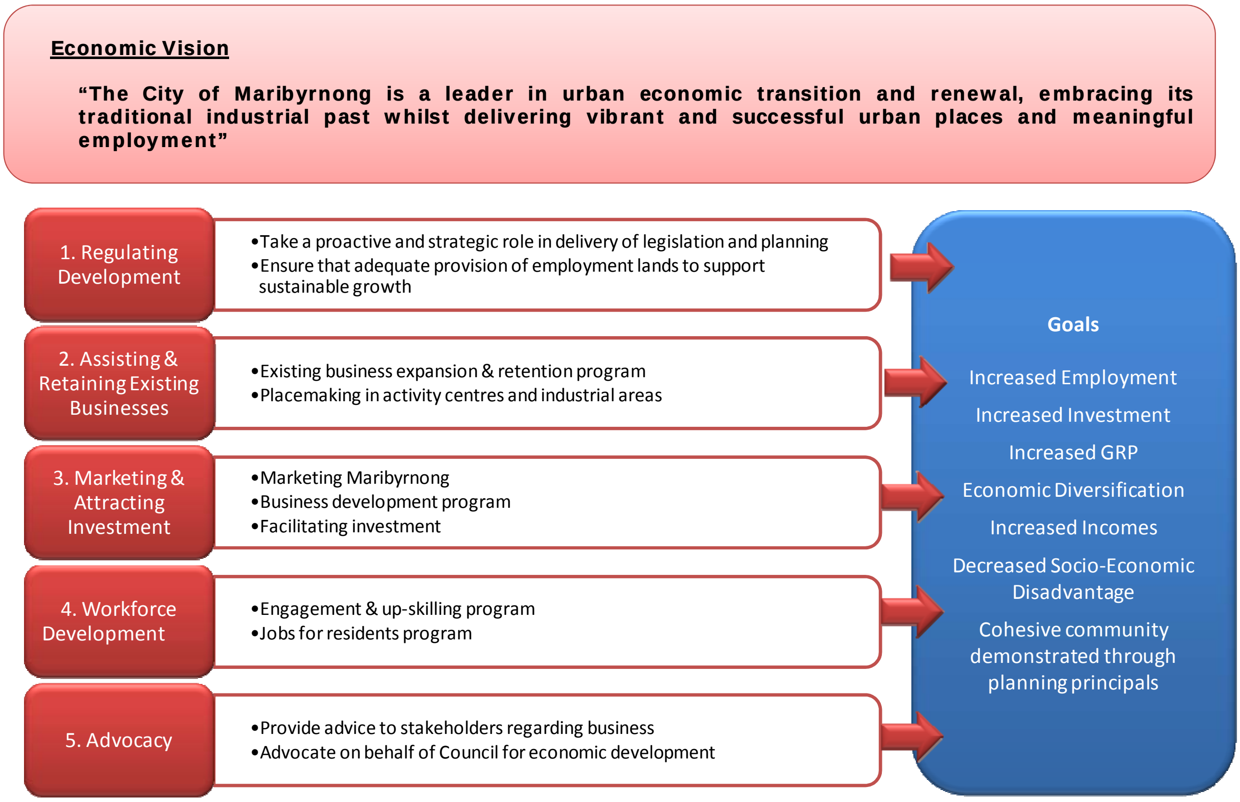
Identified core economic development activities have been developed after careful review and analysis of economic data, consultation with local businesses and stakeholders and consideration of the specific strengths, weaknesses, opportunities and threats in the City.

The core economic development activities for Maribyrnong (refer to Figure 4.1) are:

- Regulating Development;
- Assisting & Retaining Existing Businesses;
- Marketing & Attracting Investment;
- Workforce Development; and
- Advocacy.

Each of these core activities and associated actions are outlined in this Chapter.

Figure 4.1: Maribyrnong's Core Economic Development Activities



Source: AEC*group*

4.1 Regulating Development

Objective: To undertake targeted and well-regulated land planning and development to aid in creating cohesion between land use and associated activities with the aim of retaining existing and attracting new business, as well as promoting population growth. This will provide planning certainty.

Rationale:

Successful economic growth and attraction of investment is largely dependent on land use planning and regulation, which dictates the types of activities that can occur in an area and therefore the types of companies that invest in a region. Similarly, residential development investment is also influenced by the ability of an area, such as Maribyrnong - a historically industrial area - to accommodate for residential development with minimal land use conflicts.

In consideration of the role of regulation in promoting investment and development, Maribyrnong's future regulatory development objectives are two-fold: Firstly, to accommodate future residential demand. The second, is to retain Maribyrnong's employment focus through revitalisation of existing infrastructure and industrial/commercial areas to accommodate for future growth and change of core industry sector activities (e.g. manufacturing).

In short, regulation and planning has the ability to either inhibit or exact change within an area. Maribyrnong is an area that is undergoing a phase of transition - where regulatory guidelines for development are critical in influencing the final outcomes of this investment and change. It is important that economic development be implemented through the various planning tools of Council.

In order to regulate development, key actions will include:

- *1.1 To take a proactive and strategic role in delivery of policy and planning:*
  - Developing a criteria for and process for identifying core employment area precincts, residential and mixed-use zones;
  - Address buffer issues between conflicting land use zones;
  - Identify and address access issues to and within employment and residential areas with consideration of traffic flows and minimisation of these flows in residential zones;
  - Implement legislative frameworks and planning schemes;
  - Review of development plans;
  - Delivery of an effective approvals process;
  - Conduct structure planning for industrial areas to provide guidance on future developments; and
  - Environmental issues surrounding core activity areas are to be addressed to ensure cohesive existence of conflicting land use areas.
- *1.2 Ensure that adequate provision of employment lands to support sustainable growth:*
  - Review of employment land requirements to support sustainable growth;
  - Identification of the allocation of employment lands to be preserved for industrial and mixed use purposes and the types of activities to be accommodated within these areas; and
  - Enforcement of these guidelines.

1.1 To take a proactive and strategic role in delivery of policy and planning

Currently, Maribyrnong currently has a number of land planning and conflict issues which need to be addressed to promote development and reinvestment in a largely built out area. With current planning and zoning being inadequate and inappropriate to facilitate this future development Council will need to take a proactive role in the delivery of legislation and appropriate land planning schemes.

1.2 Ensure that adequate provision of employment lands to support sustainable growth

Regulation has the power to dictate which activities occur where, the size and nature of developments. The focus for Maribyrnong in the future will be to transition to an economy that supports and promotes development of both residential and employment sectors. With the increasing demand for residential development in Melbourne's inner ring, it will be important that Maribyrnong identifies and regulates the provision of sufficient employment lands to sustainably support population growth.

Strategic Directive 1: Regulating Development - Providing Planning Certainity

Activity
Strategic Directive 1: Regulating Development
1.1 To take a proactive and strategic role in delivery of legislation and planning
1.1.1. Developing a criteria for and process for identifying core employment area precincts, residential and mixed-use zones
1.1.2. Address buffer issues between conflicting land use zones
1.1.3. Identify and address access issues to and within employment and residential areas with consideration of traffic flows and minimisation of these flows in residential zones.
1.1.4. Implement legislative frameworks and planning schemes
1.1.5. Review of development plans
1.1.6. Delivery of an effective approvals process
1.1.7. Conduct structure planning for industrial areas to provide guidance on future developments
1.1.8. Environmental issues surrounding core activity areas are to be addressed
1.2 Ensure that adequate provision of employment lands to support sustainable growth
1.2.1. Review of employment land requirements to support sustainable growth
1.2.2. Identification of the allocation of employment lands to be preserved for industrial and mixed use purposes and the types of activities to be accommodated within these areas; and
1.2.3. Enforcement of employment lands planning guidelines

4.2 Assisting & Retaining Existing Businesses

Objective: To support and assist the development, expansion and growth of existing local businesses to ensure existing employers can remain competitive.

Rationale: Existing businesses are usually responsible for 60%-80% of private sector investment and job growth in most advanced economies. Retaining businesses within Maribyrnong will ensure that existing jobs are secure and continue to provide a valuable contribution to the economy. Assisting local businesses to grow will increase employment, investment, GRP and incomes.

In order to assist and retain existing businesses, key actions will include:

- *2.1: Existing Business Expansion and Retention Program:*
  - Engage with local businesses;
  - Provide a forum for the business community; and
  - Assist local companies access business assistance programs;
- *2.2: Placemaking in activity centres and industrial areas:*
  - Plan for future of unique villages of Maribyrnong;
  - Improve amenity of existing centres (including industrial areas); and
  - Generate interest in existing centres through events.

2.1: Existing Business Expansion and Retention Program

Engaging with local businesses is critical to the success of economic development. The Existing Business Expansion and Retention Program would provide a mechanism for this engagement and a basis to keep existing jobs in Maribyrnong and help local businesses to expand.

Council can engage with the business community in a number of ways, including one-on-one meetings, networking events, forums and attendance at other meetings. During this engagement process, strong relationships with local businesses can be formed and numerous benefits can be realised, including:

- Better understanding of specific industries and their trends;
- Specific understanding of challenges and issues faced by individual businesses;
- Identification of areas where Council can proactively assist businesses;
- On-going feedback as to the economic wellbeing of businesses specifically and the community collectively; and
- Identification of future business opportunities.

At the same time, Council can work with partners to deliver business seminars, information programs and events. These programs can provide valuable and helpful information to businesses, including export assistance, process improvement, systems efficiency and other facets of business management and innovation.

Currently, there are a range of various valuable business assistance programs offered by the State and Australian Governments. These programs are extensive and have been proven to assist local companies. Council is well placed to stay abreast of the available programs, through maintaining strong relationships with various State and Australian Government partners, and to help facilitate the delivery of these programs to local businesses. These programs could form part of the on-going discussions with existing businesses through the engagement process and links to the relevant agency and contact person can be facilitated.

2.2: Placemaking in Activity Centres and Industrial Areas

As highlighted in the Background Report and the Consultation Report, Maribyrnong is made up of many unique villages (i.e. Yarraville, Seddon, Braybrook, and others). Specific placemaking activities will celebrate this diversity and encourage vibrancy and growth of each activity centre.

Placemaking

Placemaking is a concept of planning and development that considers a location beyond the normal confines of planning, engineering, urban design, infrastructure and economics to consider the overall identity of a location. Placemaking operates in terms of the human experience and senses. It explores avenues of development to create an overall feeling and emotional attachment to a location.

Council is currently (and should continue to) play an active role in the planning and design of activity centres. These efforts should be augmented by efforts to improve the visual amenity of the activity centres, which was mentioned during consultation and would help to raise the profile and reputation of Maribyrnong. Improvements can be made through innovative street scaping, creation of social and community spaces as well as public and community art.

Additionally, specific and targeted events can help celebrate the unique villages of Maribyrnong. Events can attract outside visitors and increase spending for local retail businesses as well as provide opportunities for community and cultural cohesion. Events are also good avenues to market Maribyrnong and combat legacy stereo-types. Events should be branded consistently with other marketing efforts.

For industrial areas, placemaking should focus on the amenity of the area but not in the same sense as for residential areas. Industrial precincts need to demonstrate a functional and professional image. Untidy or unattractive areas can pull down property values and act as an impediment to growth and investment.

Strategic Directive 2: Assisting & Retaining Existing Businesses

Activity
Strategic Directive 2: Assisting & Retaining Existing Businesses
2.1 Existing Business Expansion and Retention Program
2.1.1. Conduct a local business visitation program in Maribyrnong
2.1.2. Support Maribyrnong business associations/traders associations
2.1.3. Host seminars and workshops for businesses in Maribyrnong in conjunction with partners
2.1.4. Host business events (breakfast and lunches) in Maribyrnong
2.1.5. Assist Maribyrnong businesses connect with State and Commonwealth assistance programs
2.1.6. Encourage small business start up and expansion (together with partners)
2.1.7. Conduct annual business forum to focus on growth constraints and issues in Maribyrnong
2.1.8. Facilitate industry cluster forums in Maribyrnong
2.1.9. Investigate the need to provide space/services for businesses (expanded role for existing Council facilities)
2.1.10. Together with partners, provide annual business awards
2.2 Placemaking and infrastructure needs in activity centres
2.2.1. Support special events in activity centres to attract Maribyrnong residents and help connect people to place
2.2.2. Undertake structure planning of major industrial precincts in Maribyrnong
2.2.3. Improve visual amenity of industrial estates to remain attractive for investors
2.2.4. Provide strategic capital investments that maximise economic outcomes and reduce traffic conflicts
2.2.5. Together with other government agencies ensure compliance with regulations and site standards
2.2.6. Investigate street scaping and creation of public places in neighbourhood activity centres

4.3 Marketing & Attracting Investment

Objective: Increase the attractiveness of the municipality for prospective businesses.

Rationale: New businesses are an important source of new investment in communities. Attracting new business to the municipality generates employment and increases the diversity and prosperity of the local economy.

In order to market Maribyrnong and attract investment, key actions will include:

- *3.1: Marketing Maribyrnong:*
  - Develop marketing material and unique messages;
  - Raising the profile of Maribyrnong and its unique villages; and
  - Increasing the momentum for change within Maribyrnong;
- *3.2: Business development program:*
  - Conduct market research to identify potential investors and business allies; and
  - Proactively engage with potential investors and allies;
- *3.3: Facilitating investment:*
  - Provide detailed information to prospective investors; and
  - Facilitate the development process for strategic projects.

3.1: Marketing Maribyrnong

In order to raise the profile of the area and encourage future investment, it is critical for Council to market the City and its unique villages. Consultation confirmed that promoting the City is a major role for Council.

In order to market the region, various promotional materials are required, including a regional location profile, village profile, industry specific materials and other information that highlights the opportunities in Maribyrnong for growth as well as raises the profile of existing centres. These materials should be professionally presented and provide succinct information to encourage further investigation of the City by interested parties. This material should contain the latest business information and population data, which will support their usefulness to the investment community.

Once developed, these materials need to be dispersed widely through a range of mediums, including web, print and other vehicles. They will be used extensively in the Business Development Program.

3.2: Business Development Program

The development and execution of a proactive business development program will entail market research into prospective investors and allies as well as regular engagement with them. This program will aggressively promote the opportunities in the City of Maribyrnong for growth and pursue these opportunities with the support of allies. The Business Expansion and Retention Program can also be used as a business development tool and existing businesses in the City should be asked about potential development leads.

Through a combination of marketing and business development, Council will be able to widely promote the opportunities for growth in the City of Maribyrnong.

3.3: Facilitating Investment

Business development activities can identify prospective investors. After these investors are identified, a process to facilitate these investments must occur. This process involves providing detailed information regarding the City (i.e. population/demographic trends, future infrastructure improvements, development approval process).

Facilitating meetings with the planning department should also be included in order to ensure that the permitting and processing times of development applications are as efficient as possible.

Strategic Directive 3: Marketing & Attracting Investment

Activity
Strategic Directive 3: Marketing & Attracting Investment
3.1 Marketing Maribyrnong
3.1.1. Develop and maintain a Maribyrnong business location profile
3.1.2. Develop and maintain investment profiles for redevelopment areas within Maribyrnong
3.1.3. Develop and maintain industry specific marketing material (including specific business case)
3.1.4. Develop regular news/economic updates
3.1.5. Provide news announcements on economic successes in Maribyrnong
3.1.6. Place editorials in targeted publications
3.1.7. Update and maintain economic development pages on website
3.2 Business Development Program
3.2.1. Subscribe to relevant industry publications and/or purchase industry research
3.2.2. Conduct market research to identify prospective investors (across range of industries)
3.2.3. Conduct market research into office development trends and identify specific opportunities for Maribyrnong
3.2.4. Attend regular industry networking events (CEDA, corenet global, PCA, EDA, etc.)
3.2.5. Maintain a registry of development sites and vacant premises in Maribyrnong
3.2.6. Annually review strategic sites and consider acquisition (as catalyst development)
3.2.7. Attend industry specific trade shows or conferences to identify prospective investors
3.2.8. Engage with partners (business multipliers) to identify prospective investors
3.3 Facilitating Investment
3.3.1. Provide customised information packages to prospective investors
3.3.2. Host prospective investors for inspection tours
3.3.3. Conduct pre-lodgement meetings with prospective investors in Maribyrnong (together with Planning)
3.3.4. Develop an 'investment ready' planning framework
3.3.5. Develop clear design guidelines for new construction to ensure high standards
3.3.6. Investigate potential for business incubator in conjunction with VU and DBI
3.3.7. Investigate potential packages to encourage and facilitate development and investment

4.4 Workforce Development

Objective: Building the skills and resources of community members, in order to enable them to contribute effectively to the economic development of their own area.

Rationale: Building community capacity puts the local community in the driver's seat of the regional economy. By developing the skills of local workers, business people and community members they are provided with the tools to make the most of the available opportunities.

In order to assist workforce development, key actions will include:

- 4.1: Engagement and up-skilling program:
  - Engage with the school age children regarding future careers; and
  - Assist local residents to receive training;
- 4.2: Jobs for residents program:
  - Identify local employment opportunities; and
  - Engage with partners to pair local jobs with local skills.

4.1: Engagement and Up-skilling Program

To combat the socio-economic disadvantage of many residents in the City of Maribyrnong, an engagement and up-skilling program will seek to intervene with young residents during their schooling in order to demonstrate the value of education and provide guidance on potential educational and career paths. These types of programs have shown promise in other similar areas.

Currently, there are many organisations and institutions (including VU) that provide these sorts of programs, which can provide Council with avenues for partnerships. Council needs to play an important support role in these efforts.

Additionally, existing potential workers can also be provided with the opportunity to gain skills, which will assist in attaining a productive employment position. Many of the growth opportunities identified (property development, food & beverage manufacturing and logistics) will provide some lower skilled positions, which are more commensurate with some local resident skill sets.

4.2: Jobs for Residents Program

Outside of education and training, Council can promote workforce development through attempting to pair existing local job opportunities with local residents. Through the Existing Business Retention and Expansion and Retention Program, Council will be able to identify employer needs and can proactively work with a variety of existing organisations and partners to attempt to match these opportunities with local residents.

Strategic Directive 4: Workforce Development

Activity
Strategic Directive 3: Workforce Development
4.1 Engagement and Up-skilling Program
4.1.1. Liaise with education providers, such as VU
4.1.2. Identify training needs of businesses in Maribyrnong
4.1.3. Connect local businesses with local training opportunities
4.1.4. Together with partners, engage with residents to identify potential training (up-skilling) needs
4.2 Jobs for Residents Program
4.2.1. In conjunction with partners, identify local employment opportunities
4.2.2. Develop Jobs Board to advertise local job opportunities (together with partners)

4.5 Advocacy

Objective: To advocate together with and on behalf of local businesses.

Rationale: Building a stronger business environment will assist the economy to grow. Economic development can advocate on behalf of business to support major infrastructure improvements and other government policies both internal to Council and external (State and Australian Government).

In order to advocate on behalf of Maribyrnong, key actions will include:

- *5.1: Providing advice to Council and other stakeholders regarding local business matters*; and
- *5.2: Advocate on behalf of Council for economic development.*

5.1: Provide Advice to Stakeholders

Through its interaction with businesses, prospective investors and other stakeholders and allies, economic development will have the ability to gather considerable knowledge and information relating to business and economic matters within the City.

This information should be leveraged and shared within Council. Through the activities highlighted in this Strategy, economic development should be able to advise Council regarding business and industry matters within the City. This advice would be helpful when assessing many planning applications, redevelopment plans, major infrastructure initiatives and in many other cases.

5.2: Advocate on behalf of Council for economic development

At the same time, economic development should advocate externally on behalf of Council for infrastructure provision, funding and other community benefits. These efforts should be conducted in close cooperating with Lead West, the regional development organisation for Melbourne's West.

Strategic Directive 5: Advocacy

Activity
Strategic Directive 5: Advocacy
5.1 Provide Advice to Stakeholders Regarding Business
5.1.1. Meet regularly with internal departments of Maribyrnong City Council
5.1.2. Provide advice and input into policy and development matters
5.1.3. Research best practice economic development
5.2 Advocate on Behalf of Council for Economic Development
5.2.1. Meet regularly with State and Commonwealth representatives
5.2.2. Meet regularly with LeadWest
5.2.3. Encourage early deployment of the NBN

5. The Delivery

As with any economic development strategy, without effective and efficient delivery of the program, there will be no results. To ensure that the delivery phase is successful in achieving economic outcomes that align with overarching vision and strategy, it is important that the following steps are implemented on a regular basis:

- Prioritisation of actions to be undertaken;
- Monitoring and measuring of success;
- Reporting; and
- Analysis of KPIs vs Economic Indicators as part of measuring progress.

Guidelines for the delivery phase of the Economic Development Strategy are outlined in the sections below. It is equally important that the Economic Development Strategy be implemented through various planning tools as well.

5.1 Strategic Delivery Framework

The Strategic Delivery Framework has been designed to assist Maribyrnong Economic Development Coordinators in identifying and prioritising key actions to be undertaken at the commencement of each major review period (annual). The strategic delivery framework has been designed to identify all core economic development activities to be undertaken but allows for the level or degree of commitment to these activities to be scaled up or down depending on the available resources/budget available to economic development delivery.

Figure 5.1: Maribyrnong's Economic Development Strategic Delivery Framework

Source: AEC*group*

5.2 Monitoring & Measuring Success

As with any program, it will be important to monitor and measure the success of the economic development strategy and program. The annual targets/goals, highlighted below, have been established as targets for each task. It will be necessary to measure the actual targets/goals achieved for each task, together with the resources (both human and financial) dedicated to each task. In such a way, the economic development performance of Council can be measured. It should be noted that the regulatory activities identified are a legislated obligation of local government, so no specific quantitative target has been set.

Table 5.1: Maribyrnong Economic Development Program, Annual Target/Goals

Activity	Target/Goal
Strategic Directive 1: Regulating Development	
1.1 To take a proactive and strategic role in delivery of legislation and planning	
1.1.1. Developing a criteria for and process for identifying core employment area precincts, residential and mixed-use zones	On-going
1.1.2. Address buffer issues between conflicting land use zones	On-going
1.1.3. Identify and address access issues to and within employment and residential areas with consideration of traffic flows and minimisation of these flows in residential zones.	On-going
1.1.4. Implement legislative frameworks and planning schemes	On-going
1.1.5. Review of development plans	On-going
1.1.6. Delivery of an effective approvals process	On-going
1.1.7. Strategic Redevelopment Areas (SRA) are to be subject to masterplanning exercises' to ensure appropriate zoning	On-going
1.1.8. Environmental issues surrounding core activity areas are to be addressed to ensure cohesive existence of conflicting land use areas	On-going
1.2 Ensure that adequate provision of employment lands to support sustainable growth	
1.2.4. Review of employment land requirements to support sustainable growth	On-going
1.2.5. Identification of the allocation of employment lands to be preserved for industrial and mixed use purposes and the types of activities to be accommodated within these areas; and	On-going
1.2.6. Enforcement of employment lands planning guidelines	On-going
Strategic Directive 2: Assisting & Retaining Existing Businesses	
2.1 Existing Business Expansion and Retention Program	
2.1.1. Conduct a local business visitation program	48
2.1.2. Support local business associations/traders associations	8
2.1.3. Host seminars and workshops for businesses in conjunction with partners	8
2.1.4. Host business events (breakfast and lunches)	2
2.1.5. Assist local businesses connect with State and Commonwealth assistance programs	20
2.1.6. Encourage small business start up and expansion (together with partners)	1
2.1.7. Conduct annual business forum to focus on growth constraints and issues	1
2.1.8. Facilitate industry cluster forums	2
2.1.9. Investigate the need to provide space/services for businesses (expanded role for Council facilities)	1
2.1.10. Together with partners, provide annual business awards	1
2.2 Placemaking in activity centres	
2.2.1. Support special events in activity centres to attract local residents and help connect people to place	6
2.2.2. Undertake structure planning of major industrial precincts	2
2.2.3. Improve visual amenity of industrial estates to remain attractive for investors	1
2.2.4. Provide strategic capital investments that maximise economic outcomes	5
2.2.5. Together with other government agencies ensure compliance with regulations and site standards	48
2.2.6. Investigate street scaping and creation of public places in neighbourhood activity centres	1
Strategic Directive 3: Marketing & Attracting Investment	
3.1 Marketing Maribyrnong	
3.1.1. Develop and maintain regional business location profile	1
3.1.2. Develop and maintain investment profiles for redevelopment areas	4
3.1.3. Develop and maintain industry specific marketing material (including specific business case)	5
3.1.4. Develop regular news/economic updates	4
3.1.5. Provide news announcements on economic successes	6
3.1.6. Place editorials in targeted publications	2
3.1.7. Update and maintain economic development pages on website	1

Activity	Target/Goal
3.2 Business Development Program	
3.2.1. Subscribe to relevant industry publications and/or purchase industry research	5
3.2.2. Conduct market research to identify prospective investors (across range of industries)	200
3.2.3. Conduct market research into office development trends and identify specific opportunities for Maribyrnong	1
3.2.4. Attend regular industry networking events (CEDA, corenet global, PCA, EDA, etc.)	12
3.2.5. Maintain a registry of development sites and vacant premises	1
3.2.6. Annually review strategic sites and consider acquisition (as catalyst development)	1
3.2.7. Attend industry specific trade shows or conferences to identify prospective investors	3
3.2.8. Engage with partners (business multipliers) to identify prospective investors	25
3.3 Facilitating Investment	
3.3.1. Provide customised information packages to prospective investors	20
3.3.2. Host prospective investors for inspection tours	5
3.3.3. Conduct pre-lodgement meetings with prospective investors (together with Planning)	10
3.3.4. Develop an 'investment ready' planning framework	1
3.3.5. Develop clear design guidelines for new construction to ensure high standards	1
3.3.6. Investigate potential for business incubator in conjunction with partners	1
3.3.7. Investigate potential packages to encourage and facilitate development and investment	1
Strategic Directive 4: Workforce Development	
4.1 Engagement and Up-skilling Program	
4.1.1. Liaise with education providers	6
4.1.2. Identify local training needs of businesses	8
4.1.3. Connect local businesses with local training opportunities	8
4.1.4. Together with partners, engage with residents to identify potential training (up-skilling) needs	12
4.2 Jobs for Residents Program	
4.2.1. In conjunction with partners, identify local employment opportunities	6
4.2.2. Develop Jobs Board to advertise local job opportunities (together with partners)	6
Strategic Directive 4: Advocacy	
5.1 Provide Advice to Stakeholders Regarding Business	
5.1.1. Meet regularly with internal departments	12
5.1.2. Provide advice and input into policy and development matters	12
5.1.3. Research best practice economic development	1
5.2 Advocate on Behalf of Council for Economic Development	
5.2.1. Meet regularly with State and Commonwealth representatives	18
5.2.2. Meet regularly with LeadWest	6
5.2.3. Encourage early deployment of the NBN	1

Note: Regulatory activities are a statutory responsibility of Council and must be performed, therefore no specific quantitative goals are provided.
Source: AEC*group*

After evaluating the actual goals/targets reached for each task and the value each task delivered to the community (in line with the resources it consumed), Council can make a decision whether to continue that specific task, increase resources or amend the goal/target. In such a way, the program becomes an effective planning tool that should be adjusted on an annual basis. Additionally, this flexibility provides Council the ability to adjust to market conditions and change the program as needed. However, activities must be aligned to key actions and strategic directives, which ensure that future activities will continue to work toward the long term vision and goals of the strategy.

Monthly reports should be generated that can demonstrate what tasks have been completed in the month and the performance versus stated goals/targets. At six months (the middle of the program) an assessment should be carried out to understand what progress has been made on the program. By recording specific progress toward these goals/targets, Council will also be able to quantify achievements at the end of the year.

5.3 Reporting Protocol

In order to track these activities and tasks, an easy to use reporting system has to be developed. A standard reporting template (one to two pages in length) is recommended to provide a quick and easy to understand report regarding current activities and progress year to date.

If there are no current databases in place, an "off the shelf" contact management system (like ACT!, Microsoft CRM and Goldmine) could be purchased and implemented for this purpose. These systems record not only contact information but interaction with contacts and other fields that users can customise. In such a way, a report template can be generated so that monthly reporting can be accomplished in one click (after inputting the information). It is important that the activity information be easy to record so that the reporting structure does not deter from carrying out the tasks. Add-ins to Microsoft Office and Access can also be used but are not ideal. Excel should be avoided. Such a system would allow for easy capture and storage of knowledge, which can be shared throughout the unit and with Council.

5.4 KPIs vs. Economic Indicators

It is important to understand the difference between the key performance indicators (KPIs) and economic indicators, highlighted below in Table 5.2. In the context of the program, the KPIs are the annual targets /goals and will represent Council's activities for economic development. At the same time, economic indicators track the health of the economy and can be an indication of the effectiveness of the EDS.

The Program (i.e. Council's activities) can be measured by the actual achievement of the established annual targets and goals. Council has control over these activities and if they are pursued and achieved. By contrast, Council cannot control numerous economic indicators. However, if Council can achieve the performance measures of the program, they should be able to positively influence the economic indicators. The achievement of the program should then contribute directly to the realisation of the goals of the EDS, which should eventually lead to the achievement of the future vision.

The EDS should also be reviewed after a five year period to ensure that it is still geared toward tackling relevant issues and working towards a valuable economic future.

Table 5.2: Economic Indicators

Indicator	What it tracks	Frequency
Employment		
Employment Growth	Overall employment creation (overall job growth)	Quarterly
Unemployment Rate	Overall employment creation (employment rate of residents)	Quarterly
Job Containment Rate	Number of local resident workers working locally	Census
Average Wage	Higher average wages indicate high value jobs are being created	Census
Per Capita Income for Residents	Indicates personal wealth growth among residents	Census
Investment		
Value of Building Work	Value of building construction (tracks new developments)	Quarterly
Number of Non-dwelling approvals	Amount of business/commercial projects (tracks new developments)	Quarterly
Value of Private Sector Business Investment	Demonstrates redevelopment projects	Per Project
Gross Regional Product (GRP)		
GRP Growth	Overall growth of economy and by industry sector	Annual
GRP Industry Contribution	Diversification of economy	Annual
Income and Disadvantage		
Individual Income Levels	Local wealth	Census
Decrease in SEIFA index	Decreasing disadvantage	Census

Source: AEC*group*

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7. Appendix A: Supporting Social, Community & Economic Research

Social & Community

Key Point Summary

- The resident population of Maribyrnong was 71,921 in June 2009, and has been growing at 2% per annum since 2001. The population is forecast to reach 104,395 by 2031. This population growth indicates a need for more local jobs and greater levels of household consumption.
- Maribyrnong is becoming increasingly gentrified and more closely associated as an inner suburb of Melbourne. The gentrification of Yarraville is spreading to other suburbs in the City.
- Forecast demand for 18,315 new dwellings by 2031 will significantly influence the future development profile within Maribyrnong, creating more intensive developments, new urban villages and introducing a variety architectural styles for residential development.
- Maribyrnong has twice as many Asian residents as the region and the state, providing a uniquely diverse community contributing strongly to the character of the City. The Vietnamese community is particularly well represented providing a cluster of businesses, which could provide linkages to grow the local economy
- Maribyrnong is a destination for immigrants and “horn of Africa” settlers have become the most recent arrivals. These new migrants could provide new opportunities for growth for the local economy.
- Maribyrnong’s population is relatively young, with a much higher proportion of people aged 20-39, which is driven by VU and the recent gentrification of Yarraville and Seddon, where many young professionals live. A younger population translates into more consumption and spending as well as a stronger workforce.
- Like many parts of Australia, Maribyrnong has an aging population, which will generate demand for a range of health services and social support in the future as well as create potential economic and social challenges for the City. Addressing these issues in a proactive manner to ensure that there is sufficient health and community infrastructure to support these residents will contribute to the local quality of life.
- Maribyrnong has many affluent, wealthy, skilled residents as well as pockets of significant disadvantage. This dichotomy presents challenges to Council to manage future growth and that balances the need for local employment and amenity. A primary goal of economic development is to increase the standard of living for all residents.

Population & Households

Maribyrnong had an estimated resident population of 71,921 at 30 June 2009. In the eight years since 2001 the municipality’s population has grown by a robust average 2.0% per annum, which compares favourably with Metropolitan Melbourne’s 1.8% growth and represents a marked change from the previous period (1996-2001), when it averaged a negligible 0.2% per annum. This recent growth has significantly exceeded earlier forecasts by the State Government, contained in the *Victoria in Future* (2008). However, the City of Maribyrnong’s recent growth lags Melbourne’s West[7] (2.9%), where large scale greenfield residential estates in Melton (Caroline Springs) and Wyndham (Point Cook and Wyndham Vale) have developed and will continue to grow.

[7] Melbourne’s West encompasses the municipalities of Brimbank, Hobson’s Bay, Maribyrnong, Melton, Moonee Valley and Wyndham.

As the key services centre for the broader Western Melbourne region, slowing local growth may have implications for the development of key infrastructure needs and requirements for the region. It is important, therefore, that the Maribyrnong Council not only prepares for further growth in the LGA but also the population growth of the Melbourne's West region (which is expected to grow at a pace of 2.2% per annum between 2009 and 2021).

Table A.1: Historic & Projected Population, 2001-2031

	Historical Population				Projected Population			
Region	**2001**	**2006**	**2009**	**2010**	**2021**	**2031**	**Annual Change 2001-09**	**Forecast Change 2009-21**
Number of Persons								
Maribyrnong	61,226	66,183	71,523	72,139	80,464	92,000	2.0%	1.0%
Melbourne's West	558,253	631,482	700,046	720,108	909,962	1,073,443	2.9%	2.2%
Metro Melbourne[(a)]	3,472,207	3,744,373	3,947,730	4,018,335	4,704,719	5,278,149	1.8%	1.3%
Number of Households								
Maribyrnong	23,192	27,209	28,983	27,763	37,367	46,398	2.8%	2.1%
Melbourne's West	191,044	217,799	242,587	243,669	304,824	384,242	3.0%	1.9%
Metro Melbourne	1,260,990	1,464,644	1,575,723	1,587,660	1,882,661	2,196,296	2.8%	1.5%
Average Household Size								
Maribyrnong	2.6	2.4	2.5	2.5	2.3	2.3	-0.8%	-0.5%
Melbourne's West	2.9	2.9	2.9	2.9	2.8	2.8	-0.1%	-0.1%
Metro Melbourne[(a)]	2.8	2.6	2.6	2.6	2.5	2.4	-1.0%	-0.3%

Notes (a) Melbourne Statistical Division
Source: AEC*group,* ABS (2010a), Id (2010), Department of Planning and Community Development (2009)

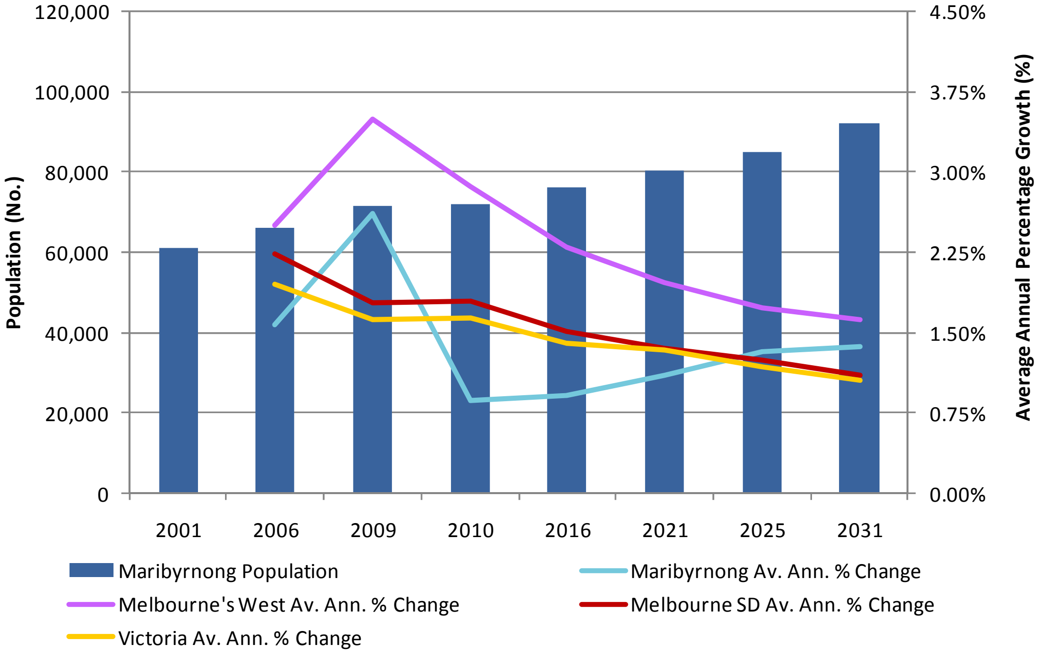
Average household size will continue to decrease in Maribyrnong, in line with regional trends and indeed national expectations. The decreasing household size will impact future residential development, together with the increased demand for more dwellings (households) that need to be accommodated within the City. These trends will influence future residential design and construction by creating demand for denser, multi-unit developments, providing a more compact, urban experience, compared to the traditional single family detached home and garden. Future investments in residential property will changes the residential landscape but provide for an increase in population, stimulating local spending and consumption, providing economic growth.

Recent residential growth in the City has been accommodated by new housing estates on former brownfield sites (i.e. Edgewater estate, Waterford Green) as well as in Maidstone and new apartment developments around Footscray. Future population growth will be dependent on a number of exogenous and internal variables, including broader metropolitan and national growth dynamics, the timing and release of further residential infill development sites, the density of that development, demand for student accommodation and the pricing of residential product relative to its competitive alternatives. Major redevelopment sites that have already been identified include:

- 128 hectare former Department of Defence Explosives Factory land, Cordite Avenue (3,000 potential dwellings);
- Joseph Road Precinct (1,454 dwellings);
- Kinnears Rope Works, Ballarat Road (1,350 dwellings);
- Bradmill Precinct (1,300 dwellings);
- Beachly Street, Braybrook (518 dwellings);
- Footscray Station Precinct (606 apartments); and
- Banbury Village (former Dunlop Olympic Tyres – 370 dwellings).

Population forecasts commissioned by the City of Maribyrnong project the population will grow by an average 1.7% per annum through to 2021, outpacing the broader metropolitan area (1.3%) but lagging Melbourne's West (1.8%). The forecast indicates an additional 9,604 households to be accommodated within the Municipality by 2021 (an average of 960 per annum).

Figure A.1: Maribyrnong Historic & Projected Population, 2001-2031



Sources: AEC*group*, ABS (2010a), Id (2010), Department of Planning and Community Development (2009)

While population growth certainly translates to economic growth in terms of increased spending, consumption and demand for new construction, there are also numerous challenges from increasing population. In an urban and built environment such as Maribyrnong, the challenge to accommodate the increase in dwellings in a predominantly built out environment often translates to demand for redevelopment and/or dense residential developments, which are not the traditional residential form. Equally, ensuring that there are local employment opportunities for new residents will assist in creating a more sustainable community through decreases in transport requirements, green house gas emissions and increased wellbeing through less commuting time.

Planning can have a strong influence over future development. Lot sizes, land use, infrastructure, access, parking requirements and urban design standards can influence how these future developments are delivered. However, planning must also consider market realities for future developments and ensure that planning tools designed to influence future built form are not restrictive to the point of discouraging development.

Charting the Course[8] - Population & Households

Strength: The City is experiencing robust population growth accommodated by new infill estates and apartment developments.

Strength: Projected increases in population will drive future economic growth through increases in spending and consumption as well as construction of new dwellings, in order to house this future population.

Strength: Increases in population is a driver of economic growth as it increases spending, consumption and construction of new dwellings for the growing population.

Strength: The region is home to high numbers of highly skilled residents.

Strength: The region is home to high numbers of university students.

Opportunity: Development of professional business services leveraging the local highly skilled workforce.

[8] Charting the course boxes will appear throughout this document to highlight specific elements of the research and analysis that will relate to the overall assessment of the economy. These points will map to specific aspects of the SWOT assessment, which will drive the strategy.

Charting the Course - Population & Households (continued)

Opportunity: Future residential and associated development to accommodate projected population increases will influence local spending patterns in retail, services and discretionary spending.

Threat: Inability to supply residential land (redevelopment sites), or future projected population does not materialise negatively impacting economic growth.

Threat: Significant population growth may outpace community infrastructure capacity.

Threat: Future developments may be stalled or delayed due to opposition to change.

Threat: Future projected population does not grow at the projected rate negatively impacting economic growth.

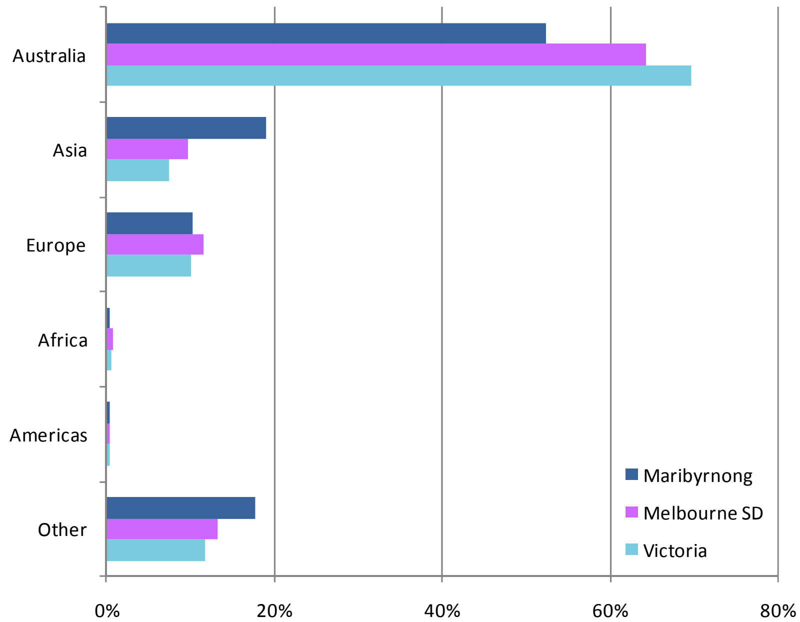
Threat: Retail and services mix does not meet local needs.

Threat: Housing affordability could drastically change future population and demographics.

Cultural Diversity

The municipality has one of the most culturally diverse population compositions in Victoria, which continues to contribute to the unique nature of the community (Figure A.2).

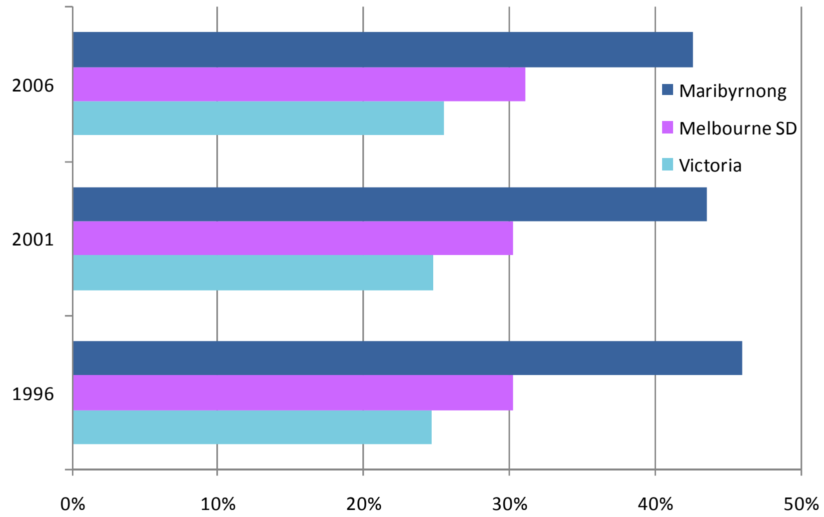
Figure A.2: Place of Birth, Percentage of Population, 2006



Note: "Other" includes responses not stated and born elsewhere.
Source: ABS (2007)

The Asian population of Maribyrnong is one of the strongest ethnic groups, with the Vietnamese community having a visible impression on the City. In contrast to many other local governments around Melbourne with large Asian (and Vietnamese) populations, Maribyrnong houses a significant concentration of Vietnamese businesses which have clustered around Footscray. More recent arrivals include a growing number of 'horn of Africa' immigrants, further diversifying the Maribyrnong community.

Figure A.3: Place of Birth, Percent Born Overseas, 1996-2006



Note: "Other" includes responses not stated and born elsewhere.
Source: ABS (2007)

As demonstrated in Figure A.3, Maribyrnong has long been a destination for new migrants into the country and has historically welcomed more foreign born residents than the region or state averages. Even though the percent of immigrants has decreased slightly over time, foreign-born immigrants still make up a strong portion of the population, contributing to the cultural diversity of the area.

Through the proactive further development of existing trade and business links between local companies and businesses in distant homelands, there is the potential develop further growth of culturally diverse businesses, including import/export businesses.

Consultation Notes

The cultural diversity of the community was mentioned on several occasions during the consultations. The diverse nature of the City's community was mentioned as a strength of the area and a characteristic that made the Maribyrnong unique across metropolitan Melbourne. Leveraging and harnessing this cultural diversity can provide unique opportunities for future economic development.

Charting the Course – Cultural Diversity

Strength: Cultural diversity because it provides part of Maribyrnong's unique character.

Weakness: Recent arrivals who do not have sufficient English skills often have difficulty accessing employment.

Opportunity: Expand existing trade links with international 'home countries' through existing businesses to create investment and jobs in Maribyrnong.

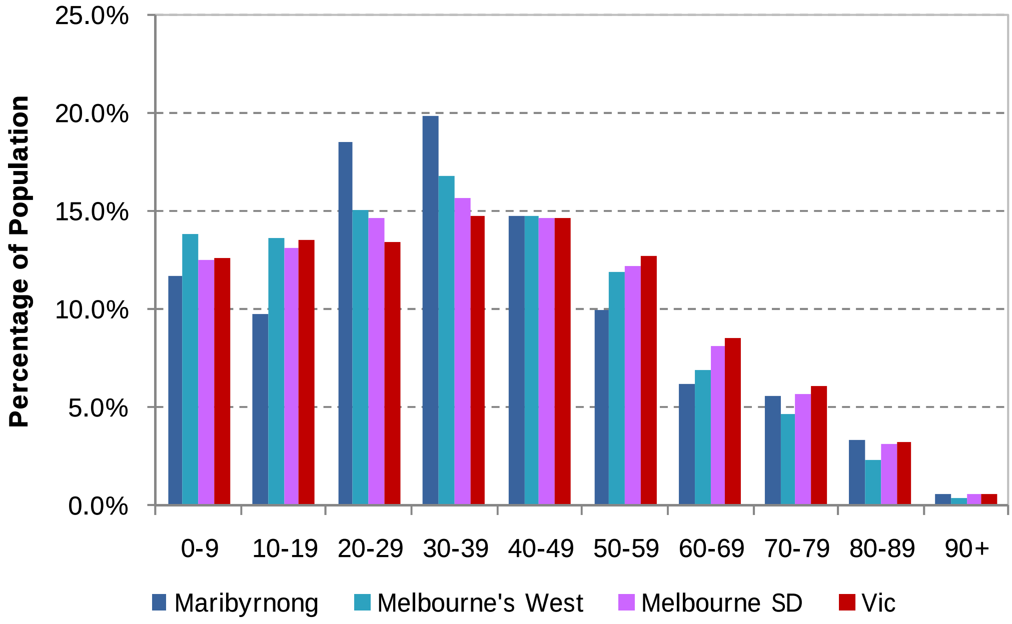
Threat: Inability of immigrants to assimilate into Australia culture, including gaining English skills, could provide some levels of conflict in the future and drive a divide amongst the community.

Threat: Other regions with a similar CALD communities profile.

Age Profile

Maribyrnong has a relatively young population with much higher proportions of people aged 20-39. This relatively younger demographic is due to the higher presence within the City of single person households (between 5-9% more than the region and state) and group households (roughly double the region and state). The proximity to the CBD and the presence of VU make the City an attractive location for young professionals and students, who often live alone.

Figure A.4: Age Profile, 2006

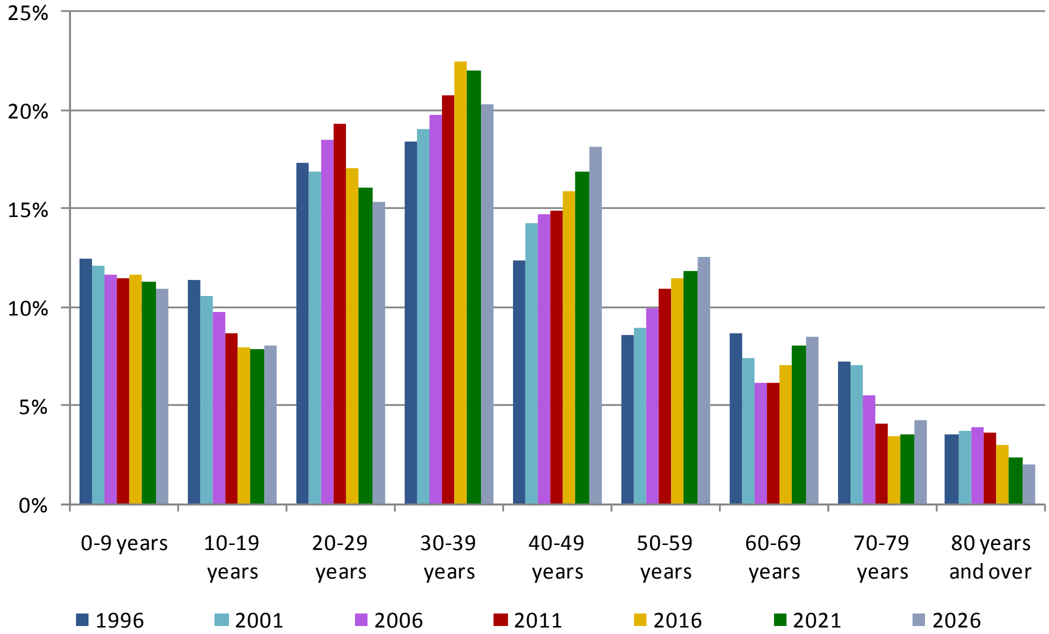


Source: ABS (2007)

Projections by the Department of Planning and Community Development (2008a) foresee the population of Maribyrnong aging into the future (Figure A.5). In the future, the over 55 proportion of the population will make up over 20% of all residents. However, the age profile of the LGA is likely to remain below that of comparative areas in Metropolitan Melbourne due to the presence of the University and also the increasing gentrification of Maribyrnong. Melbourne's growth will continue to change the perception of Maribyrnong from Western Suburb to inner-city suburb.

An aging population will create numerous economic and social challenges, including lowering workforce participation (available labour force), lowering spending levels and increasing demand for health and social services. These issues will cause both challenges and opportunities for Maribyrnong.

Figure A.5: Maribyrnong Age Profile, Percentage of Population, 2006-2026



Source: ABS (2007), Department of Planning and Community Development (2008a)

Charting the Course – Age Profile

Strength: Attractive location for young professionals and students

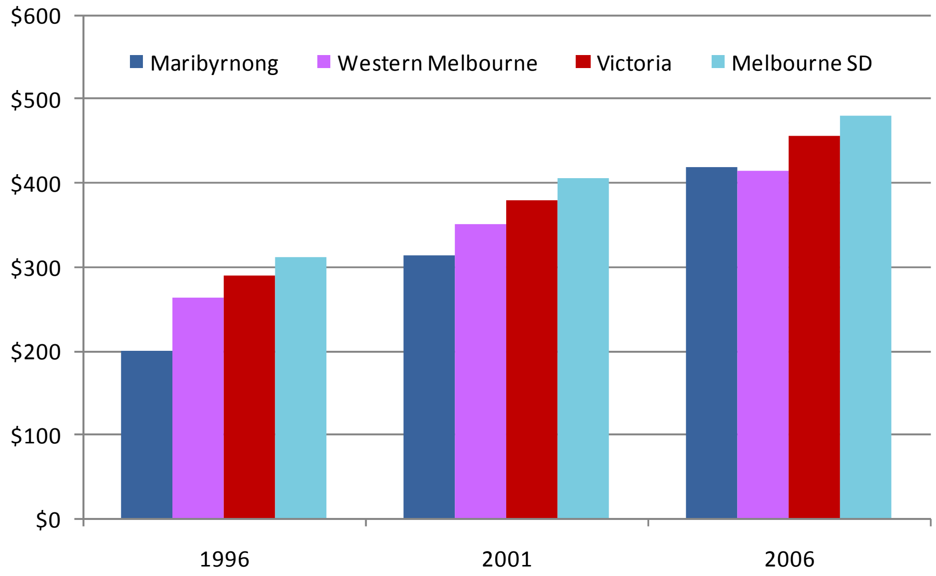
Weakness: Future aging of the population can create strain on economic and social conditions and infrastructure.

Opportunity: An aging population will generate demand for expansion of health services locally (health, aged care, home based services, financial advice & guidance etc), potentially providing opportunities for future growth, leveraging existing health services.

Incomes

Individual income statistics can demonstrate the wealth of residents. The most recent data (2006 in Figure A.6) shows that Maribyrnong, as a whole, trails the region and state in terms of median individual income. The impact of urban renewal and recent residential development has provided a boost to median individual incomes in Maribyrnong over time. Since 1996, the median individual income in the City has moved successively closer to the regional and state figures.

Figure A.6: Median Individual Income, $ per week, 1996-2006

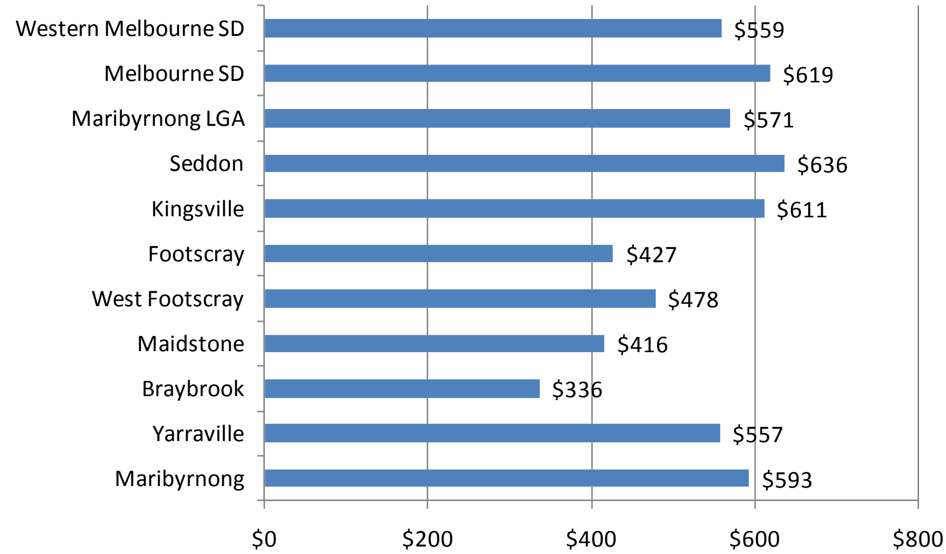


Source: ABS (2007)

More detailed analysis inside the City (Figure A.7 and Figure A.8) shows that the overall average for the municipality has increased as a result of redevelopment and gentrification in certain suburbs and that pockets of disadvantage remain across the City. Areas like Seddon have become very affluent, while others continue to struggle. As urban renewal and residential development continues in Maribyrnong, the suburbs that receive this investment are likely to see income levels rise.

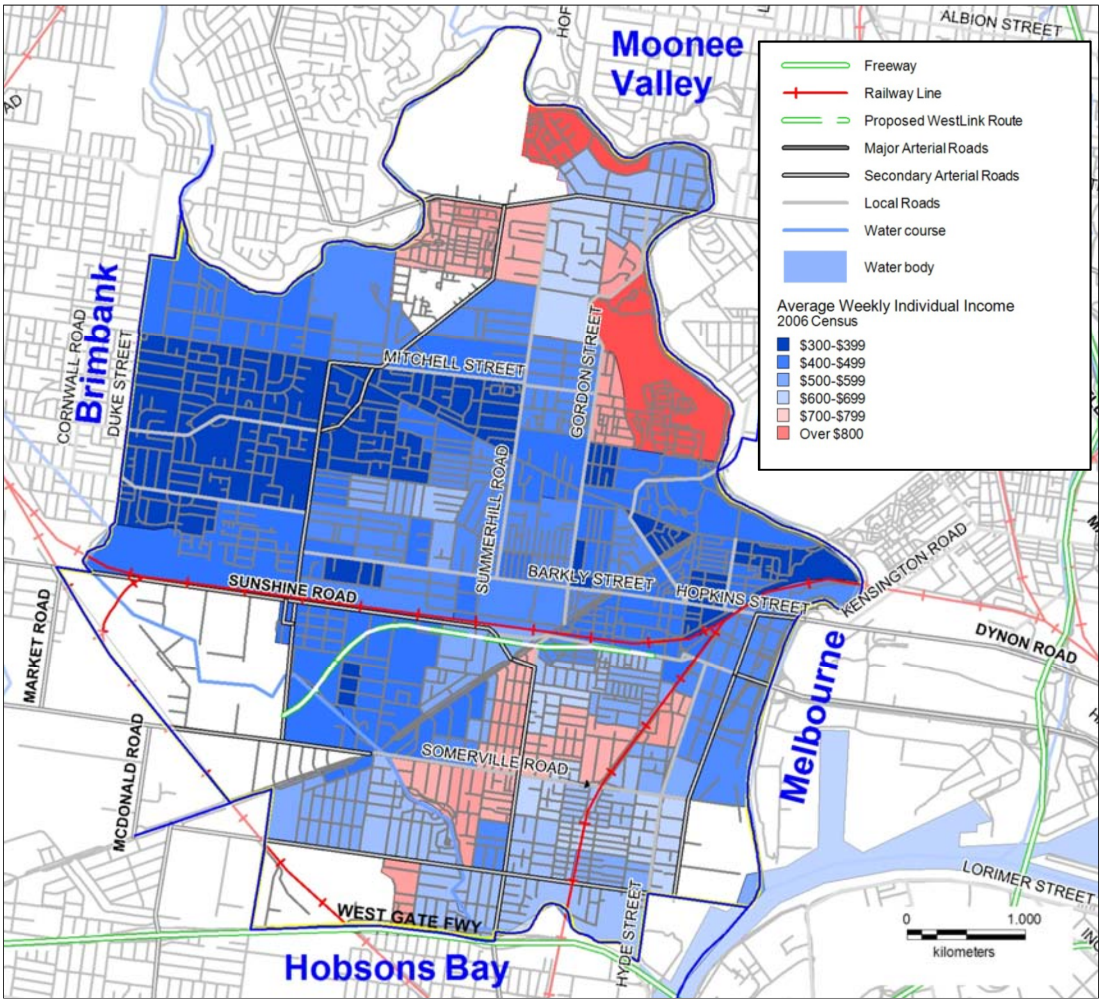
As a result of increasing gentrification, residential property values will rise and provide some residents with the opportunity to sell their houses for a premium and relocate to another area. At the same time, rising property values can cause an affordability issue for low income earning residents. These residents may also seek to relocate to a more affordable area. At the same time, many of the disadvantaged areas in Maribyrnong have a strong proportion of public housing, which is likely to remain. The general trend of gentrification, rising property values and relocation of residents is typical of that type of urban change occurring in Maribyrnong. As the population continues to increase, the demographic makeup of the area will also continue to change.

Figure A.7: Median Individual Income, $ per week, 2006



Note: data not available for Tottenham.
Source: ABS (2007)

Figure A.8: Individual Income, City of Maribyrnong, 2006



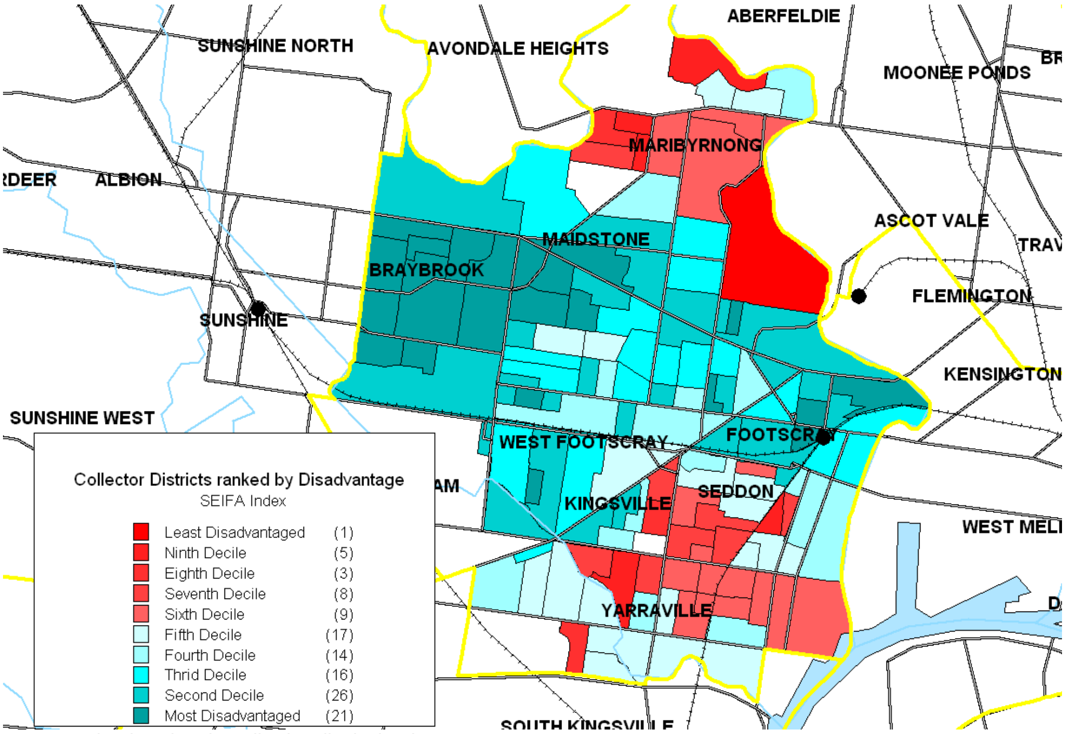
Note: Map developed at the collection district level
Source: AEC*group*, ABS (2007)

The disparity between the wealth amongst residents can generate a divide that forms social and community barriers, often causing tensions amongst residents. A key goal of economic development is to increase the standard of living for all residents.

Socio-Economic Advantage & Disadvantage

The Socio-Economic Indexes for Areas (SEIFA), which is prepared by the ABS from Census data, supports the understanding of the City as a combination of areas of affluence and areas of significant disadvantage (Figure A.9). SEIFA scores provide a broad understanding of the welfare of a region and are based on a variety of economic and social data, including income, education, employment and skills.

Figure A.9: SEIFA Index, City of Maribyrnong, 2006



Note: Map developed at the collection district level
Source: AEC*group*, ABS (2007)

Those in areas of disadvantage identified above generally suffer from low education levels, which lead to a lack of skills. The lack of skills and other factors generate significant challenges for residents in terms of accessing employment, which contributes to consistently high levels of unemployment and low income. In addition, access to housing is significantly impaired, requiring public housing services. These areas generally have generational and entrenched social issues, which prove difficult for local governments to change.

Through economic development, Council can generate local jobs that can provide entry level or relatively lower skilled positions, which can provide opportunities for disadvantaged residents. Through various training programs, residents can gain essential skills required for future employment.

However, economic development is not a panacea and further specialised help will likely be required in the region to combat these social problems. In order to effectively deal with these entrenched issues, specialised long-term strategies are needed. Often these efforts require partnerships with State and Federal Governments.

Consultation Notes

Consultation with many stakeholders confirmed that Maribyrnong is becoming divided by pockets of affluent, wealthy residents and areas of significant disadvantage. Areas such as Yarraville, Seddon, Edgewater and Highpoint are continuing to flourish while other parts of the municipality are being left behind. This 'two speed' development is presenting challenges for Council in regards to how to successfully meet the needs of their different constituents.

Charting the Course – Income & Socioeconomic Advantage & Disadvantage

Strength: A community that is involved and concerned for those areas of Maribyrnong that reflect lower scores on SEIFA Indexes. This concern is based on desire for shared prosperity.

Weakness: High levels of disadvantage in some pockets of the City.

Threat: 'Tale of two cities', developing a community of very affluent and very disadvantaged residents, polarising the community.

Opportunities: Community building around a shared vision and creating opportunities for all community members.

Economy & Employment

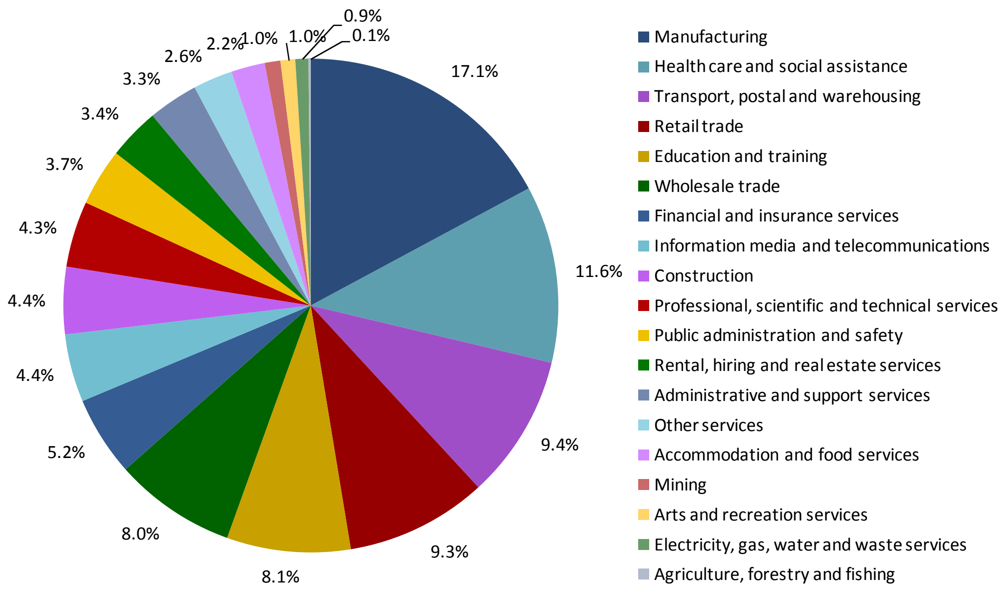
Key Point Summary

- Maribyrnong's Gross Regional Product (GRP) is estimated to be $4.2 billion in 2009-2010, representing almost 20% of the Melbourne's West economy and 1.5% of the State economy.
- Maribyrnong's economy is influenced by regional and state economic trends, and anchors such as the Port of Melbourne, rapid industrial development of Melbourne's West and globalisation, which has caused many local industrial companies to leave or change their business model.
- Four sectors in Maribyrnong contribute nearly half of the total GRP:
    - Manufacturing (17.1%)
    - Healthcare and social assistance (11.6%)
    - Transport, postal and warehousing (9.4%)
    - Retail trade (9.3%)
- Four sectors in Maribyrnong provide 60% of all jobs:
    - Retail trade (18.1%)
    - Manufacturing (16.2%)
    - Healthcare and social assistance (6.8%)
    - Education and training (9.8%)
- The majority of businesses in Maribyrnong are sole traders or self employed businesses (60%). Only 3% of businesses employ more than twenty people within the City. While the industrial, healthcare and education sectors provide considerable employment and value to the economy these sectors do not represent a large number of the businesses within the City:
    - Largest 1% of businesses (by employment) account for 31% of total employment in the City.
    - Largest 1% of businesses (by turnover) account for 50% of total turnover in the City.
- The composition of employment across the various industry sectors has shifted over the last decade in response to local and macro trends, providing crucial insights into historical trends. Many traditional manufacturing jobs have been lost and are not likely to return. Knowledge intensive, high value adding jobs have generally not replaced the jobs lost in recent years, resulting in a 4% drop in employment overall.
- The Maribyrnong labour market is a net importer of labour (e.g. a net job generator) by importing low-skilled workers and exporting high-skilled workers. 80% of resident workers (over 23,000) leave the City every day for work. Unemployment in Maribyrnong is relatively high, at 7%, compared to the region and state averages. Maribyrnong also includes pockets of disadvantage with higher, persistent unemployment across parts of Braybrook, Maidstone and Footscray.
- There is a large variation amongst local residents in terms of skills, income, employment, creating pockets of affluence and areas of significant socio-economic disadvantage.
- Understanding the current composition of the local economy, including key sectors, helps to understand the current drivers of wealth generation in the economy, which will play a role in growing the economy in the future. Understanding the size, scale and impact of different businesses will also assist to ensure that the maximum value and benefits are achieved through economic development activities.

Industry Composition

Gross Regional Product[9] (GRP) seeks to quantify the size of an economy and identify the various value-adding components. The largest industry sector contributing to Maribyrnong's economy is manufacturing. Combined with transport and wholesale trade, industrial activities account for over a third of the economy, even considering the recent trend of decreasing employment and firms relocating to greenfield developments further west of Melbourne. Healthcare, retail trade and education are all equally important sectors, combining to make up another 30% of the economy. These industry sector contributions represent the bulk of the City's current economic activity and are representative of the presence of specific economic assets, such as the Western Hospital (healthcare) and VU (education). Highpoint also functions as a regional shopping destination and contributes significantly to the retail industry in the local economy.

Figure A.10: Industry Contribution to GRP, Maribyrnong 2009-10

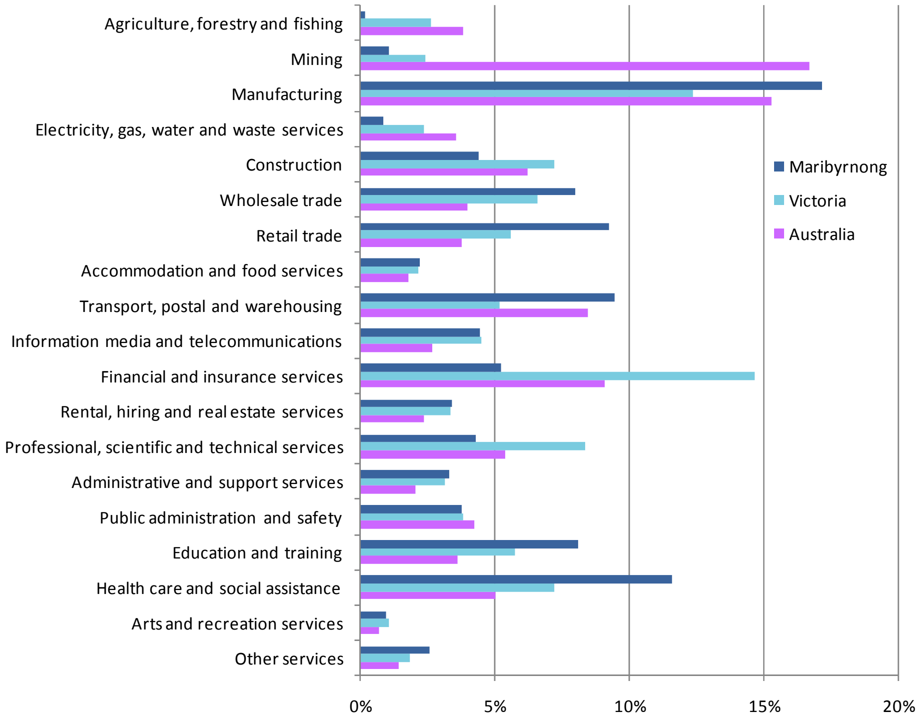


Note: Industry contribution to GRP excludes ownership of dwellings, taxes & subsidies and statistical discrepancy which contribute to total GRP.
Source: AEC*group*, ABS (2010b), ABS (2010c)

Compared to the State and Nation, Maribyrnong has a stronger representation of industrial activities, including manufacturing and transport sectors. Additionally, the healthcare and education sectors are also larger in Maribyrnong than in the State and Nation. Professional business services (including finance and insurance, professional, scientific and technical services) are less represented in Maribyrnong when compared to the State and Nation. Interestingly, wholesale and retail trade are also stronger in Maribyrnong than the State and Nation, likely supported by the activities surrounding Highpoint and pointing towards Maribyrnong's role as the regional retail centre. These differences help to point out the distinct and unique aspects of Maribyrnong's economy. In order to grow the economy, it will be necessary to focus on existing strengths, including many of the key industry sectors.

[9] Please refer to Appendix B for a description of AEC*group*'s GRP model.

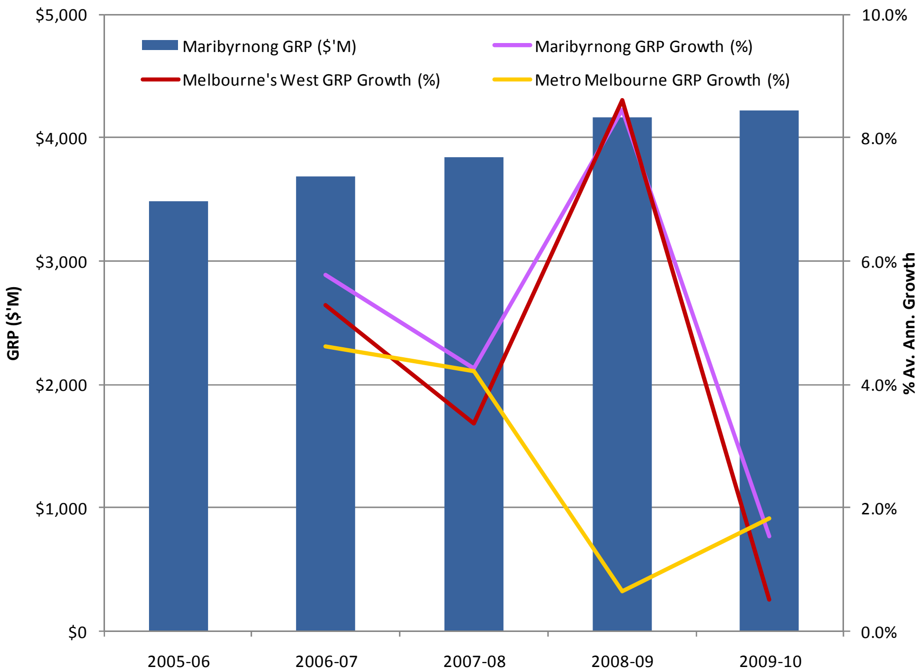
Figure A.11: Industry Contribution Comparison, 2009-10



Note: Industry contribution to GRP excludes ownership of dwellings, taxes & subsidies and statistical discrepancy which contribute to total GRP.
Source: AEC*group*, ABS (2010b), ABS (2010c)

The Maribyrnong economy has been steadily increasing over time, including increasing its contribution to Melbourne's West. As an economy of $4.2 billion, Maribyrnong formed 18.5% of the Melbourne West region in 2009-10, an increase of 4.0 percentage points over its contribution in 2005-06. Despite the onset of the global financial crisis, Maribyrnong economy has continued to increase.

Figure A.12: Gross Regional Product, Maribyrnong 2005-06 to 2009-10



Note: Information and modelling constraints prevent GRP estimates prior to 2005-06.
Source: AEC*group*, ABS (2010b)

The composition of economic growth in the region has changed mildly since 2005-06. Different industries were impacted to differing degrees by the Global Financial Crisis and other macro-economic trends at play since 2005-06.

The **manufacturing** sector's presence within the region has eased, though it remains the most prominent industry in the area. The industry's share of GRP has eased from 18.7% in 2005-06 to 17.1% in 2009-10. The manufacturing sector has however, continued to increase its output over the same time frame. Food and beverage, machinery and equipment and textile, clothing and footwear manufacturing are the key sub-sectors of the manufacturing industry in Maribyrnong.

The **retail trade, accommodation and food services** sectors has maintained a steady contribution to the local economy at 11.5% in 2009-10 (retail contributed 9.3% and accommodation and food services contributed 2.2%). The retail trade sector expanded throughout the global financial crisis and 2009-10, likely supported by fiscal and monetary policy loosening and firmer than expected labour outcomes. However, the accommodation and food service sector weakened in 2007-08 and 2009-10 likely as some domestic re-balancing of the consumer funds weakened demand for 'luxury' experiences.

The **transport and storage** sector posted average annual growth of 6.1% between 2005-06 and 2009-10. However, its contribution to the local economy increased only mildly over this period, from 9.1% to 9.4%.

The **education sector** posted average annual growth of 5.2% between 2005-06 and 2009-10. The sector maintained its share of the local economy, of 8.1%. The **health & social assistance sector** grew mildly between 2005-06 and 2009-10, contributing the second highest amount to the local economy at 11.6%.

Charting the Course – Industrial Composition

Strength: Strong industrial sector which provides a strong basis (including existing and well established supply chains, workforce and support services) for existing industries. Backed by VU and the Western Hospital, Maribyrnong has strong education and healthcare sectors. Anchored by the Footscray CAD and Highpoint, the retail sector is a major employer in Maribyrnong.

Opportunity: To maximise the use and value of the industrial sector in Maribyrnong through strategic support and business attraction.

Weakness: Sectoral change due to changes in tariffs, land availability etc.

Opportunities: To build on the current base of businesses, many who have a long history in Maribyrnong and have well established networks in the area

Threats: Inability to augment existing underutilised land to make it more attractive to businesses could result in missed opportunities. Similarly, inability to provide opportunities for redevelopment of some lands could impair business attraction efforts.

Business Locations

The businesses comprising the Maribyrnong economy are dispersed across the entire City of Maribyrnong. Certain activities tend to be grouped in distinct parts of the City (Figure A.13). For example, there are nine industrial precincts across the municipality, which contain the majority of the manufacturing, transport and wholesale trade activities. Equally, retail activities are largely focuses around Highpoint and Footscray as well as many smaller retail precincts around the City. A large portion of the healthcare industry is centred upon the Western Hospital and many education jobs exist at the VU campus. Moving forward, this diverse economic landscape will change. As highlighted in Figure A.13, there are numerous specialised areas in industrial and retail/commercial activities. These areas of specialisation can continue to add value to the economy, across the various key industry sectors. The healthcare industry is likely to grow around the Western Hospital and Sunshine Hospital. The VU can grow as an educational precinct. As Maribyrnong grows, it will be necessary to evaluate many of the existing specialised precincts to ensure that land is utilised in the most productive manner. As an urban and developed area, Maribyrnong does not have significant amounts of greenfield space for future development and must consider the highest and most productive use of economic precincts.

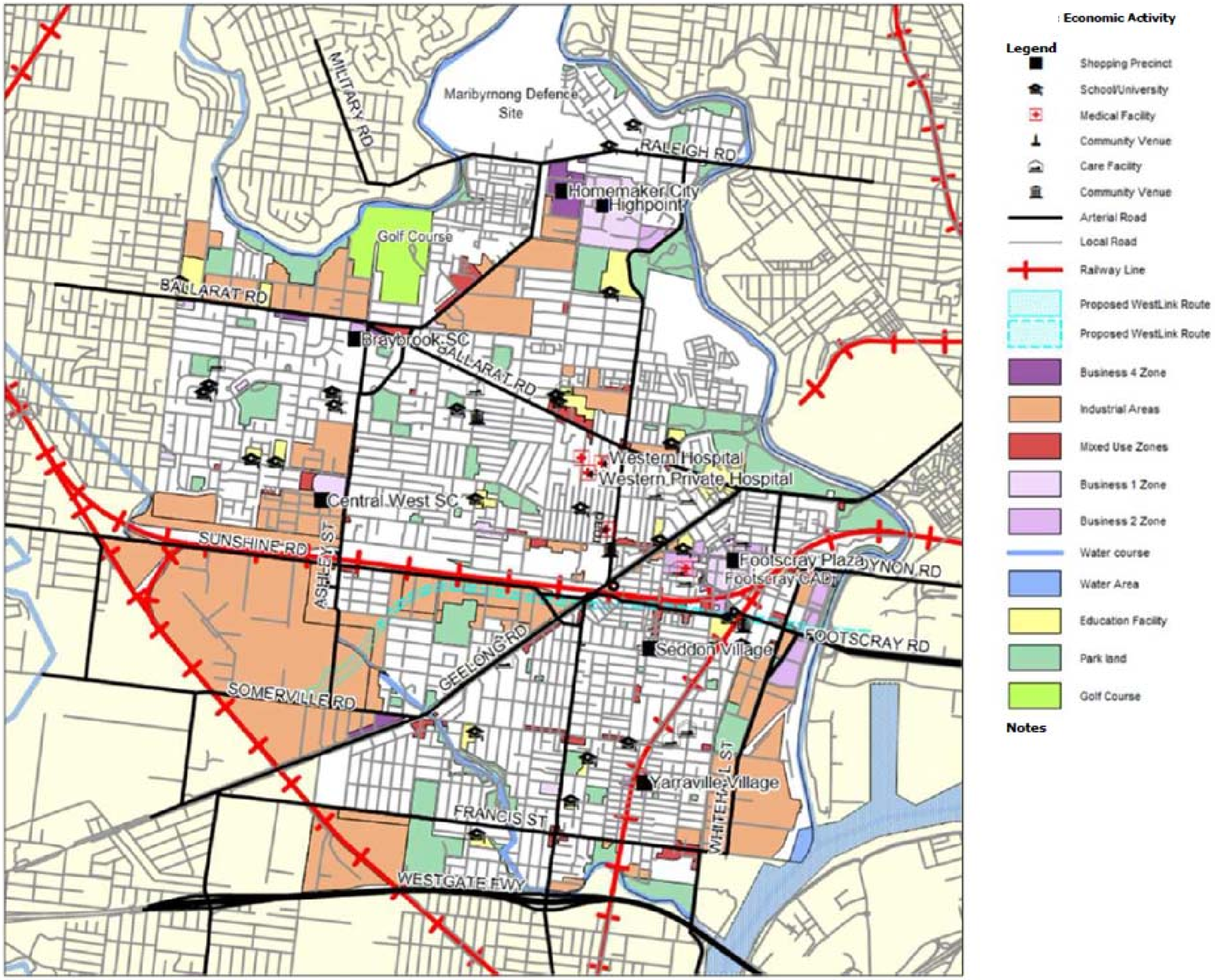
Charting the Course – Business Locations

Opportunity: As the economic activities in the City have changed over time, so too has the need for and utilisation of available lands. There are lands available for redevelopment.

Strengths: Maribyrnong has a diversity of economic activities, which can provide for future growth across industrial, health, education and retail industries.

Threats: As the population of Maribyrnong and the Western region continue to grow and change, balancing land use requirements across residential and employment lands to ensure maximum benefits to the community will be a challenge.

Figure A.13: City of Maribyrnong, Economic Activity



Source: AEC*group*

Business Size & Mix

The majority of businesses in Maribyrnong are sole traders or self employed businesses (60%). Only 3% of businesses employ more than twenty people within the City. While the industrial, retail, healthcare and education sectors provide considerable employment and value to the economy, with the exception of retail, these sectors do not represent a large number of the businesses within the City. Manufacturing, healthcare and education businesses tend to be larger employers within the municipality, which is consistent with much of the current land uses, including large industrial users.

As the numbers below (Table A.2) indicate, the majority of businesses are engaged in the following sectors, with the majority of these companies are sole traders or self employed:

- Transport, postal and warehousing;
- Retail trade;
- Rental, hiring and real estate services;
- Professional, scientific and technical services; and
- Construction.

Local governments need to consider the differing nature of business support required by businesses of different sizes. Small businesses have different needs to larger businesses and require a different type of service provision. In many circumstance, a general or standardised support platform, aided by various on-line tools, can provide significant assistance to small businesses, where larger businesses may require more customised services. It should be noted that due to the nature of the data collection for the below table, key businesses in Maribyrnong economy may not be reflected in the data (see note below).

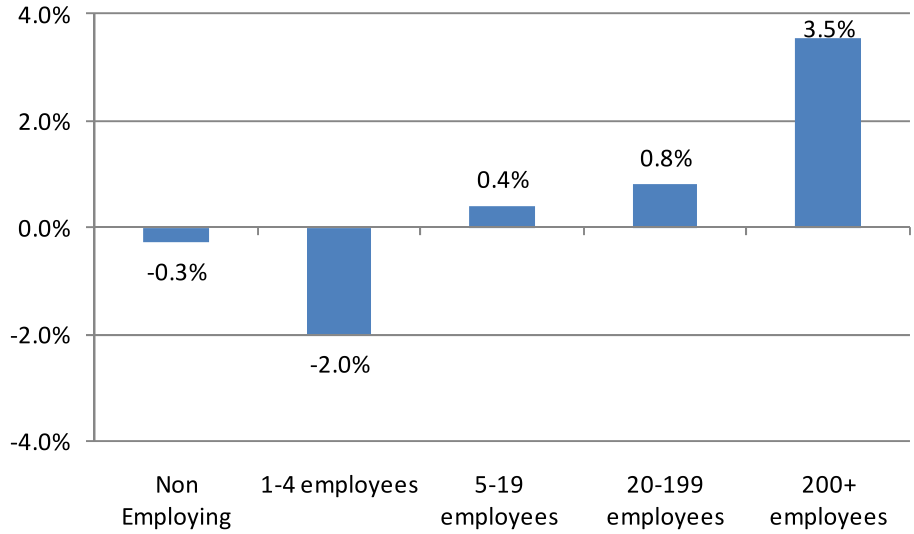
Table A.2: Business Count by Industry and Employment Size, City of Maribyrnong, 2009

Industry	Employment Size (Number of Businesses)							Total	
	Non employ	1- 4	5-19	20-49	50-99	100-199	200+	No.	%
Agriculture, Forestry and Fishing	84	9	3	3	0	0	0	99	2%
Mining	0	0	0	0	0	0	0	0	0%
Manufacturing	96	107	71	24	6	6	0	310	6%
Electricity, Gas, Water and Waste	3	3	0	0	0	0	0	6	0%
Construction	371	147	36	3	3	0	0	560	10%
Wholesale Trade	111	90	48	15	3	9	0	276	5%
Retail Trade	227	209	123	6	15	3	3	586	11%
Accommodation and Food	71	113	62	0	3	3	0	252	5%
Transp., Postal and Warehousing	514	98	18	15	3	0	0	648	12%
ICT	42	21	0	0	0	0	0	63	1%
Financial and Insurance Services	247	36	27	0	0	0	0	310	6%
Rental, Hiring and Real Estate	512	27	27	12	0	0	0	578	11%
Prof.,Sci, and Technical Services	386	166	54	3	0	0	0	609	11%
Administration and Support	140	64	18	6	0	0	3	231	4%
Public Administration and Safety	14	9	9	0	0	0	0	32	1%
Education and Training	31	12	12	0	0	0	0	55	1%
Health Care and Social Assistance	108	96	39	9	0	0	0	252	5%
Arts and Recreation Services	87	21	15	0	0	0	0	123	2%
Other Services	88	91	50	6	0	0	3	238	4%
Not Classified	130	27	9	0	0	0	0	166	3%
Total	**3,262**	**1,346**	**621**	**102**	**33**	**21**	**9**	**5,394**	**100%**
Total (% of businesses)	**60%**	**25%**	**12%**	**2%**	**1%**	**0%**	**0%**	**100%**	

Note: Business count data is based on place of business registration, rather than location of major offices. As such the data represented in this table may not be accurate for the City of Maribyrnong. Key players in the region, such as many large industries, the Western Hospital and Victoria University are not included in totals for their respective industries for this reason.
Source: ABS (2010d)

Recent data released at the national level gives some indication as to how the mix of businesses (by size) is changing (Figure A.14). The number or large businesses (200+ employees) has increased the most, while the number of micro-businesses (sole traders and companies employing 1-4 employees) has declined.

Figure A.14: Average Annual Growth rates (2007-2009), Australian Businesses

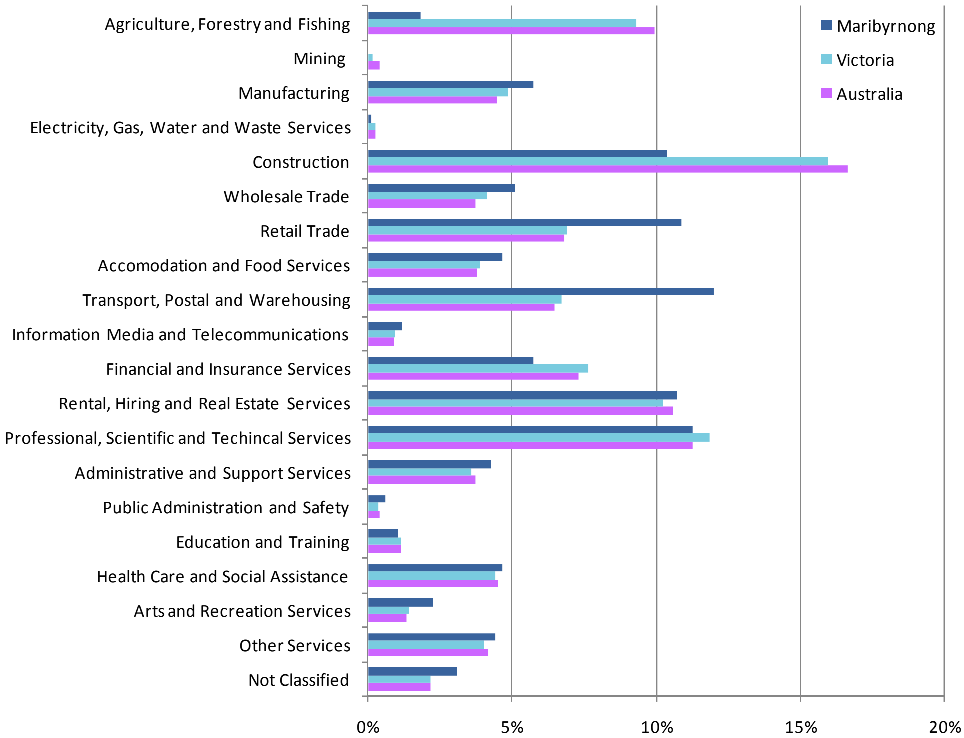


Source: ABS (2010d)

While data for Maribyrnong locally is unavailable, these changes at the national level provide some insights into the business mix and structure locally, suggesting consolidation of economic activity into larger, more corporate establishments and a decline in small businesses.

Compared to the state and national averages, Maribyrnong has higher proportions of businesses engaged in manufacturing, retail and transport, which further underscores the significance of these sectors to the local economy (Figure A.15:). Building on the existing strengths of the economy will be important for future growth.

Figure A.15: Business Count by Industry, Comparison, 2007-2009



Source: ABS (2010d)

The contribution that micro businesses, small to medium enterprises (SME) and larger businesses make to the economy varies significantly:

- Largest 1% of businesses (by employment) in Maribyrnong account for 31% of total employment in the City (Table A.3); and
- Largest 1% of businesses (by turnover) in Maribyrnong account for 50% of total turnover in the City (Table A.3).

Table A.3: Average Turnover and Employment by Segment, 2007-2009

Segment	Employment (No.)	Employment (%)	Turnover ($M)	Turnover (%)	Average Turnover by Employee ($/emp)
Largest 50	6,430	31%	$53.4	49%	$415,273
51-100	2,245	11%	$12.3	11%	$273,942
Top 100	8,675	41%	$32.8	60%	$378,696
101-200	2,663	13%	$5.3	10%	$199,249
201-300	1,188	6%	$3.5	6%	$294,613
Rest of Maribyrnong	8,536	40%	$0.2	23%	$149,190

Note: Totals may not equal the sum of all components due to rounding.
Source: ABS (2010d)

This breakdown helps to identify the relative impact of different sizes of businesses on the local economy. Combined, small business (employing 4 workers or less) make up 85% of all businesses. However, when total employment and turnover is considered, together, these businesses contribute much less than larger businesses. Essentially, helping a single larger business will have a greater impact on the economy than helping one small business. These statistics help to focus where efforts should be spend for economic development in order to deliver the highest return on investment for the community. As discussed earlier, there are also different forms of intervention that government can undertake, given the size and scale of the company. A small business that has the potential to grow tremendously, an innovative start-up company for example, will require a different type of assistance than an existing retail shop, which is different again from a larger knowledge driven industry that is interested in expansion.

In addition to these fundamental differences, these businesses each require different support form Council. Small businesses may need assistance in networking and attaining finance, where as large companies may require improved access to skilled labour, suppliers and export channels. To match these differences, Council should provide more general support to small businesses and more tailored services to larger businesses.

Consultation Notes

Consultation with smaller companies seemed to focus around the retail sector. Tremendous concerns were voiced by many in the Footscray area regarding the recent implementation of parking cameras. Most companies agreed that the best way to increase in-store turnover was to increase population densities, thereby increasing traffic and spending in the local area.

Larger businesses were often concerned with the provision of certainty regarding the surrounding areas and assurances against residential encroachment.

Key Sectors

Manufacturing

Currently, the manufacturing industry in Maribyrnong has many large, well-known companies across a wide range of industries, including:

- Olex (power cable manufacturing in Tottenham);
- Wattyl (paint manufacturing in West Footscray);
- CSR (building materials manufacturer in Yarraville), ;
- Peerless Holdings (margarine manufacturing in Braybrook);
- Pampas (frozen pastry food, West Footscray);
- Uncle Tobys (oats and cereals food manufacturer, West Footscray);
- Smorgon (Metal distribution, Sunshine); and
- Cargill (Grain Crushing and Offal in Yarraville).

The Port of Melbourne remains important to the manufacturing industry in Maribyrnong with many transport oriented companies as well as manufacturers in very niche segments (which can and need to utilise available Port facilities) interested in the City as a location.

Table A.4: Maribyrnong Manufacturing Sector Snapshot

	Period	Current Level	% of Total
Contribution to GRP ($)	2010	$599.3	14.2%
Employment ('000)	2006	4.7	16.2%
Employment by Sub-sector [(a)]	2006		
Manufacturing, nfd	2006	317	7%
Food product manufacturing	2006	950	20%
Beverage and tobacco product manufacturing	2006	32	1%
Textile, leather, clothing and footwear manufacturing	2006	730	16%
Wood product manufacturing	2006	95	2%
Pulp, paper and converted paper product manufacturing	2006	153	3%
Printing (including the reproduction of recorded media)	2006	62	1%
Petroleum and coal product manufacturing	2006	44	1%
Basic chemical and chemical product manufacturing	2006	252	5%
Polymer product and rubber product manufacturing	2006	365	8%
Non-metallic mineral product manufacturing	2006	218	5%
Primary metal and metal product manufacturing	2006	194	4%
Fabricated metal product manufacturing	2006	344	7%
Transport equipment manufacturing	2006	185	4%
Machinery and equipment manufacturing	2006	609	13%
Furniture and other manufacturing	2006	146	3%
Value of Employment ($GRP/emp)	2010	$127,793	n.a.
Business Counts	2007-2009	310	6%
Non-employing	2007-2009	96	31%
1-4	2007-2009	107	35%
5-19	2007-2009	71	23%
20-199	2007-2009	36	12%
200+	2007-2009	0	0%

Note: (a) employment by industry is for place of work.
Source: AEC*group*, ABS (2007), ABS (2010b), ABS (2010d)

Food and machinery manufacturing provide significant, high value-adding employment and despite on-going declines in the industry, textile manufacturing still provides relatively large amounts of jobs. Understanding the sub-sectors of the manufacturing industry helps to identify specific areas of expertise in Maribyrnong.

Charting the Course – Manufacturing Sector

Strength: Maribyrnong has an existing strength in food manufacturing. This sector has been growing both nationally and locally with increasing employment and dollar value contribution to the economy.

Strength: Maribyrnong has a strong manufacturing sector across multiple industries, creating a strength in existing workforce and supply chains.

Weakness: Many of Maribyrnong's significant manufacturing sectors have experienced (and are likely to continue to experience) decline, especially the textile industry.

Opportunity: Maribyrnong has the opportunity to continue to grow its food manufacturing sector, based on existing growth trends, increases in population (hence demand) and existing strengths (including proximity to market, logistics and suppliers).

Opportunity: Maribyrnong can use its existing strength in manufacturing to support growth in high-technology, high value adding, export oriented manufacturing operations.

Threats: The lack of available, greenfield land as current stock is older, industrial facilities, which require modification for modern manufacturing processes, can threaten future growth in manufacturing.

Consultation Notes

Consultation demonstrated that many manufacturing companies enjoyed the benefits and advantages that Maribyrnong can offer, however, these same companies indicated that if the need to expand arose, they would more than likely consider leaving the municipality due to larger, more unencumbered land, less residential interface issues, lower land costs, less traffic congestion and greater amenity. The Port of Melbourne featured high on many companies lists as a key advantage for Maribyrnong (due to the proximity). Investigations by Jones Lang LaSalle into the current property market indicate that the only interest in Maribyrnong for industrial purposes is for logistics operations and very niche manufacturing operations that require direct access to Port facilities.

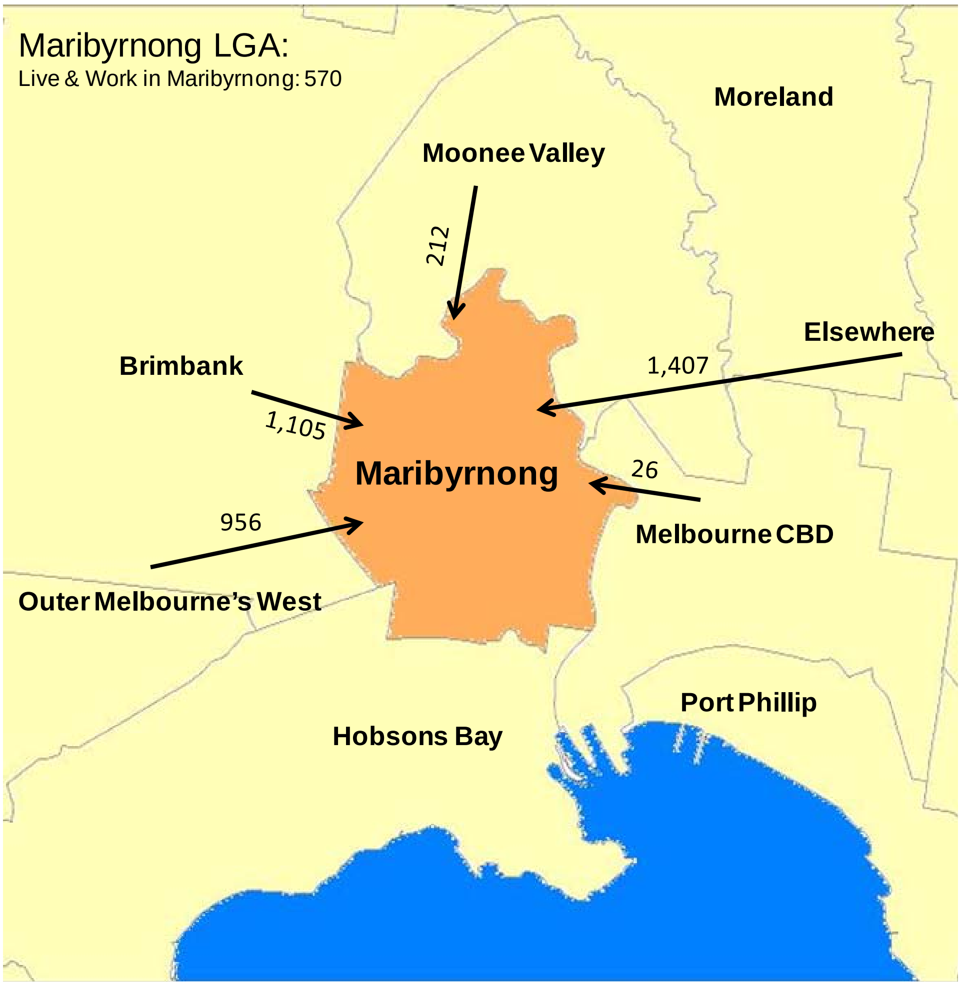
Manufacturing Catchment

Manufacturing companies have dramatically different catchment areas depending on specific products and business processes. Many companies are able to source parts and services locally, but may will be importing specific products from other parts of Australia or internationally. Traditional catchment analysis does not necessary apply to manufacturers because specific suppliers and supply chain elements may be incredibly dispersed.

Workers in the Maribyrnong Manufacturing sector are sourced from surrounding regions. Just 12% (570) of Maribyrnong's manufacturing workers are from Maribyrnong itself. Almost a quarter (1,150) of workers are from the Brimbank region. In total, the Western Melbourne region provides 60% of the Maribyrnong manufacturing workforce.

Essentially, the long tradition of manufacturing in Maribyrnong has previously created a local community that worked in local factories. Today, this situation does not exist, with the majority of manufacturing workers sourced from outside the local community. These current circumstances mean that greater travel is necessary for the local businesses to access their manufacturing workforce, which translates into numerous economic and social impacts. Additionally, local workers must find employment in other sectors locally or beyond the boundaries of the local government area.

Figure A.16: Maribyrnong Manufacturing Sector Employment Catchment



Source: ABS (2003, 2007a), AEC*group*

Retail

Retail is the largest employment sector in the City of Maribyrnong, with the centres of Footscray and Highpoint providing the majority of these jobs. Highpoint is the major retail centre for Melbourne's West with national chains such as Myer, Target and Big W as well as many other smaller stores. Highpoint is currently undergoing an expansion of 14,000 sqm which will add another 100 shops. Footscray is also a major retail area and is set to become a major hub for the metropolitan region under current State plans.

There are also two new activity centres currently planned, Bradmill and the Maribyrnong Defence Site.

Consultation Notes

Some retailers expressed concern over the incidence of crime and perceived lack of safety in parts of the municipality. Poor amenity in some areas was also cited as contributing to a general negative perception about the area.

Table A.5: Maribyrnong Retail Sector Snapshot

	Period	Current Level	% of Total
Contribution to GRP ($)	2010	$323.6	7.7%
Employment ('000)	2006	5.2	18.1%
Employment by Sub-sector[(a)]	2006		
Retail trade, nfd	2006	264	5%
Motor vehicle and motor vehicle parts retailing	2006	349	7%
Fuel retailing	2006	58	1%
Food retailing	2006	1,116	21%
Other store-based retailing	2006	3,450	66%
Non-store retailing and retail commission-based buying and/or selling	2006	3	0%
Value of Employment ($GRP/emp)	2010	$52,013	n.a
Business Counts	2007-2009	586	11%
Non-employing	2007-2009	227	39%
1-4	2007-2009	209	36%
5-19	2007-2009	123	21%
20-199	2007-2009	24	4%
200+	2007-2009	3	1%

Note: (a) employment by industry by place of work, totals and calculations may be impacted by rounding.
Source: AEC*group*, ABS (2007) , ABS (2010b), ABS (2010d)

The majority of the retail sector in Maribyrnong is smaller shops employing 4 workers or less across a variety of traditional retail categories (i.e. clothing, furniture, pharmaceuticals, hardware and recreational items). At the same time, the sector is dominated by Highpoint (larger format retailers, national chains) and Footscray (smaller, independent traders). Naturally, there are numerous smaller retail centres across the municipality.

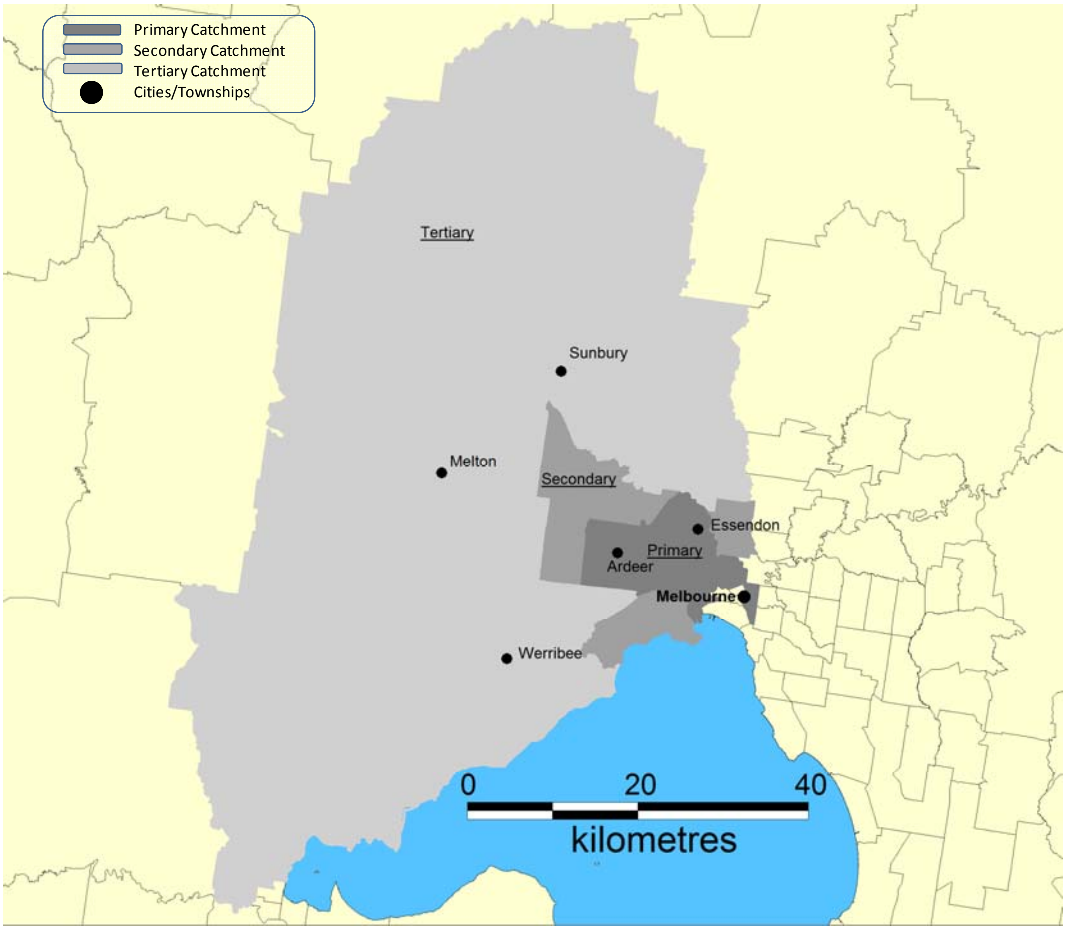
The retail industry provides a relatively low economic contribution to the economy of $52,013 GRP/employee compared to other sectors, such as the manufacturing ($127,793 GRP/employee), logistics ($131,089 GRP/employee), and healthcare ($73,926 GRP/employee). At the same time, the retail sector remains important to the local economy because it provide the highest number of jobs.

Retail Catchment

The Maribyrnong region acts as a service centre for the broader Western Melbourne region. The Highpoint Shopping centre in the region attracts shoppers to Maribyrnong with the presence of department stores and high-end retail outlets in addition to bulky goods and other retailing. The primary retail catchment is the Maribyrnong region. Secondary retail catchments are present on each of the four sides of Maribyrnong, skimming the outskirts of the Melbourne Central Business District. Tertiary retail catchments are located predominantly to the north and west of Maribyrnong (as far out as Sunbury and Melton). The following map outlines the retail catchments for the region. In terms of population, the Maribyrnong region provides shopping facilities at a primary, secondary or tertiary level for over 1.1 million persons (71,921 of who form the Primary Retail Catchment).

The below map provides an overview of Maribyrnong's retail catchment. This is based on analysis of the Highpoint Shopping Centre catchment. The secondary and tertiary catchments are primarily driven by Highpoint and demonstrates Maribyrnong's importance for the Western region. Footscray and other activity centres within Maribyrnong primarily service a local catchment. The retail offering within Maribyrnong is very diverse, including high-end shopping at Highpoint, boutique shopping in Yarraville and numerous other centres providing general convenience shopping.

Figure A.17: Maribyrnong Retail Catchment



Source: AEC*group*

There is considerable population growth identified for the retail catchment, which will mean growing demand for the Highpoint Shopping Centre. Internal population growth will drive potential retail spending for Footscray and the other retail centres within Maribyrnong, as these tend to focus on servicing the local market or primary catchment. There is currently considerable planning and investment considering the Footscray CAD, which will ensure that this centre provides an attractive environment for traders and shoppers. As the development of the CAD continues, increased retail spending from both residents and local workers would be anticipated, adding value to the business of local traders.

Charting the Course – Retail Sector

Strength: Existing retail catchment for Maribyrnong expands outside the municipal boundaries, covering the Western Melbourne region.

Weakness: Footscray currently has underutilised retail and commercial space.

Opportunity: Using Maribyrnong's broader catchment, opportunities to grow visitation through the development of the arts and culture scene exist.

Threats: Perceptions and the reality of lack of amenity, safety and retail presentation

Logistics

The logistics industry is centred on transporting goods as well as providing transport services and can include container storage, supply chain services, distribution centres and freight forwarders. In Maribyrnong, the industry currently includes container storage as well as major logistics operations such as Toll, CEVA and Chalmers. The Port of Melbourne is the largest container port in the country and provides strategic infrastructure for the sector within the City. With future growth of the Port, the logistics sector in Maribyrnong is expected to continue to grow.

Table A.6: Maribyrnong Logistics Sector Snapshot

	Period	Current Level	% of Total
Contribution to GRP ($)	2010	$329.9	7.8%
Employment ('000)	2006	2.0	6.8%
Employment by Sub-sector[(a)]	2006		
Transport, postal and warehousing, nfd	2006	31	2%
Road transport	2006	1,352	68%
Rail transport	2006	62	3%
Water transport	2006	18	1%
Air and space transport	2006	6	0%
Other transport	2006	4	0%
Postal and courier pick-up and delivery services	2006	96	5%
Transport support services	2006	222	11%
Warehousing and storage services	2006	187	9%
Value of Employment ($GRP/emp)	2010	$131,089	n.a
Business Counts	2007-2009	648	12%
Non-employing	2007-2009	514	79%
1-4	2007-2009	98	15%
5-19	2007-2009	18	3%
20-199	2007-2009	18	3%
200+	2007-2009	0	0%

Note: Logistics Sector is comprised of transport, postal & warehousing and wholesale trade sectors. Totals and calculations may be impacted by rounding. (a) Employment by industry is by place of work.
Source: AEC*group*, ABS (2007), ABS (2010b), ABS (2010d)

The logistics sector has a relatively high economic contribution to the economy and can continue to provide valuable growth opportunities in the future. The sector locally is focused around self employed companies, which is likely to represent individual transport operators, providing contract transport services. Road transport is the dominant sub-sector, indicating the strong road-based connection with the Port of Melbourne, large existing logistics operators and other firms importing or exporting goods through the Port. With the future anticipated growth of the port, there will be an increasing need for larger logistics providers to have transport depots and operations with proximity to the port.

Areas where residential and industrial lands are in great proximity to one another are forcing trucks to use residential streets and causing conflict with passenger cars. Increasing levels of truck traffic through Maribyrnong in relation to port activities is applying additional pressure to the situation. The Government has responded with various infrastructure projects and transport plans, such as Westlink and the Truck Action Plan.

In the future, traffic congestion and additional truck traffic will be major issues. The growth of the logistics sector in the future will impact on current container storage, as this land likely has a higher utilisation and economic contribution to make. Additionally, distribution centres are becoming larger, which requires a larger footprint of land. For Maribyrnong, future opportunities may revolve around providing unique transport services and other operations that will require great proximity to the Port of Melbourne. These future opportunities will require solutions to current congestion and truck traffic.

Consultation Notes

Consultation with industry indicated that given the proximity to the Port of Melbourne and access to road transport, Maribyrnong has opportunities to grow the transport and logistics sector in the future. At the same time, many other businesses (non-industrial) raised the issue of truck traffic, congestion and potential conflict between trucks and passenger vehicles. This issue regarding road freight traffic appeared as a consistent theme throughout the consultation.

Charting the Course – Logistics Sector

Strength: Proximity to the Port of Melbourne is a competitive advantage for the logistics sector.

Opportunity: As the volume of freight through the Port of Melbourne grows to support increasing population growth and the subsequent importation of products from overseas, Maribyrnong will have the opportunity to development logistics oriented industrial operations.

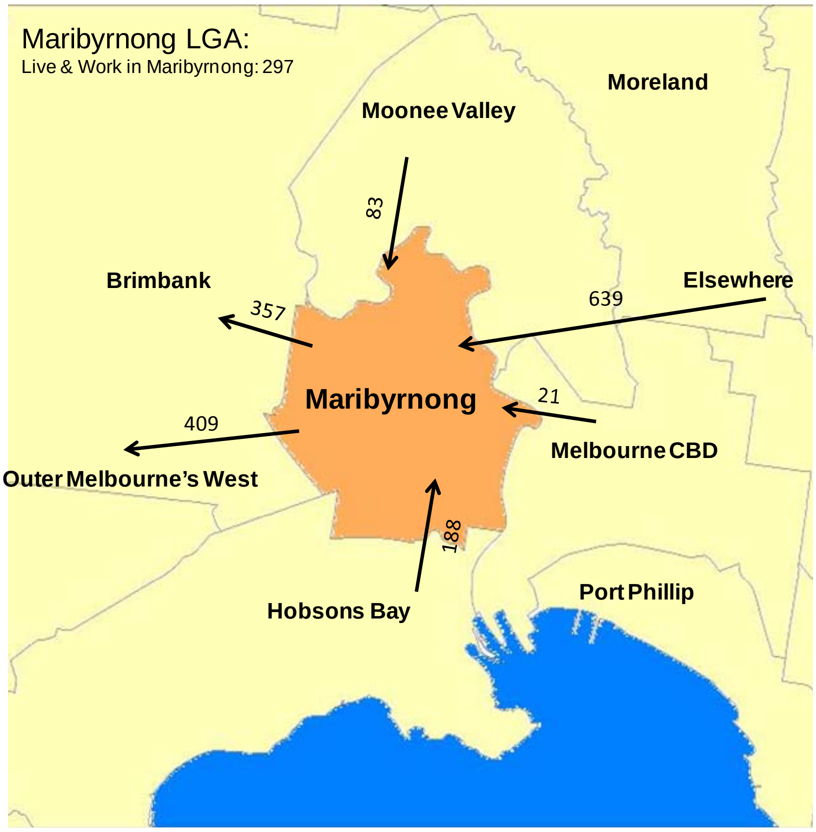
Threat: A lack of infrastructure development to manage the interface between personal/residential traffic and truck traffic could impair the ability of this sector to grow and/or cause negative impacts on the community through safety and amenity issues.

Logistics Catchment

The Maribyrnong Logistics industry sources its workers predominantly from the Western Melbourne Region. Fifty-eight percent of the City of Maribyrnong's logistics labour force is sourced from Melbourne's West Region; 15% (297) from Maribyrnong itself. There is an increasing diversification of the logistics sector with increasing level of professionalism.

If the industry is to expand, it will require additional workers, which are likely to continue to come from Melbourne's West. This increase in traffic will mean more pressure on existing transport linkages. At the same time, the logistics sector can also provide meaningful employment opportunities for local residents as well, as many logistics operations provide lower level skilled jobs, which can match the existing skill sets of Maribyrnong's disadvantaged communities.

Figure A.18: Maribyrnong Logistics Sector Catchment



Source: ABS (2003, 2007a), AEC*group*

Education

The education sector in Maribyrnong includes primary, secondary and tertiary levels, with primary and secondary schooling representing over a third of the workforce. Many public and independent schools call Maribyrnong home, providing options for local education. On a tertiary level, Victoria University TAFE (VU) represents half of the local workforce.

Table A.7: Maribyrnong Schools

Schools	
Primary Schools	
Christ the King Primary School	Kingsville Primary School
Corpus Christi Primary School	St Augustine's Primary School
Dinjerra Primary School	St John's Primary School
Footscray City Primary School	St Margaret's Primary School
Footscray North Primary School	St Monica's Primary School
Footscray Primary School	Wembley Primary School
Footscray West Primary School	Yarraville West Primary School
Secondary Schools	
Braybrook College	Gilmore College for Girls
Caroline Chisholm Catholic College	Maribyrnong Secondary College
Footscray City College	

Source: Maribyrnong City Council (2010)

VU is a major educational provider in Maribyrnong with a total of over 50,000 students and 2,500 employees, across various campuses. VU's employment in Maribyrnong is estimated to be 901, making it the largest employer in this sector and responsible for a third of all education employment in Maribyrnong. VU is a multi-sector institution (higher education and TAFE) providing teaching, training, research and scholarship.

Short courses, as well as qualifications in vocational education (TAFE) and higher education, are offered. At VU, there are nine areas of specialty research, including:

- Applied informatics;
- Communication and sensor technologies;
- Diversity and wellbeing;
- Education, access and transition;
- Logistics and transportation;
- Sport performance, exercise science and active living;
- Strategic economics;
- Sustainable environmental technologies; and
- Tourism.

Table A.8: Maribyrnong Education Sector Snapshot

	Period	Current Level	% of Total
Contribution to GRP ($)	2010	$283.1	6.7%
Employment ('000)	2006	2.8	9.8%
Employment by Sub-sector[(a)]	2006		
Education and training, nfd	2006	49	2%
Preschool and school education	2006	1,075	38%
Tertiary education	2006	1,409	50%
Adult, community and other education	2006	298	11%
Value of Employment ($GRP/emp)	2010	$76,905	n.a
Business Counts	2007-2009		
Non-employing	2007-2009	31	56%
1-4	2007-2009	12	22%
5-19	2007-2009	12	22%
20-199	2007-2009	0	0%
200+	2007-2009	0	0%

Note: (a) Employment by industry by place of work. Totals may not equal the sum of components due to rounding. Due to collection and reporting of businesses, Victoria University is likely accounted for at its registered address, so the local employees are not attributed to Maribyrnong for the business count data.
Source: AEC*group*, ABS (2007), ABS (2010b), ABS (2010d)

The education sector is characterised by local schools providing services to primarily local residents and VU providing education to a variety of students (both residents and non-residents). In essence, there are a small number of organisations providing the majority of employment. The sector is also supported by other registered training organisations including individual trainers and organisations with up to 20 employees.

The local provision will be heavily influenced by population growth, which provides future demand. The growth of tertiary institutions will be influenced by a multitude of additional factors, including industry growth, marketing and that on-going viability of attracting foreign students. VU can also provide workforce development for local employers, increasing their economic contribution beyond their direct employment.

Charting the Course – Education Sector

Strength: Maribyrnong is home to VU, several training providers and five secondary schools that offer a range of valuable training opportunities, including many niche fields.

Strength: Local educational provision can support economic development through the provision of training and ensuring that local employment demands can be met with local residential workforce.

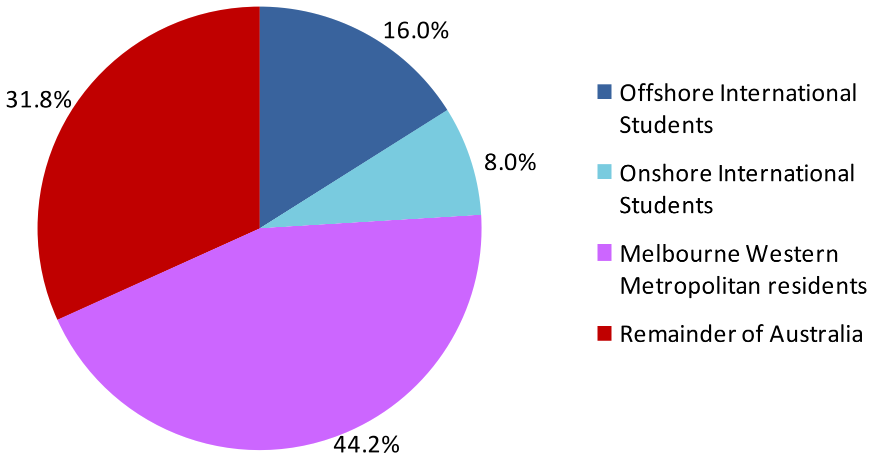
Opportunity: Leveraging all educational institutions can assist with facilitating development of specific business and industry growth areas.

VU's catchment

The Western Melbourne region is the most prominent catchment for VU in the region, supplying 44.2% of the VU's student body. The facility attracts students to the area, with 31.8% of students from elsewhere in Australia and 8% of students of the facility being onshore international students.

For Maribyrnong, this catchment means that the university is consistently bringing people into the municipality, which drives retail spending and contributes to increasing demand for local products and services. Many students also live in Maribyrnong, providing additional demand for housing and other residential services.

Figure A.19: VU Education Catchment



Source: Victoria University (2010).

Health & Community Services

Anchored by the Western Hospital, Maribyrnong provides health services to the broader Western region, with a catchment of 650,000 people. Western Health employs 4,500 across three public hospitals (i.e. Sunshine, Footscray and Williamstown) as well as other healthcare facilities. Locally, the Western Hospital employs roughly 2,000 people. Services include emergency, medical, surgical, aged care and rehabilitation services as well as numerous specialty services such as women and children's health, maternity and a variety of mental and physical health services.

There are also a number of community and social service organisations that are active in Maribyrnong to service local needs. Many of these organisations use Footscray as an operating base for the Melbourne's West region.

Table A.9: Health Sector, City of Maribyrnong, Current

	Period	Current Level	% of Total
Contribution to GRP ($)	2010	$404.3	9.6%
Employment ('000)	2006	4.2	14.6%
Employment by Sub-sector[(a)]	2006		
Health care and social assistance, nfd	2006	82	2%
Hospitals	2006	1,721	41%
Medical and other health care services	2006	917	22%
Residential care services	2006	459	11%
Social assistance services	2006	1,032	25%
Value of Employment ($GRP/emp)	2010	$73,926	n.a
Business Counts	2007-2009	252	5%
Non-employing	2007-2009	108	43%
1-4	2007-2009	96	38%
5-19	2007-2009	39	15%
20-199	2007-2009	9	4%
200+	2007-2009	0	0%

Note: (a) Employment by industry by place of work. Totals may not equal the sum of all components due to rounding. Western Hospital employment is likely captured through the registered address of Western Health so these positions do not appear in Maribyrnong for the business count data.
Source: AEC*group*, ABS (2007) , ABS (2010b), ABS (2010d)

The health and community service sector is important for Maribyrnong. The hospital is responsible for roughly two-thirds of employment in the sector (both directly and indirectly). These jobs provide valuable employment opportunities for local and regional residents. At the same time, Maribyrnong is a hub for community and social organisations as well, which provides roughly a quarter of the employment in this sector.

The combined health and community service sector is characterised by the hospital and other smaller, specialised medical centres as well as many relatively small (less than 20 employees) community and social assistance organisations. Western Hospital and Sunshine Hospital will drive growth for the health sector in Maribyrnong and provide a platform to increase service provision in specialised medical and health related fields, such as testing and laboratory services as well as specialised medical services. While there may be some restrictions to future growth currently at Western Hospital in relation to the availability of land and requirement for parking, public transport links could provide a platform for solving these issues.

Charting the Course – Health Sector

Strength: Maribyrnong has an existing strength in the health sector, anchored by the Western Hospital.

Opportunity: Based on increasing demand for health services (from population growth and aging of population), there will be opportunities for growth of the hospital as well as other ancillary activities, such as testing, specialist medical services and other allied health needs.

Threats: Sunshine Hospital is a teaching campus of Melbourne University, expansion of services in growth corridors further west of Maribyrnong.

Opportunity: Allied health care provision.

The community and social services organisations operate on very constrained budgets and require office accommodation at certain pricing and standard levels. These requirements can be met by some of the lower level office supply currently available in the City. As Footscray continues to develop, many of these organisations may be driven away by rising rents.

Consultation Notes

Consultation with stakeholders demonstrated the strong position of the healthcare sector in Maribyrnong. Potential expansions of facilities could provide a future boost to the economy. Additionally, synergies gained from having various healthcare and service providers within close proximity of each other could encourage future clustering of this industry, particularly around the Western Hospital. Healthcare industry participants were encouraged by the strong change to cluster a variety of health related businesses around the Western Hospital.

Health Catchment

The Western Health catchment covers 690,000 persons, from Footscray to Melton up to Sunbury and Down to Werribee.

Figure A.20: Health Catchment

Source: ABS (2007), AEC*group*

This broader catchment demonstrates Maribyrnong's role as a service centre for the broader Melbourne's West region. Additionally, providing health services to residents beyond the local government boundary increases visitation to the municipality, which can contribute to local spending. Increasing the provision of health services within Maribyrnong can bring additional people into the City and contribute further to local spending on convenience items.

Employment

Type of Employment

Often the type of employment provided (full time vs. part time) can demonstrate strengths or weaknesses in the workforce. Many people working part time would often prefer a full time position, if available. Maribyrnong's employment profile matches the regional and state profile, demonstrating that there is a strong balance between full and part time employment in the City.

Table A.10: Employment Type, 2006

Employment type	Maribyrnong	Western Melbourne	Melbourne	Victoria
Employed Full-time	71%	71%	69%	68%
Employed Part-time	29%	29%	31%	32%

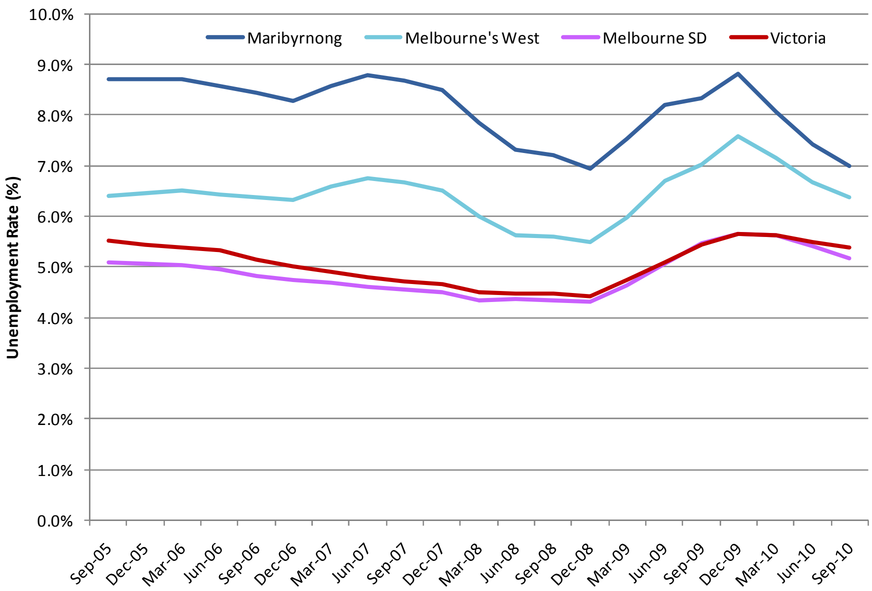
ABS (2007)

Unemployment

Given the skill levels of some residents and the pockets of socio-economic disadvantage, it is not surprising to see the unemployment rate in Maribyrnong has traditionally been much higher than the surrounding regions and the state. The significant increase (and subsequent decrease) of the City's unemployment since 2009 shows greater volatility than the metropolitan and state figures, demonstrating the likely impact of the GFC and the large amount of local residents that work in the finance industry in the CBD, who were likely displaced. While still above metropolitan and state figures, the unemployment rate of Maribyrnong has been decreasing at a faster rate since the end of 2009, which shows that the local economy is creating jobs at a faster rate than the region or the state. Again, this trend is likely the consequence of the resident workforce in Yarraville and Seddon, who are aligned with the professional business and finance sectors. These employees were let go during the GFC and have been able to find work in the recent months.

Breaking the long-term intergenerational unemployment cycle will be an integral step forward in Maribyrnong. Undertaking pre-emptive and targeted economic development strategies to ensure the delivery of low-skilled, entry level positions would be instrumental in breaking this cycle and the associated socio-economic ramifications for high-risk areas of Maribyrnong.

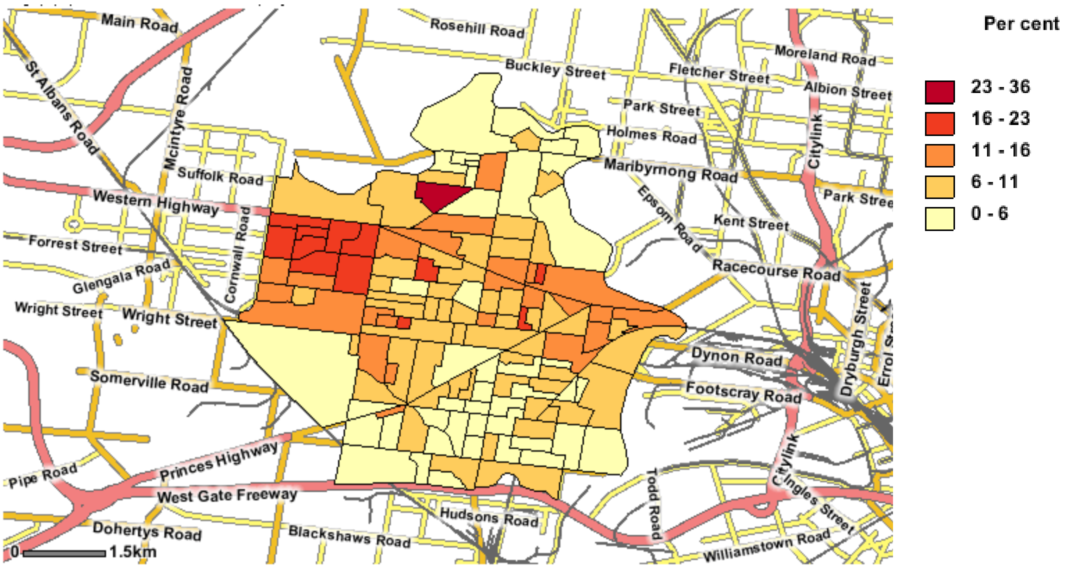
Figure A.21: Unemployment Rate (%), 2005-2010



Sources: DEEWR (2010)

The incidence of unemployment varies markedly across the City, with a corridor of high unemployment across the centre of the City, extending from Footscray to Braybrook (Figure A.22). In contrast, those areas of new housing estates and gentrification (i.e. Yarraville and Seddon) had comparatively low rates of unemployment.

Figure A.22: Unemployment, City of Maribyrnong, 2006



Source: AEC*group*, ABS (2007)

Charting the Course - Unemployment

Weakness: Consistently high unemployment rates, driven by pockets of disadvantage.

Opportunities: To develop links between training providers, social inclusion programs and existing (and future) employers in areas with high unemployment rates.

Threats: If not managed, unemployment issues could begin to divide community.

Occupations

An overview of the local skills further reflects the nature and character of the City's resident workforce. Compared to Melbourne's West, Maribyrnong has more managers and professionals, who are likely living in the more affluent areas of the City and travel into the CBD for work. At the same time, the strength of the local retail sector employs a large proportion of sales workers (Table A.11).

Table A.11: Employment by Occupation, 2006

Occupation	Maribyrnong	Melbourne's West	Metropolitan Melbourne	Victoria
Managers	11.0%	10.7%	12.7%	13.7%
Professionals	24.7%	18.5%	23.0%	21.2%
Technicians & Trades Workers	11.8%	14.5%	13.8%	14.3%
Community & Personal Service Workers	9.0%	8.5%	8.3%	8.5%
Clerical & Administrative Workers	15.7%	17.2%	16.2%	15.1%
Sales Workers	9.3%	10.1%	10.4%	10.3%
Machinery Operators & Drivers	7.8%	9.5%	6.5%	6.7%
Labourers	10.7%	11.1%	8.9%	10.1%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Note: Place of Usual Residence
Source: ABS (2007)

Maribyrnong has a relatively larger proportion of residents with bachelor degrees or higher than Melbourne's West, Metropolitan Melbourne and Victoria (Table A.12). The urban renewal and gentrification that has taken place in Yarraville and Seddon have brought highly skilled workers into the region (Table A.13). It is these residents who are likely travelling into the CBD everyday for work. As these trends continue, it would be expected that the divide between skilled and unskilled workers in the community would grow, as more CBD based professionals are attracted to the redeveloped areas of Maribyrnong that provide unique housing, amenity and proximity to the CBD.

Continuing to support the theme of the dual nature of the City of Maribyrnong, the level of educational qualification is not consistent across the municipality (Figure A.23:). Pockets of unskilled resident workers exist, generally in the areas of socio-economic disadvantage. It will be crucial for economic development to focus on providing jobs that these residents can fill (e.g. relatively low skilled jobs). At the same time, providing support to low-skilled residents to gain training and skills will assist them in attaining employment.

Table A.12: Highest Qualifications Attained, 2006

Highest Qualification achieved	Maribyrnong	Melbourne's West	Metropolitan Melbourne	Victoria
Bachelor Degree or higher Degree	21.9%	16.8%	19.6%	17.2%
Advanced Diploma or Diploma	6.9%	7.4%	7.7%	7.3%
Vocational	10.9%	17.0%	14.1%	15.3%
Not Qualified	45.5%	43.6%	45.8%	47.5%
Not Stated	14.8%	15.3%	12.8%	12.7%

Note: Persons aged 15 years and over. Place of residence
Source: ABS (2007)

Table A.13. Highest Qualifications Attained, City of Maribyrnong, 2001-2006

Highest Qualification Achieved	2001	2006	Change between 2001-2006	
Bachelor Degree or higher Degree	11,431	7,025	4,406	62.7%
Advanced Diploma or Diploma [(a)]	3,634	2,521	1,113	44.1%
Vocational	5,722	5,204	518	10.0%
Not Qualified	24,035	27,272	-3,237	-11.9%
Not Stated	7,804	7,335	469	6.4%

Note: Place of Usual Residence. % is of total population over 15 years. (a) Includes Graduate Diploma and Graduate Certificates.
Source: ABS (2007)

Charting the Course - Occupations

Strength: Maribyrnong has a relatively large proportion of skilled workers.

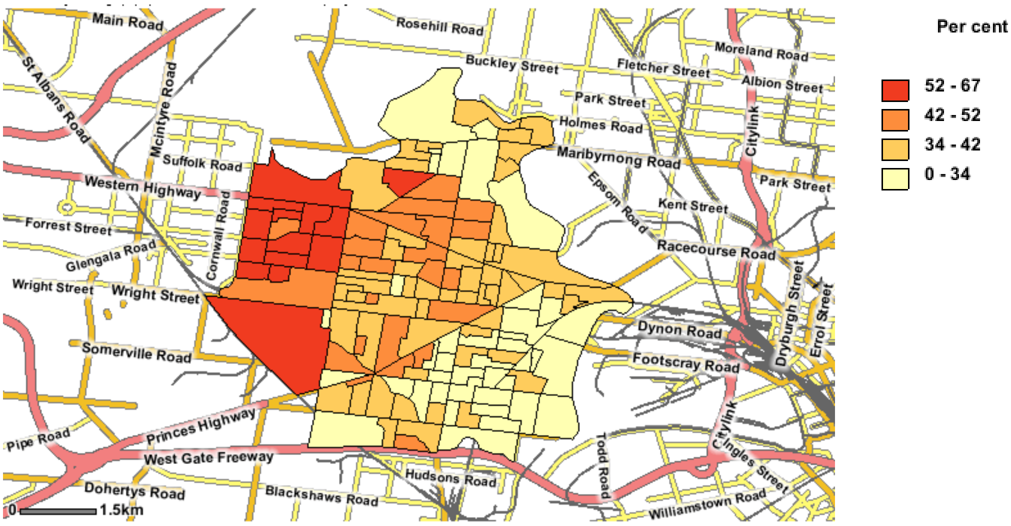
Weakness: Inside Maribyrnong, there are pockets of unqualified workers with relatively low levels of skills.

Opportunities: Diversity of occupations and skills in the workforce.

Threats: Growth of knowledge based businesses outside of Maribyrnong will continue to exacerbate existing exodus of skilled workers

Threats: Continued lack of symmetry between prospective employers and local employees can contribute to on-going unemployment issues.

Figure A.23: Unqualified Residents, City of Maribyrnong, 2006



Note: Based on Place of Usual Residence, 2006, Maribyrnong City by Census Collector District
Source: (Australian Bureau of Statistics, 2007)

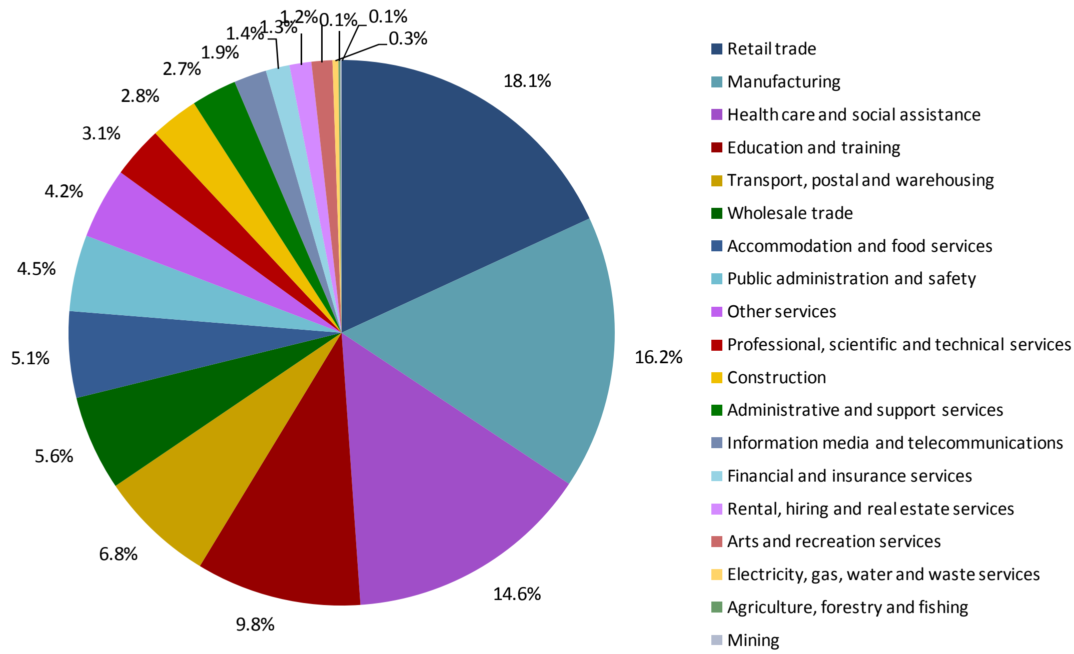
Employment by Industry

Maribyrnong has four major employment sectors that represent almost 60% of all jobs in the City:

- **Retail trade**: 18.1%, 5,297 employees;
- **Manufacturing**: 16.2%, 4,747 employees;
- **Healthcare & social assistance**: 14.6%, 4,257 employees; and
- **Education & training**: 9.8%, 2,862 employees.

The manufacturing sector can be combined with the wholesale trade and transport, postal & warehousing sectors to demonstrate the industrial activities within the City. Combined the industrial sector represents almost 30% (8,396 jobs) of total jobs in the City of Maribyrnong.

Figure A.24: Employment by Industry, Maribyrnong 2006



Note: Place of Work.
Source: ABS (2007)

The nature of employment in Maribyrnong has changed over the last decade, in line with many of the broader macroeconomic trends, including globalisation and intense competition from overseas imports. Overall, there as a 4% decline in employment in the City from 1996-2006, however, there were dramatic changes in employment within various industry sectors:

- **Manufacturing**: representing the influence of intense overseas competition, manufacturing declined 36.5% over the last decade. The decline was felt broadly across most manufacturing sectors, with:
  - Textile, clothing, footwear and leather production declined the most (69%);
  - Food, beverage and tobacco manufacturing increased employment by 40%; and
  - Printing, publishing and recorded media increased employment by over 200% (albeit from a small base);
- **Retail trade and accommodation, restaurants & cafes**: given the increases in resident population, retail trade and accommodation & food service increased employment by 14% and 40%, respectively;
- **Transport & storage**: in response to the increases in imports to Australia and Victoria (through the Port of Melbourne), it is not surprising that employment in the transport and storage sector has been increasing. From 1996-2006, the sector added 8% of workers and 11% from 2001-2006, demonstrating an increasing pace of growth for the sector;
- **Government, administration & defence**: this sector actually declined in employment between 1996-2001, but since saw a dramatic 42.5% increase; and
- **Education & training and health & community services**: responding likely to population increases locally as well as national trends, the education and health & community services sectors saw employment growth of 17% and 22%, respectively.

The changing trends in employment represent major shifts in the economy and provide insights for future job growth. As the manufacturing industry continues to transition to a focus on high value-adding, knowledge intensive production, it is likely that the overall employment numbers will continue to decrease. Similarly, with continued population growth, there are many industry sectors that are likely to continue to grow, such as retail, education and health as well as transport and storage (due to increasing levels of imports to support consumer markets).

For future economic development, it is important to understand what industries provide jobs for residents, which will inform which industries are likely to provide jobs in the future.

Charting the Course – Employment by Industry

Strength: A diverse range of strong employment sectors, which provides some diversification and can assist in a sustainable economy.

Weakness: Manufacturing sector, which contributes the most value to the economy in terms of GRP, has been declining in terms of jobs over the last decade.

Strength: Growth in employment in some manufacturing sectors such as food and beverages, printing and “high end” manufacturing.

Threat: A lack of future growth in “high end” manufacturing and other high value-adding sectors will cause further reduction in employment and a deterioration of the economy.

Nature of Employment is Changing

Over the last few decades, the character of employment in Australia and Maribyrnong has been transitioning from an economy focused on production to one focused on services. This transition has seen many traditional production style jobs (including industrial, agricultural and resource related) disappear in the face of technological advances or competition from lower cost producers from overseas. At the same time, the proportion of service sector jobs in the economy has been steadily increasing, representing demand for a wide array of services. Many residential services, such as retail, personal services, health and education, have grown as the population has increased. Other, more knowledge intensive services, such as information, communication, business and financial sectors, have also increased. The advent of the internet and the rise of information and communications technology has spurred on the growth of these sectors further.

As this transition continues, challenges and opportunities will be created across numerous sectors of the economy. For manufacturing, businesses must adapt to these changing conditions and the prospects for many high value-adding, knowledge intensive manufacturing sectors is good. While manufacturing overall may continue to lose employment, the nature of this employment is changing in line with the industry, increasing in skills, knowledge and innovation.

Many service sectors will continue to expand as the population grows and this transition of the economy continues.

For the City of Maribyrnong, these on-going structural economic changes are likely to produce a continued overall decline in manufacturing employment but also a chance to maintain some manufacturing processes, namely in the food and beverage, publishing and other niche manufacturing sectors that require proximity to the Port of Melbourne. Opportunities to increase the service sector jobs may also exist.

Compared to the surrounding regions and the State, the structure of employment in City of Maribyrnong has many unique features:

- **Industrial sectors** of manufacturing and transport, postal & warehousing employ relatively more people demonstrating the existing strength of these sectors in the City;
- Due to the presence of the Western Hospital, the City's **health care & social assistance sector** is proportionally between 36%-50% larger than the surrounding regions and state;
- The City has a relatively large **retail trade** sector, between 20%-50% larger than the surrounding regions and state; and
- **Business services**, including information & telecommunications, financial & insurance, and many professional services are proportionally well underrepresented in the City, employing roughly half of the amount of people as the metropolitan region and state.

Overall, the employment structure of Maribyrnong is largely aligned with Melbourne's West with the exception that Maribyrnong has higher density of retail and healthcare employment, demonstrating that it services some of the broader regional needs for retail and healthcare.

The areas where Maribyrnong has proportionally more employment than the region and state can be seen as a competitive advantage, because they have a greater density of employment in these industries. This greater density will translate to a larger pool of employees with the skills necessary for these particulate industries, or a specialisation of labour. In regards to employment in business services, Maribyrnong does not have a high proportion of jobs in these sectors but does have a high proportion of residents in these sectors, so the potential for this labour specialisation still exists.

A comparison between local employment (based within the City of Maribyrnong) and the local residential workforce (living in the City of Maribyrnong) demonstrates some large discrepancies between working and living in the City (Table A.14):

- **Place of Work**: There is a significantly higher proportion of jobs in manufacturing, retail trade and healthcare in the City than there are resident workers; and
- **Place of Residence**: There is a significantly higher proportion of residents engaged in financial & insurance, professional services and information media & telecommunications than jobs in the City.

Table A.14: Employment by Industry Comparison, City of Maribyrnong, 2006

Maribyrnong	Place of Work	Place of Residence
Agriculture, forestry and fishing	0.1%	0.2%
Mining	0.1%	0.1%
Manufacturing	16.2%	12.6%
Electricity, gas, water and waste services	0.3%	0.7%
Construction	2.8%	4.9%
Wholesale trade	5.6%	4.8%
Retail trade	18.1%	9.8%
Accommodation and food services	5.1%	7.7%
Transport, postal and warehousing	6.8%	6.5%
Information media and telecommunications	1.9%	3.7%
Financial and insurance services	1.4%	5.6%
Rental, hiring and real estate services	1.3%	1.4%
Professional, scientific and technical services	3.1%	8.0%
Administrative and support services	2.7%	4.8%
Public administration and safety	4.5%	6.2%
Education and training	9.8%	7.9%
Health care and social assistance	14.6%	9.4%
Arts and recreation services	1.2%	2.7%
Other services	4.2%	3.2%

Note: Place of Work data provides information on where people work. Place of residence place data represents where a person usually lives.
Source: ABS (2007)

Charting the Course – Employment Profile

Strength: Maribyrnong has significant employment specialisation in industrial, health and retail trade.

Weakness: Maribyrnong is underrepresented in the provision of jobs in business services, when compared to regional and state averages.

Opportunities: The high level of resident workers in business services could assist in developing more professional services and back office administration jobs in the area.

Threat: Failure to capitalise on the opportunities presented in Footscray CAD.

When considering employment and the importance it has on the overall economy, it is very important to consider the value of employment (based on industry) in addition to the overall total employment figures. The table below demonstrates Gross Regional Product (GRP) per employee and represents the average value each individual job in the various industries generates for the local economy, serving to highlight high value-adding jobs.

Retail employment, while numerically significant, does not contribute significant value to the economy compared to other sectors. The retail sector, and many other residential services sectors, generally are a function of population growth (e.g. as population grows, so too with these industry sectors). However, on the other hand manufacturing, transport, and professional services do provide significant value to the economy and can drive growth across the economy as these sectors generally provide demand for other sectors of the economy, including retail.

In order to maximise impacts of economic development and to generate the most value in the economy, efforts should be focused around areas that generate high valued growth. These sectors general stimulate growth in other sectors can job generation in these fields can often lead to additional jobs being generated across the economy.

Table A.15: Maribyrnong Value of Employment, 2009-10

Industry	GRP ($'M)	Employment (No.)	GRP$ Per Employee
Mining	$35.90	45	$788,713
Financial and insurance services	$182.60	464	$393,756
Rental, hiring and real estate services	$118.10	495	$238,512
Information media and telecommunications	$155.10	742	$209,069
Electricity, gas, water and waste services	$30.00	146	$206,157
Wholesale trade	$278.70	1,612	$172,899
Transport, postal and warehousing	$329.90	2,516	$131,089
Construction	$153.30	1,196	$128,248
Manufacturing	$599.30	4,690	$127,793
Professional, scientific and technical services	$150.20	1,186	$126,651
Administrative and support services	$114.30	1,008	$113,405
Agriculture, forestry and fishing	$5.10	48	$106,410
Public administration and safety	$130.80	1,454	$89,944
Education and training	$283.10	3,682	$76,905
Health care and social assistance	$404.30	5,469	$73,926
Arts and recreation services	$33.90	547	$62,045
Other services	$90.00	1,587	$56,726
Retail trade	$323.60	6,222	$52,013
Accommodation and food services	$77.40	2,130	$36,356
Total	**$3,495.70**	**35,238**	**$99,205**

Note: Employment and GRP estimates are for the 2009-10 financial year.
Source: ABS (2010b), AEC*group* (2010)

Journey to Work

Analysis of where local residents live and work establishes the movements of the City's resident workforce and further explains the discrepancies between local residents and local jobs. Overall, Maribyrnong records a net inflow of almost 933 workers. However, **over 80% of residents leave the area every day to go to work**, who are then supplemented by over 24,000 people entering the City for employment every day. These figures demonstrate considerable employment leakage and demonstrate that local residents are not matched with local jobs. This forced commute has many potential negative environmental and social impacts and well as significant impacts for the demand for local and regional infrastructure.

Charting the Course – Journey to Work

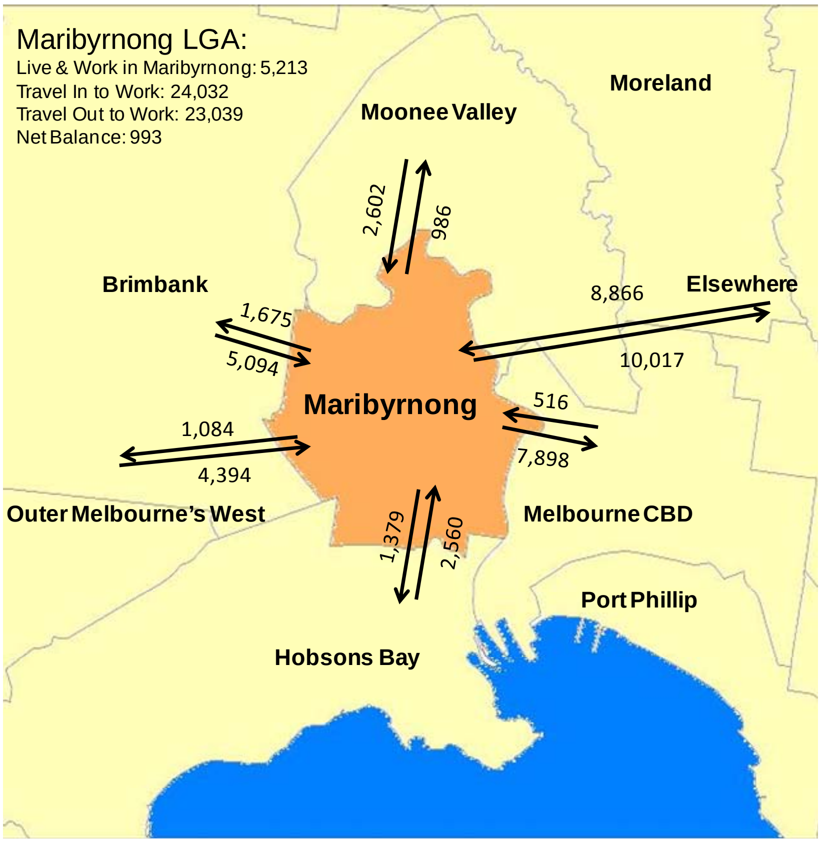
Strength: Maribyrnong has a significant resident workforce in professional business services that leaves the City every day.

Weakness: Local jobs are not matched to local skills and over 80% of resident workforce (23,039) must leave the City every day to go to work.

Opportunity: Increasing local job supply to better match the local skills profile.

Threat: Maintaining 'status quos' in terms of employment profiles would see increased traffic and congestion as an increasing population would see workers continue to leave and enter Maribyrnong on a daily basis.

Figure A.25: Journey to Work, All Industry, City of Maribyrnong, 2006



Source: AEC*group*, ABS (2007)

The movements within specific industry sectors provide further understanding of the employment structure within the City of Maribyrnong:

- **Manufacturing**: There is a net inflow of 1,233 workers, with the majority of workers sourced from the surrounding areas of Brimbank (403), Hobsons Bay (415) and outer Melbourne's West suburbs of Wyndham and Melton (total of 956 workers).
- **Professional Services**[10]: There is a net outflow of 2,967 workers, with the majority (2,587) travelling to the Melbourne CBD.

Since manufacturing currently plays such a strong role in the economy and has many high value-adding sectors, understanding the current flows of employment helps to understand where local industries (and likely future industries) source their employees. Surprisingly, unlike history, local residents today do not work at local factories and most industrial employers are forced to seek labour from further west of Maribyrnong.

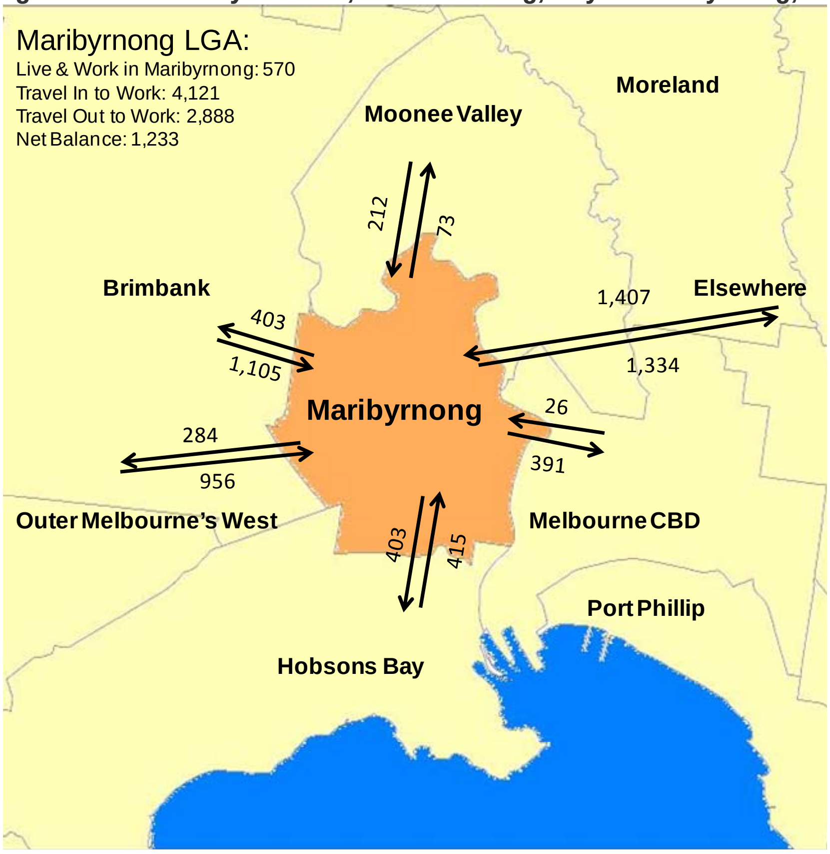
Similarly, the professional services sector is a high value-adding sector and Maribyrnong is fortunate to have many resident workers in these fields, however, most of them work in the CBD. These employment flows generates considerable traffic and congestions, which can have significant economic, social and environment impacts including lost productive time, decrease in productivity, less time at home as well as increasing levels of greenhouse gas emissions. Having a strong resident workforce in professional services can be combined with the good rail links to the CBD to create an advantage for growing the professional services sector in Maribyrnong.

[10] Includes the industries of Property & Business Services and Finance & Insurance.

Consultation Notes

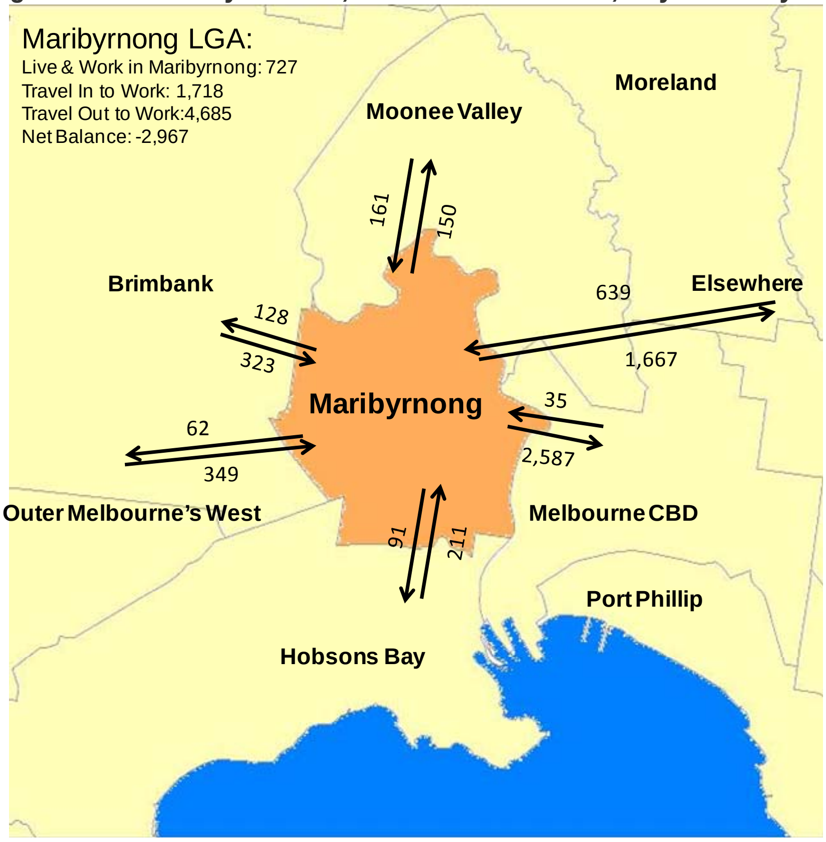
Consultation with many industrial companies indicated that they cannot source labour from the local market. Most of the industrial companies indicated that their workforce commutes into the City from further west. Businesses identified a number of issues with the local workforce included lack of skills/training, access to transport and reliability. Increasing access to training and transport would assist many local residents to gain local employment.

Figure A.26: Journey to Work, Manufacturing, City of Maribyrnong, 2006



Source: AEC*group*, ABS (2007)

Figure A.27: Journey to Work, Professional Services, City of Maribyrnong, 2006



Source: AEC*group*, ABS (2007)

Land Use, Development & Amenity

Key Point Summary

- Maribyrnong is approximately 2,259 ha of usable land, 60% of which is residential. Together, commercial and industrial land forms 33% of the total usable area.
- Maribyrnong is significantly developed, providing relatively little available land for greenfield development, compared to other Western municipalities. Greenfield industrial land for development in Maribyrnong is scarce and would be sufficient to meet just 3 months worth of West Melbourne demand.
- In response to population growth, a total of 9,604 new dwellings are likely to be required in the City of Maribyrnong by 2021. Maribyrnong currently has planned for well over 7,500 dwellings to be delivered as part of major redevelopment projects. Maribyrnong has significant amount of underutilised land, as evidenced by former defence sites and industrial sites that are no longer active and other sites that are already earmarked for redevelopment. This land provides significant opportunities for redevelopment, renewal and future growth.
- Interest in Maribyrnong from industrial tenants has waned with consumption and enquiry levels decreasing. Many industrial companies are attracted to industrial lands further west that are more affordable, accessible and provide a more appropriate setting for industrial activities (without residential encroachment).
- Some local industrial tenants have invested recently, motivated likely by proximity to port facilities or existing investments in the area (which could not be replicated if relocated). However, it is expected that additional industrial users are likely to leave in the future due to intense competition from overseas (business shutting down) or having a need for expansion and moving further west.
- Footscray CAD is a major redevelopment and renewal project, which will have a dramatic impact on Maribyrnong, attracting significant investment, development and amenity to the area, which can assist with generating numerous jobs in the retail, commercial and cultural sectors as well as assisting existing businesses by attraction additional population (and spending) to Footscray.
- Outside of the Footscray CAD, Maribyrnong will likely struggle to attract investment in commercial office development, outside of small scale developments.
- The new McNab avenue project is a significant investment in the region's commercial landscape and will generate significant economic outcomes and impacts.
- Large format retail projects (hardware) focused on Braybrook and Maidstone can have a significant impact on these areas and encourage further development and job growth.
- Traffic congestions and conflict between freight trucks and passenger vehicles is a considerable threat for future development. Additional amenity issues also exist that need to be overcome, including poor perception of Maribyrnong and some safety concerns.
- Maribyrnong has a unique character and edgy feel, which can support future growth of the arts and culture sector.

Land Use

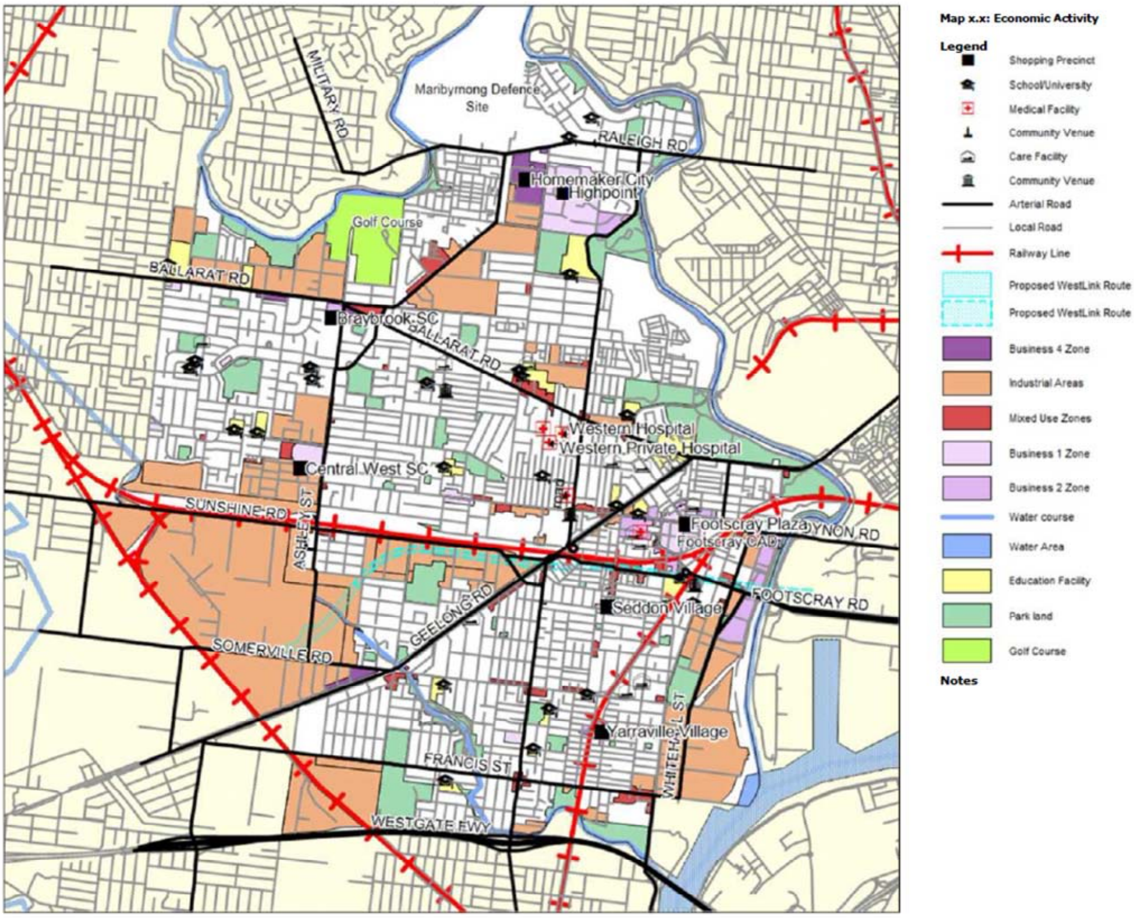
Land is a critical element to economic and population growth. In urban areas, the majority of land is already 'built up' and has existing land uses, providing limited opportunities for greenfield development but other chances for brownfield, redevelopment. While micro and macroeconomic conditions as well as a range of market and location factors normally drive and determine economic growth, land use planning can function as a tool for encouraging economic development. Land planning controls help to determine economic activity and the ability of zonings to match market conditions can generate economic growth. Often land zonings and other planning controls need to be changed to encourage development and changing land uses can often trigger investment and job creation. Providing certainty as to land zonings, design standards as well as a clear and transparent development application process can encourage private sector development.

Table A.16: Current Land Supply, City of Maribyrnong

Land Use / Zoning	Hectares	% of Total
Commercial	220.35	10%
Industrial	512.26	23%
Residential	1,346.45	60%
Education	50.43	2%
Public	86.77	4%
Mixed use	43.20	2%
Total	**2,259.46**	**100%**

Note: These areas exclude the Maribyrnong Defence Site which is classified as Commonwealth land.
Source: Department of Planning and Community Development (2010)

Figure A.28: City of Maribyrnong, Land Use



Source: AEC*group*

Commercial Land

The majority of commercial lands, which includes retail and commercial office uses, is represented by the Footscray CAD and the Highpoint Shopping Centre. There are other commercial lands in Yarraville, Seddon, Braybrook, Edgewater and the Central West Shopping Centre.

Footscray CAD

According to a Victorian Government survey in 2009, the Footscray CAD has a total of 909 establishments occupying approximately 1 million square metres of space. There are

7,614 jobs mainly spread across education and training (29.5%), retail (17.6%) and healthcare and social assistance (16.2%). Of the total built space, accommodation makes up 26.4%, education 14.5%, retail/wholesale 11.4%, industrial 10.9% parking 6.9% and office 5.9%. There is limited quality office accommodation and new stock under construction. More than 20% of C and D grade office space is vacant.

In 2009, there was almost 9 ha of undeveloped land in the Footscray CAD and 8,800 sqm of unoccupied retail, office and manufacturing space.

The Footscray CAD is currently undergoing a massive renewal, which will see considerable investment from both the public and private sectors and contribute greatly to the future economic development of Footscray and Maribyrnong. Beyond the planning, infrastructure upgrades and property development, the Footscray CAD will provide unique opportunities for Maribyrnong across the professional and business services as well as cultural, recreational and retail areas.

Footscray already functions as the capital of the Western region and with the plans for the Footscray CAD, additional growth for business and government services will be possible in addition to more residential and retail development. For Maribyrnong, the Footscray CAD represents a clear opportunity to diversify its economy and leverage the proximity to the Melbourne CBD, which will be attractive to many businesses.

The Footscray Community Arts Centre and surrounding areas in the riverside precinct provide a burgeoning arts and cultural precinct, which can be leveraged in the future for further growth, attracting not only artists, galleries, music clubs and other related businesses, but providing an attractive area near the Maribyrnong River for other events. All of these activities will assist to bring additional visitors from outside Maribyrnong into the City, which will increase spending and economic activity, further supporting future job growth.

Footscray CAD Project

As part of the Melbourne 2030 Plan, Footscray was designated a Central Activity District (CAD). As part of this plan, the State Government has committed to the renewal of Footscray in order to create a more vital, attractive, sustainable and safe area. $52.1 million has been allocated by State Government over a four year time frame for the renewal of Footscray.

The investment has included:

- An upgrade of Nicholson Street Mall and other main streets in Footscray;
- A new, modern pedestrian bridge and public forecourt at Footscray station;
- Assistance with development of strategic sites in the station precinct; and
- A new one-stop planning shop for the marketing and development of central Footscray.

Progress is well underway with many planning initiatives well advanced and the announcement of the $350 million McNab Avenue development by Grocon, which will see a large, mixed use development delivered.

Retail Market

The Maribyrnong retail market is dominated by Highpoint Shopping Centre (123,000 sqm), which includes Myer, Target, Big W, Safeway and Coles. It is expected to undergo and major extension in 2011 to accommodate a David Jones department store (14,000 sqm) and an additional 100 shops. The Footscray CAD is the second largest retail centre in Maribyrnong, with approximately 80,000 sqm of retail floorspace, including 12,500 sqm at Footscray Plaza, and 7,500 sqm at Footscray Market.

In addition to this large-scale shopping precinct, the region is also home to several supermarket-based centres, such as Central West, Braybrook Shopping Centre and small independent supermarkets in West Footscray, Yarraville, Seddon and Spotswood.

Additional activity centres are currently planned for the Bradmill Redevelopment and the Maribyrnong Defence Site.

Table A.17: Maribyrnong Retail Market

Centre	Retail GLA (m^2)	Selected Major Retailers
Regional		
Highpoint	123,000	Myer, Target, Big W, Safeway
Sub-Regional		
Footscray Plaza	14,300	K-Mart, Coles
Footscray Market	7,750	Independent Supermarket
Other Footscray	60,000	Forges
Total Footscray	80,250	
Supermarket / Local Centre		
Central West Plaza	20,260	Coles, Aldi
Aldi, Maribyrnong	1,500	Aldi
Braybrook Shopping Centre	9,700	Safeway
Barkly Street, West Footscray	n.a	
Anderson Street, Yarraville	n.a	
Victoria Street, Seddon	n.a	

Source: Jones Lang LaSalle Research (2010)

Two significant additions to the current retail offering in Maribyrnong are expected in the short term. The new Woolworths owned large format hardware store chain, which will compete directly with Bunnings, will open a store in Braybrook. Bunnings will also add a store in Maidstone.

As recent activity has shown, the Maribyrnong retail market is strong and supported by recent and projected population growth in Maribyrnong as well as the broader Western region. As the population grows, Maribyrnong's retail sector is expected to grow.

Office Market

The Western region of Melbourne contains only around 74,000 sqm of office space, making it easily Melbourne's smallest office sector. Total office space in Melbourne is 7.4 million sqm, with the West making up just 1% of the market. The lack of supply reflects low levels of demand for commercial space in this location and the lack of development finance during the GFC, particularly for smaller speculative buildings, which is the more typical mechanism of supply in this location.

Table A.18: Total Stock of Melbourne Markets, September Quarter 2010

Region	Stock (sqm)	% of Total
CBD	4,241,878	57.2%
Fringe	1,644,659	16.6%
South-East	1,233,409	22.2%
North	221,301	3.0%
West	73,705	1.0%
Total Office Stock	**7,412,952**	**100.0%**

Note: Figures for the West are sourced originally from 2007, however, there has been negligible supply since that time.
Source: Jones Lang LaSalle Research (2010)

Jones Lang LaSalle notes that commercial tenant enquiry levels within the West are very low and typically comprise small local business based demand. Larger corporate enquiry levels (i.e. in excess of 1,000 sqm) in this location are very infrequent. These occupiers typically prefer well established commercial precincts. With competitively priced rents and sufficient supply of modern facilities in established commercial precincts, Jones Lang LaSalle expect this trend to continue for the medium to longer term, with the exception of some public sector led demand which reflects support for CAD based urban planning policy. Outside of the Footscray CAD, commercial office development in Maribyrnong will be very challenging in the future.

However, recent activities have demonstrated that commercial office development in Maribyrnong is possible. Lonely Planet, Edgewater and most recently McNab Avenue all represent important commercial office projects in Maribyrnong. Each of these projects had different key drivers, representative of the commercial office market and the potential future reality for Maribyrnong. Lonely Planet was the original tenant for the redevelopment of their current space, which was customised to meet their needs. Edgewater is a smaller (approximately 1,800 sqm) development servicing primarily the local and regional market and McNab Avenue is a major redevelopment within the Footscray CAD.

Table A.19: Western Office Stock

Suburbs	Stock (sqm)
Footscray	41,345
Maribyrnong	10,089
Sunshine	12,431
Caroline Springs	2,000
Werribee	7,840
TOTAL	**73,705**

Source: Jones Lang LaSalle Research (2010)

Lonely planet is the largest private tenant in the West. Their office is located at 90 Maribyrnong Road and is 9,770 sqm in size. Lonely Planet has recently renewed their lease of this facility.

Figure A.29: Lonely Planet Head Office, Footscray

Source: Jones Lang LaSalle (2010)

Reflecting the role of Footscray as one of Melbourne's six designated CADs and the associated Footscray Renewal Strategy, the state government has recently announced a major commitment to new commercial space within a major mixed use project. Some 17,500 sqm of office space is proposed to be developed on McNab Avenue in Footscray as part of a $350 million redevelopment being delivered by Grocon. The development will include 250 student apartments, 240 residential apartments, 110 affordable residential apartments and a community hub. A number of government agencies, including City West Water (5,500 sqm) and State Trustees (6,000 sqm) will be the major tenants of the development's office space through securing their corporate headquarters in the new development.

This project was made possible through the Government commitment to lease space in the development and deploy government jobs to the precinct. This project represents an example of how governments can directly stimulate economic development through the location of their employees.

Figure A.30: McNab Avenue, Footscray, Artist's Impression

Source: Jones Lang LaSalle (2010)

Charting the Course – Commercial Land

Strength: The Footscray CAD project will provide a strong catalyst for future investment and property development.

Strength: The Footscray CAD will deliver considerable commercial office space.

Strength: Continued population growth will continue to drive retail development and growth.

Strength: Existing public transport links (especially train lines) provide good linkages with the CBD, which can be attractive for the professional services sector.

Weakness: Outside of Footscray CAD, Maribyrnong is not likely to be attractive for considerable commercial office space, outside of infrequent, smaller footprint buildings.

Opportunity: The Footscray CAD project provides opportunities for further development of the professional and business services sector as well as the attraction of government offices, increasing 'white collar' employment in Maribyrnong.

Opportunity: The Footscray CAD project provides opportunities to grow the arts and culture sectors, including the potential for music, events and festivals. These developments will help to generate visitation to Maribyrnong as well as create jobs locally.

Opportunity: The Footscray CAD can attract future professional and business services as well as government offices.

Opportunity: The potential Woolworths hardware store developments in Maribyrnong can create potential for additional retail oriented developments and will create considerable local retail employment opportunities.

Opportunity: Highpoint can continue to grow to support local and regional population growth. Increasing residential and office development as well as amenity around Highpoint may also be an opportunity.

Threat: Due to market dynamics, dramatically increasing professional service jobs through office development will be challenging and will likely require direct government intervention (similar to McNab Avenue).

Industrial Land

Across metropolitan Melbourne there are approximately 23,798 gross hectares of industrial zoned land, of which 6,782.4 hectares (or 28.5%) were unimproved in 2009 (i.e. not built upon) (Department of Planning and Community Development, 2010). The City of Maribyrnong's total stock of unimproved industrial land comprised 47 lots with a modest aggregate area of 29.2 hectares, representing a mere 0.4% of the metropolitan total. This compares with 1,400.1 hectares of unimproved land in the West Industrial Node and 2,265.9 hectares across Melbourne's West.

Maribyrnong is outside the West Industrial node and its stock of industrial land is substantially built out. The City has 532.1 hectares of industrial zoned land, of which all but 5.5% was improved (i.e. built upon). This spare land capacity is dwarfed by rates of 36.8% in the West Industrial Mode, 32.6% for the Western region and a metropolitan mean 28.6%. The City of Maribyrnong's undeveloped industrial land is predominantly zoned Industrial 1.

Half of the City of Maribyrnong's unimproved industrial lots (by number) had an area less than 1,000 sqm. Further industrial development within Maribyrnong is constrained by the limited availability of unimproved industrial land, relative to the comparatively plentiful supply in the West Industrial Node and Melbourne's West. Its remaining undeveloped sites tend to be small.

Table A.20: Industrial Zoned Land Stocks (Area in hectares)

	Industrial 1[11]	Industrial 2[12]	Industrial 3[13]	Business 3	Special Use	Total Industrial
Unimproved Land						
Maribyrnong City	20.2	0	7.2	1.8	0	29.2
West Industrial Node[14]	349.0	413.6	240.8	69.2	327.5	1,400.1
Melbourne's West	743.0	416.8	720.8	80.2	327.7	2,265.9
Metropolitan Melbourne	2,434.3	445.9	1,110.7	666.2	1,343.0	6,782.4
Maribyrnong as % Melb's West	2.7%	0%	1.0%	2.2%	0%	1.3%
Maribyrnong as % Metro Melbourne	0.8%	0%	0.6%	0.3%	0%	0.4%
Improved Land						
Maribyrnong City	314.2	0	110.2	78.5	0	502.9
West Industrial Node	173.0	1,530.8	161.2	0	542.1	2,407.1
Melbourne's West	1,744	1,533.4	720.7	90.4	669.0	4,692.1
Metropolitan Melbourne	8,667.4	1,754.6	1,830.1	1,927.7	2,525.6	16,927.1
Maribyrnong as % Melb's West	18.0%	0%	15.3%	86.8%	0%	10.7%
Maribyrnong as % Metro Melbourne	3.6%	0%	6.0%	4.1%	0%	3.0%
Proportion Unimproved						
Maribyrnong City	6.0%	0%	6.1%	2.2%	0%	5.5%
West Industrial Node	66.9%	21.3%	59.9%	100%	37.7%	36.8%
Melbourne's West	29.9%	21.4%	50.0%	47%	32.9%	32.6%
Metropolitan Melbourne	21.9%	20.3%	37.8%	25.7%	34.7%	28.6%

Source: Department of Planning and Community Development (2010)

[11] The purpose of the Industrial 1 Zone (IN1Z) is to provide for manufacturing industry, the storage and distribution of goods and associated uses;

[12] The purpose of the Industrial 2 Zone (IN2Z) is to provide for heavy industry, including manufacturing, storage and distribution of goods that require a substantial buffer from more sensitive uses.

[13] The purpose of the Industrial 3 Zone (IN3Z) is to provide a buffer between heavy industrial and more sensitive uses.

[14] The West Industrial Node includes Laverton-North through Sunshine West, Deer Park to Derrimut

Table A.21: Stocks of Industrial Land by Lot Area (No. of Lots)

	Less than 1,000m²	1,000-5,000m²	0.5 – 1.0 hectares	1 to 5 hectares	More than 5 hectares	Total lots
Unimproved Land						
Maribyrnong City	24	14	4	4	1	47
West Industrial Node	529	236	98	121	45	1,029
Melbourne's West	1,259	511	149	175	76	2,170
Metropolitan Melbourne	2,630	2,493	429	498	220	6,270
Maribyrnong as % Melb's West	1.9%	2.7%	2.7%	2.3%	1.3%	2.2%
Maribyrnong as % Metro	0.9%	0.6%	0.9%	0.8%	0.5%	0.7%
Improved Land						
Maribyrnong City	893	283	72	98	15	1,361
West Industrial Node	525	645	207	365	89	1,831
Melbourne's West	5,297	2609	473	689	172	9,240
Metropolitan Melbourne	34,959	14,140	2209	2385	498	54,191
Maribyrnong as % Melb's West	16.9%	10.8%	15.2%	14.2%	8.7%	14.7%
Maribyrnong as % Metro	2.6%	2.0%	3.3%	4.1%	3.0%	2.5%
Proportion Unimproved						
Maribyrnong City	2.6%	4.7%	5.3%	3.9%	6.3%	3.3%
West Industrial Node	50.2%	26.8%	32.1%	24.9%	33.6%	36.0%
Melbourne's West	19.2%	16.4%	24.0%	20.3%	30.6%	19.0%
Metropolitan Melbourne	7.0%	15.0%	16.3%	17.3%	30.6%	10.4%

Source: Department of Planning and Community Development (2010)

Take up of unimproved industrial land averaged a modest annual 0.9 hectares in Maribyrnong over the 15 years to 2009, as against 84 hectares per year in the West Industrial Mode, 111.5 hectares in Melbourne's West and 289.6 hectares across the entire metropolitan area. Indeed, over the five years to 2009, industrial land take up in the municipality was negative, which is consistent with the demolition of industrial buildings and/or conversion of industrial land to alternative uses.

The City of Maribyrnong's 29.2 hectares of available land is equivalent to a fraction over 3 months' of Melbourne's West annual industrial land demand.

Table A.22: Average Annual Consumption of Industrial Land (hectares)

	1995-2000	2000-2004	2005-2009	Average 1995-2009
Maribyrnong	3.4	2.2	-2.8	0.9
West Industrial Node	78.2	84.0	89.8	84.0
Melbourne's West	119.1	110.7	104.7	111.5
Metropolitan Melbourne	304.1	283.9	280.8	289.6
Maribyrnong as % Melb's West	2.9%	2.0%	-2.7%	0.8%
Maribyrnong as % Metro Melbourne	1.1%	0.8%	-1.0%	0.3%

Note: The West Industrial Node includes Laverton-North through Sunshine West, Deer Park to Derrimut.
Source: Department of Planning and Community Development (2010)

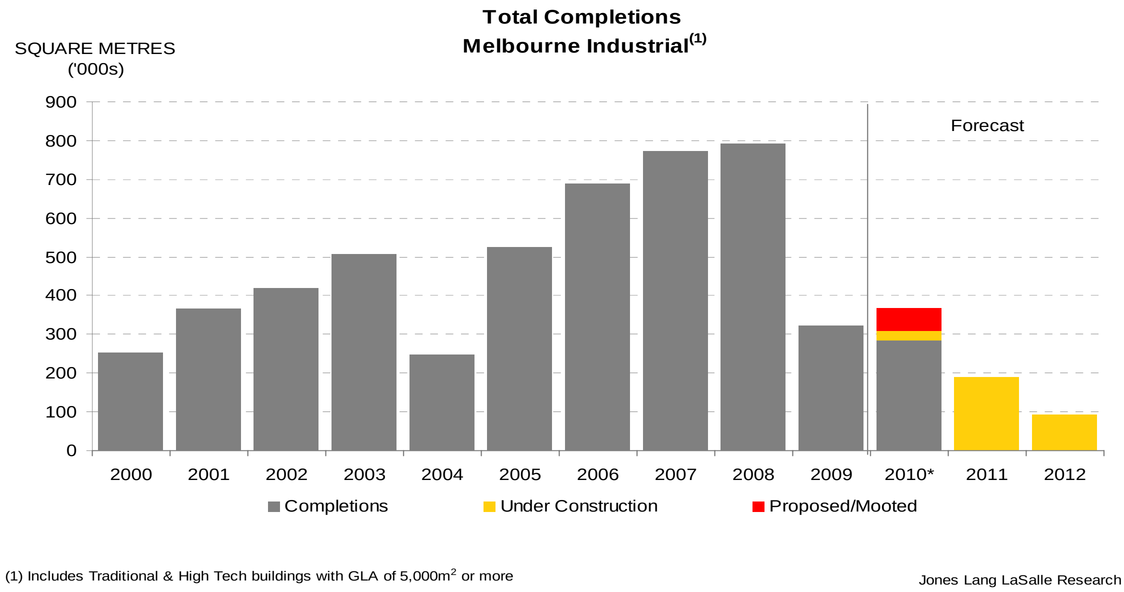
In recent years, warehouses have accounted for an increasing share of industrial building approvals, relative to production factories. The Urban Development Program (UDP) projects a deficit of 76 hectares of industrial zoned land in inner-middle suburbs by 2031, factoring in a projected decline in manufacturing activity.

Maribyrnong recorded a comparatively modest consumption of industrial land between 2008 and 2009, dwarfed by take up in Wyndham, Brimbank and Hume. Between 2004 and 2008 the municipality recorded *negative* industrial land consumption averaging 3.5 hectares per annum (DPCD 2008). The majority of the Western Region's stock of vacant industrial land is located within Brimbank, Melton, Wyndham and Hobsons Bay.

Industrial Market

Despite early signs of a pickup in demand conditions, the supply pipeline has yet to respond, with financiers still reluctant to provide lending to all but the lowest risk projects. This can be seen in the current outlook for new supply with a fraction of previous year's supply expected to be delivered in the future.

Figure A.31: Melbourne Industrial Property Market, Completions & Take-up



Note: *2010 is the sum of the three quarters to September.
Source: Jones Lang LaSalle Research (2010)

Since 1985, almost 3.05 million sqm of industrial space has been developed across the Melbourne West industrial market[15]. More recently, over the first three quarters of 2010 there has been a clear and continued strong shift toward the West with new supply. Key suburbs such as Laverton North, Deer Park, Derrimut, and Truganina continue to dominate supply in the West and indeed across wider Melbourne. These suburbs have accounted for over 45% of total industrial completions for the year to date (Q3 2010).

Looking forward this is trend is even more heavily focused on the West with this precinct accounting for around 63% of the 301,700 sqm currently under construction. This is being driven by more affordable land values and rents, significant supply of land and strong transport infrastructure connections to key nodes such as the Port of Melbourne and Melbourne Airport.

Jones Lang LaSalle notes that industrial occupier enquiries to locate within Maribyrnong is generally sporadic and isolated to very specific uses such as those users that wish to be in very close proximity to the Port. Residential encroachment, outdated industrial facilities and constrained access and operations are all key factors for the low levels of demand within Maribyrnong. Industrial demand from medium and larger occupiers (5,000 sqm and above) is primarily focused on dedicated unconstrained and low cost purpose-built modern industrial estates with good transport access, of which the middle ring Western precincts cater to well.

Future large scale, heavy industrial development in Maribyrnong does not seem likely, given the current constraints and the strong competition from other areas in Melbourne's West, which offer more attractive, affordable land. Transitioning existing underutilised industrial space to provide employment, including high-tech manufacturing which provides a higher office content, should be strongly considered. The strong competitive market would exist for these types of facilities.

[15] Jones Lang LaSalle track construction and tenant moves over 5,000 m^2

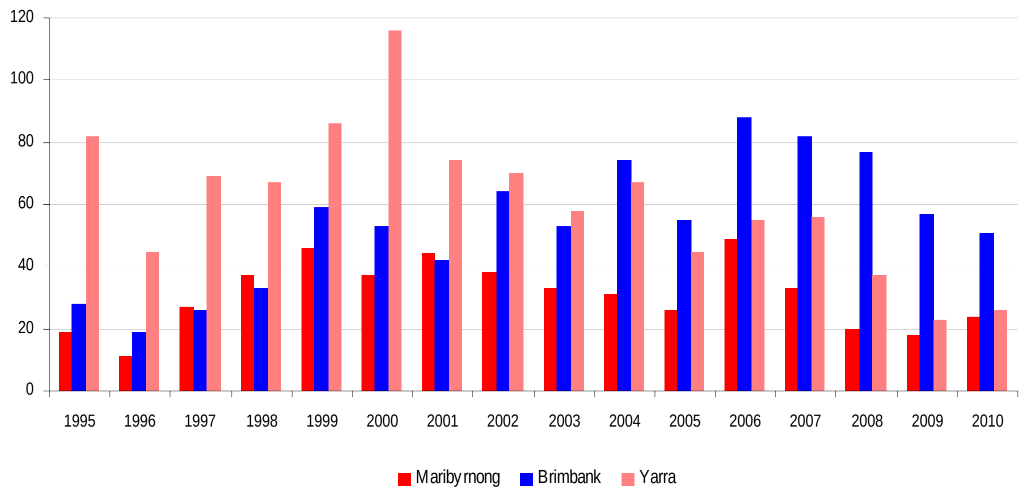
Table A.23: Melbourne West Industrial Construction by LGA (% of Total Construction), 1985-2009

LGA	Region	1985 - 1989	1990 - 1999	2000 - 2004	2005 - 2009	Total
Hobsons Bay	Inner	87.7%	43.8%	1.8%	19.5%	24.6%
Maribyrnong	Inner	0.0%	8.2%	4.9%	6.3%	6.2%
Wyndham	Middle	12.3%	36.3%	50.3%	32.8%	38.3%
Brimbank	Middle	0.0%	9.6%	41.2%	41.3%	29.2%
Melton	Outer	0.0%	2.1%	1.8%	0.0%	1.7%
Total		**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Source: Jones Lang LaSalle Research (2010)

Sales of industrial land in Maribyrnong have declined over time (Figure A.32). In 2010, just 15 industrial land sales were made (Jones Lang LaSalle Research, 2010). However, some existing occupants in Maribyrnong continue to invest significantly in their properties. A number of established larger occupiers have recently invested in their Maribyrnong-based sites, including CSR, Peerless Holdings and Warren & Brown Technologies. These investments were likely motivated by increasing demand for products as well as the significant investments that have already been made in Maribyrnong, which would have been difficult to replicate in a new location.

Figure A.32: Number of Sales of Industrial Property by LGA, 1995-2010



Note: Data records all industrial sales, regardless of size.
Source: Jones Lang LaSalle Research (2010)

Major industrial sales in Maribyrnong over the last year included:

- Retexa who purchased a 3.31 hectares at 444 Somerville Road, Tottenham (an existing logistics centre) for $7,865,000;
- Woolworths, and subsidiary companies, purchased two properties for future large format hardware store:
    - o 2,751 sqm at 330 Ballarat Road Braybrook for $6,750,000; and
    - o 4 hectare parcel at 330 Ballarat Road Braybrook for $15,125,000.

These recent sales indicate the future potential for logistics, supported by Maribyrnong's accessibility. The large regional retail catchment as well as the area's accessibility would have been major factors for the Woolworths purchase. This development can become a catalyst for other similar trade suppliers and complementary uses that would be attracted to the consumer traffic that the Woolworths hardware stores are likely to generate.

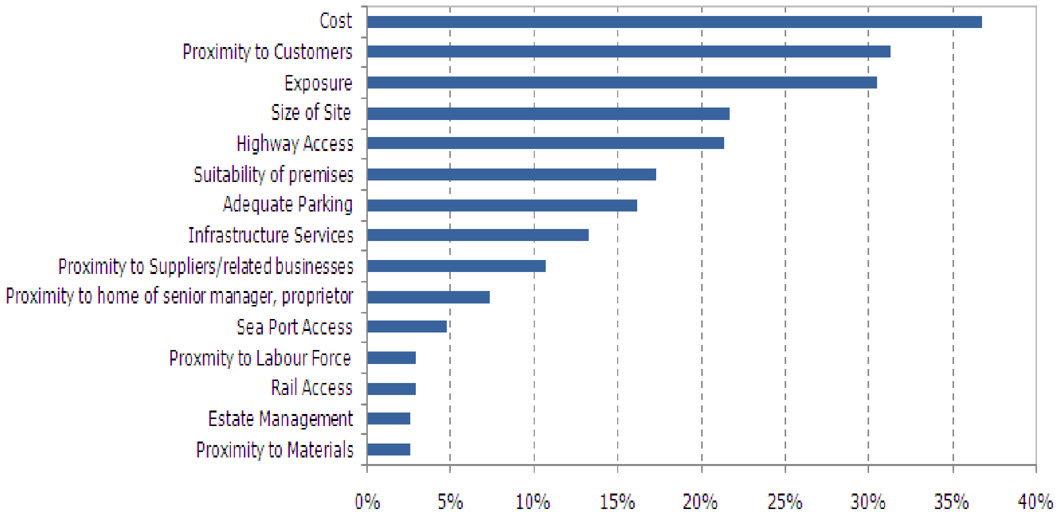
Consultation Notes

Consultation indicated a feeling of poorly maintained business and industrial areas, including median and nature strips, derelict properties, illegal median parking, an unsightly rail corridor. These factors give rise to negative perceptions of parts the municipality and discouraging new inward investment and occupancy in existing precincts. Odour was also raised by some stakeholders in certain industrial precincts.

Stakeholders felt that opportunities to correct these amenity issues are likely to encourage future investment in these areas and similarly a lack of improvement would continue to prevent investment.

As part of the MEIDS project, AEC*group* conducted a detailed survey of 276 businesses within the City of Maribyrnong. This survey identified the most important factors for businesses when considering a new business location (Figure A.33). While the majority of the survey respondents were industrial companies, the information still yields interesting insights into key decision makers regarding future locations.

Figure A.33: Most Important Location Factors, Maribyrnong, 2010



Source: AEC*group*

For Maribyrnong, these results indicate that future industrial development in Maribyrnong will be limited and some existing users may be attracted further west. Cost, size of site and highway accessibility all ranked very high as location factors for industrial users. Industrial land in Melbourne's West tends to be more affordable, easier to development (due to size) and more easily accessible (due to lack of residential encroachment). Industrial users looking for new facilities are likely to overlook Maribyrnong and any existing users that may need to expand are likely to leave Maribyrnong for areas further west.

Consultation Notes

An AEC*group* survey of primarily industrial users found that the top three most important factors to companies when making a location decision are cost, proximity to customers and exposure. The results of this survey are supported further through direct engagement with industrial companies. Many companies in Maribyrnong have made significant investments historically to develop sites within the City (many more than 20 years ago). These companies prefer to stay in these locations for as long as possible in order to maximise the value from these historical investments. However, when the sites become too small or non-functional, many of these users seek to leave the City for newer, cheaper and less constrained properties to further west of the City of Maribyrnong.

Many developers and investors remain interested in Maribyrnong's industrial lands. However, they feel the only viable option is often to redevelop the area into an alternative use in order to generate a significant enough return on investment.

Charting the Course – Industrial Land

Strength: Maribyrnong has considerable industrial lands that are currently underutilised.

Strength: The potential development of a Woolworths hardware store in Braybrook can create potential for additional complementary developments and will create considerable local employment opportunities.

Weakness: Maribyrnong has very little available greenfield industrial land and the supply that is available tends to be smaller lots, presenting various issues for future development.

Weakness: There is limited industrial development in Maribyrnong when compared to Melbourne's West, which is caused by a lack of available land, affordability, access, residential encroachment and other constraints.

Opportunity: Transition existing heavy industrial land to an alternative, employment generating land use.

Threat: Pressures for residential development encroach on employment lands and impair future potential for job generation.

Residential Land

Approximately 60% of land in Maribyrnong is for residential use and much of it has already been development. As recent developments in Edgewater, Maidstone and Waterford Green have indicated, future residential development will likely occur as redevelopment of existing lands. Well over 7,500 new residential dwellings have been earmarked across the municipality as part of major redevelopment sites. These new developments will provide not only opportunities for Maribyrnong to accommodate population growth but to expand local spending, attract new resident workers (and skills) and generate economic activity through the property development and construction phases. This increase in local spending could lead to increased demand for retail services, which could provide additional retail jobs in the community.

Charting the Course – Residential Land

Strength: Strong population growth will encourage residential development.

Opportunity: Growth in residential property development will stimulate the economy through property development and construction.

Opportunity: Residential development will increase local population and spending, which can increase demand for retail services, creating many low skilled jobs across the economy.

Threat: An inability to deliver sufficient residential land for development could impair ability of City to grow and take advantage of project population growth.

Education & Public Lands

Education and public lands make up only 6% of the total land in Maribyrnong, however provide considerable value as they house VU, Western Hospital and other critical components of the Maribyrnong economy, such as Council and community centres.

Both VU and the Western Hospital have indicated that they have available areas for continued growth. As the population of Maribyrnong and the Western region continue to grow, VU and the hospital will need to expand. The expansion of the hospital can act as an attraction for additional investments in healthcare and allied services. Similarly, expansion and growth at VU can support future economic growth through attracting students to Maribyrnong, increasing local spending and retail demand, as well as supporting business growth through partnerships with industry to provide specialist training and research services.

Charting the Course – Educational and Public Lands

Strength: Available lands for the continued growth and expansion of VU and the Western Hospital.

Commercial & Industrial Development

Ripples from the GFC were felt in the Melbourne commercial and industrial development industries. New supply reached its lowest levels since 2004 in the 2009 year. However, the slowing in new supply enabled the market to re-balance following two very strong years. Both demand and supply conditions improved in 2010 as the worst of the GFC (at least for Asia) appeared to be over. In the three quarters to September 2010, take-up of industrial space was significantly higher than the amount of completed industrial constructions, indicating that the rate of consumption of industrial space is exceeding the pace of supply.

Amenity

The amenity of a place is captured by a subjective evaluation of tangible and intangible attributes. In terms of economic development residential and business amenity are important as these become factors in business location decision making. Often these attributes sit outside the financial decision, which usually drives a location decision. However, these quality of life factors regularly form a foundation, without which it is difficult to attract or retain investment and jobs.

A recent survey in the United States identifies key quality of life factors that business decision makers consider when investing in an area (Table A.24). While cost factors, workforce and infrastructure factors generally drive business decisions, these amenity issues are considered. As these findings indicate, amenity items are a consideration for investment and economic development, particularly issues such as crime, healthcare and housing.

Table A.24: Quality of Life Factors, 2010

Rank	Quality of Life Factor	% of Total
1	Low crime rate	84.6
2	Healthcare facilities	72.2
3	Housing costs	68.4
4	Housing availability	66.4
5	Ratings of public schools	61.2
6	Climate	56.3
7	Colleges and universities in the area	53.2
8	Cultural opportunities	48.7
9	Recreational Opportunities	48.2

Note: Percentages are the total of "very important" and "important" ratings of the Area Development Corporate Survey and are rounded to the nearest tenth of a percent
Source: Area Development (2011)

Through consultation and review of numerous documents, there are a number of positive and negative amenity issues as highlighted in Table A.25.

Table A.25: Maribyrnong Amenity

Positive Amenity	Amenity Issues
Maribyrnong River provides considerable amenity for recreation and leisure as well as events and festivals	Existing pockets of socio-economic disadvantage characterised by low skills/education, low income and high unemployment have made some areas visually unappealing
Maribyrnong is in great proximity to a number of areas, including Melbourne CBD, Flemington Racecourse and numerous regional attractions	There are many perceptions and misconceptions in the region regarding Maribyrnong as being 'industrial' or 'dirty'. Noise from traffic congestion and pedestrian safety.
The current urban renewal that is on-going in Maribyrnong provides a unique sense of place and 'vibe' in the community that is not found elsewhere in Melbourne	There are numerous traffic issues including a lack of north-south connections, congestion at peak times on east-west routes, congestion on Francis Street, freight traffic and conflicts between trucks and passenger cars on many major routes
Maribyrnong has a very distinctive character, forged through its unique history and geography	There have been some complaints regarding dust and air quality issues (odours) in various parts of the municipality
Maribyrnong is one of the most culturally diverse communities in Victoria and has a track record of being open and accepting	Maribyrnong River Rail acts as a barrier to the riverfront for recreational activities
There are numerous new developments around Maribyrnong that provide new residential offerings as well as new and unique places	Perceived lack of independent schools and some insufficient supply and access to community infrastructure
Maribyrnong has a strong arts and culture scene, anchored by its Community Arts Centre	Visual amenity in some industrial areas could be improved greatly
Presence of VU and numerous public schools	Some industrial properties are significantly underutilised, including large vacant properties

Source: AEC*group*

Consultation Notes

Consultation indicated existing negative impacts from current amenity issues, particularly in various industrial precincts. Various stakeholders felt that improvements in amenity (both residential and business) would aid in attracting investment and generating jobs. Increasing safety in Footscray would also make the area more attractive to residents and consumers, assisting to increase the ability for the centre to attract visitation from outside Maribyrnong. Addressing many of these issues would also assist in improving the image of Maribyrnong.

Charting the Course – Amenity

Strength: Maribyrnong River, cultural diversity and current urban renewal combined with the City's unique past have delivered a distinctive character and feel.

Weakness: Visual amenity in residential and industrial areas can harm from investor interest.

Weakness: Safety issues have been raised by various stakeholders.

Opportunity: Leverage Footscray's edgy feel to further develop the arts and culture scene.

Opportunity: Increases in visual and safety amenity could assist in projecting a more positive image and increasing interested from prospective investors, residents and visitors.

Threat: Continued growth of freight through the Port of Melbourne could cause continued and more significant road and congestions issues, particularly around container storage.

Threat: Unless managed in the future, safety and visual amenity issues can cause perceptions to remain about Maribyrnong and drive some people away (i.e. prospective investors, prospective residents and visitors).

Accessibility & Infrastructure

Key Point Summary

- Maribyrnong holds significant existing infrastructure, including roads, power, a port, community centres and entertainment facilities. The existence of these infrastructures is supportive of business and population growth in the region.
- Significant volumes of truck traffic associated with the Port of Melbourne as well as container storage sites around the City cause congestion and conflict with passenger vehicles.
- Freight movements around the metropolitan region as well as through the Port of Melbourne are expected to increase significantly in the future. Road freight volumes are expected to double by 2036 and container freight through the Port of Melbourne could double by 2035. These increases could significantly impair future economic development and residential amenity in Maribyrnong.
- Increased volumes of freight will drive demand for transport and logistics services and Maribyrnong has a strong competitive advantage in its proximity to the Port of Melbourne;
- Infrastructure projects, such as Westlink and the Regional Rail Link project would provide significant value to the local economy.
- A new government is in power in the Victorian Parliament adding some uncertainty to future infrastructure plans and developments.
- If infrastructure does not expand to keep pace with residential growth and economic growth, future development of Maribyrnong could be at risk.
- Maribyrnong has a range of community and utility infrastructure to support future economic development.

Transport

Sufficient transport infrastructure is critical for development. In surveys of corporate decision makers, proximity and accessibility to transport infrastructure are consistently strong themes for critical location factors.

Road

Major highways in Maribyrnong include the Western Hwy (Ballarat Rd) and the Princess Hwy (Geelong Rd). Sunshine Rd also provides a strong arterial linkage. Napier St and Dynon Rd provide access to the CBD. Westlink will provide a tunnel alternative to West Gate Bridge and the Truck Action Plan calls for a new link from the West Gate Freeway. There is currently a lack of north-south connections, providing barriers to residents and businesses. According to the Victorian Transport Plan (State of Victoria, 2008), Melbourne's metropolitan road freight task will increase from 240 million tonnes to 470 million tonnes per annum, almost doubling the amount of freight movement through the region.

Westlink

The Linking Melbourne Authority is seeking to take trucks off of local residential street and improve connections to the western suburbs of Melbourne, assisting to create more jobs and opportunities in the western region. The project would include a tunnel from the Port of Melbourne precinct emerging beyond the residential area towards Paramount Road and the joining with an upgraded Paramount Road. A second stage would include a freeway connection from Paramount Road connecting to the Western Ring Road.

The project would improve access for heavy vehicles to the Port of Melbourne, provide a long-term alternative to the West Gate Bridge and cater for a future with more than five million people living in Melbourne.

Like many projects, Westlink is currently under review after the change in Government.

Rail

The City is serviced by a number of rail and tram lines providing connections to the CBD and further west, as well as links between Highpoint and Footscray. These links are important as they can provide access for residents and workers. Public transport in Maribyrnong can play a key role in economic development in the future through providing avenues for workers to access jobs. These links are particularly important for the provision of retail and professional service workers. It should be noted that the industrial areas of Maribyrnong do not have the same level of access to public transport.

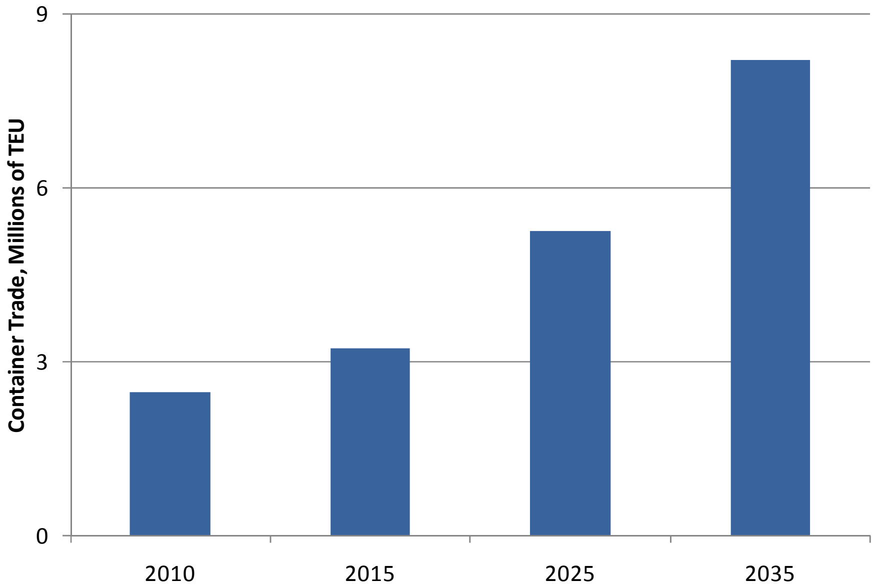
The Regional Rail Link will provide a 40 kilometre dual-track link from Footscray to the Southern Cross Station via Sunshine. It will segregate V/Line regional rail services from metropolitan rail services. The $4.3 billion project was anticipated to provide for substantial increases in capacity for regional and suburban rail services through Melbourne's West. The station at Footscray and Sunshine would be impacted by the project. While the project has advanced since inception, with the recent change in Government these plans may not precede as first thought.

Port

The Port of Melbourne is Australia's largest container port, with an annual of throughput of 2.24 million TEU[16] (2009-10) and is directly adjacent to the City of Maribyrnong. As such, the Port is a key strategic asset for Maribyrnong.

The Victorian Transport Plan estimated the number of ships visiting Port of Melbourne annually to increase from 3,500 in 2008 to 5,500 in 2030, an increase of nearly 60%. At the same time, the volumes of container freight are anticipated to more than double by 2035 (Port of Melbourne, 2009).

Figure A.34: Future Container Trade, Port of Melbourne, 2010-2035



Source: Port of Melbourne (2009)

There are currently many transport related projects that are under review after the change in Government. However, it remains clear that there will be more freight moving through the Port of Melbourne and around the road network in Melbourne in the future. This increase in freight provides strong demand for transport and logistics operations and Maribyrnong enjoys great proximity to the Port of Melbourne. At the same time, there could be numerous impacts on Maribyrnong as much of this truck traffic currently uses the road network through the City and without significant upgrades to the transport network (e.g. Westlink), there could be many potential issues. These issues are

[16] TEU – Twenty Foot Equivalent Unit, a common unit for measuring volume through a port.

complicated by the current (and potential future) movements of residents into and out of the City for work every day. Many stakeholders have raised various issues regarding the current levels of congestion and the conflict between freight truck traffic and residential passenger cars as well as increased levels of pollution.

If these issues persist, there are likely to be negative impacts on the future economic development of Maribyrnong as residential amenity fades and businesses find it more and more difficult to move people and products around the City.

Consultation Notes

During the consultation, many businesses discussed the advantages of the City for transport as well as some issues regarding congestion, truck access, truck traffic and growing concerns regarding the volume of traffic. Traffic congestion and high volumes of truck traffic were cited as concerns, as well as encroachment of heavy vehicles into residential streets. It was noted that the establishment of a logistics node established elsewhere in Melbourne's West could potentially exacerbate truck traffic through the municipality.

Often industrial companies raised concerns over arising areas of conflict between road freight (trucks) and residential traffic (passenger cars), particularly in terms of safety, noise and odour. The increase in traffic associated with increasing freight volumes at the Port also disturbed some businesses and residents. Retail traders expressed concern over parking regulations and enforcement tools.

Charting the Course – Transport Infrastructure

Strength: Maribyrnong currently enjoys good access to major transport routes and is located in great proximity to the Port of Melbourne.

Weakness: Current truck traffic is causing congestions and conflict issues with residential passenger cars.

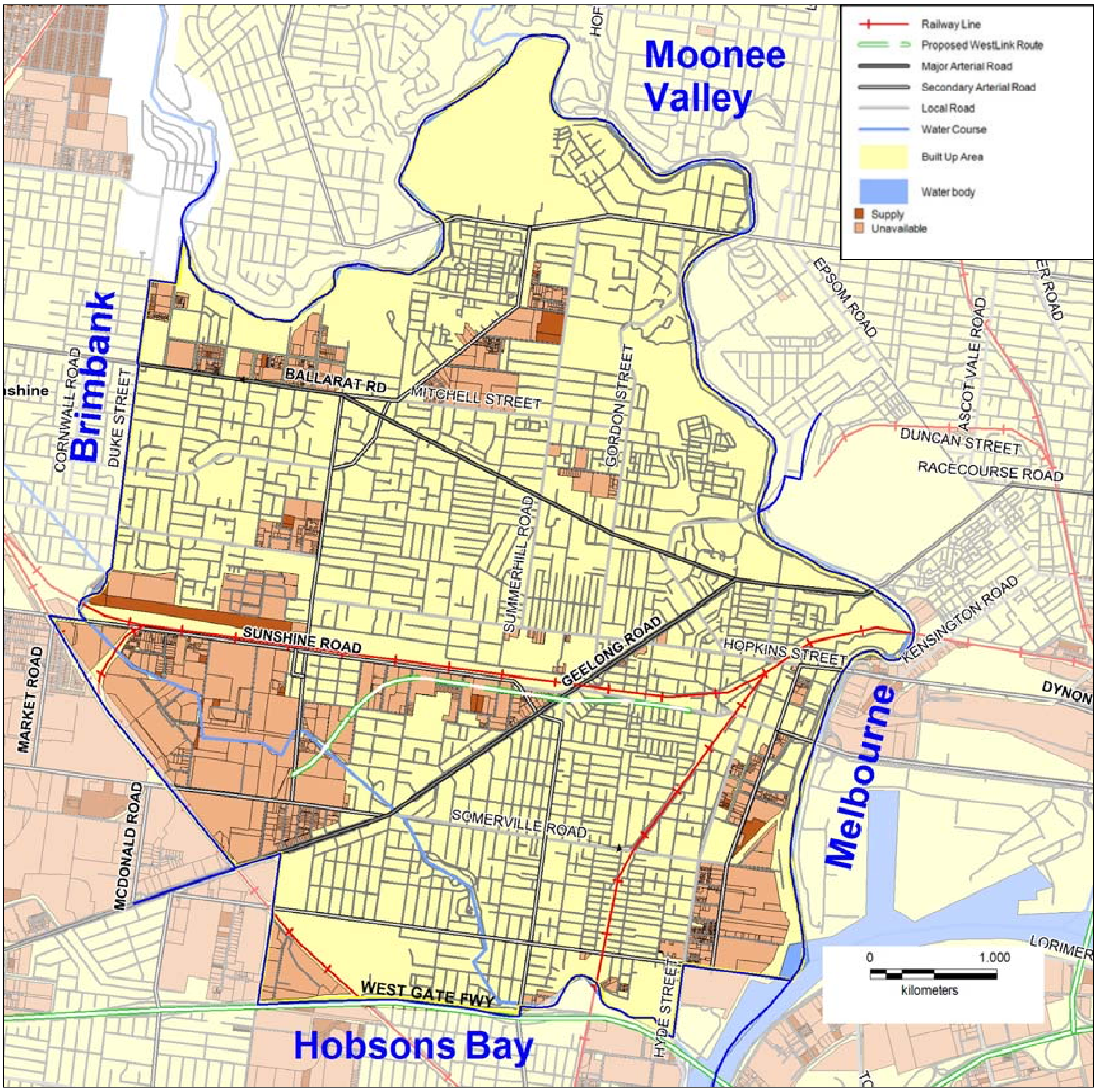
Weakness: Maribyrnong has a lack of north-south connections, limiting transport options to residents and businesses.

Opportunity: Increasing levels of freight will provide demand for transport and logistics services.

Threat: If significant improvements and upgrades are not made to the current infrastructure network, significant issues could arise, impairing future economic development.

Threat: Some existing conflicts exist between industrial and residential, such as the Paramount Road precinct, which could cause safety issues in the future as trucks mauver down residential roads together with passenger cars and in great proximity to residences.

Figure A.35: Transport Infrastructure, City of Maribyrnong



Source: AEC*group*

Utilities

Similar to transport, sufficient utility infrastructure is important for economic development. Fortunately, Maribyrnong has a strong industrial tradition which has delivered a strong existing network.

Electricity

In Maribyrnong, electricity is distributed by Jemena. There are two significant electrical terminals that service Maribyrnong:

- Altona/Brooklyn Terminal Station (66kV):Provides 497 Megavolt Ampere (MVA) of power to the western Business District, Docklands, Footscray and Yarraville. Some upgrades are expected by 2013 to prevent minor issues related to peak summer conditions; and
- Western Melbourne Terminal Station (66kV): Provides 447 MVA of power to Brooklyn, Tottenham, Footscray and Yarraville. This station has available capacity until 2015-2016.

Gas

Sp Ausnet provides gas distribution throughout Maribyrnong for both businesses and residential uses. Their network is extensive and given the historical industrial development of Maribyrnong, it can supply future industrial users. At the same time, given the long term over which this network has been developed, there may be specific sites that would be hard to service or costly to provide the necessary infrastructure to.

Broadband

National Broadband Network (NBN) is a $36 billion, eight-year plan to deliver fast-speed, always on internet to Australian consumers and businesses. The NBN will be rolled out in stages and has already begun in Tasmania and other parts of Australia. As part of a staged release strategy, parts of Australia and Victoria already have access to the NBN, including Sale, Wonthaggi and Brunswick. Bacchus Marsh and South Morang are part of the second release areas.

Increasing broadband internet speeds have the potential to provide many social and economic benefits to Maribyrnong. Increases in productivity, revenue as well as access to new markets can all assist Maribyrnong businesses, large and small. With anticipated growth at VU and the hospitals, having access to the NBN would provide an additional catalyst for these development and help to encourage job growth. Additionally, providing pre-authorisation to NBN Co to install fibre optic cable to residential premises in all major redevelopment projects would encourage the deployment of the NBN locally.

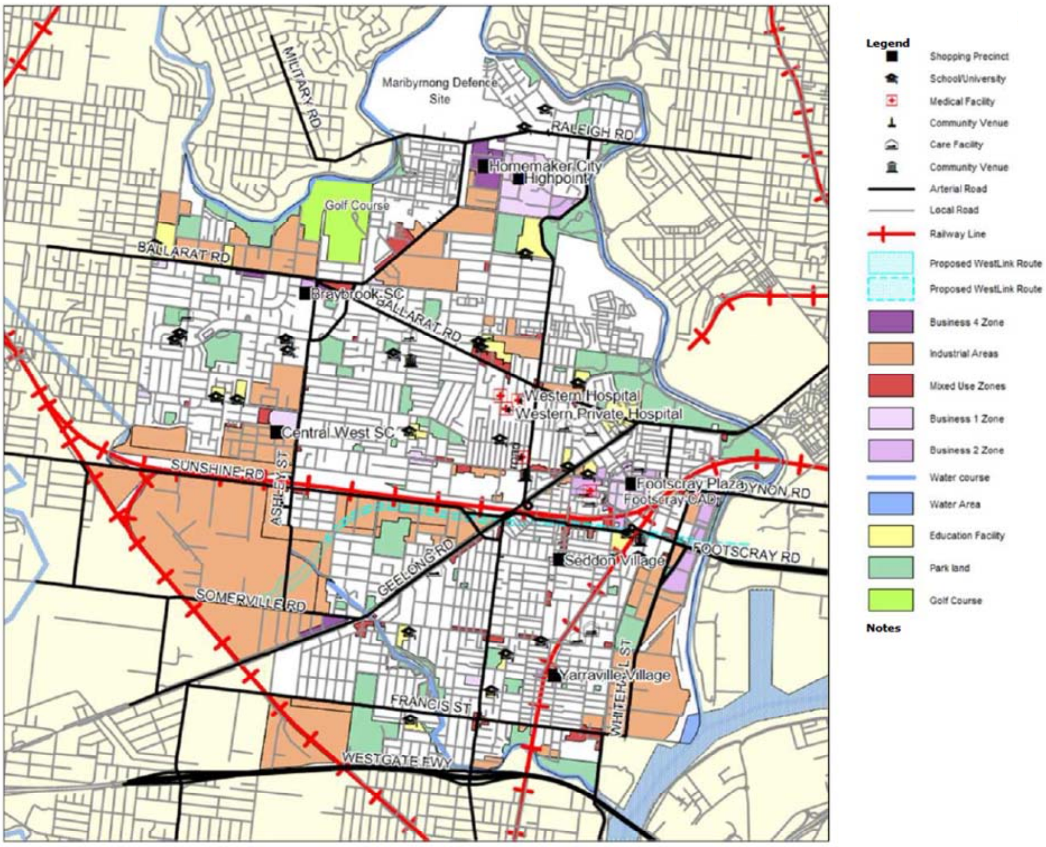
Social

Social infrastructure is important to provide amenity to residents and ensure the area is an attractive place to live, which makes the recruitment of workers easier for businesses.

Maribyrnong is fortunate to have significant social infrastructure across health, education and community:

- **Health**: The City has significant health infrastructure in the Western Hospital, as well as family health services at the DASWest facility. These facilities provide modern health services to residents;
- Education: The City is home to VU as well as a range of other public and private schools, including Maribyrnong Secondary College, Victoria's first designated sports college;
- Community: The City has a range of parks, community centres, sporting fields, libraries, recreational facilities and other social/community infrastructure, including the Maribyrnong River.

Figure A.36: Maribyrnong Community Infrastructure



Source: AEC*group*

8. Appendix B: Economic Drivers, Competitive Advantages & Opportunities

Key Point Summary

Maribyrnong's economy is impacted by numerous internal and external factors that will drive the economy forward in the future.

Key Economic Drivers

Population growth: growth due to both natural increase and migration requires increased infrastructure development and feeds into increased labour supply, housing demand and retail spending. As a growth area, Maribyrnong will need to find ways to accommodate new residents;

Population aging: the average age of Australians is increasing. An increased average age feeds into increased demand for healthcare services, reduced workforce participation, increased burden on fiscal budgets (through lower taxes and increased demand for the pension) and reduced retail spending. Maribyrnong is fortunate to have a younger average age than the nation currently. However, the local population will age considerably in the future;

Industry changes: change in demand for goods and services over time will change the demand for Maribyrnong outputs. Equally, structural economic changes and exterior influences (globalisation) will continue to impact Maribyrnong. Most notably, the manufacturing sector is transitioning to greater levels of service, higher value-adding products and increased levels of knowledge and innovation. At the same time, increases in imports (due to increasing population as well as globalisation) will provide significant demand for transport and logistics services. These trends are likely to significantly impact upon Maribyrnong going forward;

Redevelopment and renewal: the Federal, State and Local governments are investing in the redevelopment and renewal of urban areas across Australia. For the City of Maribyrnong, these projects (i.e. Footscray CAD, Maribyrnong Defence Site and others) are geared to generating denser, more liveable areas and assisting to efficiently deal with Melbourne's population growth;

Infrastructure investment: significant infrastructure investment at the Federal, State and local level is planned locally. The Westlink development, regional rail and further development of the Port of Melbourne will impact on the City of Maribyrnong; and

Central Activities Districts: CADs across the Melbourne region have been targeted with funds for development to enable them to progress and develop. The Footscray CAD will become a major economic driver for growth in the City.

Key Competitive Advantages

By Industry:

- Retail trade;
- Manufacturing;
- Transport and logistics sectors;
- Education; and
- Wholesale trade.

By Infrastructure:

- Proximity to the Port of Melbourne and other transport infrastructure;
- Proximity to the Melbourne CBD;
- High skilled residents;
- Presence of the Western Hospital and other health and social infrastructure; and
- Proximity to major education assets, including VU.

Future Opportunities

Key opportunities for Maribyrnong's economic future have been identified by considering the economic drivers and competitive advantages of Maribyrnong as well as cluster mapping and understanding the value contribution of jobs in various sectors. The following areas for future economic growth were identified:

Transport & Logistics

- **Transport & services to transport** (freight forwarding operations, overseas freight depots, customs clearing and other related activities)
- **Distribution centres** (for niche operations that require close proximity to the Port of Melbourne)
- **Logistics operations** (warehousing and distribution operations servicing a variety of clients and customers for both import and export)

Professional Services

- **Professional services** (accounting, banking, legal, property, engineers, architects, external offices of main headquarters in CBD of major firms or principal office of minor firms looking outside of the CBD)
- **Back office / processing centres** (centralised accounting and HR functions, insurance processing, payroll processing)

Health Care & Social Services

- **Hospitals** (public & private hospitals and associated patient care facilities)
- **Laboratories & Diagnostic Facilities** (diagnostic testing centres, radiology facilities, oncology and other medical testing facilities)
- **Allied health & GP super clinics** (GP/medical centre clinics, physiotherapy, chiropractics, pharmacy, dental, optics, other)

Food & Beverage Manufacturing

- **Baked goods** (breads, biscuits)
- **Processed foods** (packaged foods, frozen foods, ingredients, snack foods)
- **Health food & drinks** (niche food & beverage, health food drinks, super foods, high energy sports foods)

Property Development

- **Residential development** (medium to high density residential dwellings, affordable housing, student housing)
- **Commercial development** (office buildings, commercial developments as part of larger redevelopment areas, particularly the Footscray CAD)
- **Mixed-use development** (retail, commercial and residential developments)

Culture, Arts and Education

- **Music** (local music venues, opportunities for regional musicians)
- **Arts** (venues for local artists across a range of mediums)
- **Festivals** (various festivals)
- **Education** (potential to locate other education providers to the City)

Economic Drivers

The economic backdrop for the *Maribyrnong Economic Development Strategy* is not sedentary. Economic changes and developments at the macro and micro level influence and impact on Maribyrnong's economy. Whilst many of these factors are outside of the control of governments, planning for the further unfolding of these economic drivers will enable the region to adapt efficiently and responsively to these overarching economic influences. Key economic drivers identified as impacting on Maribyrnong are:

- Population growth;
- Population aging;
- Industry changes;
- Redevelopment and Renewal;
- Infrastructure Investment; and
- Central Activities Districts.

These drivers are analysed in further detail in Table B.1.

Table B.1: Economic Drivers on the Maribyrnong Economy

Driver	Description	Anticipated Impact
Population Growth	The Australian (and local) population is increasing due to both natural increases and increased immigration. Whilst the pace of population growth is expected to ease over the coming decades, the population is expected to continue to increase over the foreseeable future. Maribyrnong's population is expected to grow from 72,139 in 2010 to 92,000 in 2031.	An increasing population is expected to have both positive and negative impacts for the Maribyrnong economy through: • Increased labour supply (skilled and unskilled); • Increased labour participation potential; • Increased demand for social infrastructure (schools, hospitals etc); • Increased housing demand; and • Increased consumer/retail spending, driving demand for the retail sector.
Population Aging	The Australian population is ageing. Further increases in this figure are anticipated as the 'baby boomers' reach retirement age. While Maribyrnong is relatively young today, in comparison with State and National benchmarks, the region's population is likely to age more in line with State and National benchmarks.	An ageing population is expected to impact on the national (and local) economy through: • Increased demand for aged services, hospital and health care and other social services; • Reduced labour force participation; • Reduced income tax revenue and higher demand for the pension; and • Reduced consumer spending. However, the gentrification of Maribyrnong could mean increasing numbers of young professionals are attracted to the area. The aging regional population and the the needs of many existing residents can still cause demand for health and social services.
Industry Changes	Structural change is currently occurring in the National and local economy. Overall, the economy is shifting to more service sector industries, such as professional services, information/media services and logistics services and the nature of manufacturing is changing permanently. Low value-adding manufacturing is shifting off shore to countries providing a lower cost basis, while high technology, knowledge-intensive, high value-adding manufacturing is continuing to expand in Australia. The increased role of innovation and the value that knowledge assets can bring to industry sectors will impact future developments.	The on-going transition will mean a continued reduction in employment in the manufacturing sector and may see additional manufacturing jobs leave Maribyrnong. However, at the same time, the value of manufacturing to the economy is likely to continue to rise. With globalisation and population increases likely to continue, more freight will pass through the Port of Melbourne. The logistics industry is continuing to add technology and become more efficient as the sector grows. These trends will continue to drive industry change (and growth) in the City of Maribyrnong. Innovation across all industry sectors will also drive change.
Redevelopment and Renewal	The Federal, State and Local governments are investing in the redevelopment and renewal of urban areas across Australia. For the City of Maribyrnong, these projects (i.e. Footscray CAD and others) are geared to generating denser, more liveable areas and assisting to efficiently deal with Melbourne's population growth.	Maribyrnong has been the focus of several redevelopment and renewal projects. These projects are likely to: • Increase investment and business attraction; • Increase local employment (and worker retention); • Increase population growth and density (including increased social infrastructure); and • Increase business activity and local supply chains in the area.
Infrastructure Investment	Significant infrastructure investment at the Federal, State and local level is planned locally. The Westlink development, regional rail, MM1 and further development of the Port of Melbourne will impact on the City of Maribyrnong.	The planned infrastructure investment will serve to benefit the Maribyrnong economy through: • Increased construction activity; • Increased business activity and investment; • Increased employment; • Increasing transport efficiency and amenity; and • Increased access to local and other supply chains.

Driver	Description	Anticipated Impact
Activities Districts	Activity districts provide a planning framework for the hierarchy of activity throughout the region. Central Activities Districts (CADs) have been identified across the Melbourne region. These CADs have been targeted with funds for development to enable them to progress and grow.	CADs (including Footscray) are likely to drive future investment, jobs creation, business attraction and population growth through the direct investment by government, becoming catalysts for future development. Highpoint is likely to remain the regional retail shopping destination and will continue to grow as the regional population grows.

Note: The retail sector is not an economic driver because it is a function of population growth. As noted above, the strong population growth in Maribyrnong and Melbourne's West will drive demand for retail trade.
Source: AEC*group*

Competitive Advantages

Competitive advantage can be defined as an attribute or combination of attributes that allow a firm to outperform its competitors. These attributes can include access to natural resources or highly skilled personnel or use of new proprietary technology. (BBA, 2010).

For economic development, competitive advantages are the characteristics of a location that allow it to grow and diversify. These characteristics can include geographic location, infrastructure, workforce, existing business and industry structure and clusters, innovation and knowledge as well as population and business demand. Essentially, competitive advantages define the unique value proposition that a location offers to businesses.

In order to identify the competitive advantages of Maribyrnong, a variety of analytical tools were employed, including:

- **Location Quotient Analysis:** Assesses the degree of labour specialisation in an economy (a competitive advantage) and is used to identify industry areas of strengths and weaknesses;
- **Strategic Asset Analysis:** Identifies the unique built and natural assets in a region (competitive advantages) which can be used to leverage industry or sector opportunities to promote further growth and development of a region; and
- **Diamond Model Competitive Assessment:** Allows for a systematic identification of competitive advantages for economic development.

Location Quotients

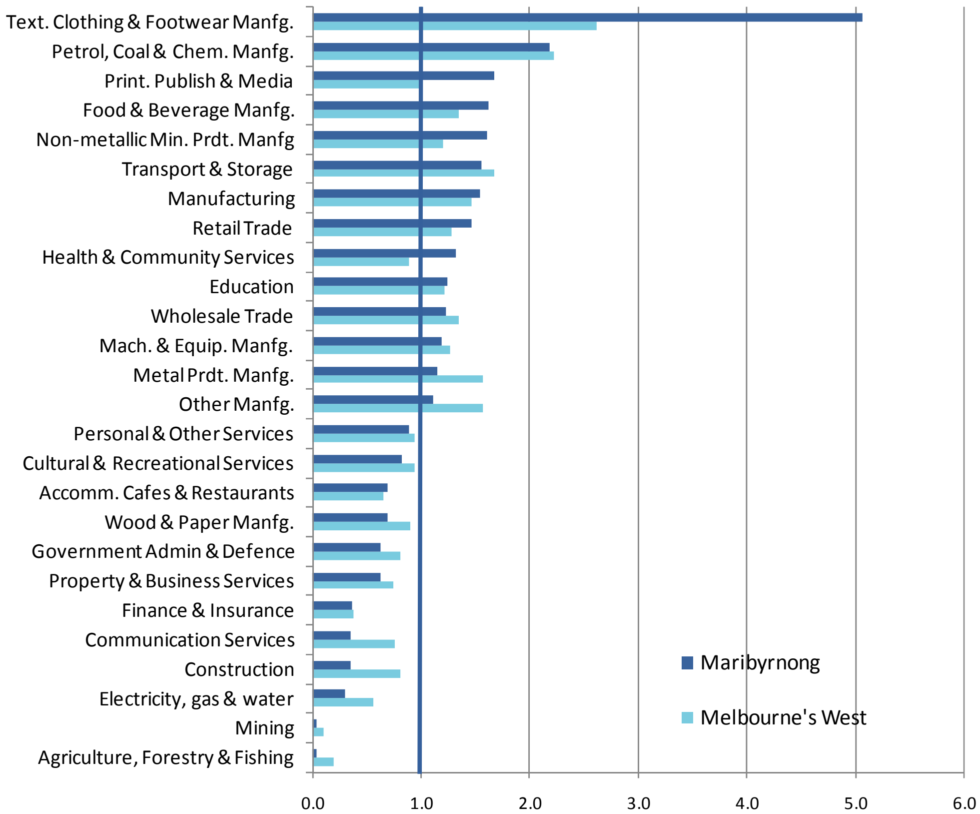
In order to demonstrate the specialisation of the economy, location quotients based on employment have been calculated. The location quotients demonstrate the degree to which a local or regional economy is specialised by examining the proportion of employment (by industry sub-sector) compared to a larger economy (Australian economy). Location quotients can be used to indicate strengths and weaknesses of a local or regional economy (i.e. a natural competitive advantage).

For the analysis, Maribyrnong and Melbourne's West were compared against employment for Australia. A location quotient of "1" means that the economies being compared have an equal share of employment (compared to Australia) for a specific industry sector, thus no potential advantage or disadvantage. A location quotient above "1" indicates a specialisation of labour and therefore an area of potential competitive advantage. If the location quotient is below "1", the area has a weakness in this particular industry sector.

Figure B.1 below presents the location quotients for all industries at the 17-sector (1-digit) ANZSIC code level in addition to the 2-digit breakdown of the manufacturing sector.

Maribyrnong has strengths in the industries of manufacturing, transport & storage, retail trade, health & community services, education and wholesale trade.

Figure B.1: Location Quotients (1-digit ANZSIC), All Industries by Place of Work, 2006



Source: ABS (2007)

Strategic Asset Assessment

The strategic asset assessment builds further on the location quotients to identify additional competitive advantages by highlighting unique and specific assets in the region that can be leveraged for economic development. These assets demonstrate the unique capacity of the local economy and can provide opportunities for significant growth, when combined with other existing competitive advantages.

A strategic asset assessment of Maribyrnong identifies the following locational, geographical and existing industry characteristics that would further support growth opportunities including:

- **Proximity to export/import infrastructure:** Maribyrnong has close proximity and easy access to the Port of Melbourne. Maribyrnong also has convenient access and excellent linkages to the Melbourne and Avalon Airports, which is important to professional business services sector and high value freight import export.
- **Existing manufacturing strength:** Maribyrnong has an existing strength in the manufacturing sector particularly in many advanced manufacturing industry sectors (chemical manufacturing, food & beverage manufacturing, plastics and machinery and equipment manufacturing). This existing strength is supported by extensive supply chains and a large pool of existing workers in Melbourne's West.
- **Proximity to major education assets:** VU are located in Maribyrnong. Key education and research expertise provided by the university include financial & economic services, manufacturing & mechanical engineering and health, environment & community services and a new sports science faculty. With a strong industrial and health focus in the region this asset provides a potential source of skilled labour and resource for innovative collaboration of industry.

- **Accessibility of local skill pool:** Maribyrnong has an in-flow of manufacturing employees to the area to support the large manufacturing sector of the area. Maribyrnong also has a large proportion of professional services employees which leave the area each day to work in Melbourne's CBD highlighting the opportunity for Maribyrnong to access this skill base as required in the future in order to support growth of the manufacturing sector in the region.
- **Western Hospital:** Maribyrnong has major health care facilities including major public and private hospital infrastructure servicing Melbourne's north and western region. Presence of this major infrastructure is important for community wellbeing but also provides a number of employment opportunities and opportunities for health care and associated industry in the area.
- **Proximity to CBD:** Proximity to Melbourne CBD is advantageous for professional business services as well as enhancing the appeal of residential area to professionals, which can drive construction and property sectors and increase local spending.
- **Footscray CAD:** The Footscray CAD and associated development projects will change Maribyrnong (and Footscray) forever, increasing investment and development in the short-term and contributing to increases in population, employment and economic activity. Footscray's edgy feel and the unique character of Maribyrnong have the opportunity to encourage culture and the arts as well as increase visitation.
- **Highpoint:** The highpoint shopping centre is the regional retail destination for Melbourne's West. This centre attracts numerous visitors into the City and future growth of the centre will include more visitors attracted to the area, increasing local spending.

Diamond Assessment Framework

Michael Porter's Diamond Model was used to identify the competitive advantages of the City of Maribyrnong. AEC*group* uses this framework to provide a robust system to analyse and identify specific competitive advantages across a range of competitive elements:

- **Factor conditions**: skills, resources and technological base;
- **Strategy and firm rivalry**: individual operating environment for companies;
- **Demand**: level of local demand for specific products and/or services;
- **Supporting and related industry**: having strong industry supply chains and clusters; and
- **Innovation**: role of innovation in economic development.

A more detailed explanation of this framework is outlined in **Appendix D**.

The results of this assessment are highlighted below (Figure B.2).

Figure B.2: City of Maribyrnong Competitive Advantages

Competitive Element	Strengths	Weaknesses
Factor Conditions	• Proximity to major export/import infrastructure (Port of Melbourne) • Existing road and rail infrastructure and proximity to CBD • Diversity of skilled labour across high value adding occupational types (e.g. manufacturing, professional services) • Knowledge and health infrastructure (VU and Western General Hospital)	• Issues of infrastructure capacity (road) keeping pace with high growth • Daily exodus of resident skilled workers • Long-term unemployment and low level of skills of some residents • Amenity issues in business and industry precincts
Firm Strategy & Rivalry	• Low political risk and stable financial sector in Australia • Good intellectual property (IP) protection in Australia • Strong existing policies for public sector investments into infrastructure and development	• Little cooperation between firms locally • Lack of incentives for economic growth • Limited competition amongst firms causes apathy for innovation
Demand	• Strong projected population growth, which results in high demand for: o Construction, service sectors (health & community) and retail • Identified redevelopment/renewal projects • Access to Port provides demand for unique/niche products	• Business demand diminishing as industrial sector adjusts to change
Supporting & Related Industry	• Strong existing manufacturing clusters and associated supply chains • Good transport and logistics support services • Strong retail sector to support further population growth	• High diversity of clusters and fragmented structure : o Industrial clusters, retail cluster • Weak professional and business services cluster • Lack of existing policy framework to support cluster growth (especially of emerging clusters)
Innovation	• VU's specialty research areas • Proximity to other major research universities (e.g. Monash) • Wealth of training and education opportunities (i.e. TAFE, VU) • Existing talent pool of educated, high, value-adding workers	• Limited leverage of innovation assets and interaction between firms and VU • Lack of programs / policy to encourage innovation (especially with SMEs)

Source: AEC*group*

Opportunities for the Future

Approach

AEC*group* leverages many tools when identifying opportunities for future economic growth. The economic analysis presented earlier forms a strong foundation and understanding of the local economy, which is complemented by an overview of infrastructure. This information is then used to identify and inform the development of the economic drivers and competitive advantages of the local economy. Numerous tools are used to identify competitive advantages and growth opportunities. Consultation with a variety of stakeholders, including AEC*group*'s survey of local industrial users, is used to test ideas and ensure that an accurate understanding of the economy and its competitive advantages has been gained.

In order to identify practical, achievable opportunities, AEC*group* considers industry growth trends and future potential of industry develop. Experience of AEC*group* personnel in working with property developers and corporate end users also aids this process considerably and we are able to quickly and efficiently identify real growth opportunities.

Economic scenario modelling has also aided the process of identifying opportunities for future economic growth by projecting forward existing trends and known developments for the future as well as incorporating potential to leverage potential economic opportunities. The depiction of a future economic state will assist the EDS to quantify potential future situations and understand some core differences to industry structure, employment profiles as well as demand for land across a variety of uses.

Maribyrnong Economic Modelling

AEC*group* has developed a unique economic model, based on the current industry structure and size of the Maribyrnong economy. Projections of labour demand by industry for Maribyrnong have been developed utilising projections of Gross Regional Product (GRP) based on expected real growth rates in production by industry, using 2009-10 as a base.

In developing industry growth rates, industries are classified into one of three categories:

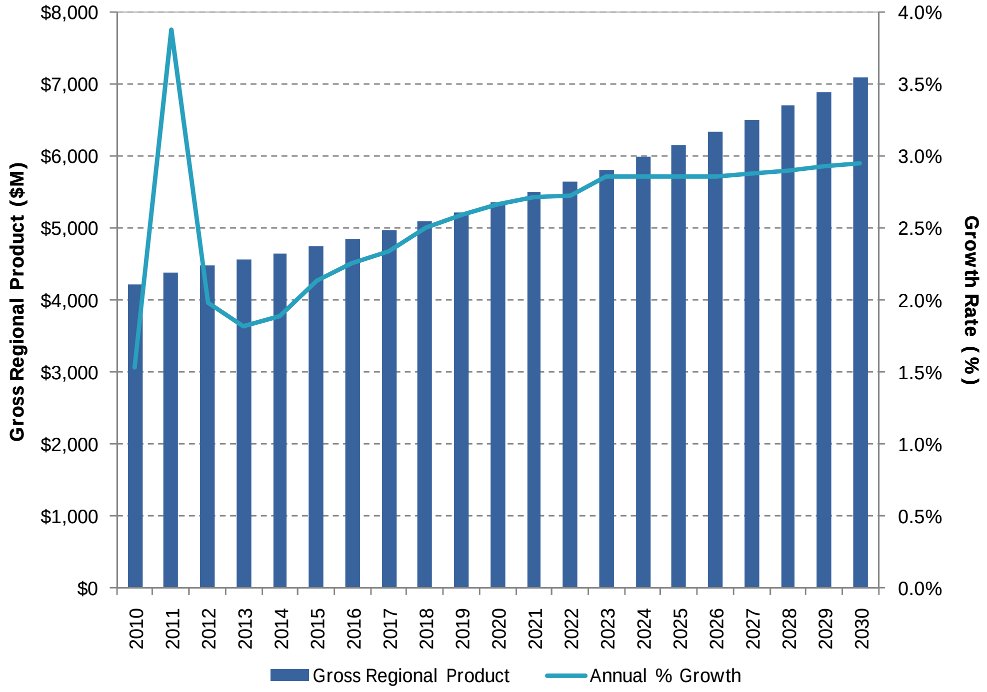
- Leading Economic Drivers (LEDs): sectors that drive economic growth (and demand for other products and services);
- Population Driven (PDs): sectors that are driven primarily by population growth; and
- Business Activity and Population Driven (BAPDs): sectors that are driven by a combination of leading growth sectors and population growth.

An input-output framework was used for the economic modelling, utilising the 2005-06 Australian transaction table as a base and customising this table to reflect the current economic structure of Maribyrnong. A detailed explanation of the model framework and assumptions are provided in **Appendix E**.

Status Quo Economic Growth Scenario

Maintaining the status quo has been used as a base case to evaluate the potential future economic outcomes if Council does nothing. This approach has assumed that various industry trends continue unchecked by intervention from Government. This scenario represents a potential future without any proactive economic development to intervene and demonstrates a 'hands off' approach to economic development and land use planning. The status quo maintains the current industry structure and represents very little change, particularly in the high-value adding sectors of the economy.

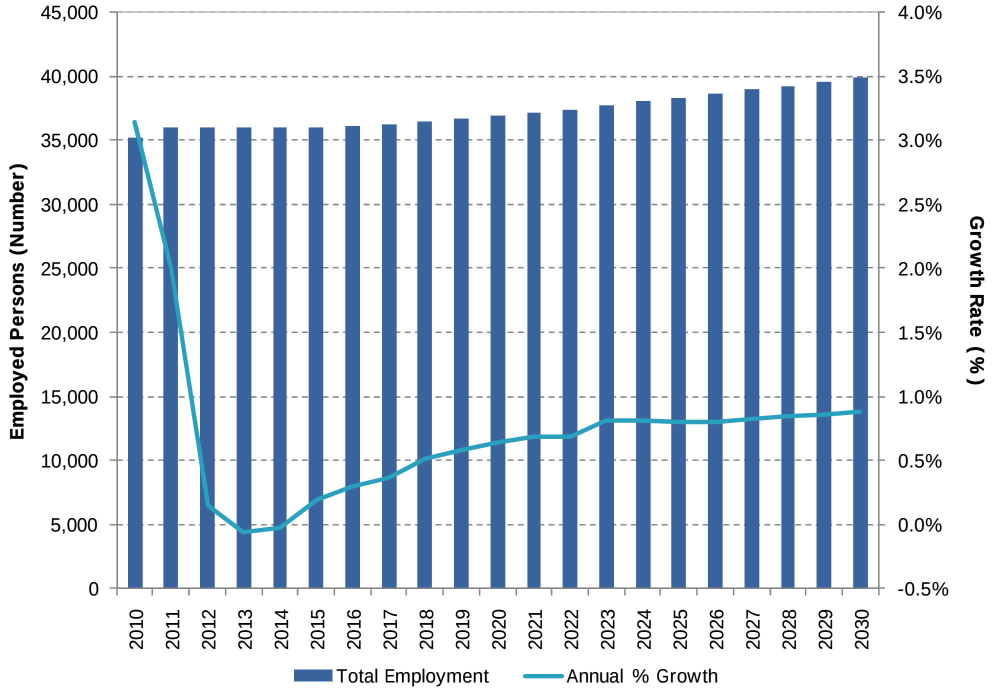
Figure B.3: Maribyrnong GRP Projection, Status Quo



Source: AEC*group*

Under this scenario, the economy continues to grow from $4.2 billion in 2010 to $7.0 billion in 2030, or an average annual increase of 3.4%. There is a tremendous growth spurt in 2011 provided by the McNab Avenue development and the significant contribution that it will make to the economy during construction phase as well as its on-going contribution to the economy. Other major redevelopments, including the Maribyrnong Defence Site, will also contribute to future growth but are more residential in nature, only provided limited employment.

Figure B.4: Maribyrnong Employment Projection, Status Quo



Source: AEC*group*.

Employment is also expected to grow moderately under this scenario, increasing from a total of over 35,000 to just under 40,000, which represents an increasing growth rate of 0.4% from 2010-2015 up to 0.8% from 2020-2030. Given recent trends, overall employment is expected to flat line (close to 0% growth) until 2014 when much of the redevelopment projects, particularly around the Footscray CAD are fully functional and starting to generate employment growth. During this time various sectors are likely to shed jobs while others are adding employment, thereby creating very little overall employment growth. This decline in employment is consistent with recent trends, including a 3% decrease in employment from 2001-2006.

Status Quo Economic Growth Scenario

Maintaining the status quo will likely deliver positive growth over time, both in terms of the economy (GRP) and jobs. Much of the growth will be derived from expected population growth and driven by redevelopment projects already identified. Additionally, the McNab Avenue project (and other Footscray CAD projects) will likely provide a further boost to the economy.

While this scenario demonstrates positive growth and an increase of nearly $3 billion to the economy over the next twenty years, it has likely missed opportunities to change the structure of the economy and drive further growth across high value-adding sectors. Similarly, many of the issues that are currently facing the City (i.e. pockets of socio-economic disadvantage, growing division between the community in terms of wealth, pressures on infrastructure and truck traffic) are likely to continue and have various social consequences.

Opportunities for Alternative Future Growth

When considering opportunities for future growth, it is importance to consider the value of employment (based on industry) in addition to the overall total employment figures. The table below demonstrates GRP per employee and represents the average value each individual job in the various industries generates for the local economy, serving to highlight high value-adding jobs. Retail employment, while numerically significant, is not a source of high value relative to other sectors, especially manufacturing, transport and logistics and professional and business services.

Table B.2: Maribyrnong Value of Employment, 2009-10

Industry	Industry Value Add ($'M)	Employment (No.)	$ Per Employee
Agriculture, forestry and fishing	$5.1	48	$106,410
Mining	$35.9	45	$788,713
Manufacturing	$599.3	4,690	$127,793
Electricity, gas, water and waste services	$30.0	146	$206,157
Construction	$153.3	1,196	$128,248
Wholesale trade	$278.7	1,612	$172,899
Retail trade	$323.6	6,222	$52,013
Accommodation and food services	$77.4	2,130	$36,356
Transport, postal and warehousing	$329.9	2,516	$131,089
Information media and telecommunications	$155.1	742	$209,069
Financial and insurance services	$182.6	464	$393,756
Rental, hiring and real estate services	$118.1	495	$238,512
Professional, scientific and technical services	$150.2	1,186	$126,651
Administrative and support services	$114.3	1,008	$113,405
Public administration and safety	$130.8	1,454	$89,944
Education and training	$283.1	3,682	$76,905
Health care and social assistance	$404.3	5,469	$73,926
Arts and recreation services	$33.9	547	$62,045
Other services	$90.0	1,587	$56,726
Total	**$3,495.7**	**35,238**	**$99,205**

Note: Employment and GRP estimates are for the 2009-10 financial year.

Source: AEC*group*, ABS (2010b)

Building on the assessment of competitive advantages, AEC*group* used cluster mapping to assist in identifying economic growth opportunities for the future. This assessment uses the competitive advantages of the region and examines industry growth trends to identify specific industry sector targets for the region.

Cluster Mapping

Cluster mapping builds on the location quotient analysis by portraying the location quotients against industry employment growth over time. By incorporating industry growth, cluster mapping allows for the identification of growth opportunities in specific industry sectors, where a natural competitive advantage already exists.

Industry cluster mapping allows for consideration of industry employment growth over time. The location quotients for each industry sector are “mapped” against the employment growth of that sector between 2001 and 2006. The size of the cluster in the map demonstrates the size of the local workforce in that industry sector.

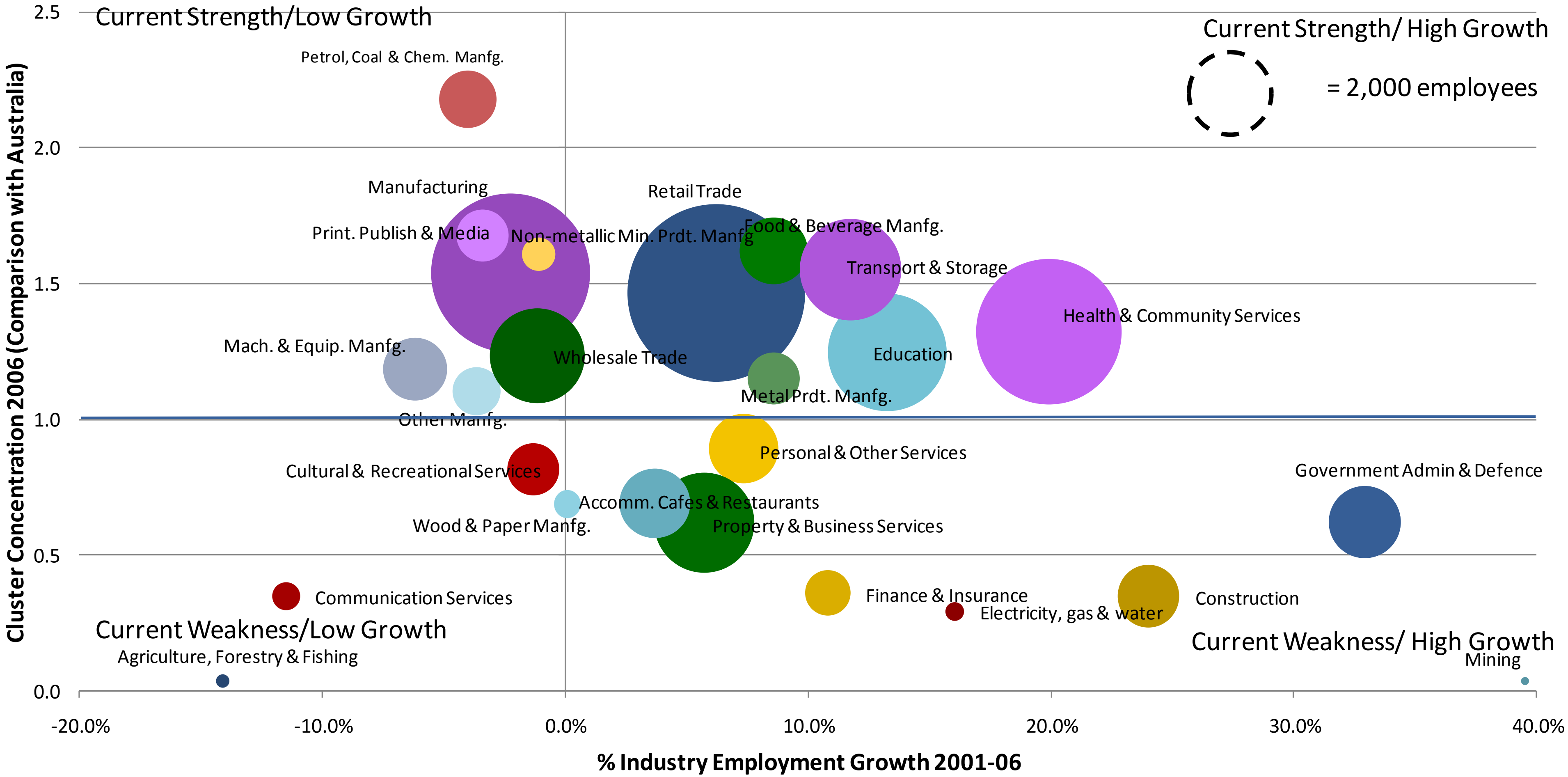
Industry clusters located above the “1” on the vertical axis indicate an existing industry concentration (strength or competitive advantage, as discussed previously). The industry employment growth is plotted along the horizontal axis, with 0% growth over the five years creating a midline. The farther to the right of this central horizontal axis the industry cluster is, the faster the industry has been expanding. Similarly, the farther to the left of the midline the industry cluster is located, the faster it has been shedding jobs during this five year period. This growth indicator allows for the identification of industry sectors that are growing (and contracting) and where Maribyrnong has a competitive advantage.

The following cluster maps identify growing industry sectors where Maribyrnong has a competitive advantage (Current strength / High growth), which make natural industry targets for economic and industrial development. At the same time, it demonstrates industry employment sectors that are growing at the national level but have not developed as strong employment clusters in Maribyrnong (Current weakness / High growth). Finally the cluster map clearly shows industry employment sectors that are shrinking on a national level, where Maribyrnong may have a strength or weakness.

The following cluster map (Figure B.5) focuses on the 17 major sectors (1-digit ANZSIC) and the sub-major sectors of the manufacturing sector (2-digit ANZSIC) for the City of Maribyrnong.

From the cluster mapping assessment, as well as the analysis of competitive advantages and the economic assessment, the opportunities for future growth have been identified in Table B.3. These targets are built on current competitive advantages of the region and consideration of industry growth trends generally. They also focuses on high value-adding, knowledge based activities that will drive and deliver real economic benefits to the community for the future and provide for sustainable economic development and employment growth over time.

Figure B.5: Cluster Mapping (1-digit ANZSIC) All Industries, 2006



Note: Textiles, Clothing and Footwear Manufacturing does not appear in the figure above but is a current strength/low growth industry (upper left quadrant) and has a location quotient of 5.1 and a national growth of -33.1%. There were 714 persons employed in this industry in 2006.
Source: AEC*group*, ABS (2007)

Table B.3: Economic Development Opportunities for the Future, City of Maribyrnong

Growth Sector	High Value-Adding Activity	Why Maribyrnong?	Potential Barriers
Logistics & Wholesale Trade	• **Transport & services to transport** (freight forwarding operations, overseas freight depots, customs clearing and other related activities) • **Distribution centres** (for niche operations that require close proximity to the Port of Melbourne) • **Logistics operations** (warehousing and distribution operations servicing a variety of clients and customers for both import and export)	• **Workforce**: large existing workforce with similar skills and good workforce catchment area. • **Infrastructure**: sufficient industrial transportation infrastructure. • **Proximity and accessibility**: proximity to Port of Melbourne for import and access to road and rail infrastructure for distribution. • **Land:** existing industrial land for logistics use. • **Growth:** Growth is anticipated across the industry, based on population growth and freight volumes at the Port as well as historical employment growth of the sector.	• **Infrastructure:** transport infrastructure not upgraded to deal with congestions, truck traffic and conflict with passenger traffic. • **Land:** inability to transition underutilised industrial lands.
Professional Services	• **Professional services** (accounting, banking, legal, property, engineers, architects, external offices of main headquarters in CBD of major firms or principal office of minor firms looking outside of the CBD) • **Back office / processing centres** (centralised accounting and HR functions, insurance processing, payroll processing)	• **Accessibility of skilled workers:** Maribyrnong has a high proportion of resident workers employed in professional services in the Melbourne CBD. • **Availability of commercial space:** Maribyrnong has underutilised sites with the potential to be redeveloped to accommodate professional services and back-office centres outside of the CBD. Footscray CAD will deliver future commercial space. • **Proximity to CBD:** Maribyrnong is in proximity to the Melbourne CBD offering a cheaper commercial space alternative for firms looking to move outside of the CBD but remain in proximity to the business centre of Melbourne. • **Infrastructure upgrades:** Recent capital works around Footscray Station including a new pedestrian overpass improve accessibility and convenience. The development of a Metro underground rail service linking Footscray to Parkville, the CBD and beyond, and improved regional rail services through the City, will further enhance Footscray's accessibility as a regional hub. • **Regional Hub Status:** Central Footscray is the designated Central Activities District for Melbourne's West under metropolitan strategy (*Melbourne @ 5 Million*) and intended to be the focus of regional service delivery. • **Linkages with local education:** Maribyrnong is home to the largest Victoria University campus (VU) and offers accessibility to training in specific related courses as well as graduating students.	• **Commercial development:** commercial property development in Maribyrnong is likely to be challenging and will require Government intervention. • **Changing perceptions:** changing current perceptions of Maribyrnong as 'industrial' and 'dirty' will assist to encourage professional services.

Growth Sector	High Value-Adding Activity	Why Maribyrnong?	Potential Barriers
Health Care & Social Services	• **Hospitals** (public & private hospitals and associated patient care facilities) • **Laboratories & Diagnostic Facilities** (diagnostic testing centres, radiology facilities, oncology and other medical testing facilities) • **Allied health & GP super clinics** (GP/medical centre clinics, physiotherapy, chiropractics, pharmacy, dental, optics, other)	• **Established major hospitals (public & private):** Maribyrnong has major public and private hospitals of substantial size and capacity which service the broader Melbourne's West Region. • **Growing & ageing population:** Maribyrnong and Melbourne's West population is experiencing significant growth and the population is ageing. As such significant health care services will be required to service the population in the future. • **Workforce**: large existing workforce in healthcare and good workforce catchment area. • **Linkages with local education:** Maribyrnong is home to the largest Victoria University campus (VU) and offers accessibility to training in specific related courses as well as graduating students.	• **Future expansion:** inability of the Western Hospital to expand will reduce growth in the health sector. • **Skills shortages:** skills shortages across nursing, doctors and other health professionals.
Food & Beverage Manufacturing	• **Baked goods** (breads, biscuits, etc.) • **Processed foods** (packaged foods, frozen foods, ingredients, snack foods, etc.) • **Health food & drinks** (niche food & beverage, health food drinks, super foods, high energy sports foods)	• **Population growth:** Product demand for food and beverages is linked to population growth. Melbourne has a strong regional population growth and demand for food and beverage products. • **Established business supply chain:** There is an established food and beverage manufacturing base in Maribyrnong with supporting manufacturing services, transport, wholesale trade and input suppliers to support industry growth and specialisation of technology. • **Proximity to export infrastructure:** Maribyrnong is located in close proximity the major export infrastructure such as the Port of Melbourne and Airport (domestic & international). • **Linkages with local education:** Maribyrnong is home to the largest Victoria University campus (VU) and offers accessibility to training in specific related courses as well as graduating students.	• **Industrial development:** inability to transition underutilised land to compete with more dominant industrial lands West of Maribyrnong. • **Globalisation:** continued threat of offshoring some production of food products to low cost countries.
Property Development	• **Residential development** (medium to high density residential dwellings, affordable housing, student housing) • **Commercial development** (office buildings, commercial developments as part of larger redevelopment areas) • **Mixed-use development** (retail, commercial and residential developments)	• **Population growth:** metropolitan Melbourne's population is expected to reach 5 million before 2030 and there will be significant demand for residential dwellings and employment space (retail and commercial). • **Availability of underutilised industrial land:** Maribyrnong has considerable amount of legacy industrial property, which is currently underutilised and unlikely to be redeveloped as industrial premises. Population growth will generate demand for residential and employment lands. • **Proximity to Melbourne CBD and accessibility:** Maribyrnong offers proximity to the amenities of Melbourne's CBD as well as excellent transportation links (road and rail) to the CBD and other parts of the broader region. • **Unique character of Maribyrnong's villages:** the industrial heritage of Maribyrnong provides a unique character and growing amenity will be attractive to many people and provide for numerous redevelopment opportunities.	• **Underutilised land:** inability to transition underutilised land to a more productive state could impair future property development. • **Amenity:** if amenity in Maribyrnong does not change, some potential property development would be at risk.

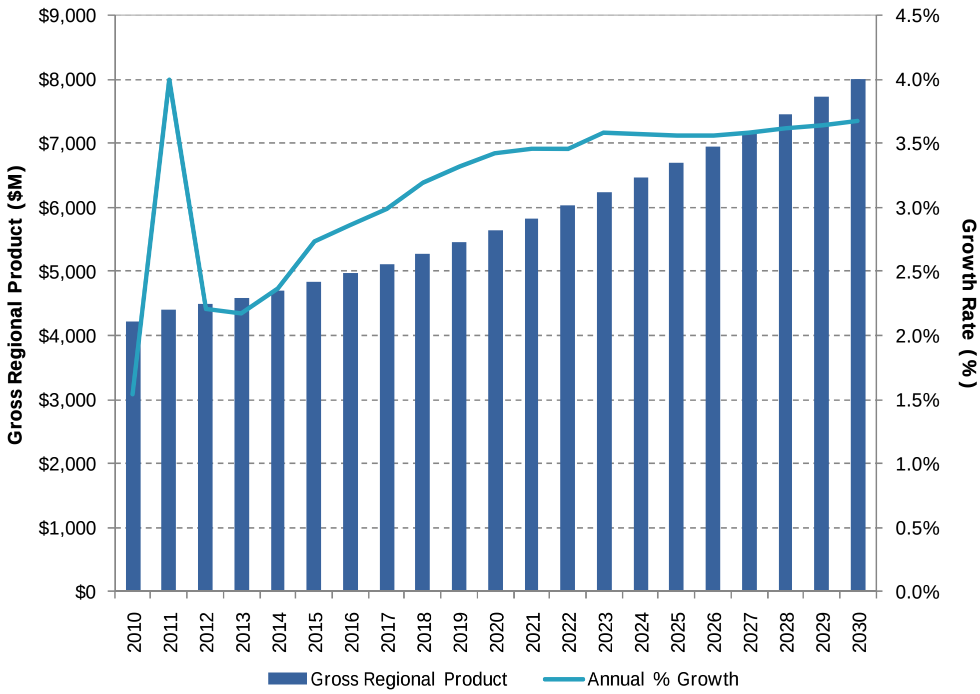
Growth Sector	High Value-Adding Activity	Why Maribyrnong?	Potential Barriers
Culture and Arts	• **Music** (local music venues, opportunities for regional musicians) • **Arts** (venues for local artists across a range of mediums) • **Festivals** (various festivals) • **Education** (potential to locate other education providers to the City)	• **Population growth:** The population of Melbourne's West and Maribyrnong is growing and changing, which will create a demand for more cultural activities, including interest in local music, arts and other cultural activities. • **Unique character of Maribyrnong's villages:** the industrial heritage of Maribyrnong provides a unique character and attractive spaces for musicians and artists. • **Accessibility:** Maribyrnong's proximity to Melbourne's CBD and road/rail infrastructure make it very accessible for visitors to enjoy an increased arts and culture provision in Maribyrnong.	• **Changing perceptions:** changing current perceptions of Maribyrnong as 'industrial' and 'dirty' will to create.

Source: AEC*group*

Alternative Economic Growth Scenario

The alternative scenario is built around a more proactive stance towards economic development and land use planning and involves proactive efforts by Government in both areas. Under this scenario, efforts to leverage potential opportunities are aggressively pursued and acted upon. This scenario sees increased investment around the hospital and university as well as the further development of high value-adding industries, including commercial office developments as well as technology intensive manufacturing. The Footscray CAD would become a major business, community and residential centre for the Western region.

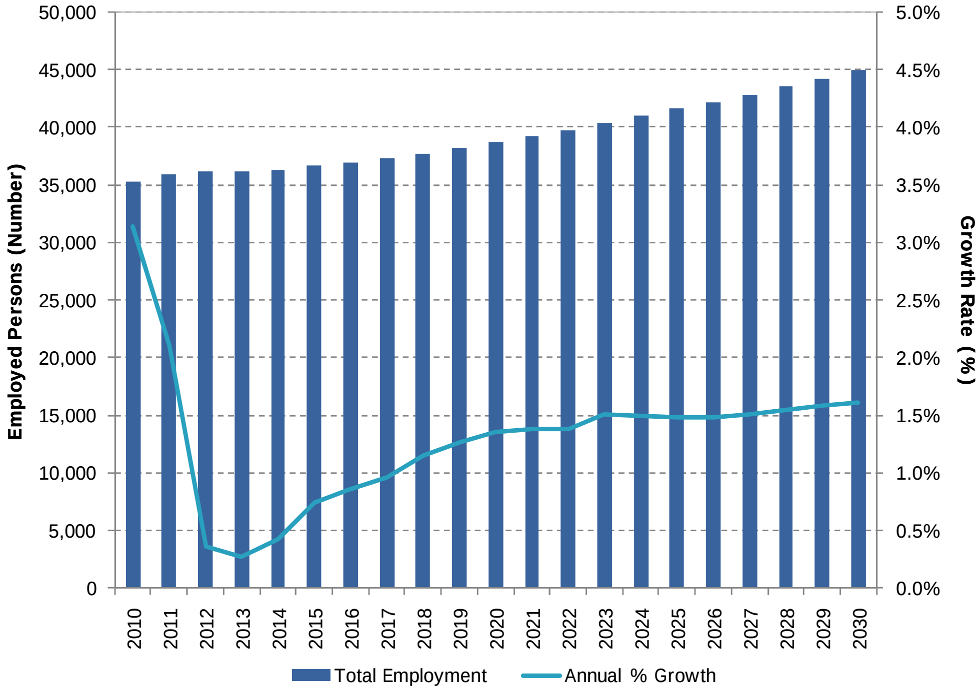
Figure B.6: Maribyrnong GRP Projection, Alternative Scenario



Source: AEC*group*

This scenario sees the economy grow to $8 billion by 2030, averaging an annual growth rate of 4.5%. Spurred on by the economic injection of McNab Avenue, the economy continues to transition and grow, changing the industry structure and providing growth in a number of high value-adding sectors. Other major redevelopment projects, such as the Maribyrnong Defence Site, will also contribute to future growth but are more residential in nature so the associated employment will be more retail oriented.

Figure B.7: Maribyrnong Employment Projection, Alternative Scenario



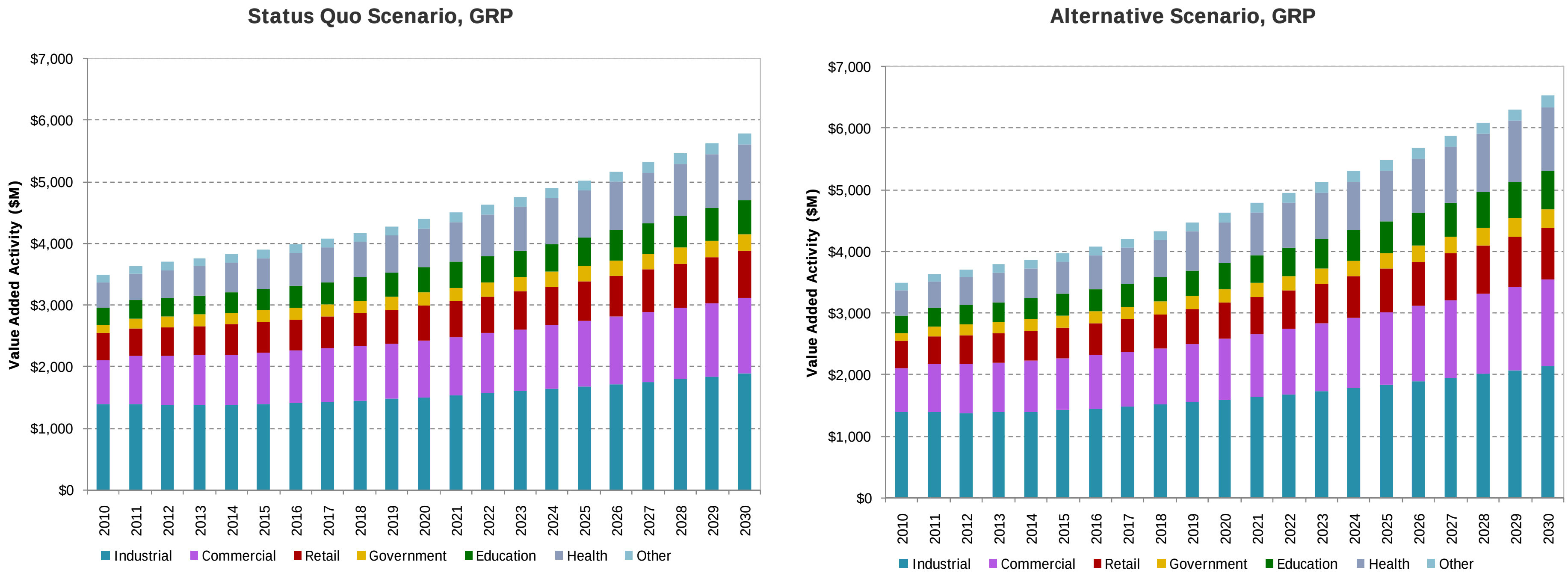
Source: AEC*group*

Similar to the economy, employment growth is strong during the 20 year period, adding just under 10,000 new jobs. Employment growth increases from 0.8% between 2010-2015 to 1.5% 2020-2030, as the economy continues to change and add a higher skilled employee. The initial decline in employment is consistent with recent trends, including a 3% decrease in employment from 2001-2006.

The Need for a Strategy

Comparison of these two scenarios (Status Quo and Alternative) demonstrates the type of change that is possible across the Maribyrnong economy over the next twenty years. Not only does the Alternative Scenario provide for a larger economy, but the structure of the economy changes over time as well. There is significantly more commercial development under this Alternative Scenario, which places less emphasis on retail, education and health. Also, industrial production increases more because high value-adding, technology oriented manufacturing contributes more value to the economy than the traditional manufacturing. Under both scenarios, the transport and logistics sector increases as well, in line with current prospects of future freight demand.

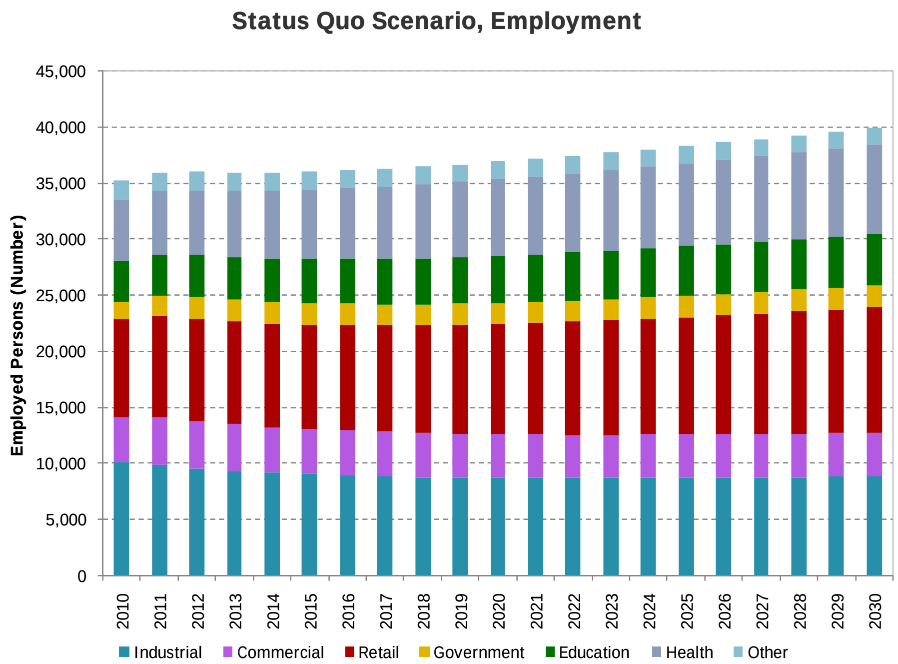
Figure B.8: Comparison of Modelling Outcomes, GRP

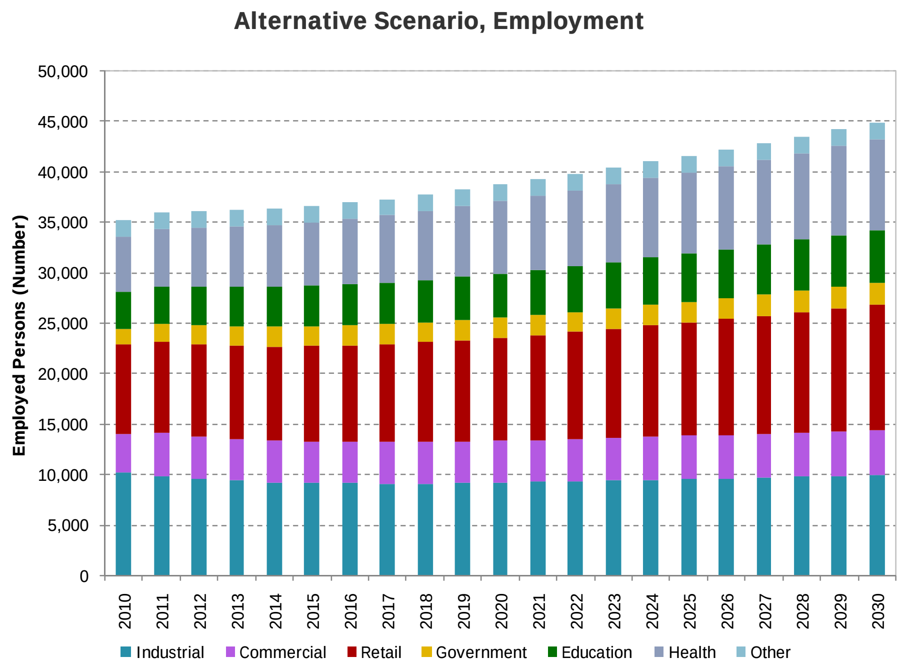


Source: AEC*group*

Similarly, employment growth under the alternative scenarios adds an additional 5,000 jobs to the economy. Comparison of the two outcomes may appear very similar, with the alternative scenario providing simply more employment. Given the higher-value adding nature of the alternative scenario, the overall employment picture may appear similar, but the employees in the alternative scenario are providing more value to the economy (e.g. producing greater value through many of the technology oriented and knowledge driven sectors).

Figure B.9: Comparison of Modelling Outcomes, Employment





Source: AEC*group*

Change Elements

The alternative economic future scenario is unlikely to occur without a targeted Economic Development Strategy which contains the change elements required to facilitate economic activity and employment change and boost growth. The following are change elements that should be considered in the economic development strategy.

Transport Infrastructure

Given the nature of the Maribyrnong economy and its proximity to the Port of Melbourne, sufficient and efficient transport infrastructure will be critical to the future economic development of Maribyrnong. Numerous businesses, government stakeholders and AEC*group*'s in-depth consultation all identified existing issues regarding current transport infrastructure. Currently, truck traffic causes congestion, noise and dust issues. A lack of sufficient truck parking and continual traffic is impacting the general amenity of the area. Additionally, the land use pattern between industrial and residential areas is forcing freight trucks down residential streets and causes passenger traffic to compete with truck traffic across numerous minor and major arterial roads. With an increasing freight task and the potential to grow the logistics sector, an inability to upgrade and redesign transport routes in Maribyrnong to better deal with these issues will impair future growth. The introduction of Westlink and other elements of the Government's Truck Action Plan will provide significant value to the local economy and are critical elements for the future growth of the economy. Ensuring that future container storage is well linked with new transportation infrastructure will ensure that current conflict between trucks and passenger cars is managed into the future.

While not a key decision factor in the financial decision for investment, the amenity of an area plays an important role to support investment and economic growth. Amenity is a key issue for residential development. Throughout the consultation process, various amenity issues were identified that effect both businesses and residents. Traffic, congestion and competition with freight trucks is a concern for both businesses and residents. The perception of Maribyrnong as 'dirty' or 'industrial' also creates issues for attracting investment and growing the economy. The pockets of socio-economic disadvantage also generate various amenity issues and the perceived safety issues, particularly in Footscray, could also impede economic growth from occurring.

Intervention Levers & Tools

Engaging with Existing Businesses

Generating and managing strong relationships with local businesses can be a considerable tool for economic development. The on-going dialogue with businesses can provide information regarding existing or emerging issues in the business community. These relationships also provide a platform to inform on-going assistance for local businesses and can provide information back to government decision makers and stakeholders regarding the desires and issues of existing businesses. By having this intimate relationship with business, Council can be in a better position to support and encourage future job growth.

Encouraging Entrepreneurial Activity

Across the country, there has been a reduction in small business start-ups. Maribyrnong has many large, well-known companies but 87% of businesses have less than 20 employees, making the small business sector important. Helping to grow small businesses will be an important aspect of economic development for Maribyrnong. However, currently there are no facilities in the City to encourage and assist small business start-ups. Not having this type of infrastructure can impair entrepreneurial activity and stifle innovation. As discussed previously, knowledge-intensive and innovative companies can provide significant and sustainable value to the economy.

Planning and Industrial Land Strategy

Planning is a critical local government function and one of the strongest economic development tools available. Through proactive planning to ensure the highest utilisation of land and encouragement for the type of development desired, local governments can create an environment conducive to growth and economic development. Through the

MEIDS *Industrial Land Strategy*, Council can identify the highest and best use of industrial land to ensure the highest utilisation. Providing clarity and certainty to the market will assist to encourage future development. The *Industrial Land Strategy* is one of the strongest tools that Maribyrnong City Council has to assist in the future economic development of the City.

Renewal and Redevelopment

Government investment and planning in renewal and redevelopment projects provides catalysts to specific areas that helps to encourage private sector investment, generates jobs and increases community wellbeing. The Footscray CAD has the potential to deliver significant growth of the area in terms of investment in property, generating local jobs and providing the catalyst for attracting additional investment and jobs from the private sector. These types of government investments are a powerful tool to encourage economic growth.

Promotion

Proactively promoting the area for business and development can provide a platform for encouraging economic development and increasing levels of visitation. Additionally, marketing can also begin to change past perceptions by consistently providing clear and positive messages about current projects and the successful developments and changes that are occurring throughout the municipality. Through consultation, stakeholders identified that a key role for Council is to promote the area. Combined with planning and renewal/redevelopment projects, promotion can be a powerful tool for local governments to engender economic development and change by encouraging investment and job growth.

Stakeholders & Partners

Economic development of Maribyrnong is not solely the responsibility of Council. Indeed Council has limited resources to devote to economic development activities. Economic development does not happen in isolation but rather through the concerted efforts of many individuals and organisations, both in the public and private sector. While Council will play a central role in economic development (and community development), there will be important partners, including (but not limited to):

- Existing businesses;
- Victorian Government:
  - Department of Planning and Community Development;
  - Department of Business and Innovation;
  - Department of Transportation; and
  - Other government agencies.
- Commonwealth Government:
  - Austrade; and
  - Ausindustry;
- Regional Development Australia (RDA);
- VU;
- Western Hospital;
- Lead West;
- Traders Associations; and
- Port of Melbourne.

9. Appendix C: Summary of Strengths, Weaknesses, Opportunities & Threats

Through research, analysis and consultation with a variety of stakeholders (including AEC*group*'s survey of industrial users), the following strengths, weaknesses, opportunities and threats have been identified for Maribyrnong and are summarised here to ensure that the Economic Development Strategy can address them.

Table C.1: SWOT Analysis, Maribyrnong

Social & Community	Economic & Employment	Geography, Environment & Amenity	Accessibility & Urban (Infra)structure
Strengths			
Key Strengths • **Population growth.** • **Cultural diversity.** • **Community infrastructure (health and education.** • **Redevelopment/renewal sites to accommodate population growth.** *Other Strengths* • A comparatively strong representation of young adults. • Higher educational attainment of Maribyrnong residents exceeds the metropolitan average. • The level of higher educational attainment has grown strongly over the last five years. • Maribyrnong Secondary College – Victoria's first designated sports college. • Community assets including Arts centre, and Living museum of the West. • A significant student population attracted by VU. • Future population growth is expected to drive demand for housing and increase local spending.	*Key Strengths* • **Proximity to the CBD.** • **Regional employment hub/net job generator.** • **Access and proximity to the Port.** *Other Strengths* • The City of Maribyrnong's economy has existing strength in the manufacturing sector, particularly in many advanced manufacturing industry sectors. This strength is supported by extensive supply chains and a large pool of workers in Melbourne's West. • The municipality has current strength in high growth industries such as Retail, Transport and Storage, Health and Community Services, Education and Food and Beverage Manufacture. • Municipality is home to strategic regional infrastructure including the Western Hospital and the main campus of Victoria University. • Major regional destination shopping centre (Highpoint) with further significant retail expansion potential. • More economical location than other inner city alternatives (e.g. Port Melbourne). • Average income levels exceed Melbourne's West. • Footscray CAD planned developments. • Highly skilled workforce that leaves the City everyday for work.	*Key Strengths* • **Underutilised land that can be used for redevelopment.** • **Maribyrnong River.** • **Proximity to the CBD, Flemington Racecourse and other amenities** • **Highpoint shopping centre.** • **Changing nature of the City through new developments and urban renewal projects.** *Other Strengths* • Environmental amenity of the Maribyrnong River banks north of Footscray Road. • Attractive new residential development. • Generally large lots provide development flexibility. • Strong policy support from Victorian Government for improvements to Footscray CAD.	*Key Strengths* • **Public transport.** • **Access to the West through good arterial network.** *Other Strengths* • A highly accessible municipality with strong transport links. • Close proximity to Melbourne CBD and excellent access to Melbourne's sea and air ports. • Off peak capacity on Francis Street and other main roads. • Significant and well developed rail infrastructure through central corridor. • The capacity to service several of the established industrial precincts by rail. • The disused Maribyrnong River rail line has rail freight potential. • Policy support for- and budget commitments to- major transport infrastructure initiatives and investment. • Unique character of some villages. • Planned infrastructure projects (i.e. Westlink, Regional Rail Link and MM1).

Social & Community	Economic & Employment	Geography, Environment & Amenity	Accessibility & Urban (Infra)structure
Weaknesses			
Key Weaknesses • **Limited amount of social and community infrastructure in some areas (parks, community centres, libraries).** • **Pockets of significant disadvantage.** *Other Weaknesses* • Comparatively low income profile. • Perceived lack of independent schools and secondary schools in the south of the municipality. • The City has significant concentrations of households and individuals lacking in qualifications and skills. • Negative perceptions regarding amenity and safety. • Some immigrants lacks skills (particularly English language skills). • Future aging of the regional population can strain economic and social conditions.	*Key Weaknesses* • **High levels of persistent unemployment in some areas.** • **Low levels of skills and qualification in some areas.** • **Low levels of income in some areas.** • **Market perceptions regarding area (seen as 'dirty' industrial area, not considered for commercial development).** • **Limited Employment Diversity.** *Other Weaknesses* • The City's most significant economic sector by value (manufacturing) is one of the weakest sectors in terms of growth and has experienced significant job shedding in recent years. • Container parks occupy large areas, generating freight movements but yielding limited employment but are important. • Footscray currently has underutilised commercial and retail space.	*Key Weaknesses* • **Market perceptions regarding area (seen as 'dirty' industrial area, not considered for commercial development).** • **Lack of available land for greenfield development.** *Other Weaknesses* • Maribyrnong falls outside Melbourne's West Industrial Node. • Industrial precincts are fragmented & generally present poorly, lack amenity, detracting from the area's image and appeal. • 'Hotch-potch' of land uses and industries. • High incidence of under-utilised industrial space. • Container parks detract from amenity, generate freight movements and yield comparatively few jobs. • Unsightly underutilised or obsolete industrial development detracts from the visual amenity of the rail corridor, impairing initial impressions of the municipality for prospective visitors or investors. • Lack of institutional investor involvement within the municipality. • Absence of new industrial stock constrains ability to satisfy potential occupier demand. • Air quality (odour) issues relating to heavy traffic. • Potential site contamination in selected locations (Eastern Riverside). • Risks posed by proximity of heavy and hazardous industry (e.g. Coode Island, Mobil tank farms. • Perceived safety issues, including in Footscray.	*Key Weaknesses* • **Maribyrnong River acts as a barrier.** • **Lack of north-south connection.** • **Truck traffic.** *Other Weaknesses* • North-south connections substantially severed by Sunshine railway corridor. • Poor public transport to employment areas in south west of municipality. • Lack of capacity on existing east-west traffic route at peak times (congestion). • Inadequate highway connection between the Port and Geelong Road. • Traffic congestion on Francis Street. • Freight traffic encroachment into residential areas. • Lack of truck parking. • Truck movement is currently the subject of curfew. • The Maribyrnong River rail line is a barrier to opening up the Maribyrnong Riverfront to public access.

Social & Community	Economic & Employment	Geography, Environment & Amenity	Accessibility & Urban (Infra)structure
Opportunities			
Key Opportunities • **Transitioning nature of the City (can assist to grow communities and employment).** • **Improving disadvantaged areas.** • **Providing more community buildings and infrastructure.** • **Improving specialty health services** *Other Opportunities* • Large redevelopment sites such as the former MDS site provide opportunity for developments of new communities and social infrastructure. • Strong demand for housing within the area providing opportunity for a variety of housing types. • Strong population growth creates opportunities for housing and residential development. • Expanding trade links with overseas markets through existing ties. • Aging population will generate opportunities in healthcare.	*Key Opportunities* • **Development opportunities associated with the CAD.** • **Redeveloping underutilised land to provide more value and jobs to economy.** • **Increasing profession business services sector.** • **Growing the economy and increasing jobs.** *Other Opportunities* • Growing visitation through arts and culture. • Further develop professional services, logistics and health care leveraging off current strengths in health services, transport and logistics and wholesale trade. • Enhanced manufacturing capability through efficiency gains and supply chain development. • Distribution centres for large national retail chains, capitalising off port access. • Laboratory and diagnostic facilities and allied health/super clinics to support and complement the hospital. • Food and beverage manufacturing, medical device and equipment manufacturing, leveraging off existing strength.	*Key Opportunities* • **Increase amenity in natural areas** • **Change negative perceptions regarding the area.** *Other Opportunities* • Underutilised industrial land represents an opportunity for redevelopment for alternative employment or residential purposes. • Scope for improved utilisation of the Maribyrnong River. • Tourism (amenity) leveraging off existing cultural assets, social diversity and areas of high amenity. • VU is a strategic resource for launching further innovative industry collaboration. • Opportunities for additional development around the Woolworths Hardware stores in Maribyrnong. • Footscray CAD provides catalyst for further property development and redevelopment. • Opportunities for further retail and office development at Highpoint.	*Key Opportunities* • **Westlink.** • **Regional rail project.** • **Metro rail.** • **River crossing (north-south)** *Other Opportunities* • Major road and rail infrastructure upgrades within the municipality are currently proposed. • Consideration by the Victorian government of the development of ‘inland ports’ at which containers would be loaded and unloaded and shifted to and from the port by rail. • Additional rail capacity provides scope for shifting an increased proportion of the freight task from road to rail. • Improvements to north-south road connectivity to improve community cohesion across the municipality. • Increasing urban form and structure through new developments and redevelopment / renewal projects.

Social & Community	Economic & Employment	Geography, Environment & Amenity	Accessibility & Urban (Infra)structure
Threats			
Key Threats • **Inability to deliver land for residential development could constrain economic growth.** • **Economic and social divide amongst local residents can create friction (e.g. a Tale of Two Cities).** *Other Threats* • Significant population growth may outpace community infrastructure capacity. • Inability of migrants to assimilate into society may cause tension. • Gentrification could cause housing affordability to erode.	*Key Threats* • **Underutilised land remains either not used at all or underutilised – current trends could see a void of activity.** *Other Threats* • Maribyrnong's economy is highly exposed to low employment growth sectors including many manufacturing sectors. • Dislocation associated with relocation of the Footscray Wholesale Fruit and Vegetable Market to Epping. • Competition from other Activity Centres within the Region and from the Melbourne CBD. • Lack of infrastructure development can impair economic growth. • Balancing future land use across employment and residential sector will be a challenge.	*Key Threats* • **Increased levels of pollution through increased levels of truck traffic.** • **Industrial amenity remains poor, impairing growth and development.** • **Negative construction impacts during infrastructure building.** • **Increased issues from truck traffic.** *Other Threats* • Delays in implementation of proposed transport upgrades would result in a worsening of current transport congestion problems. • Potential pressure for more container storage within the municipality. • Routing of proposed infrastructure works may potentially sever. • Inability to deliver land for residential development could thwart growth. • Market challenges to commercial office development that may require Government intervention.	*Key Threats* • **Port growth could lead to more truck traffic with negative impacts.** • **Delays or cancellation of planned infrastructure projects.** *Other Threats* • Amenity (Noise) issues arising from move to 24 hour road freight movement operations. • Increasing rail use for freight anticipated to generate increased noise nuisance for residents. • Outer-western industrial areas have superior freeway access and less development constraints.

Source: AEC*group*

10. Appendix D: The Planning & Policy Context

MEIDS and the future economic development of Maribyrnong are formed in the context of a variety of existing National, State, Regional and local policies and planning documents. A brief overview of these policies is outlined below (**Error! Reference source not found.**). Where possible, and appropriate, MEIDS should align with current policies and planning in and surrounding Maribyrnong.

Table 100.1: Policy and Planning Context, Maribyrnong Economic Development Strategy

Policy/Plan	Description	Implications for Maribyrnong
National		
Infrastructure Australia (2009)	Infrastructure Australia has a national policy for infrastructure development. In 2009, Infrastructure Australia identified a Port of Melbourne Freight Terminal as a priority pipeline project.	As a municipality of the Melbourne region, Maribyrnong would have economic benefits from the use of the new port facility.
National Ports Strategy (2011)	The objectives of the national ports strategy, developed by Infrastructure Australia and the National Transport Commission, are to improve the efficiency of port related freight movements across infrastructure networks, minimise externalities associated with such freight movements and influence policy making in areas relevant to freight.	As a municipality in close geographic proximity to the Port of Melbourne, the strategy will impact the Port's own development strategy, including the expansion of port infrastructure, which is likely to directly impact on the trade and business community in the City of Maribyrnong.
Metropolitan/State		
Melbourne 2030 (2002)	The Melbourne 2030 plan was a planning document aimed at steering the growth and development of the Melbourne Metropolitan region.	As part of the Metropolitan Melbourne region, the plans and strategies in the Melbourne 2030 document directly impact on the City of Maribyrnong. As a part of the plan, Footscray (within the City of Maribyrnong) was identified as one of six Central Activities Districts (CADs) within the Melbourne region. These CADs are expected to provide employment, retail, housing and community opportunities for the broader area. The Victorian Government has also contributed funds to the development of Footscray
Urban Development Program (2002 and 2008)	The Urban Development Program was implemented by the Melbourne 2030 plan and advises the Victorian Government of supply and demand for land in the Melbourne region.	As an LGA within the Melbourne region, Maribyrnong will be impacted by the changes stemming from increased information and planning about land in the region.
Freight Futures (2008)	The Freight Futures Plan provides for greater freight traffic routes in the Victorian region.	Freight is expected to continue to flow through Maribyrnong in the foreseeable future, providing an implication for the region of the Freight Policy.
Truck Optimisation Plan (2009)	The Truck Optimisation Plan recommended expanding container park operating hours.	Due to the large volumes of freight traversing the City of Maribyrnong, expansion of the container park operating hours could have a significant impact on the local region.
Western Region Employment and Industry Development Strategy (2007)	The Western Region Employment and Industry Development Strategy plan outlines a plan for sustainable economic development and employment growth for the Western Melbourne Region.	Several key recommendations from the plan would have a key impact on the City of Maribyrnong. These include: • Identification of inter-modal freight hubs; • Recognition of an Inner West Activity Centre; • Identification of land for mixed, residential or commercial use within the municipality; and • Increased residential and commercial development.

Policy/Plan	Description	Implications for Maribyrnong
Port Futures (2009)	The Port Futures Plan is a plan for the ports of Melbourne.	The plan recommends new road and rail infrastructure to improve regional connectivity and alignment with the broader port community.
Port of Melbourne Land Use Plan (2009)	The Port of Melbourne Land Use Plan is a detailed plan for the ports of Melbourne.	As a region using the Melbourne port system, Maribyrnong will be impacted by the development of increased ports capacity.
Port Development Strategy 2035 Vision (2009)	The Port Development Strategy 2035 Vision was published in August 2009 and outlines the vision and strategy for the Melbourne Port to 2035.	As a municipality in close geographic proximity to the Port of Melbourne, the plan, including the expansion of port infrastructure, is likely to directly impact on the trade and business community in the City of Maribyrnong.
Victorian Ports Strategic Framework (2004)	The Victorian Ports Strategic Framework was published in November 2004 and provides guidance and recommendations for the development of the ports industry in Victoria.	The report's provision for increased infrastructure to and from the port and increased efficiencies of the Victorian ports industry are likely to impact on the road infrastructure in Maribyrnong as well as the local business community.
Western Melbourne Regional Development Australia Regional Plan (2010)	This Regional Plan provides a framework for collaborative action. The Committee has concluded that the number one priority for the region is to improve education outcomes to drive, better and more jobs, better incomes, better health and a better social environment.	Maribyrnong is included in RDA Western Melbourne. Where possible strategies in the Maribyrnong EDS should align with those of the Regional Plan framework: • Jobs & growth • Connectivity • Liveability • Sustainability • Building communities
Municipal		
City of Maribyrnong Municipal Strategic Statement (2009)	The City of Maribyrnong Municipal Strategic Statement was published in December 1999 and outlines the Council's vision for the region's land, use, planning and development over the next 10-15 years. The report was last reviewed in 2009.	As the overview of the Council's vision and goals for the City of Maribyrnong, this document has wide-sweeping implications for the economic development of the region. The report focuses on the retail environment, employment opportunities and housing supply. The current Statement acknowledges the declining industrial employment and reduction in land used for industrial purposes, however it notes that industry remains, and will always be, a very important feature of the city.
Maribyrnong Local Industrial Land Use Policy and Development Framework (2003)	The Maribyrnong Local Industrial Land Use Policy and Development Framework was published in 2003 and was aimed at improving the social, economic and environmental outcomes of industrial land use in Maribyrnong and to reduce the levels of land use conflicts experienced. Although not formally adopted by Council elements of the Framework have been incorporated into the Maribyrnong Planning Scheme.	As a plan and recommendation of land use within the City of Maribyrnong the plan has significant implications for the economic development of the region. The plan focussed on four industrial/employment precincts and aimed to reduce the impacts of trucks and container storage in the Yarraville area.
Footscray Central Activity District (2008)	As part of metropolitan wide planning, Footscray has been identified as a Central Activity District, which is one of six designated metropolitan centres where housing and commercial development will take place, allowing Melbourne to move away from one centre (the Central Business District).	Significant investments (including an upgrade to the Nicholson Street Mall and the Footscray Train Station) are being made to act as a catalyst for future development. Future developments, including McNab Ave, a mixed used precinct, will drive investment and job growth in the Footscray CAD, transforming it into a residential and commercial hub.
Amendment C78 (2009)	Amendment C78 to the Maribyrnong Planning Scheme was approved on 23 April 2009. The amendment re-zoned the Joseph Road Precinct to a Priority Development Zone.	The Amendment will have direct implications for the ability to develop on the Joseph Road precinct and could provide for increased housing, offices, entertainment facilities and other developments in the area.
Highpoint Activity Centre Structure Plan (2008)	The highpoint Activity Centre Structure Plan was published in 2008 and provides for panned and managed growth of the centre over the next 25 years.	The plan has a direct impact on the development of the centre, including increased social infrastructure. The development is likely to result in increased provision of services to the Maribyrnong community.

Policy/Plan	Description	Implications for Maribyrnong
Central West Major Activity Centre Structure Plan (2008)	The Central West Major Activity Centre Structure Plan was developed during 2007-08. The plan is a guide and vision for the Braybrook area.	The development and progress of the Braybrook suburb within Maribyrnong is likely to have implications for the region as a whole. Increased business activity and social infrastructure is likely to improve the business attractiveness and liveability of Maribyrnong LGA.
Amendment C63 (2009)	Amendment C63 allows for a re-zoning of the Bradmill site. The new zone will allow for a new residential community (approximately 1,300 dwellings) and a neighbourhood centre alongside retail and commercial property.	The Minister for Planning approved the Amendment C63 in April 2011. The redevelopment of the Bradmill site will delivery needed residential land to accommodation a growing population as well as embed employment opportunities in the neighbourhood activity centre.
Yarraville Port Environs Local Planning Policy (2008)	The Yarraville Port Environs Local Planning Policy was aimed at reviewing the planning controls of land in the Yarraville port environs area. The report recommended that the precinct be aligned with the uses and needs of the port.	The review of the land use strategy in the Yarraville Port Environs provides extra land to directly support the business activities of the port, and could allow for deepening of the port and trade supply chain within the City of Maribyrnong, improving the business efficiency in the region.
Amendment C82	Amendment C82 would provides a revised local planning policy section of the Maribyrnong Planning Scheme based upon extensive community consultation. In the revised MSS there are eight policy themes (including housing, activity centres and industrial development) as well as the inclusion of four local policies (including Heritage, Francis Street Mixed Use Area and Yarraville Port Environs).	Council approved the Amendment in May 2011 and the amendment has been lodged with the Minister for final approval. .
Footscray Retail Strategy (2009)	The purpose of the Footscray Retail Study is to understand the issues affecting the current retail performance of the Footscray CAD, to assess its future potential for growth, improvement and change and to establish a strategy for the revitalisation of the Footscray CAD.	The study found that the Footscray CAD has an oversupply of retail space for local spending levels and that other centres, most notably Highpoint, has grown and become the preferred retail destination of residents within the Footscray CAA. The study points towards regeneration to drive increased spending in the CAA in order to improve trading levels.

Source: AEC*group*

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