

BAYSWATER BUSINESS PRECINCT TRANSFORMATION STRATEGY

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Ward(s) affected: Walling, Streeton

The author(s) of this report and the Responsible Officer consider that the report complies with the overarching governance principles and supporting principles set out in the Local Government Act 2020.

CONFIDENTIALITY

This item is to be considered at a Council meeting that is open to the public.

SUMMARY

This report seeks Council's continued recognition and support for the implementation of the Bayswater Business Precinct (BBP) Transformation Strategy, which is a long-term plan prepared as a collaborative project between the Department of Jobs, Precincts and Regions (DJPR), Regional Development Australia Melbourne and the three BBP Councils of Yarra Ranges, Maroondah and Knox.

The BBP Transformation Strategy was finalised in December 2021 and details the areas where the partner Councils should focus attention and collaborate to ensure the precinct continues to prosper, attracts the right kind of jobs and investment, and promotes its competitive strengths. This is described through a list of 20 actions.

Since finalising the BBP Transformation Strategy, the three member Councils have been working together on prioritising and implementing actions. This has involved improving coordination between member Councils through formalising governance arrangements, undertaking advocacy work as required and continuing with business support programs within the BPP. The three member Councils are also scoping a structure planning process for the BBP that will provide a long-term plan to guide land use, built form and infrastructure delivery within the precinct.

RECOMMENDATION

That Council

- 1. Note the economic importance of the Bayswater Business Precinct as a regionally significant employment destination, combining a diverse range of manufacturing, commercial, wholesale and supporting businesses.***

2. **Note the collaboration and commitment of the three partner Councils of Knox, Maroondah and Yarra Ranges in developing the Bayswater Business Precinct Transformation Strategy.**
3. **Continue to support the delivery of actions and advocacy initiatives identified in the Bayswater Business Precinct Transformation Strategy.**

RELATED COUNCIL DECISIONS

The economic importance of the Bayswater Business Precinct is recognised in the Draft Economic Development Strategy 2022-32, which was recently placed on public exhibition for a period of four weeks commencing 11 August 2022 (Council Meeting 9 August 2022 Item 10.3).

DISCUSSION

Purpose and Background

Bayswater Business Precinct

The Bayswater Business Precinct (BBP) is a well-established and regionally significant employment and manufacturing location in Melbourne's east (Figure 1).

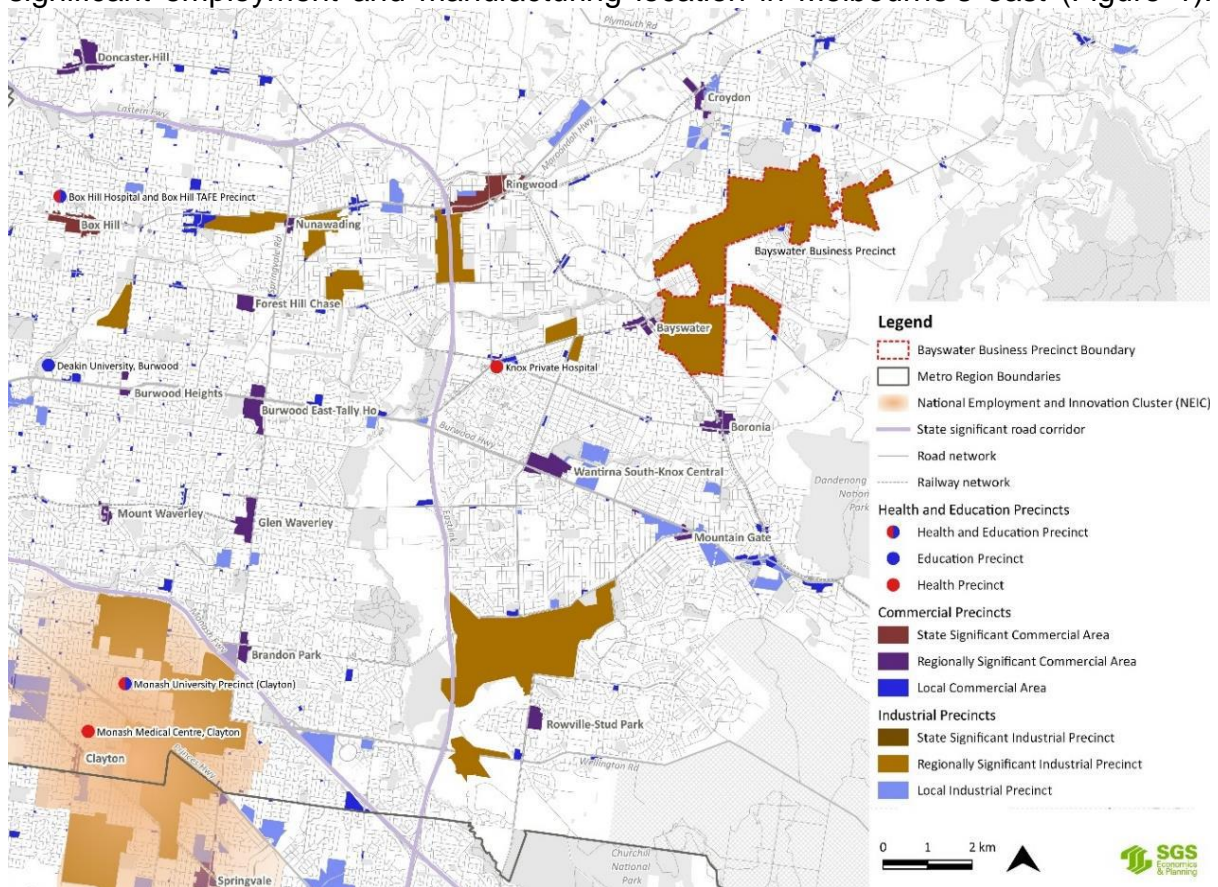


Figure 1 - Bayswater Business Precinct Location

The BBP, which covers an area of approximately 730 hectares of primarily industrial zoned land, is shared between the three municipalities of Knox, Maroondah and Yarra Ranges. The BBP accommodates in the order of 5,000 businesses which employ more than 33,000 people.

Renowned as a hub for innovation and manufacturing excellence, the BBP generates over \$14 billion in output revenue and \$8 billion in exports, representing 31 per cent of the Eastern Metropolitan Region's total exports.

The BBP is a major employer for local residents, where 70 per cent of employees reside in Knox, Maroondah and Yarra Ranges and almost half of the BBP employees live within 10 kilometres of the BBP.

Despite the BBP's impressive economic profile, the Councils of Yarra Ranges, Knox and Maroondah have become increasingly concerned about the BBP's ability to attract sustainable levels of new investment required to grow high value employment opportunities and to maintain the region's economic prosperity into the future.

It is estimated that to keep pace with population growth, the BBP will need to grow at a rate of 400 jobs per year. That rate would be required to at least maintain its role as a key regional employment destination and to maintain its competitive industry strengths in manufacturing, construction, wholesale and warehousing.

Ageing buildings, inadequate business accommodation, poor public transport access, traffic and parking congestion, inadequate utility and telecommunications infrastructure and poor business and employee amenity have been identified as significant barriers to investment and employment growth in the BBP.

BBP Transformation Strategy

The BBP has been formally recognised by the three Councils of Knox, Maroondah and Yarra Ranges for over 5 years. With the appointment of a co-funded dedicated BBP Coordinator and direct involvement from each participating Council, the BBP Program has undertaken a range of successful advocacy work and business engagement activities, including establishment of "BBPConnect", an online platform to support businesses and promote the BBP.

In recognition of the need to address emerging issues and to strengthen the BBP, in 2020 the three BBP Councils were successful in receiving funding from Regional Development Australia Melbourne to fund the Bayswater Business Precinct Transformation Strategy (Attachment 1). This strategy was prepared by consultants SGS Economics and Planning Pty Ltd in collaboration with the three BBP Councils, the Department of Jobs Precincts and Regions (DJPR) and Regional Development Australia Melbourne. The BBP Transformation Strategy was finalised in December 2021.

Preparation of the BBP Transformation Strategy involved collaborative workshops between the three BBP Councils and engagement with local businesses. The BBP Transformation Strategy has identified twenty (20) government related actions under the following four strategies:

1. Set the Precinct up for long term success;
2. Agree on a broad spatial plan for the Precinct;
3. Build the profile and identify the Precinct as one of Melbourne's most important employment locations; and
4. Improve the amenity and functionality of the Precinct.

A key theme across the BBP Transformation Strategy's findings is to encourage greater coordination and collaboration across the three BBP Councils and other levels of government, in order to create an environment where existing and new businesses within the BBP can thrive. Key to this is the need for continued public investment in the region to improve transport links, public amenity and local facilities and to facilitate a consistent approach towards the long term planning for the BBP.

Business Bayswater Precinct Priority Actions

Since development of the Transformation Strategy, work has been undertaken by the three BBP Councils to identify and prioritise actions of the Transformation Strategy. It should be noted that a number of actions are currently underway or are part of ongoing activities and services of each Council. Other actions will require further scoping and development of project briefs and associated costings.

A key focus over the coming months will be to finalise a formal governance arrangement among the three BBP Councils which will address Action 1 of the Transformation Strategy. The three member Councils are also investigating ways to develop a spatial plan/structure plan for the BBP (Action 10), which will assist in identifying and prioritising government infrastructure needs, align planning controls between each local government area, provide urban design and built form guidance as well as coordinate capital works projects across each of the three member Councils.

Recommended option and justification

With the challenges presented in the Transformation Strategy, working in partnership with the other BBP Councils will be the most successful approach to successfully achieve the vision and outcomes of the BBP Transformation Strategy and to facilitate the continued economic growth and prosperity of the BBP.

While requiring additional coordination among the partner Councils there has been considerable benefit in establishing and providing continued support for the BBP Program. Establishing the BBP that spans across the three local government areas has led to a greater recognition of the importance of the Precinct by all levels of government. The involvement of the three local governments in delivering the BBP Program has also led to procuring external funding from State Government that has facilitated implementation of a range of joint projects and initiatives including development of the BBP Transformation Strategy.

Council endorsement of the BBP Transformation Strategy will provide a strong message to the BBP business community, State Government and to the partner

Councils of Maroondah and Knox that Yarra Ranges continues to be highly supportive of the BBP Program and implementation of the BBP Transformation Strategy.

FINANCIAL ANALYSIS

Council currently provides a \$30,000 annual contribution and Council officer time (approximately 1 day per week) towards the BBP Program. This commitment is covered within existing operational budgets of the Economic Development and Investment Department and Strategic Projects Department.

Some actions of the BBP Transformation Strategy such as development of a spatial plan may require additional funding beyond what is currently provided. Actions requiring additional resourcing will be subject to further investigation including whether external funding can be sourced, which will be assessed as part of each relevant Department's annual business planning and budget process.

APPLICABLE PLANS AND POLICIES

This report contributes to the following strategic objective in the Council Plan:

- Vibrant Economy, Agriculture and Tourism (pg. 53)
 - *Deliver initiatives in the Bayswater Business Precinct Transformation Strategy*

RELEVANT LAW

Not applicable.

The BBP Transformation Strategy does not directly relate to specific legislation requirements. Any future changes to planning controls within the BBP would be undertaken through a separate process regulated by the *Planning and Environment Act 1987*.

SUSTAINABILITY IMPLICATIONS

The following underlying principle of the BBP Transformation Strategy is to ensure the long-term sustainability of the precinct is considered in all decision making – environmental, economic and social sustainability.

Listed below are the actions in the strategy that refer to economic, social and environmental sustainability.

Economic Implications

- Support business to access various streams of government funding, including for research and development, and preparing business cases.

- Identify, progress and promote the renewal of strategic sites.
- Adopt an overarching spatial plan for improving the amenity and function of the precinct.
- Promote a wider diversity of development typologies on vacant, underutilised, and redevelopment sites.
- Develop a branding and marketing strategy which reflects the strengths of the precinct.
- Continue and expand the business directory to build local businesses' awareness of other local businesses and opportunities.
- Undertake works to Canterbury Road and the wider freight network to enhance freight certainty for businesses.
- Engage with business and energy providers to support the transition to Industry 4.0 (smart manufacturing), supported by reliable, high-speed internet connectivity.

Social Implications

- Facilitate business-to-business relationship-building via regular events and a dedicated enterprise hub.
- Understand business' requirements to remain, grow and invest in the precinct by fostering relationships between key businesses, industry representatives and institutions.
- Identify additional shared opportunities for businesses, including skill development and recruitment.

Environmental Implications

- Prepare an urban greening strategy to support climate adaptation and mitigate the impact of urban heat.
- Investigate options to pursue a circular economy.
- Develop a water sensitive precinct strategy to enhance climate resilience and improve environmental outcomes across the precinct.
- Plan and deliver active transport links to encourage more sustainable transport use.
- Plan for corridors and spaces which contribute to greening, improve access and contribute to health and wellbeing.

- Prepare movement and place assessments to inform detailed revitalisation plans for Mountain Highway, Canterbury Road, the public transport network, and pedestrian and cycling networks.
- Prepare built form and landscape guidance, with specific guidelines for areas of significant change.
- Link green corridors with urban cooling and greening, delivering improved landscape and greening outcomes across the precinct.

COMMUNITY ENGAGEMENT

Development of the BBP Transformation Strategy leveraged a wide range of existing background information and extensive stakeholder engagement collected by Knox, Maroondah and Yarra Ranges Councils, and State government agencies over time.

Consultation was also undertaken with businesses in the BBP, partner BBP Councils, and State Government.

Further community consultation will occur during implementation of various actions identified in the BBP Transformation Strategy.

COLLABORATION, INNOVATION AND CONTINUOUS IMPROVEMENT

The BBP Transformation Strategy has been developed in collaboration with the BBP partner Councils of Maroondah and Knox with support and funding from the State Government's Department of Jobs, Precincts and Regions, and Regional Development Australia Melbourne.

RISK ASSESSMENT

Progressing actions identified in the BBP Transformation Strategy will improve coordination within and between all levels of government and will lead to a better government response to the challenges faced by the BBP.

To date the BBP Program has resided primarily within the Economic Development and Investment areas of each participating Council, including Yarra Ranges. The BBP Transformation Strategy has identified actions that involve multiple areas of Council including transport planning, land use planning and public infrastructure planning and delivery. This requires an integrated approach across each Council area as well as consistency between each partnering Council.

There is goodwill and a sense of 'partnership' across the three participating Councils. Staff are keen to be involved and are looking for collective ownership of the BBP Program and delivery of the actions identified in the BBP Transformation Strategy.

Working smarter together means the BBP Councils and State Government can collectively combine resources to achieve wins across various strategic and policy environments and functional areas.

CONFLICTS OF INTEREST

No officers and/or delegates acting on behalf of the Council through the Instrument of Delegation and involved in the preparation and/or authorisation of this report have any general or material conflict of interest as defined within the *Local Government Act 2020*.

ATTACHMENTS TO THE REPORT

1. The Bayswater Business Precinct (BBP) Transformation Strategy 2021