

Economic Development Strategy



BOROONDARA

Acknowledgement of Traditional Owners



The City of Boroondara acknowledges the Wurundjeri Woi-wurrung people as the Traditional Owners and original custodians of this land. We pay our respects to their Elders past and present.

“Support local businesses and enhance shopping precincts, fostering a strong economy and welcoming places for the community”.

Boroondara Community Plan 2021-2031

About this document

The City of Boroondara’s Economic Development Strategy (the Strategy) is founded on four key priorities, strategic objectives and associated actions to support and facilitate the maintenance and growth of a thriving economy and contribute positively to Boroondara’s liveability.

Informed by extensive research, economic and trends analysis impacting our economy and findings from engagement with local businesses, industry, stakeholders, and the wider community, the Strategy:

- Sets out the vision for a strong economy and outlines how this will positively contribute and impact our community
- Defines Council’s future key priorities, strategic objectives and associated actions
- Provides an overview of Council’s existing business support framework
- Identifies the challenges and opportunities facing our local economy – including external trends, influences and the impact and ongoing effects of COVID-19
- Provides an overview of the City of Boroondara’s economy, and
- Outlines how we will monitor and evaluate our Strategy.

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Executive summary

The City of Boroondara's Economic Development Strategy (the Strategy) outlines a vision, key priorities and associated strategic objectives to be delivered through an annual set of actions to support and facilitate the maintenance and growth of a thriving economy and contribute positively to Boroondara's liveability.

Boroondara's economy is comprised of 26,160 registered businesses, 98% of which are considered 'non-employing' or 'small businesses'.¹

The key industry sectors contributing to the business base include:

- Professional, Scientific & Technical Services – 5,163 businesses (20%)
- Rental, Hiring and Real Estate Services – 4,577 (17%)
- Health Care & Social Assistance – 3,328 (13%)
- Construction – 2,705 (10%)
- Financial & Insurance Services – 2,177 (8%)
- Retail Trade – 1,579 (6%)²

Boroondara's businesses and markets are important contributors to the maintenance and growth of the local economy given the role they play in providing employment, promoting local consumption (including resident and visitor spend), generating economic output, enhancing local amenity and driving business and/or residential investment and growth.

With almost 850,000 visitors in 2019³, the Boroondara visitor economy also generates considerable economic benefit to the area (5,781 jobs or 7% of total) and total output (\$983 million or 4% of total).

In addition to four markets, there are 53 shopping strips across the municipality with the main activity centres at Camberwell Junction, Glenferrie Road in Hawthorn and Kew Junction. These centres attract local and visitor spending, provide local

¹ Counts of Australian Businesses, Australian Bureau of Statistics (ABS), June 2022.

² Counts of Australian Businesses, Australian Bureau of Statistics (ABS), June 2022.

³ This figure is relatively high when compared to other ISEMP Councils, with Boroondara receiving almost the same rates of visitation as Stonnington (860,000) and greater levels of visitation than the municipalities of Bayside (560,000) and Glen Eira (460,000).

employment opportunities, primarily through retail, hospitality and/or professional services and perform an important role as social and community hubs.

Approximately a quarter (27%) of Boroondara’s employed residents work within the municipality, with the same amount (27%) of Boroondara residents working in the Melbourne CBD.

Key local economic drivers and strengths

Boroondara’s key local economic drivers and enablers are its diverse 53 shopping precincts and four markets, which attract local and visitor spending, provide local employment opportunities, primarily through retail, hospitality and/or professional services and perform an important role as social and community hubs.

As home to a large proportion of well-regarded public and independent schools, Swinburne University and a highly professional resident base and local workforce, the municipality is also an education and professional

services hub, supported by a well serviced public transport network which provides easy access to the CBD and surrounding inner suburbs. Boroondara is also well serviced by public health facilities (including The Royal Talbot Rehabilitation Centre at The Austin Hospital, Kew) and private hospitals (including St Vincent’s Private and Epworth Hawthorn) as well as allied health practices, which help contribute to liveability, health and wellbeing outcomes.

These strengths, coupled with other competitive advantages such as Boroondara’s highly valued parks, gardens and open spaces and heritage character, facilitate and enhance the sustainability and growth of the local economy. In so doing, they play an important role in maintaining and supporting resident liveability and wellbeing, as well as retaining and/or attracting new residents, businesses, workers and visitors.

Boroondara Economic Snapshot 2021/22



Trends shaping this Strategy

The Strategy has been developed in the context of the role of economic development in Council’s broader scope of work and strategic objectives.

The Strategy takes into consideration a range of external factors influencing economic development in Boroondara, including:

- the impact of COVID-19 and the importance of providing businesses with targeted support to promote recovery and resilience moving forward
- skills shortages in key industries

- the rise in remote and flexible work arrangements
- the increase in online shopping and the changing role of shopping precincts
- growing demand for health and aged-care services and
- the rise in business adoption of technology and environmentally sustainable practices.

The development of the Strategy has been informed by independent research and analysis on the economic and demographic context of Boroondara, as well as extensive consultations with diverse stakeholders.

Community feedback

Consultations highlighted the importance of Council providing a range of support to local businesses, particularly those operating in industries impacted negatively by COVID-19, as well as leveraging local assets such as parks, heritage assets, markets and events to facilitate visitation and spending. The results also indicated the value the community places on local shopping precincts, with ongoing investment in their maintenance and development and increased retail diversity being considered a high priority. The importance of building industry capacity to implement environmentally sustainable business practices and assist in the transition to a circular economy was also prevalent.

Our key priorities

In response, the Strategy is underpinned by four, key priorities to provide a foundation for the creation of vibrant, engaging precincts and destinations, and promote and positively influence Boroondara's economy.

- **Priority 1 - Thriving Shopping Precincts**
- **Priority 2 - A Supported Business Community**
- **Priority 3 - A Sustainable, Circular and 'Smart' Local Economy**
- **Priority 4 - A Desirable Destination for Visitors**

These priorities represent focus areas which are supported by strategic objectives and complemented by actions as economic drivers. The Action Plan outlines the specific actions we will take in 2023/2024, with annual action plans being developed for future years.

Council's Role in Economic Development

Local governments play a key role in facilitating economic development by attracting businesses and residents to municipalities. They aim to achieve this through strategic long-term actions and plans⁴.

A wide range of factors influence and contribute to the economic development of a municipality, many of which are beyond the direct influence or control of local government⁵.

A council's role in relation to local economic development is informed by the *Local Government Act 2020* which sets out the following overarching governance principles:

- priority is to be given to achieving the best outcomes for the municipal community, including future generations
- the economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted
- the municipal community is to be engaged in strategic planning and strategic decision making
- innovation and continuous improvement is to be pursued
- collaboration with other councils and governments and statutory bodies is to be sought.

Council also has roles and functions under the *Planning and Environment Act 1987* as both the planning authority and responsible authority for the Boroondara Planning Scheme. The Scheme contains planning policies and provisions at the State, Regional and Local levels relating to land use and development and contains specific policy relating to economic development and tourism.

These policies and provisions may also relate to the land zoning (whether land can be used for certain commercial or industrial purposes), building heights and setbacks, as well as special planning controls relating to neighbourhood character, heritage, vegetation protection and flooding.

⁴ Victorian Auditor-General's Office (VAGO) - 8 March 2018

⁵ Ibid

Local government also has several specific powers to help facilitate economic development. These include entrepreneurial powers, the power to sell or lease land, declare and defer special rates and charge schemes and enter into contracts, which may also be subject to specific conditions and limitations⁶.

The City of Boroondara works in partnership with the Victorian and Australian Governments to create an enabling local environment which facilitates and promotes economic growth. Council is well positioned to do so due to knowledge of, and relationships with a diverse range of stakeholders in the local community, including local businesses.

Council is responsible for the delivery of the Strategy in the capacity of coordinator, enabler and facilitator. Council plays an important role in the economy and the community because of its everyday engagement with local businesses, business associations and residents and its links to other agencies, service providers and tiers of government.

While Council will lead on the delivery of a range of actions, some will require Council partnering with, and/or advocating to, external stakeholders to support economic development and social outcomes.

The Strategy will be reviewed every five years to ensure Council continues to meet the needs of the local community and is aligned to government priorities, along with the trends, opportunities and challenges faced by Boroondara's economy.

⁶ Ibid

Policy Context

Economic prosperity is important on both a national and local scale, enabling communities to improve their economic future⁷.

The purpose of economic development is ideally to deliver positive economic, social and environmental outcomes for the local community.

There are several key local, regional, state, federal and international strategies and plans considered relevant to economic development and visitor attraction in Boroondara.

Local

- Boroondara Community Plan 2021–31
- Healthy Ageing in Boroondara 2019
- Arts Plan 2015–2018
- Children and Young People in Action Plan 2021
- Climate Action Plan 2021
- Disability Action Plan 2018–2022
- Camberwell Junction Structure and Place Plan 2022 (draft)
- Glenferrie Road Place Plan 2021 (draft)
- Maling Road Place Plan 2020
- Multicultural Action Plan 2019–2023
- Shopping Centre Improvement Plan 2011
- Placemaking Framework 2019
- Boroondara Planning Scheme - Local policies
- Boroondara Housing Strategy 2015
- Boroondara Neighbourhood Centres and Commercial Corridor Guidelines 2014
- Boroondara Open Space Strategy 2013

Regional

- Inner Metropolitan Melbourne Local Jobs Plan 2021
- Inner Metropolitan Partnership – COVID Recovery 2021
- Inner Metropolitan Partnership Priorities
- Inner South East Metropolitan Land Use Framework Plan 2017–2050
- Inner South East Metropolitan Partnership Regional Framework 2020

⁷ VAGO 2018

- Inner South East Metropolitan Region: Five-year Plan for Jobs, Services and Infrastructure 2018–23
- Melbourne East 2020 Regional Plan
- Plan Melbourne 2017–2050
- Strategy for a Vibrant Local Economy in the Inner South East Region 2020
- Boroondara Planning Scheme - Regional policies

State

- Department of Jobs, Skills, Industry and Regions (DJSIR) Strategic Plan 2021–2025
- DJSIR Visitor Economy Recovery and Reform Plan 2021
- Invest Victoria International Investment Strategy
- Recycling Victoria: A New Economy 2020
- The Victorian Government's circular economy policy and plan, Recycling Victoria: a new economy 2020
- Victorian Budget 2022/23 Budget Paper 2: Strategy and Outlook
- Victorian Visitor Economy Masterplan Directions Paper 2022
- Victoria's Mental Health and Wellbeing Workforce Strategy 2021–2025
- Victorian Department of Education and Training Strategic Plan 2021–2025
- Victoria's Infrastructure Strategy 2021–2051
- Creative State 2025
- Victorian Skills Authority Victorian Skills Plan for 2022 into 2023
- Boroondara Planning Scheme - State policies

Federal

- Australia 2030: Prosperity Through Innovation Strategy 2017
- Australia's Long Term Emissions Reduction Strategy 2021
- Australia's Tech Future 2018
- Digital Transformation Strategy 2019
- Global Innovation Strategy 2016
- National Waste Policy and Action Plan 2019
- Smart Cities Plan 2016
- Federal Government Budget 2022–23 Budget Paper 1: Strategy and Outlook
- Australian Jobs and Skills Summit Issue Paper 2022
- Thrive 2030: The Re-imagined Visitor Economy Strategy 2022–2030
- National Reconstruction Fund 2022

International

- UN Sustainable Development Goals

Economic development is broadly informed by these strategies. The objective of local economic development is more than increased business activity and jobs growth, with a growing focus on improving the quality of life for all those who live, work, study in or visit an area, in a way that is environmentally sustainable.

At a macro-economic level, relevant economic development key strategies and policies from the Australian and Victorian Government, and local government regional forums identify current and future focus areas, implications, and opportunities which can influence economic growth within our city. These focus areas have helped inform the priorities and strategic direction of the Strategy.

A summary of relevant policy documents is provided in the Boroondara Economic Development Strategy Context Report.

State and Federal Policy Context

The Australian Government and the Victorian Government set out the broad policy and strategic context in relation to economic development. Strategies and policies aim to drive outcomes supporting consumers, employment, investment, education, tourism, innovation and sustainability outcomes.

Government has focused on economic recovery and growth by supporting local job creation, precinct activation and inclusive communities. The following demonstrates the key focus areas for economic development at a state and federal level, the subsequent policy responses and initiatives, as well as the implications for the Boroondara economy and community.

This helps to identify the policy context for Boroondara to inform the development of the Strategy and future directions for the local economy. Key trends have also been examined in this section and include⁸:

- Workforce shortages;
- Cost of living pressures;
- Tourism development and visitor attraction;
- Circular economy;
- COVID-19 recovery; and
- Technology and innovation.

⁸ These macroeconomic trends, as well as other external economic influences, are provided in greater detail in the 'External Trends and Influences' section.

Note: this includes recent trends which have impacted the national, state and local economies over the past 12-18 months.

Workforce Supply and Challenges for Key Sectors

Demand for workers significantly increased following the easing of public health restrictions in the second half of 2021, with the Australian and Victorian Governments focusing on building the skilled workforce supply to meet the needs of industry now and into the future.

The 2022-23 federal budget allocated \$2.8 billion for training the next generation of apprentices and \$2.2 billion to supporting Australian industries and universities to develop innovative companies and products. The reopening of international borders will continue to encourage skilled migration to address workforce shortages. Additionally, the 2022 federal Jobs and Skills summit brought together unions, employers, civil society and government, to address key workforce challenges. This will help support the government to focus on maintaining full employment, growing productivity, boosting job security, lifting participation, skills and training and delivering jobs for the industries of the future.

The Victorian Skills Authority's Victorian Skills Plan for 2022 into 2023 estimates Victoria will need an additional 373,000 workers across 13 key industries by 2025 and identifies actions for the Victorian Government to undertake to address priorities in skills provision. The Strategy recommends all levels of government partner with industry, employers, unions, training providers and learners to deliver these actions.

The Victorian Government is also aware of the significant workforce challenges facing the education system as population growth increases and international students continue to return to schools, TAFEs and universities. As outlined in the Department of Education and Training Strategic Strategy (2021-25), relevant state initiatives designed to overcome these challenges include:

- Victorian Academy of Teaching and Leadership, providing advanced professional learning for Victorian teachers and educational leaders.
- The Victorian Skills Authority, which will deliver a range of initiatives to strengthen the quality of teaching and training and improve pathways for skilled workers.
- The Free TAFE program, which is playing an important role in providing a pipeline of essential healthcare workers, such as nurses.
- The Victorian Higher Education State Investment Fund, providing significant investment in Victoria's universities to boost productivity and drive innovation.

The health sector is also experiencing labour shortages, which is impacting service provision. In response, Health Victoria is currently developing a Health Workforce Strategy which will outline the approach to long term workforce recovery, development, and growth, and identify immediate actions to support the state's health workforce. Additionally, the Victorian Government's Pandemic Repair Plan includes more than \$12 billion for the health system, improving emergency response and supporting healthcare workers following the impacts and disruptions of the pandemic.

Understanding and capitalising on government measures to combat labour shortages will be crucial to supporting Boroondara's economy, particularly the key sectors of healthcare, education and training, and retail trade which are top employing industries in the municipality and are experiencing workforce challenges.

Cost of Living Pressures

Australia has been affected by global inflationary pressures such as elevated oil prices and supply chain disruptions, with inflation expected to remain moderate and largely reflect domestic labour conditions in the medium-term. The Australian Government aims to address pressures on cost of living through a temporary and targeted cost of living package. This includes a \$420 cost of living tax offset for low- and middle-income earners, and a \$250 cost of living payment for eligible Australian pensioners, welfare recipients, veterans and concession card holders.

Current economic conditions impacting consumer and business sentiment – as well as local consumption rates – should be considered when identifying potential support mechanisms and future opportunities for economic development in Boroondara.

Tourism Development and Visitor Attraction

The Australian Government's THRIVE 2030 Strategy and Action Plan sets a long-term goal for the visitor economy to grow to \$230 billion by 2030, which will be achieved through workforce growth, enhancing visitor infrastructure and investing in high-quality tourism products.

In addition, the Victorian Government, Department of Jobs, Skills, Industry and Regions (DJSIR) has released a Visitor Economy Recovery and Reform Plan with the aim of growing and rebuilding the domestic visitor economy. The Plan outlines several funding opportunities provided by the Victorian Government, including funding for products and infrastructure, industry strengthening, destination marketing and events.

The State Visitor Economy Masterplan is currently being developed to support the tourism sector and its communities to recover and flourish now and into the future. The Victorian Government has also funded Regional Tourism Boards to develop and implement tailored local workforce plans and projects to help create a thriving visitor economy that supports increased visitation to the state.

The 2022-23 State Budget also outlines \$246 million to help the tourism, creative and major event industries bounce back from the impacts of the pandemic, including international marketing campaigns, business event attraction and an events recovery and support program.

The Australian and Victorian Government tourism strategies should help inform future directions and initiatives to support Boroondara's visitor economy, particularly infrastructure investment and workforce attraction. There is also an opportunity to capitalise on existing funding and programs to help support event development and growth, which is a key factor for local visitation and visitor spend.

Circular Economy

Australia has committed to achieving net zero carbon emissions by 2050 and is on track to exceed the 2030 target with a reduction in emissions of up to 35 per cent projected by 2030. Emissions reductions targets will be achieved through driving down technology costs, enabling infrastructure deployment at scale, and adopting circular economy practices. Australia's strategic waste policy is now underpinned by circular economy principles, with targets to ban the export of some waste products, reduce total waste, increase the average rate of waste recovery and increase the use of recycled products by government and industry. The Australian Government supports the implementation of better waste management plans by state and territory governments, business and industry.

In addition, the State Climate Change Strategy (2021) provides a roadmap to achieving net-zero emissions by 2050. To achieve the emissions reduction targets, the Victorian Government has outlined emissions reduction objectives for each sector. This includes actions for energy, waste, industrial processes and product use, transport and community.

Subsequently, this has facilitated a major shift in the delivery of economic development practices towards a circular economy model. This is reflected in the Victorian Government's 10-year circular economy policy to set Victoria up for a more sustainable future. The circular economy seeks to reduce the environmental impacts of production and consumption, avoid waste with good design and effective recovery of materials which can be reused. It seeks to transform a linear economy mindset –

take, use and throw away – and foster new ways of working to deliver new businesses, jobs, growth and improved environmental and social outcomes.

From 1 February 2023, the Victorian Government is banning the sale and supply of single-use plastic, this will include plastic items made from conventional, degradable and compostable materials, including bioplastics.

Council's Climate Action Plan (2021) helps support key circular economy initiatives such as energy efficiency and circular economy.

COVID-19 Recovery

Australian and Victorian Government support is crucial in assisting ongoing business recovery following the previous and ongoing impacts of COVID-19. Economic development will play a role in supporting future economic recovery at the local level, particularly for the hard-hit sectors of retail, hospitality, tourism and creative industries.

Technology and Innovation

Enhancing innovation, productivity and the technological capability of the Australian economy is a key objective of the Australian Government. The Australia 2030: Prosperity Through Innovation Strategy (2017) details the five strategic policy imperatives for achieving Australia's economic aspirations: education, industry, government, research and development and culture and ambition. Federal-level strategies also recognise the importance of Australia's industry, science and research collaboration, and technological and digital transformation.

Supporting small businesses to adopt digital technology and train and upskill employees with new tax incentives is a key economic development objective of the 2022-23 federal budget.

Given Boroondara's highly educated workforce, large proportion of small businesses and specialisation in professional services, economic development initiatives should consider opportunities in emerging and innovative industries. This could include start-ups, digital enterprises and entrepreneurship.

Local Context

Local strategies prepared by Council help to identify local priorities and context to inform economic development and tourism directions.

The Boroondara Community Plan's Vision is a critical document that articulates Council's priorities for a *sustainable and inclusive community*, with a specific

objective to support local businesses, enhance shopping precincts and foster a strong economy and welcoming places for the community.

Boroondara's economic development strategies primarily focus on promoting local retail and shopping precincts, improving infrastructure and streetscapes and supporting local traders and businesses. These objectives are supported through Council's Placemaking Framework (2019), Shopping Centre Improvement Plan (2011) and various Place Plans for activity centres.

Council's Climate Action Plan (2021) helps support key circular economy initiatives such as energy efficiency and circular economy. This plan aims to achieve sustainable economic growth in Boroondara, in line with federal and state objectives, which will have implications for local economic development practices and future investments.

Regional Context

At a regional level, Boroondara is part of Metropolitan Melbourne's Inner South-East Partnership (ISEP), which is one of the six Metropolitan Partnerships established by the Victorian Government. The Partnership's vision is for a thriving and connected region that meets the needs of its diverse community, and it helps frame economic and community priorities.

At a regional level, economic development activities focus on social connection, vibrant economies, transport connectivity, sustainable environments and affordable housing. These objectives are delivered through activities such as business support, investment facilitation, place activation, skills and knowledge development, information and networking and grants. The Strategy for a Vibrant Local Economy in the Inner South East Region (2020) identified opportunities to expand and enhance these activities by taking a regional view about what and how economic development activities are pursued.

Our Strategy for a Strong Economy

The City of Boroondara's Economic Development Strategy is informed by and reflects the vision of Council's key strategic document - the Boroondara Community Plan (BCP) 2021 - 2031.



Figure 1 Boroondara Community Plan 2021 - 2031 Framework

The Strategy for economic development in Boroondara is strongly influenced by the community's voice to foster a strong **local economy**.

Theme 6, Local Economy is one of 7 key themes in the BCP (Figure 1) driven by the strategic objective to “**support local businesses and enhance shopping precincts, fostering a strong economy and welcoming places for the community**”.

This strategic objective is supported by the following five strategies, which will help frame the future strategic directions and opportunities for Boroondara.

- 6.1 Local retail precincts provide a gathering point for residents and attract shoppers through supporting initiatives which encourage a range of businesses needed by the community.
- 6.2 Local traders and businesses are supported by providing training and upskilling initiatives to maintain and increase viable businesses.
- 6.3 Shopping centres and strips are hubs of community activity through activating local shopping precincts.
- 6.4 Shopping centres are clean, well-maintained and inviting, through revitalising infrastructure and streetscapes and proactive renewal and maintenance.
- 6.5 Local visitation is increased through showcasing and promoting local shopping and attractions.

The Strategy's four Economic Development key priorities below strongly supports and aligns with Theme 6 of Council's BCP and the overall planning framework.

- Priority 1: Thriving shopping precincts
- Priority 2: A supported business community
- Priority 3: A sustainable, circular and 'smart' local economy
- Priority 4: A desirable destination for visitors

Our community said:

“We value our shopping strips, including places where we can shop, socialise and dine out close to home. We strive to support locally owned businesses and want to attract more diverse businesses to our neighbourhoods. This will allow us to live locally and contribute to a thriving local economy.”

Boroondara Community Plan 2021-2031 - community feedback

Supporting our Local Economy

The City of Boroondara facilitates, promotes and enables aspects of economic development in Boroondara. While business, industry and higher tiers of government often drive economic development, Council influences the 'enabling environment' for prosperity. This includes the provision of services, infrastructure and support mechanisms required to facilitate economic activity.

Council contributes to economic development holistically by:

- developing and implementing a vision for the local economy;
- maintaining local planning policies that are supportive of business innovation, investment and appropriate industry growth;
- maintaining and advocating for local infrastructure, such as transport networks;
- ensuring availability of appropriately zoned commercial land;
- improving the amenity of streetscapes, particularly in key business areas;
- providing community services and facilities;
- maintaining 'lifestyle' attributes including the City's high-quality parks, wide, tree-lined streets and pedestrian pathways, extensive cycling paths and recreational facilities; heritage character and arts and cultural services;
- supporting and promoting businesses and key stakeholders within the business community, including traders' associations;
- promoting the area as a location to visit, invest and do business in;
- building capacity of local businesses and industry through the delivery of educational and professional development workshops, the facilitation of networking and dissemination of information;
- enabling sustainability and circular economy programs and services for business;
- profile and celebrate businesses demonstrating leadership in the implementation of environmental sustainable practices within their operations;
- advocating on behalf of the business community to relevant bodies including other levels of government for support and investment;
- partnering with relevant bodies, including Victorian and Australian Governments, community organisations and groups and other local councils to deliver initiatives which facilitate economic growth;
- sharing and collecting data to identify opportunities, challenges and trends; and,
- establishing marketing and business development funds within key shopping precincts.

A detailed overview of the City of Boroondara's precincts, visitor economy and economic and demographic profile is outlined in the Boroondara Economic Development Strategy Context Report.

The City of Boroondara has a dedicated Local Economies team responsible for delivering a comprehensive suite of ongoing programs, services and projects which align to the expressed needs of key stakeholders within Boroondara's business community.

Economic data and market research

- Continuous local business needs analysis
- Online economic data and analysis via Economy ID (an external economic modelling and analysis service)
- Pedestrian counters in key shopping centre locations to track visitation

Programs and initiatives

- Environmentally sustainable/circular economy activities
- Vacant shop front activation initiatives
- Annual city-wide Christmas in Boroondara program
- Placemaking projects and activities in Boroondara's public spaces and shopping centres to increase social interactions, economic viability and enhance the health and wellbeing of our community
- Business support activities to advance local businesses' uptake and use of digital technology
- 'Buy Local' campaigns
- Outdoor trading initiatives, including the annual parklet program across Boroondara
- Local markets support including the Boroondara Farmers' Market, the Hawthorn Maker's Market and the Camberwell Sunday Market in partnership with relevant stakeholders
- Camberwell Fresh Food Market in conjunction with a commercial managing agent.

Grants and permits

- Business support and assistance in applying for permits and setting up a new business (the Business Support Service)

- Grants programs to businesses and traders' associations to fund a range of activities including events, including Council's Community Grants program (annual, bi-annual and triennial grants), Vibrant Retail Precincts stream
- Grant information for business from other sources

Former COVID-19 business recovery and support

- COVIDSafe Business Concierge Program
- Face to face business engagement
- COVID-19 advice and support as required

Marketing, business advice and support

- Training workshops and events, networking opportunities and mentoring services
- Regular Business Boroondara e-newsletter
- Advice and support to traders' associations and groups (levied and non-levied), including assistance to establish new traders' associations
- Special rate and charge scheme programs to optimise business development and marketing in key shopping centres
- Advice and support to traders' associations on proposed initiatives on Council land and/or assets in shopping precincts, including murals and arts installations to reflect the area's unique strengths and enhance its sense of 'place'
- Profile and celebrate businesses demonstrating leadership in the implementation of environmental sustainable practices within their operations
- A dedicated Business Hub on Council's website providing information on support and resources available to business
- Love Local Life website and directory (consumer and business subscriber base)
- Boroondara Life Facebook and Instagram channels to showcase local businesses and visitor attractions
- Collaborate and network with other local governments and regional networks/groups on strategic initiatives
- Information and support to businesses impacted by major infrastructure projects
- Graffiti management program in shopping precincts in partnership with local traders' associations on the basis of a 50:50 co-contribution.

Our Future Priorities

Independent economic analysis and research along with findings from consultations identified four key priorities for Council in facilitating a vibrant local economy and driving positive social outcomes for residents, workers, students and visitors into the future.

The priorities focus on maximising Boroondara's competitive advantages and opportunities, while addressing and responding to challenges and external trends.

It should be noted that while Council is able to lead the planning and delivery of several actions designed to facilitate economic development, visitor attraction and social outcomes in Boroondara, there are some instances where Council's role is primarily to advocate to, or partner with, relevant external stakeholders.

Key Priorities and Strategic Objectives

The four, key priorities and strategic objectives below focus on creating thriving and engaging shopping precincts, a supported and resilient business community, an enabling environment which promotes 'smart' ways of working and sustainable business practices and a culture of buy and support local, and desirable tourism opportunities and destinations for metro Victorian and national visitors.

1. Thriving shopping precincts

Activate and enhance shopping precincts across Boroondara to ensure they offer vibrant places to meet and be entertained, access to job opportunities and green spaces, as well as meet the diverse shopping, social and service needs of residents, workers, businesses and visitors.

2. A supported business community

Promote business growth and investment in Boroondara that capitalises on existing industry specialisations and achieves successful economic and employment outcomes.

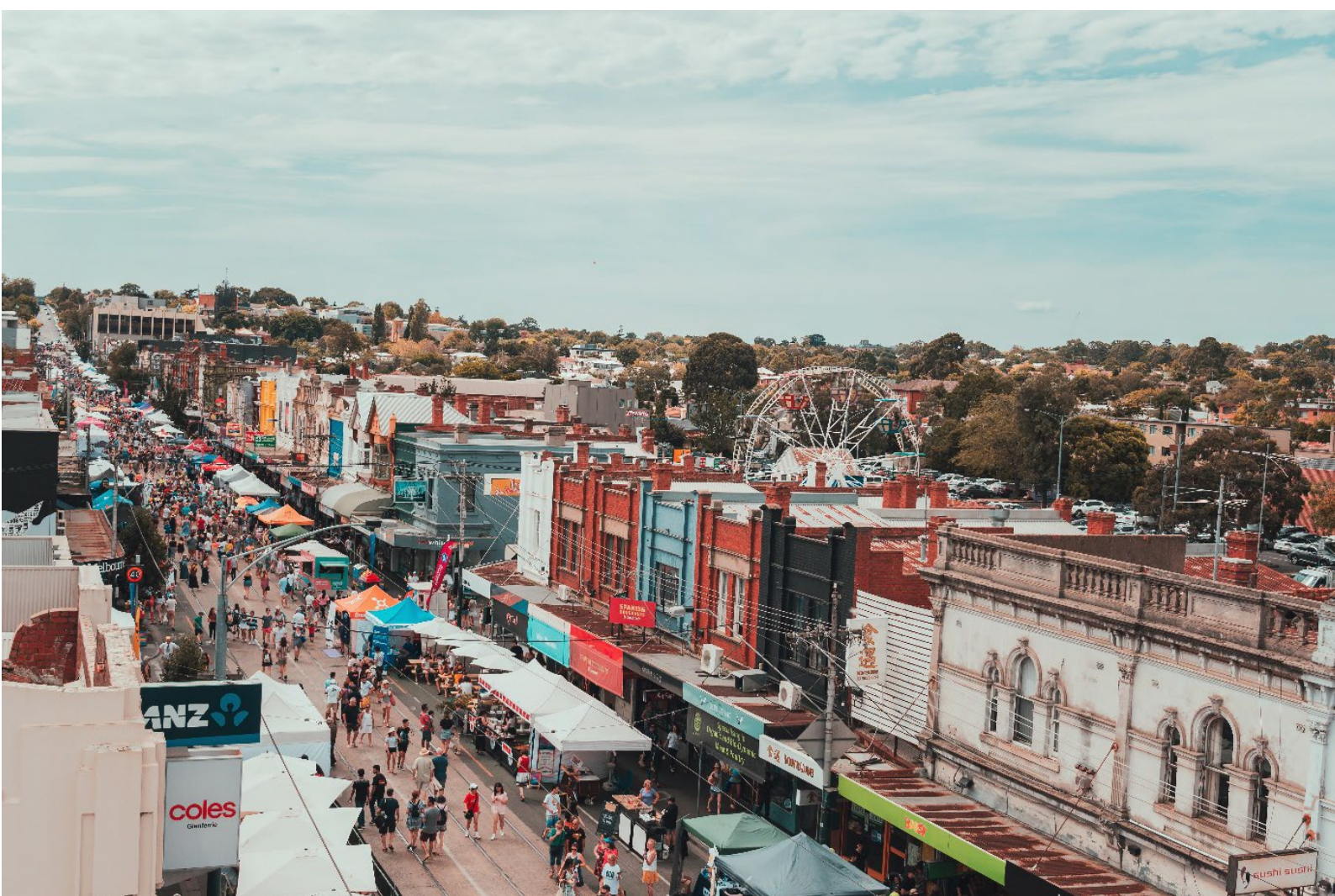
3. A Sustainable, Circular and 'Smart' Economy

Enable a flourishing local economy that embraces innovative models of business and supplies sustainable food and services to our community.

4. A desirable destination for visitors

Support the growth of the visitor economy by attracting non-local (i.e., Melbourne residents from outside Boroondara), regional and interstate visitors and increasing visitor spend.

Priority 1: Thriving shopping precincts



Strategic objective 1

Activate and enhance shopping precincts across Boroondara to ensure they offer vibrant places to meet and be entertained, access to job opportunities and green spaces, as well as meet the diverse shopping, social and service needs of residents, workers, businesses and visitors.

Focus areas for action

Create a unique ‘Sense of Place’

Activity centres and shopping precincts are activated and lively destinations.

Encourage diverse retail, hospitality and personal service sectors

Diverse retail, hospitality and personal services will help provide amenity, generate output and create local jobs.

Support and enable traders’ associations to activate and enhance shopping precincts

Leverage traders’ associations to help activate shopping precincts, deliver events, drive visitation and encourage local consumption.

Facilitate investment in the maintenance, renewal and further development of shopping precincts to support resident liveability

In collaboration with other levels of government and industry peak bodies, advocate for investment in local shopping precincts to ensure they remain a key driver of economic, tourism and social activity.

Enable a diverse range of quality housing options within shopping precincts to allow for the needs of a diverse range of workers

Consider future housing needs as part of Council’s Housing Strategy review and update and future Activity Centre Structure Plans.

Boroondara’s shopping precincts are key drivers of local residential and business amenity, facilitating a range of economic and social benefits for the municipality. These include:

- supporting local businesses and employment across the municipality
- providing key retail, hospitality and personal services to meet the needs of residents, workers and visitors
- contributing to local consumption and business activity

- supporting a 'live local' environment
- promoting community engagement through public spaces and events
- attracting private and public investment into the City
- attracting visitation and spending.

Boroondara currently has 11 incorporated Traders' Associations, eight of which have a special rate and charge scheme in place to support marketing and business development activities. The trader associations are a highly effective mechanism in supporting and empowering businesses to work together for the betterment of their shopping centres. The associations also deliver significant community benefit through the delivery of a range of events, festivals and activations. They also leverage Council grants and information and collaborate on key projects enabling strong lines of communication between Council, other levels of government and local small businesses.

COVID-19, along with the growth of the digital economy has contributed to increased flexibility in many occupations, with 'telecommuting' and 'teleworking' work practices as well as hybrid working arrangements (i.e., working from home and the office) becoming more commonplace. These changes have contributed to the shift towards heightened 'localism' whereby people increasingly undertake many of their daily activities - working, shopping and socialising - local to where they live.

A key focus for Council is to continue to invest in, as well as support the maintenance, development, enhancement, activation and promotion of Boroondara's shopping precincts and other commercial centres. This is achieved through the development and implementation of a range of plans and strategies as well as diverse support services spanning across all Council directorates including the following:

- Oversight and administration of special rate and charge schemes in eight key shopping centres
- Development of Place Plans and Structure Plans to guide the development of specific commercial areas and networks
- Development and implementation of Shopping Centre Improvement Plans in specific shopping precincts
- Proactive maintenance schedules.

The facilitation of innovative approaches to activating these precincts such as outdoor dining initiatives, footpath trading and festival and event support which also facilitate the growth of the area's night-time economy.

Ongoing Council support will continue to be strategic and directed at improving the amenity and liveability of shopping precincts. This includes fostering a 'sense of

place' which establishes each precinct as a unique destination. This will involve Council continuing to adopt a placemaking approach whereby a holistic vision is developed in consultation with key stakeholders to inform the delivery of economic, social, cultural and public realm initiatives. This will enable positive social and economic outcomes and facilitate the development of unique, vibrant and memorable places where people feel a sense of belonging.

Ongoing business support programs and projects will be aimed at streamlining Council processes and permits for business, promoting a 'live local' culture, activating and promoting shopping centres and supporting businesses and traders' associations.

Annual action plans support this priority and strategic objective. These actions are in addition to a range of existing programs and services Council delivers to facilitate economic development and visitor attraction to support the local business community.

Priority 2: A supported business community



Strategic objective 2

Promote business growth and investment in Boroondara that capitalises on existing industry specialisations and achieves successful economic and employment outcomes.

Focus areas for action

Create a conducive environment for ‘Small’ and ‘Home-Based’ businesses

Support the small business community to enable business development and growth without impacting residential amenity.

Encourage business investment and attraction

Facilitate the development of a diverse business mix in Boroondara through supporting existing businesses and attracting new ones to the municipality.

Promote business recovery and resilience

Support business recovery and resilience and build business capacity to respond to a changing environment through the provision of business support services, including information, training and resources.

Assist to facilitate employment and training outcomes

In partnership with relevant stakeholders, enable the delivery of employment and training outcomes for Boroondara’s businesses and job seekers through a range of networking and promotional activities, and the development of information and resources.

Boroondara’s economy is comprised of 26,160 registered businesses, 98% of which are considered ‘non-employing’ or ‘small businesses.’ Council’s core role in economic development and visitor attraction is to create a thriving and productive environment for these businesses through providing business support, promoting business growth and facilitating business attraction.

The key industry sectors contributing to the business base include:

- Professional, Scientific & Technical Services – 5,163 businesses (20%)
- Rental, Hiring and Real Estate Services – 4,577 (17%)
- Health Care & Social Assistance – 3,328 (13%)
- Construction – 2,705 (10%)
- Financial & Insurance Services – 2,177 (8%)

- Retail Trade – 1,579 (6%)⁹

These industries are important contributors to the maintenance and growth of Boroondara's economy given the role they play in providing employment, promoting local consumption (including resident and visitor spend), generating economic output, enhancing local amenity and driving business and/or residential investment and growth.

There is an opportunity for Council to advocate to and collaborate with employment providers and learning institutions to support the attraction of new workers and support industries that are currently experiencing workforce shortages impacting their ability to remain viable. These industries include health care and social assistance, hospitality and retail.

In addition, Council plays a role in the creation of a conducive and supportive environment through the provision of:

- training and networking activities
- business mentoring
- promotional opportunities through Council's channels to showcase businesses to local consumers and visitors
- buy local campaigns which encourage local businesses and residents to purchase products and services from local suppliers.

These activities are particularly important as several small to medium businesses (and home-based businesses) are expected to grow in Boroondara, with smaller businesses typically requiring additional support as they lack the resources to maximise growth opportunities.

Business growth is expected to be driven by professional and financial services, which comprise almost one-fifth of the business base and are a key area of strength for Boroondara. Several Professional and Financial Services businesses are mostly located in existing activity centres and commercial corridors, where there is increasing competition for land from residential development. To ensure employment and economic growth can be realised in future, it will be an important consideration for Council to:

- retain Commercial 2 zoned land to ensure ongoing and future opportunities for commercial and office uses within the municipality free of residential encroachment

⁹ Counts of Australian Businesses, Australian Bureau of Statistics (ABS), June 2022.

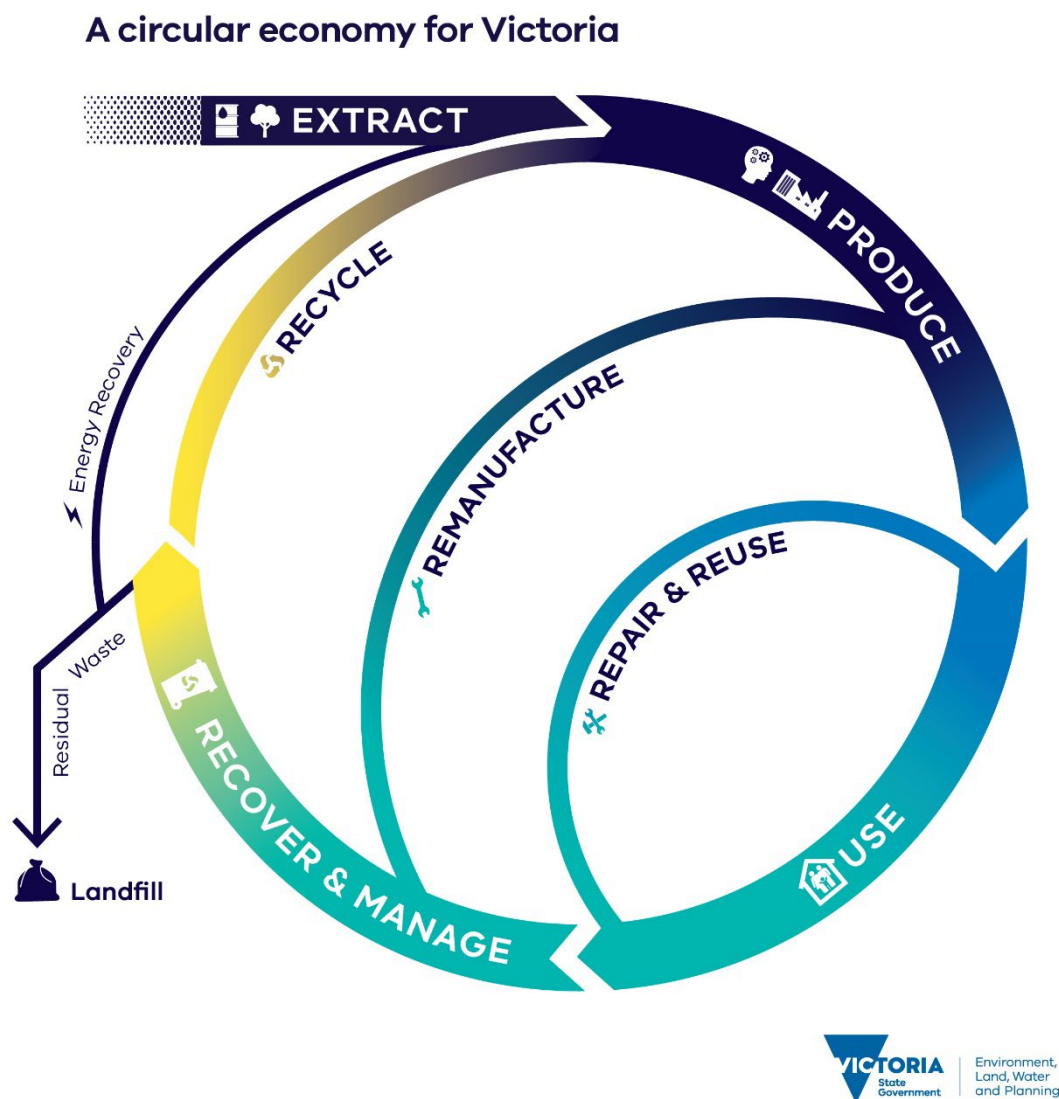
- plan for appropriate levels of intensification of employment uses in Commercial 2 zoned land, supported by investment in local infrastructure and clear policy guidance
- plan for employment uses to be delivered on Commercial 1 zoned land, either through a mix of uses or as dedicated employment developments (retail and/or office)
- limit 'residential-only' developments in activity centres to ensure capacity remains to achieve economic objectives, floor space demand and centre functions,
- invest in centre improvements to attract business investment and activity to ensure Boroondara's centres have a competitive advantage, and
- investigate options to incentivise landlords to maintain and/or upgrade building facades and shop fronts in key shopping centres.

Crucial to sustaining and growing Boroondara's economy will be supporting key business sectors (e.g., retail, personal services and hospitality). Assisting these businesses to adapt to consumer trends and a changing business environment will also be important. As such, business support will focus on activities which assist to develop capabilities and resilience to overcome changes in the market.

Council will continue to focus on activities such as face to face business engagement and outreach, the delivery of information to businesses on market conditions and trends, best practice and innovative business models to respond to change along with ongoing training opportunities aimed at upskilling the capability of businesses to survive and thrive in a changing business environment.

Annual action plans support this priority and strategic objective. These actions are in addition to a range of existing programs and services Council delivers to facilitate economic development to support the local business community.

Priority 3: A sustainable, circular and ‘smart’ local economy



Strategic objective 3

Encourage a flourishing local economy that embraces innovative models of business and supplies sustainable goods and services to our community.

Focus areas for action

Support a future-focused ‘smart’ economy

Promote Boroondara as a place for the establishment of emerging ‘preneur’, start up and ‘smart’ businesses.

Support the development of a sustainable and circular ‘green economy’

Support and promote ‘green’ business practices to create a more environmentally sustainable economy.

Facilitating the development of a sustainable, circular and ‘smart’ local economy is key to enhancing the efficiency and future growth of Boroondara’s business base and economy more generally. This is driven by:

- the ongoing advancements in technology to facilitate evidence-based decisions and investments
- the improved efficiencies and reductions in waste through sustainable business practices
- circular economy opportunities to re-use waste (i.e., outputs) as a resource (i.e., inputs)
- government policy drivers for environmentally sustainable practices and achieving waste reduction goals.

Boroondara is well placed to use new technologies and facilitate businesses to become more environmentally sustainable and transition to a circular economy, which could benefit the local community and economy more broadly. Opportunities exist to leverage the education and research role of Swinburne University, partner with government and industry providers as well as the highly skilled local professional service sectors, to facilitate the development of a more sustainable and ‘smart’ local economy.

More specifically, creating an innovative and sustainable economy aligns to the current Federal Government’s National Reconstruction Fund (NRF), a \$15 billion fund to finance projects that diversify and transform Australia’s industry and economy. The NRF will assist to create more sustainable and high-value jobs for all Australians in a range of priority areas including renewables and low emissions

technologies; medical science; transport; agriculture, forestry and fisheries sectors; and defence capability. In working with industry to develop co-investment plans that identify high level investment opportunities, the NRF will assist Australian industry become more productive, take advantage of opportunities in a net zero economy and address supply change vulnerabilities.

Leveraging new and emerging technologies to support a smarter economy has begun with Council's Transforming Boroondara program to improve customer experiences and service delivery across Council, making it easier and more convenient for all customers including businesses to get the information and services they need. Embracing businesses using digital platforms or marketplaces (referred to as the gig economy) across health, transport, accommodation, education and hospitality and piloting custom initiatives such as smart parking, smart bins, e-charging stations and visitor counting devices, are designed to improve operational efficiencies for the community, address key issues (using an evidence base), improve Council's decision-making and enhance service delivery to strengthen a future focussed local economy.

In addition, Council, the community and industry has expressed the desire to grow the economy in a sustainable manner to minimise the impact to the environment. Key drivers in addition to consumer demand include local (as well as state and national) policies and plans – such as Boroondara's recently adopted Climate Action Plan 2021 – that seeks to reduce the City's environmental footprint. Opportunities identified for 'green' business practices include promotion of renewable energy, reduction of waste to landfill and circular economy practices that design out waste and pollution, keep products and materials in use for longer and positively impact the natural environment.

Council will focus on opportunities to engage with businesses to leverage new and emerging 'smart' technologies through education and capacity building to take up these new age trends to enable business efficiency and effectiveness and promote business growth.

Annual action plans support this priority and strategic objective. These actions are in addition to a range of existing programs and services Council delivers to facilitate economic development and support the local business community.

Priority 4: A desirable destination for visitors



Strategic objective 4

Support the growth of tourism and the visitor economy by attracting non-local (i.e., Melbourne residents from outside Boroondara), regional and interstate visitors and increasing visitor spend.

Focus areas for action

Enhance visitor amenity, infrastructure and services

Enhance the visitor experience and provide opportunities to generate increased visitor spend.

Support activation of key tourism assets

Leverage and enhance the City's assets to drive visitation.

Enhance the marketing and promotion of Boroondara as a visitor destination

Deliver initiatives that position Boroondara as a desirable visitor destination.

Maintain and diversify the events calendar

Provide a diverse calendar of community and visitor events to help promote Boroondara and increase visitor activity.

Growing the visitor economy is critical for economic growth, as it stimulates business investment, promotes local consumption and supports new local jobs. The benefits from tourism are derived from visitor spend, which flows through the economy and impacts a range of sectors including retail, service sectors, hospitality and transport.

The Boroondara visitor economy currently generates economic benefit (4% of total output) and supports local jobs (7% of total). Visitor spend is driven by the high-quality visitor amenity and access to retail and food offerings (via the shopping precincts), as well as events and markets.

To support ongoing economic growth, a priority for Council is to grow the value of the visitor economy. This is achieved by establishing the municipality as a desirable destination for visitors, which will increase visitation and maximise spend opportunities in Boroondara. Target markets identified include visitors from outside the municipality who can contribute to local consumption, including visitors based in Melbourne, Regional Victoria and beyond.

Development of the visitor economy requires a collaborative approach between Council, industry peak bodies, tourism operators and the private sector, focusing on:

- enhancing visitor amenity to maximise spend opportunities
- enhancing the night-time economy in key precincts
- activating key tourism assets to attract visitors and enhance the visitor experience
- attracting interest from the film and advertising sector for use of locations
- continuing and diversifying the delivery of events and markets.

Although development of the visitor economy requires private sector investment, Council will focus on support which includes advocacy, investing in Council-owned assets and continued marketing and promotion of the City's attractions, including shopping destinations, markets, recreational, arts and cultural activities and events and heritage attractions.

Annual action plans support this priority and strategic objective. These actions are in addition to a range of existing programs and services Council delivers to facilitate economic development and support the local business community.

Boroondara's Competitive Advantage

Council's role in economic development is as a conduit to business, connecting and supporting businesses to respond to challenges and opportunities for future growth.

Analysis of Boroondara's strengths, challenges, external trends and influences have informed the Strategy's priorities, strategic objectives and actions.

The 2023/24 action plan responds to the identified strengths and challenges outlined below.

Strengths

- Unique shopping precincts, many represented by strong traders' associations
- Localism
- Strategic location
- Professional service industries
- Education, research, health and innovation hub
- Events and markets
- Heritage
- Green open spaces

Challenges

- Transition of retail
- Movement and access
- Building back the economy post-pandemic
- Workforce shortages

External trends and influences

- Remote and flexible working arrangements
- Workforce shortages
- Co-working
- Environmental sustainability and circular economy
- Transition of the retail industry
- The 'gig' economy
- Growing demand for health care
- Global economic uncertainty
- Rising inflation and cost of living pressures
- Construction trends
- Housing market

- Adopting technological advancements and innovation
- COVID-19 impacts and business recovery

Boroondara's key competitive advantage, leverages from the strengths of its strong economy (Table 1), while responding to its challenges (Table 2).

Key Strengths

Table 1: Boroondara's Economy - Key Strengths

Strengths	Overview
Unique Shopping Precincts	<p>With 53 shopping precincts, including major activity centres and neighbourhood centres across the municipality, Boroondara provides a unique shopping and retail experience. These are key assets for Boroondara, which provide a distinct and local 'village' environment and drive local consumption, employment and business investment.</p> <p>The City's shopping precincts are a particular strength of Boroondara, some of which are considered to be the best across Melbourne and interstate. They are a driver of local residential and business amenity and underpin Boroondara's unique lifestyle offering including a range of entertainment and hospitality options. This lifestyle also attracts visitors from across Melbourne, Victoria and interstate. Boroondara can capitalise on this advantage, to retain local consumer expenditure and attract increasing numbers of visitors, by ensuring our shopping precincts are beautiful, well maintained, activated and engaging.</p>

Strengths	Overview
Localism	<p>New ways of working (particularly working from home) have refocused the community on our local neighbourhoods, services and shopping centres as places to complement our social, recreational and work lives.</p> <p>Planning outcomes are enhanced when our neighbourhoods are viewed holistically and those that live there are engaged in identifying their priorities for improvement and development with council. Boroondara is adopting a place-based approach referred to as Placemaking to create areas which are unique, relevant and “sticky”. This results in attracting and inspiring use and visitation, upholding their point of difference and reflecting the history, values and needs of the local communities that surround them.</p> <p>Great local places such as shopping and commercial precincts will thrive and compete as they attract residential, commercial, social and cultural engagement and investment and have meaning to those they service. Overseas research has also identified opportunities for ageing populations living near high streets to play an active role in re-invigorating local shopping precincts.¹⁰</p>
Strategic Location	<p>Boroondara is strategically located to the eastern edge of the Melbourne CBD, with high levels of connectivity through road, train and tram networks. This provides an advantage for many residents who commute to the Melbourne CBD for work, as well as lifestyle advantages through access to key services and amenity.</p> <p>In addition, Boroondara is a ‘gateway’ to the eastern suburbs, which provides access to labour and enhances connectivity for residents.</p>

¹⁰ Royal Institute of British Architects (Building Futures think-tank), *Silver Linings: The Active Third Age and the City*, 2015.

Strengths	Overview
Professional Service Industries	<p>Boroondara has a large business base, driven by professional and financial services requiring highly skilled and technical labour.</p> <p>Given Boroondara's strategic location in inner eastern metropolitan Melbourne (providing central access to other municipalities), as well as the qualified and educated resident workforce, the municipality is attractive to businesses providing highly technical and consultative services. These industries are usually located within commercial precincts as well as conducive to operating as home-based businesses attracted by the lifestyle amenity. They offer employment and a diversity of locally based service offerings.</p>
Education, Research, Health and Innovation Hub	<p>Boroondara includes one of the highest concentrations of public and private schools, which is a key driver for resident attraction, provides local employment opportunities and contributes to a highly educated population. The presence of Swinburne University delivers education and training opportunities and contributes to innovation and research within Boroondara.</p> <p>The Health Care and Social Assistance sector is the largest employer in relation to Full Time Equivalent jobs in 2021. These jobs are supported by public health facilities (including The Royal Talbot Rehabilitation Centre at The Austin Hospital, Kew) and private hospitals (including St Vincent's Private and Epworth Hawthorn) as well as allied health practices. These provide important services including to the disability and ageing population as well as those travelling from outside the municipality to access quality care.</p> <p>These are important assets that could be a significant driver of future research and innovation, facilitate industry collaboration (including co-location of aligned industry sectors) and provide further opportunities for growth and partnership with the education, research and health care industry.</p>
Events and Markets	<p>Boroondara provides a diverse range of events (including local events facilitated by Traders Associations) and markets to appeal to residents and attract visitors. These contribute to local consumption, drive tourism activity and showcase Boroondara as a desirable destination.</p>

Strengths	Overview
Heritage	<p>Boroondara has a rich and diverse heritage and culture, which is exemplified by historic buildings, neighbourhood character, commercial building façades, monuments and plaques. This provides Boroondara with a unique value proposition which should be preserved and activated to make it a desirable and attractive destination for residents, workers and visitors.</p>
Green Open Spaces	<p>Boroondara is well-serviced by green open spaces (with 264 parks and gardens).</p> <p>These are important assets for several reasons, including:</p> <ul style="list-style-type: none"> • provides natural amenity which contributes to liveability and attracts visitors • contributes to recreation activities (e.g., cycling, walking trails, etc.) that supports community engagement and wellbeing • provides infrastructure to support Boroondara's heritage, including plaques and memorials • increases awareness of the surrounding environment and promotes sustainability.

Key Challenges

Table 2: Boroondara's Economy - Key Challenges

Challenges	Overview
Transition of Retail	<p>Retail is a key industry sector for Boroondara, contributing to local business activity, supporting local jobs and driving local consumption. It also provides important community benefits by providing local amenity and services.</p> <p>The retail sector has undergone significant transition in recent years, given the rise of online retailing as well as competition from large scale shopping centres, which has seen a decline in local employment and increases in shopfront vacancies.</p> <p>It will be important to support the retail sector to ensure it continues to generate positive economic and social outcomes for Boroondara.</p>
Movement and Access	<p>Movement and access have been identified by stakeholders as challenges for accessing and visiting local shopping precincts which can impact the level of trade and local consumption.</p> <p>Key issues include:</p> <ul style="list-style-type: none"> • Busy roads and traffic around major activity centres (e.g. Camberwell, Kew and Glenferrie Road Hawthorn) impacts access for residents, workers and visitors. • Parking availability, which can limit access and dwell time at shopping precincts. This can impact customers as well as workers of local businesses, who require longer-term parking options. • Traffic and parking around major train stations. • Opportunity for greater active transport including bicycle access, walkability and pedestrian access around activity centres. • Ensuring adequate public transport provision and access. <p>These issues impact local business activity at shopping precincts and influence shoppers, visitors and workers.</p>

Challenges	Overview
Building back the economy post-pandemic	<p>Although, compared to other municipalities, Boroondara was less impacted by COVID-19, the pandemic has presented significant challenges, including:</p> <ul style="list-style-type: none"> • promoting business recovery for ‘hard-hit’ businesses that are consumer facing and other essential services impacted due to lockdowns. • supporting the rise in flexible and remote working and the subsequent increase in ‘working from home’ arrangements • facilitating the transition of many small businesses seeking to re-locate out of the CBD and City fringe areas, to be able to work closer to home. • fostering the growth in ‘living locally’ where residents are increasingly meeting daily needs – including purchasing goods, accessing services, participating in leisure/recreation activities – within their local community. • building the resilience of businesses to adapt to a changing work environment and shifting consumer preferences. <p>The recovery from COVID-19 provides ongoing opportunities for innovative policies and initiatives to support future growth and economic development. Council will adopt a collaborative approach with business and community sectors to help realise these opportunities and promote ongoing recovery.</p>

Challenges	Overview
Workforce shortages	<p>Boroondara, like many inner metropolitan council areas, has experienced workforce shortages in key service sectors, particularly during the height of the pandemic, including:</p> <ul style="list-style-type: none"> • Health Care (including Aged Care and Community Services such as NDIS). Growing demand for health care and community services has led to industry shortages. Without attracting sufficiently skilled workers, these shortages are likely to increase given the ageing of the population, which could impact service provision in Boroondara. • Hospitality The COVID-19 restrictions on travel and international border closures significantly reduced the hospitality workforce. Many existing staff have moved to more less affected industries, which has been accentuated by the loss of the migrant workforce. • Construction and Trades The demand for construction workers, including tradespeople, has increased given the expected dwelling and population growth in Boroondara, as well as major projects within Boroondara. This has increased the need for skilled workers to fulfill the demand and meet existing and future needs. <p>It will be important to advocate for and collaborate with relevant stakeholders to promote sufficient availability of skilled labour to meet industry needs and ensure key services are provided to residents.</p>

External Trends and Influences

A range of external macroeconomic trends influence state and national economies. These trends, as well as the implications for Boroondara have been considered in developing the Strategy and are summarised below.

COVID-19 Impacts and Business Recovery

COVID-19 had a significant impact on the global and national economy, as restrictions on business and travel impacted local communities and businesses. At the height of the pandemic (2020-2022), Victoria continued to adapt its COVID-19 response and recovery efforts.

Industries that are consumer facing and rely on population movements (i.e., retail, food and hospitality) have been significantly impacted in terms of loss of revenue and staff and may require more intensive business support. In addition, essential services – such as health and education – have been substantially affected in terms of operations (e.g. remote learning, delaying elective surgeries) and staff shortages. In particular, higher education (i.e. Swinburne University) has been impacted by a lack of international students over the course of the pandemic.

However, many industries in metropolitan areas have been less affected than others (particularly those not reliant on travel) such as professional and financial services.

Boroondara's economy was less affected by restrictions due to its business mix and was therefore well placed to recover from the impacts of COVID-19, compared to other municipalities. However, targeted support was still required for businesses from hard hit industries in Boroondara (i.e., hospitality, retail, personal services) and other essential services (i.e. health, education) impacted due to lockdowns.

Remote and flexible working arrangements

COVID-19 accelerated the rise of remote working, particularly for employees working in traditional 'office-based' industries (including professional and financial services), who now have greater flexibility to work outside the office environment. In addition, it provides opportunities for businesses to re-locate outside the CBD to areas closer to the business owners' place of residence. This could see businesses moving to Boroondara as more residents work remotely from home – due to flexible working arrangements – and the local population increase during work hours, impacting demand for business spaces/facilities as well as local consumption patterns.

This will likely have a significant impact on the Boroondara workforce, as professional and financial services are two of the largest employing sectors and could provide a more flexible working environment for employees. This will increase the average job containment rate, which can generate local consumption and also grow the demand for supporting facilities and infrastructure.

Workforce shortages

State-wide skills shortages exist in key industries such as hospitality, construction, childcare, community and aged care sectors. This is driven by a combination of increasing demand, lack of relevant employee skills/training and COVID-19 border closures depleting the migrant workforce. Ongoing workforce shortages in these sectors may adversely impact the operations of local businesses in these industries and affect the ability to provide quality core services for residents, workers and visitors.

Boroondara's service industries are experiencing workforce shortages, particularly aged care providers and hospitality. It will be important for these industries to access skilled labour to provide key services for residents.

Co-working

Three in five Australian workers (62%) see a hybrid model as their ideal arrangement, incorporating a mix of working from home and the workplace.¹¹ The advent of hybrid working, the significant number of home based businesses, the fact 98% of the business base in Boroondara is 'non-employing' or 'small' (i.e., less than 20 employees), as well as impacts such as the re-location of businesses away from the CBD and a growing start-ups sector heralds an opportunity for temporary business spaces and local co-working facilities. Benefits of enabling opportunities for collaboration and shared facilities are the maintenance and attraction of business locally and supplying fertile ground for shared resources, ideation and innovation.

Environmental Sustainability and Circular Economy

The recent adoption of Council's Climate Action Plan (2021) will contribute to Council playing an increased role in supporting businesses to become more environmentally sustainable and transition to a circular economy. Both the Victorian and Australian Governments have committed to reducing emissions by legislating a long-term target for emission reductions. Businesses are also transitioning to more environmentally

¹¹ Australia towards 2031 report: McCrindle Research Pty Ltd

sustainable practices and adopting circular business models to attract and retain the increasing number of consumers and staff who value sustainability and reducing their carbon footprint, as well as reduce business costs.

Transition of the retail industry

Retail spend can provide economic stimulus through direct expenditure and job creation, making it critical to local economic growth. The prevalence of online retailing, combined with the recent COVID-19 restrictions on trade and population movement has led to the decline in in-store retail. There has also been an increase in ‘service-based’ businesses operating in shopping precincts across metropolitan areas (e.g., hairdressers, accountants, gyms etc.), which has contributed to the reduction in traditional retail stores.

In addition, retail businesses now interact with consumers across multiple channels and mediums, including online advertising, in-store ‘experiences’ and social media engagements. This is becoming a core aspect of retail marketing to build the customer base and engender consumer loyalty.

The retail industry is an important driver of Boroondara’s economy, as it supports a large proportion of local jobs and businesses, whilst playing a core role in the success of its shopping precincts and adding to the liveability of the city.

The ‘Gig’ Economy

‘The gig economy’ refers to contract, temporary and freelance work, which has grown in popularity in recent years. Whilst there are clear examples of the gig economy across platforms such as Uber, Airbnb and Airtasker, it has also extended into roles such as administration, hospitality, marketing and graphic design. It is predominantly underpinned by advancements in technology but is also driven by workers seeking flexibility, employer preferences, as well as the growing demand for niche skills, particularly across technology and creative industries.

The gig economy has accelerated since COVID-19, as many workers were required to seek additional sources of income and consumers were required to have goods and services home-delivered. As such, it is increasingly viewed as a ‘full-time’ job for workers and an integral part of daily life for those seeking services.¹²

¹² <https://www.forbes.com/sites/rebeccahenderson/2020/12/10/how-covid-19-has-transformed-the-gig-economy/?sh=229ce0156c99>

Growing demand for health care

Health care is the highest employing industry in Boroondara, and also a major driver of regional export value. Between 2016 and 2021, the number of jobs in the Health Care and Social Assistance industry increased by 1,730 and the value of regional exports generated by the sector annually increased by \$18 million.

As the population ages, there is expected to be growing demand for health care across Victoria and Australia, which will significantly increase health care spending, demand for services and future workforce needs.

This growth applies to Boroondara, with significant increases in the '65 years and over' cohort and this will likely increase the importance of local hospitals and allied health practices, as the need for health services and facilities increases, potentially influencing future health planning and development.

Global economic uncertainty

COVID-19 contributed to global supply shortages and commodity price volatility, which have since been exacerbated by the Russia-Ukraine war, lockdowns in China and flooding events across the east coast of Australia. The trajectory and duration of these events remain unpredictable, leading to global economic uncertainty in the short term. Consumer confidence has also fallen recently amid this economic climate, as well as due to rising interest rates¹³.

In the long term, the current price trends of energy and other commodities are expected to ease, and businesses will be able to invest to expand their capacity to respond to supply in a timely way¹⁴. There is an opportunity for Council to support business resilience during periods of economic uncertainty, and to provide strategic and policy support for diversification of the Boroondara economy.

Rising inflation and cost of living pressures

Price pressures from global oil, new dwelling purchases and tradable goods have led to an end to the low inflation period that endured for so long. Increased cost of daily essentials and basic services, and reductions in real incomes are a threat to residents' overall liveability and confidence levels. PWC's Victoria City Pulse (2022) revealed just 40% of Victorians feel financially secure. Inflation is expected to

¹³ RBA Statement on Monetary Policy, May 2022 – Economic Outlook

¹⁴ Ibid

continue into the future, however the response from government, business and households is uncertain given the historically high levels of employment.

Consumer sentiment has the potential to affect business activity in Boroondara in the short term. To support businesses' ongoing ability to respond to economic shocks, there is an opportunity for council to:

- Provide continued business support;
- Offer incentives to attract new businesses to the region; and
- Implement measures to create a more productive business environment.

Construction trends

Despite a record pipeline of construction expected in the residential sector¹⁵, dwelling investment has more recently been constrained due to a nation-wide shortage of construction materials and skilled labour.

However, these supply issues are expected to gradually abate, allowing the elevated pipeline to be worked through¹⁶. Interest rate increases are expected to soften demand but also increase the number of insolvencies in the residential building sector.

A modest decline in the Australian non-residential building sector is expected to continue over the next three years¹⁷. Offices, tourism, and retail continue to be the most impacted by the pandemic with construction activity in these sectors significantly lower than long term averages¹⁸.

Arcadis' Australian Construction Market View (2022) predicts that from 2023 onwards, material and energy cost increases will ease, whilst labour shortages in the building sector are likely to become the defining challenge of the decade.

Construction and property are two of Boroondara's largest industries, in terms of both employment and output. Given the uncertainty currently faced in this sector, industry diversification is important to avoid over-exposure to 'shocks' and achieve sustainable growth.

¹⁵ Australian Commonwealth Budget 2022/23 Budget Paper No. 1 Strategy and Outlook

¹⁶ Victorian Budget 2022/23 Budget Paper No. 2 – Strategy and Outlook

¹⁷ Australian Construction Industry Forum Forecasts, May 2022

¹⁸ Arcadis Australian Construction Market View, 2022

Housing market

In the March 2022 quarter, Greater Melbourne's house sales volume trended down by 42.5% and the average days on market for a house increased by 12 days to 50 days. Similarly, the sales volume for apartments in Greater Melbourne decreased 36.2% in the same period¹⁹. Interest rate increases, negative net migration and rising construction costs (for new developments) are driving these trends²⁰. An expected further interest rate increase is anticipated to dampen house prices and demand for new housing in 2022-23²¹.

It will be important to consider different types of housing to support residents during periods of housing market decline. A key objective of Plan Melbourne 2017-2050 is to facilitate the provision of and to increase the supply of affordable housing. Council will continue to support the delivery of a diverse range of housing types, including affordable and higher density housing, directed towards areas that are well located in relation to existing infrastructure, jobs, services and public transport such as activity centres, commercial corridors and some main roads, balanced with the commercial function of these areas.

Adopting technological advancements and innovation

As technology continues to evolve, Local Governments should ensure their operations and processes remain in lockstep with technology and digital infrastructure to improve:

- Efficiency through automation of routine processes
- Decision making through data collection and analytics, and
- Business and community access to information.

In relation to economic development, relevant opportunities include:

- Businesses accessing information via online portals (e.g. Google, LinkedIn, Facebook)
- Making data available via an Application Programming Interface (API) to local businesses and community members
- Online business engagement through portals such as Customer Relationship Management systems, and

¹⁹ Knight Frank Australian Residential Review, Q2 2022

²⁰ NAB Quarterly Australian Residential Property Survey Q2, 2022

²¹ Victorian Budget 2022/23 Budget Paper No. 2 – Strategy and Outlook

- Encouraging better approvals processes through the availability and access of information and concierge services.

Boroondara City Council already deliver many of these services and have implemented these processes across departments. Council should continue supporting innovative processes underpinned by technology to support and attract businesses, workers and investors through communication, engagement, information sharing, networking and collaboration.

Developing the Strategy

Engagement framework

Council developed an engagement framework underpinned by five key steps.

The engagement framework included staged consultations across the whole of council and community, business and industry stakeholders, and the Victorian and Australian governments as well as extensive economic analysis and research. The outcome of the analysis highlighted key priorities which informed the creation of the Strategy.

1. Review existing data and other relevant Plans

Review qualitative and quantitative data and Council BCP consultations.

2. Undertake economic research and analysis

Economic research and analysis on Boroondara's economy including an independent review.

3. Undertake consultations

Council and government representatives, business and stakeholder consultations to inform the new Strategy.

4. Develop a background report

Review findings of the consultations, economic analysis, research and develop the background report.

5. Develop a vision, key priorities, strategic objectives and actions

A customer centric and whole of Council customer engagement and interaction approach.

Customer Experience Improvement Strategy ²²(2014)

²² Strategic initiative 3.2: Improved whole-of-Council customer engagement and interaction approach

Following the engagement framework above, the following outcomes were achieved in each of the five steps.

Review and analysis

- 5,070 comments about our local economy, collected from 4,723 community members during the BCP consultation (between December 2020 and April 2021)
- Boroondara Conversations workshops with 149 participants
- BCP workshop with young people
- BCP workshop with local business owners
- Local and regional plans and strategies
- Previous Economic Development and Tourism Strategy

Economic research and analysis – Independent review

- Economic performance
- Demographic and socio-economic
- Competitive advantages and drivers of recent growth
- Employment workforce
- Visitor economy
- Impact of COVID-19

Consultations to inform the Strategy (March - October 2021)

- 10 Boroondara traders' associations²³
- 227 Boroondara's main industry and home-based businesses
 - 34 businesses (4 focus groups and workshops)
 - 191 survey respondents
 - 2 one-on-one interviews
- 4 local and regional stakeholders
- One-on-one interviews with Council officers and executives across 15 relevant departments

²³ At the time of consultation, there were 10 traders' associations

Background report informed by economic analysis and consultation key outcome priorities

- Community
- Activity Centres and Shopping Precincts
- Business Development and Support
- Workforce Development
- Environmental Sustainability
- Tourism

Create the Strategy

- 5,535 engagements
- Priority themes identified
- Extensive economic analysis and research

Summary of Consultations

Community consultations were undertaken between November 2020 and April 2021 to refresh the Boroondara Community Plan 2021 -2031 (BCP). This provided Council with the opportunity to hear directly from the community to ensure the updated BCP 2021 - 2031 responds to emerging trends, demands and changes to community priorities since 2017.

In addition, a holistic consultation process was undertaken, including a combination of surveys, focus groups, workshops and targeted one-on-one interviews with the following stakeholder groups between March and October 2021:

- Boroondara's Traders' Associations
- Local small business owners and operators (representing Professional and Financial Services, Health care; and Property businesses)
- Large employing businesses/organisations (with head offices in Boroondara)
- Local partners and representatives from relevant regional networks/partnerships and Victorian and Australian governments
- Community members, and
- Council officers and departments.

Summary of Key Findings

Findings from community consultations for the Boroondara Community Plan

Feedback on what matters to residents and the community more generally, including businesses, focused on the following points (refer to Figure 2 below):

- **'Your Local Shops and Businesses'** was the third ranked theme for Council to focus on over the next 10 years
 - 45% of survey respondents put 'Your Local Shops and Businesses' as a top 3 priority for Council (18% increase since 2017, ranking third in 2021 from sixth in 2017).
- **'Having shops nearby'** (8% in 2021) and 'supporting local business and employment' (6% in 2021) were topics which mattered the most to people under this theme.

Figure 2 BCP consultation findings on local businesses and shopping centres



Findings from industry consultations

The following topics are a summary of key consultation findings (March and October 2021) from Boroondara's businesses; local business owners and operators, traders' associations, industry stakeholders, local partners and representatives from relevant regional networks/partnerships and Council officers across several departments. These findings provide insight on what is important to Boroondara's business community.

Consultation key outcome priorities:

- Activity Centres and Shopping Precincts
- Business Development and Support
- Workforce Development
- Environmental Sustainability, and
- Tourism.

Monitoring and Evaluation of the Strategy

Council will implement, monitor and evaluate the priorities in the Strategy and actions outlined in the Action Plan 2023/24 - 2025/26.

The Strategy provides a six-year vision to facilitate the maintenance and growth of a thriving economy and contribute to Boroondara's liveability. It is also designed to support tourism through the growth of the visitor economy, including the promotion of Boroondara as a desirable destination for visitors. The Strategy will be reviewed every six years to ensure it continues to meet the needs of the local community and is aligned to the BCP, government priorities, along with the trends, opportunities and challenges faced by Boroondara's economy and community, including business stakeholders.

The Strategy will be delivered through implementation of:

- **The Strategy's Action Plan:** An Action Plan that sets out a series of actions for each key priority outlined in this Strategy.
- **BCP 2021-2031:** Council's 10 year vision underpinned by 7 key themes, one of which is 'Local Economy' (Theme 6) that aspires to foster a strong local economy.

The Action Plan is a three-year implementation plan for delivering the Strategy. A new Action Plan will be developed in 2026 to ensure the actions stay relevant and respond to current and emerging issues and opportunities.

The Strategy will be monitored through quarterly and annual progress reports. Key tools to measure progress include, but are not limited to:

- City of Boroondara Annual Community Satisfaction survey
- Local Government Performance Reporting Framework
- Australian Business Register (ABR) data
- Australian Bureau of Statistics (ABS) Census data
- Tourism Research Australia
- Business Participant Feedback Surveys
- Google analytics
- Pedestrian counters.

Further Information

For all queries or feedback regarding the Strategy, please contact the responsible department below.

Contact

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Acronyms and Glossary

Acronyms

ABR Australian Business Register

BCP Boroondara Community Plan

ISEMP Inner South-East Metropolitan Partnership

IVS International Visitor Survey

NVS National Visitor Survey

SEIFA Socio-Economic Index for Areas

SME Small to Medium Enterprises

TRA Tourism Research Australia

VAGO Victorian Auditor-General's Office

Glossary of Terms

Circular Economy

Refers to an economy in which all the elements in the production cycle are reused or recycled, so that there is no or minimal pollution or waste.

Daytrip Visitor

Those who travel for a round trip distance of at least 50 kilometres, are away from home for at least four hours, and who do not spend a night away from home as part of their travel. Same day travel as part of overnight travel is excluded.

Economic Output

The gross revenue generated by businesses/organisations in each of the industry sectors in a defined region. Gross revenue is also referred to as total sales or total income.

Employment

Represents the number of people employed by businesses/ organisations in each of the industry sectors in a defined region. Employment data presented in this report is

destination of work data. That is, no inference is made as to where people in a defined region reside.

Gig Economy

Refers to contract, temporary and freelance work, which has grown in popularity in recent years.

Gross Regional Product

The total value of final goods and services produced in the region over the period of one year.

Imports

Sales of goods and services from industries located outside the City of Boroondara boundaries to resident households, businesses and other organisations within the area.

Inner South-East Partnership

A regional partnership including Bayside, Boroondara, Glen Eira and Stonnington City Councils. The partnership engages with local communities to inform its advice to the Victorian Government on the key priorities, recognising local communities are in the best position to understand the challenges and opportunities faced by the region.

International Visitor

A person is defined as an international visitor to Australia if they are currently a resident overseas, have been in Australia for less than one year and are aged 15 years or over.

Local Sales

Measure of the output of local industries that is sold locally. This includes sales to local consumers, businesses and other organisations. Local sales is equal to total output minus total exports.

Non-employing Business

A type of business with no employees. This may include a range of entity types, such as non-employing sole traders or any other businesses without employees.

Overnight Visitor

People aged 15 years and over who undertake an overnight trip of one night or more and at least 40 kilometres away from home are referred to as overnight visitors. Only those trips where the respondent is away from home for less than 12 months are in scope of the NVS.

Regional Exports

The value of goods and services exported outside of the defined region that have been generated by businesses / organisations in each of the industry sectors within the region.

SEIFA

Developed by the ABS, this measures the relative level of socio-economic advantage and disadvantage for a defined area. The index score is based on a weighted combination of census variables that reflect disadvantage (e.g., income, education, employment, etc.), which is then standardised around the national average score of 1,000. A higher score on the index reflects a lower level of disadvantage. Therefore, a score above 1,000 indicates a lower level of disadvantage relative to the national average, while a score below 1,000 indicates a higher level of disadvantage relative to the national average.

Small to Medium Enterprises

For statistical purposes, the ABS defines a business entity employing less than 20 employees as Small to Medium Enterprise.

Key data sources

Australian Bureau of Statistics (ABS)

ABS Census data is Australia's largest statistical collection, which helps estimate Australia's population, dwellings and demographic characteristics. It is based on responses received from private dwellings and individuals. The Census, which is conducted every five years, provides information for the entire country, including small geographic areas and small population groups.

Economy ID

Economy ID industry structure and industry sector profiles uses results from the ABS Census, as well as a National Accounts regional econometric model developed by National Economics (NIEIR). This model is based on replicating the outputs of the

National Accounts framework for local areas such as LGAs, using a range of data sources to model the accounts to show local trends.

Profile ID

Profile ID analyses and converts raw ABS Census data into a demographic profile to inform Council, community groups, investors, business, students and the general public. The Profile ID data for Boroondara provides a demographic analysis based on results from the 2016, 2011, 2006, 2001, 1996 and 1991 Censuses of Population and Housing. The profile is updated with population estimates when the Australian Bureau of Statistics (ABS) releases new figures.

REMPPLAN Economy Profile

REMPPLAN Economy provides data into the performance of key sectors of the economy, which is provided by state, region and municipal areas. This is underpinned by the latest data from the ABS and includes estimates of employment, output, wages & salaries, imports, exports and gross regional product for 114 industries. The information is drawn from numerous ABS sources, including Census data, National Input Output Tables and Gross State Product.

Tourism Research Australia (TRA)

TRA provides statistics and research on both international and domestic tourism within Australia, including the value of tourism. This is based on two major surveys – for domestic and international visitors measuring the contribution of tourism and provides input into visitor spend for Australia's regions and smaller statistical areas.

Victoria in Future (VIF)

Victoria in Future is the official Victorian Government projection of population and households. Projections are based on trends and assumptions for births, life expectancy, migration, and living arrangements across all of Victoria. This report is released annually, with government agencies, planners and demographers using the adopted growth rates to forecast population and housing growth. VIF provides information for the state, municipal areas and smaller statistical areas.