



Bayswater Business Precinct Transformation Strategy

Prepared for RDA Melbourne, Department of Jobs, Precincts and Regions
(DJPR), Knox, Maroondah, and Yarra Ranges Councils

December 2021



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Executive summary

The Bayswater Business Precinct is a well-established and regionally significant employment location in Melbourne’s east. It has some advantages that can be leveraged to achieve ongoing success, however for this to occur, some challenges need to be overcome.

The Bayswater Business Precinct has some key advantages that will enable it to grow as a major employment destination.

	Established network of small, medium and multi-national businesses connected into a strong regional economy and supply chains	Over 30% of businesses’ suppliers are within the immediate region and 21% are within Victoria
	Critical mass in manufacturing, construction and wholesale trade	80% of precinct revenue Strong business-to-business supply chains
	Second largest employment precinct in the Eastern Metro Region	5,000 businesses and more than 33,000 people are employed within the BBP
	Large workforce and population catchments	70% of workers are from the Knox, Maroondah and Yarra Ranges LGAs 42,000 employees by 2041 Businesses looking to diversify and attract highly skilled workers
	Large, strategic sites that are well-positioned for redevelopment and reinvestment	210+ hectares of land on large lots greater than 15,000 sqm and with low (less than 30%) site coverage
	Precinct has access to major roads/highways and proximity to customers, clients and suppliers	BBP customers are in south-east Melbourne (27.5%) and Greater Melbourne (26.5%) Opportunity to provide new bus routes to serve high proportion of local workers

The Bayswater Business Precinct has an impressive economic output and is a major employment hub in Melbourne’s Eastern Metro Region. The precinct accommodates around 5,000 businesses which employ more than 33,000 people. It is the second largest employment precinct in the Eastern Metro Region.¹ Businesses in the precinct are diverse and include small to medium-sized family businesses, as well as global multinationals interlinked as part of numerous local ecosystems.

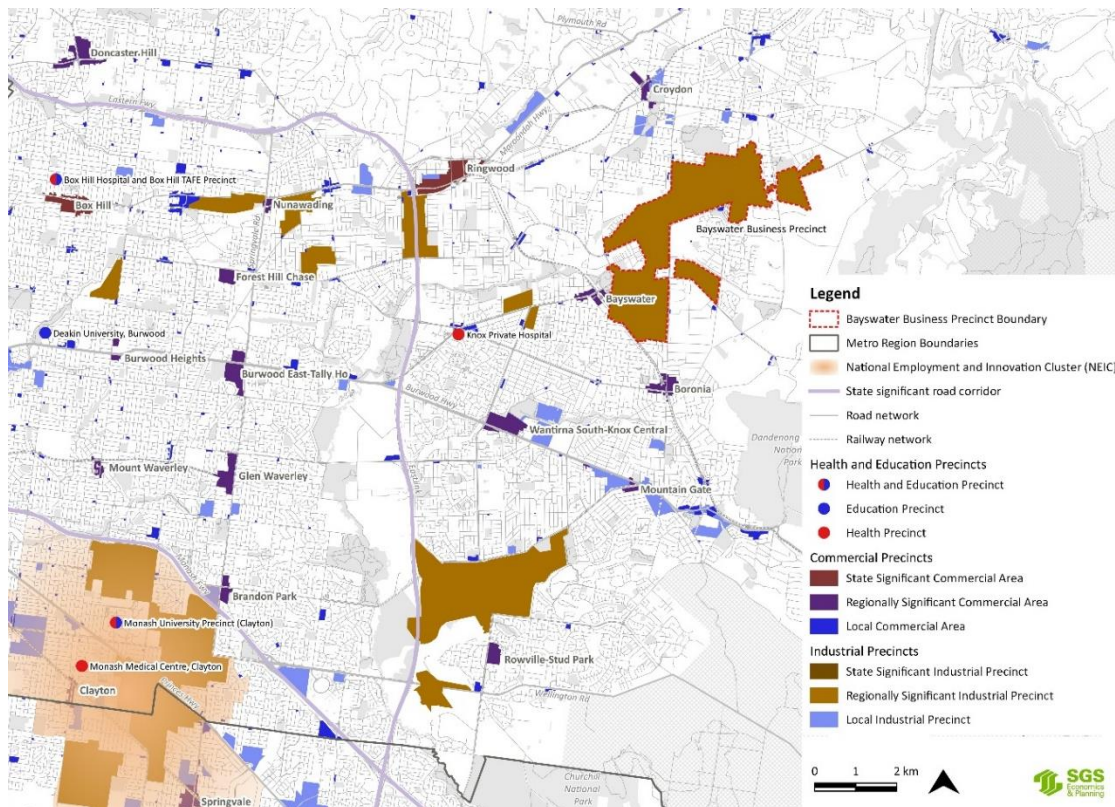
¹ DELWP, *Melbourne Commercial and Industrial Land Use Plan, 2020*.

There are several Australian-owned organisations that have national reach, and businesses have strong supply chains across the Eastern Region, which support local economies – meaning a lot of the wealth and benefits generated in the BBP are captured locally.

Renowned as a hub for innovation and manufacturing excellence, the precinct generates \$14.1 billion in output revenue (representing 12.5 per cent of the Eastern Metro Region’s revenue) and \$8 billion in exports, representing 31 per cent of the Eastern Metro Region’s total exports. Possessing key characteristics of the 20-minute neighbourhood, 70 per cent of employees reside locally in Knox, Maroondah and Yarra Ranges, and almost 50 per cent of employees live within 10 kilometres of the BBP.²

The BBP covers an area of around 730 hectares. According to the Melbourne Industrial and Commercial Land Use Strategy (MICLUP, 2020), less than 10 per cent of land in the precinct is available for future development. However, an analysis undertaken for this report found that there are over 210 hectares of land where lots had an area greater than 15,000 square metres and a site coverage less than 30 per cent. This suggests redevelopment and revitalisation potential.

FIGURE 1: BAYSWATER BUSINESS PRECINCT REGIONAL CONTEXT



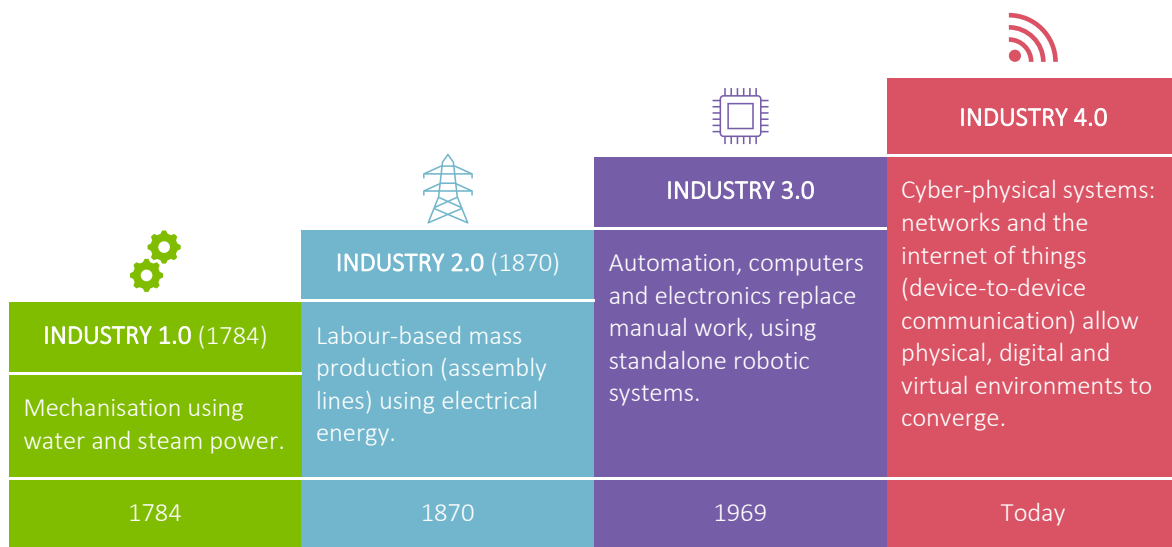
Source: SGS Economics and Planning, 2021, based on datasets from DELWP’s *Plan Melbourne (2017)* and *Melbourne Industrial and Commercial Land Use Plan (MICLUP) (2020)*.

² SGS Economics and Planning, based on 2016 Census Place of Work (POW), counting employed persons 15 years and over.

Despite its impressive current economic role, macro trends will threaten BBP's future success

Notwithstanding the precinct's impressive economic profile, the Councils of Knox, Maroondah and Yarra Ranges (the Partner Councils) have become increasingly concerned about the precinct's ability to attract sustainable levels of new investment required to grow the number of high value employment opportunities and to maintain the region's economic prosperity into the future. Significant challenges arising from population growth and global economic and industrial transition are placing unprecedented pressure on local economies. Employment precincts across Australia, including the BBP, risk being left behind if they are unable to embrace new ways of working.

FIGURE 2: INDUSTRIAL TRANSFORMATION OVER TIME



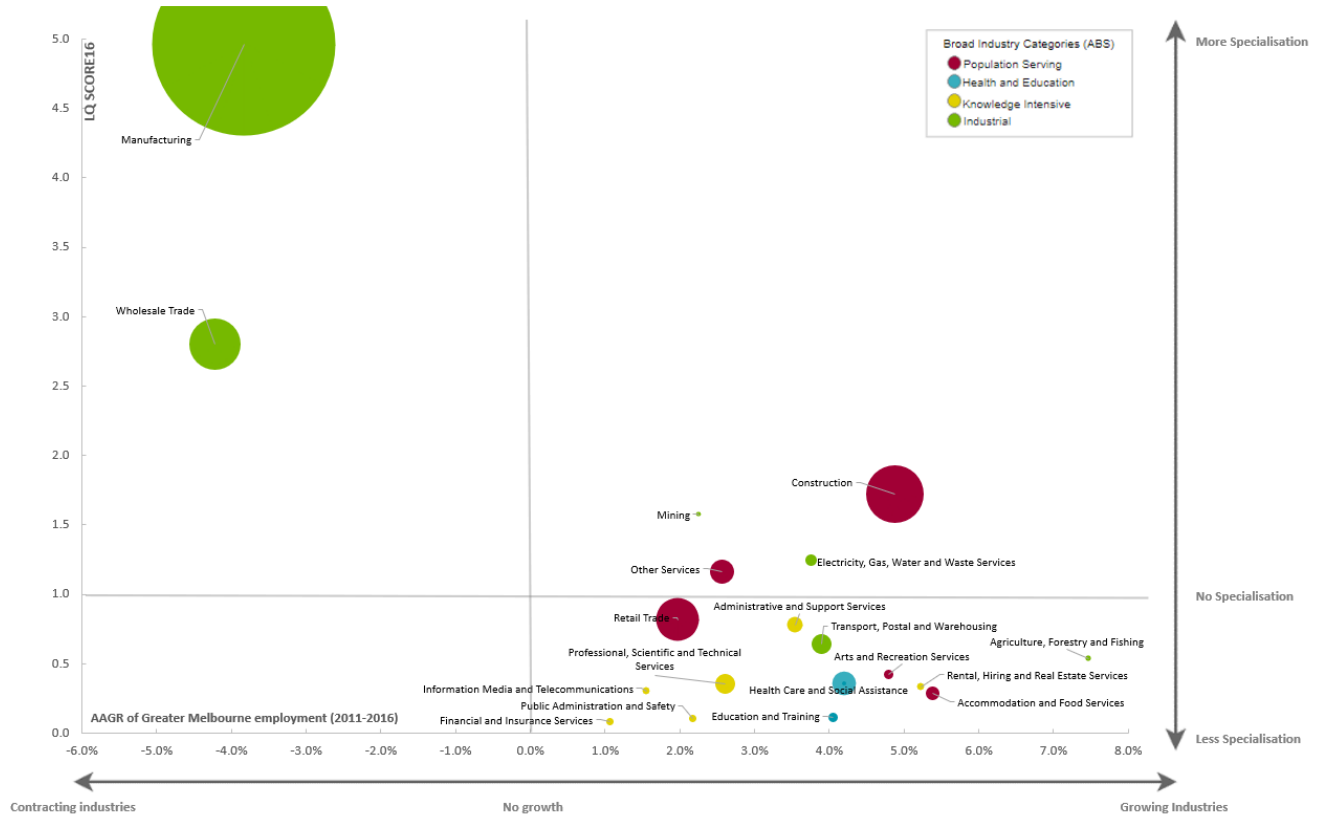
Source: Based on various sources including Bosch's 2013 White Paper on the advent of Industry 4.0.

The BBP's main employment sectors are manufacturing, construction, wholesale trade and retail trade. Manufacturing is by far the precinct's largest employment sector, employing 40 per cent of the workforce (or 2 in every 5 workers). Location quotient³ analysis (refer Figure 3) shows that manufacturing plays a particularly significant role in the precinct; it has an LQ of 5 when compared to the Greater Melbourne economy, however it has been declining at an average annual growth rate of -4.6 per cent.⁴

³ Location Quotient Analysis compares the relative growth and industry specialisation of a one precinct to a larger area. In the analysis, the BBP was compared with Greater Melbourne's industry profile, where an LQ of 1 means a sector matches the profile of Greater Melbourne.

⁴ Based on ABS Census of Population and Housing, 2011 and 2016.

FIGURE 3: LOCATION QUOTIENT ANALYSIS OF THE BBP COMPARED TO GREATER MELBOURNE



Source: SGS Economics and Planning, 2021, based on ABS Census Data 2011 and 2016.

In this context and without intervention, the key strengths that currently contribute to the BBP’s competitive edge and economic advantage risk being lost. Based on the findings, future strategic directions should be grounded in locally relevant, and competitive advantages in the BBP, as well as future aspirations for change.

The Eastern Region’s population will grow at an average rate of 1.1% per year from 2021 to 2051

Across Knox, Maroondah and Yarra Ranges, employment growth is projected to be around 1.0 to 1.2 per cent per annum.⁵ The BBP employs around 15 per cent of people working in the Knox, Maroondah, or Yarra Ranges LGAs, and around 3 per cent of people working in the Eastern Metro Region. If current growth rates continue, around 4,800 jobs would be added between now and 2041. This is equivalent to around 240 jobs per year.

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

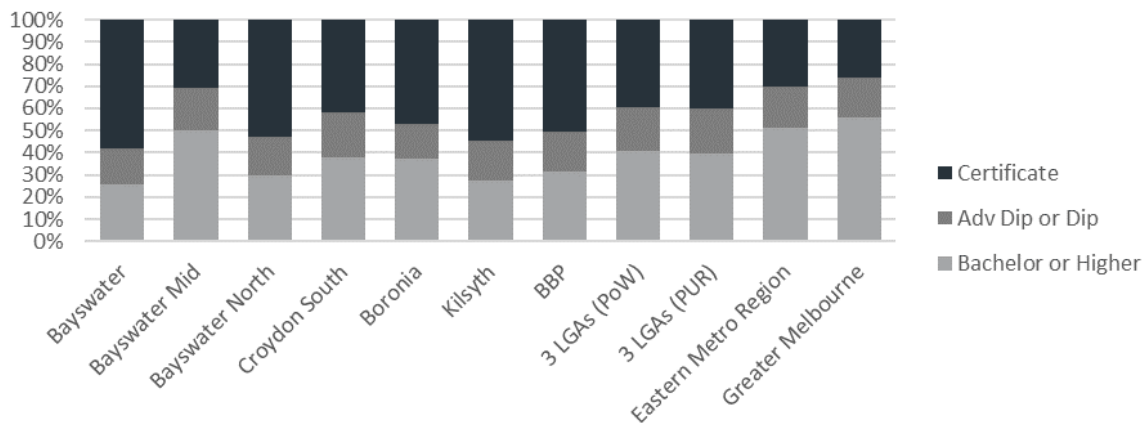
⁵ DELWP, *Melbourne Commercial and Industrial Land Use Plan*, 2020.

To survive in future economies, employment precincts within major cities need to be globally connected, distinctly branded and attractive places to work and visit.

Research conducted by PwC Germany highlights that a transition to Industry 4.0 and embedding smart processes into manufacturing and industrial practices requires “a deep understanding of collaboration, engagement of top management, and a clear strategy.”⁶

The BBP has traditionally had a blue collar profile. However, education levels across the Eastern Metro region are increasing, bringing opportunities for businesses to draw on a pool of highly skilled workers, to support a transition to industrial jobs that require knowledge workers, and leading to upskilling, knowledge-sharing and collaboration opportunities across local businesses. There is evidence that knowledge work is already occurring in some sub-precincts (likely as part of larger businesses that have headquarters and office space) (Figure 4), and that while many of the jobs in the BBP are in manufacturing and construction, there is a high degree of R&D being undertaken (based on patent applications in the three BBP local government areas) (Figure 5). This is an indication that innovative activity is occurring in the three BBP LGAs within established industries in the local economy.⁷ This provides a solid basis for developing long-term economic development strategies that embrace transformation and Industry 4.0 principles.

FIGURE 4: QUALIFICATION COMPARISON – BBP-SUB-PRECINCTS

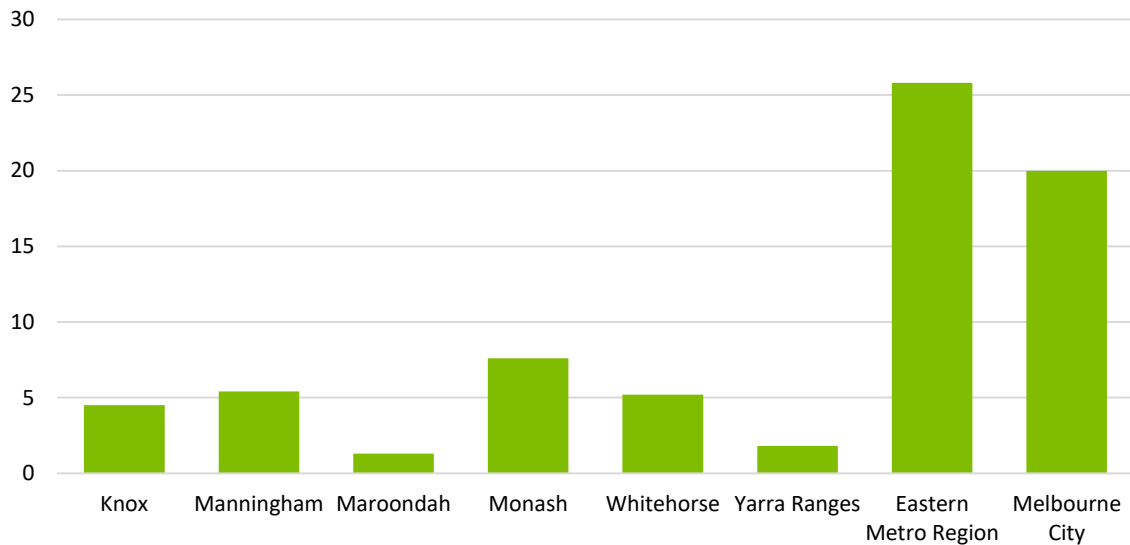


Source: 2016 Census and level of qualification.

⁶ Dr. Reinhard Geissbauer (PwC Strategy, Global Head of the Digital Operations Impact Center), in *Global Digital Operations Study 2018*, PwC, Germany, 2018.

⁷ One marker of innovation is patent applications. In this regard, while the City of Melbourne far outperforms other LGAs (on the basis of job density), The three BBP LGAs and the Eastern Metro Region perform well against other precincts – see Figure 5.

FIGURE 5: PATENT APPLICATIONS PER 10,000 RESIDENTS (2016)



Source: ABS number of patent applications (2016) via the IP Australia and Department of Industry, Innovation and Science dataset.

The charts above offer an insight into the potential for BBP businesses to further embrace innovation through leveraging the diverse workforce. However, to do this, the BBP needs to attract a wider range of prospective businesses and employees including by broadening the value proposition and considering the factors of success that are required to transform the precinct.

Future success in the BBP means addressing some current shortfalls, creating the best setting for investment and renewal possible.

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

Most successful employment locations do not happen by chance; they often receive significant government leadership, coordination and incentives to stimulate appropriate business and development. They rely on ‘precinct success factors’ which can be promoted and enhanced to attract more investment and businesses (Figure 6). These concepts underpin many of the proposed actions in the Transformation Strategy.

FIGURE 6: FACTORS DRIVING THE SUCCESS OF EMPLOYMENT PLACES



Source: DELWP, 2018. *Analysing Melbourne's Enterprise Precincts*, prepared by SGS Economics and Planning.

To evolve into a resilient industrial commercial precinct, the BBP needs to clearly articulate its future role and function within the new economy.

Like many mature industrial precincts across Australia, the BBP includes large areas of ageing industrial and commercial building stock and low amenity public spaces. These inhibit the ability of the precinct to prosper and remain competitive in the long term. To attract new private sector investment in BBP, a high-quality urban environment and improved connectivity and amenity will be required.

The competitiveness and sustainability of the precinct requires economic regeneration underpinned by strategic investment in critical infrastructure. Without a clearly defined strategy for this regeneration and value proposition for investment, the precinct's capacity to retain and attract key propulsive sector industries to sustain the local economy and to create local jobs into the future is at considerable risk.

This document sets out a strategy for transforming the identity, amenity and functionality of the Bayswater Business Precinct, so that it may be a major contributor to employment and economic growth in Melbourne’s Eastern Metro Region.

The Bayswater Business Precinct Transformation Strategy sets out a vision and series of actions to achieve a sustainable and prosperous future.

The vision for the BBP towards 2050 is:

The Bayswater Business Precinct holds unparalleled opportunities for manufacturing and commercial businesses in Greater Melbourne.

It is a key employment destination in the Region, and the diverse range of businesses in the precinct make a significant contribution to the Eastern Region’s economy.

This is driven by a well-connected and supportive supply chain of niche innovative businesses that are adaptive, an ecosystem of businesses, anchored by many that are innovative and embrace Industry 4.0 principles.

The vision will be achieved with actions organised under four strategies, to achieve a sustainable and prosperous future for the Bayswater Business Precinct:

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

The BBP is a key employment destination in the region, and the diverse range of businesses in the precinct contribute significantly to the Eastern Metro Region’s economy. An ecosystem of businesses drives the precinct, and many are innovative and embrace Industry 4.0 principles, setting the basis for others to follow.

1. Introduction

This report provides an overview of the key attributes that will support transformation of the Bayswater Business Precinct into a diverse and sustainable employment precinct and identifies supporting government actions and initiatives.

The State Government, alongside the Knox, Maroondah and Yarra Ranges Councils, are committed to the ongoing economic sustainability and prosperity of the Bayswater Business Precinct as a Regionally Significant Industrial Precinct (RSIP) in Melbourne's Eastern Metro Region. The purpose of this strategy is to articulate this role in more detail, including how it can transform over time to take advantage of new opportunities afforded by structural changes in the economy, and forecast population growth in the Region.

The report is underpinned by contextual analysis of opportunities and the BBP's strategic advantages, and the project team has worked collaboratively with all stakeholders, including State and Local government, to ensure the precinct has the greatest chance of success. Other project drivers included:

- Concentrating efforts and investment on areas that have the highest potential to deliver significant change (Strategic Sites and high change precincts).
- Acknowledgement that some parts of the precinct will continue to fulfil an important role in providing access to businesses which provide a wide range of services for people living in the region.⁸
- Ensuring the long term sustainability of the precinct is considered in all decision making – environmental, economic and social sustainability.
- Leveraging the current strengths and networks within the precinct; the existing businesses and activities represent important links to the local community and are important for its long term sustainability.

1.1 The project

This report articulates the future competitive positioning of Baywater Business Precinct and key government actions and initiatives that may support this. Policy supports the ongoing role of the BBP as a Regionally Significant Industrial Precinct.⁹ The precinct has been identified in metropolitan planning as having a key role to play in the network of employment places. Previous planning and research (see Plan Melbourne 2017, DELWP's Land Use Framework Plan for the Eastern Metro Region) has identified that a coordinated effort will be required for the precinct to remain economically competitive in future,

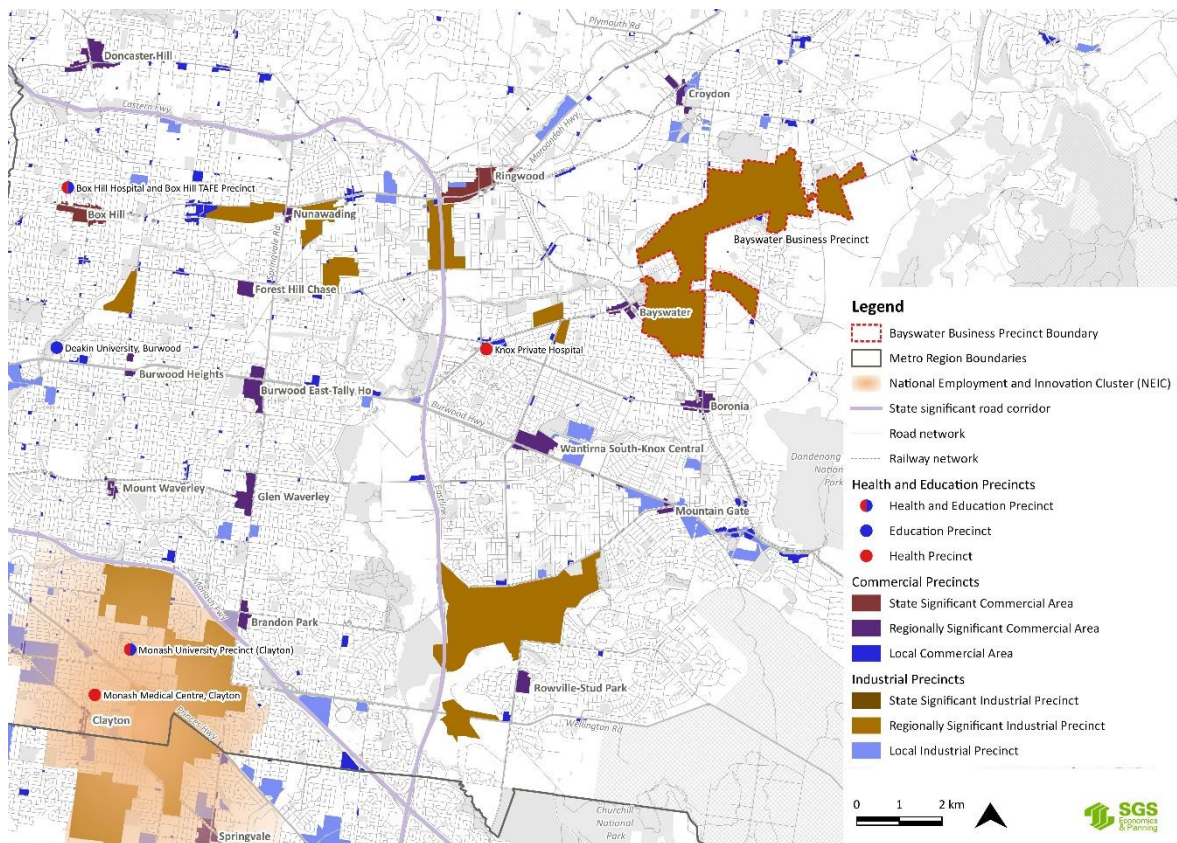
⁸ For the purpose of this Strategy, 'local services' refers to industrial and large-scale commercial uses which are inappropriate to locate in activity centres and residential areas, but which need to be in close proximity to where people live.

⁹ Refer to the *Eastern Metro Region Land Use Framework Plan*, DELWP 2020. Available from URL: https://s3.ap-southeast-2.amazonaws.com/hdp.au.prod.app.vic-engage.files/7216/2977/6024/Eastern_Chapter04_Productivity.pdf.

where adaptation should be encouraged among existing businesses, and to attract new businesses that will support the realisation of the vision for the future of the precinct.

The area designated as the Bayswater Business Precinct comprises industrially-zoned and some commercial land in Bayswater, Bayswater North, Boronia, Croydon, Kilsyth and Kilsyth South. The precinct is dissected by Canterbury Road, Mountain Highway and Colchester Road. There are several residential interfaces with the BBP, as well as large open spaces, biodiverse corridors and waterways, namely Bungalook Creek (north) and Dandenong Creek (south).

FIGURE 7: THE BAYSWATER BUSINESS PRECINCT AND REGIONAL CONTEXT



Source: SGS Economics and Planning., 2021.

The project leverages a wide range of existing background information and extensive stakeholder engagement collected by Knox, Maroondah and Yarra Ranges Councils, and State government agencies. The strategy is structured as follows:

- Articulation of the reasons why a Transformation Strategy is needed in the Bayswater Business Precinct, based on its unique characteristics and profile, and reflecting its local and regional context.
- The vision and identification of how the various sectors will present in the Bayswater Business Precinct over time, if positive actions are taken by State and local government alongside local businesses, and considering the infrastructure, governance, planning and economic gaps between the current situation and the future vision.
- Key actions, outcomes and levers required, using a three horizons framework for implementation.

This document can be read in conjunction with the *Baywater Business Precinct Transformation Strategy Background Report*, which provides further detail about the policy and economic drivers that underpin the vision and actions presented in the following sections.

1.2 Stakeholder collaboration

In 2014 and since, the three Councils and the State Government have maintained strong relationships with stakeholders in the BBP. Building on those existing relationships, a series of targeted interviews were undertaken to focus on key questions for the Transformation Strategy.

The aim of stakeholder consultation was to ensure the strategy identifies and acts on the challenges stakeholders face and opportunities they see for the BBP. The consultation sought to understand the current and future industry needs and identify additional opportunities.

Consultation findings

Based on stakeholder discussions and past consultation, it is clear that the BBP's identity is:

- A manufacturing precinct that makes a significant contribution to the Melbourne economy
- Underpinned by a strong advanced manufacturing
- Well-founded with Industry 4.0 businesses.

The BBP is home to an ecosystem of well-connected industries with strong local supply chains and informal networks, and this is critical to the precinct's success. There is an opportunity to strengthen those connections with support such as networking and open house events.

While vacant land is in high demand, there are a large number of underutilized lots with old building stock. There is an opportunity to work with land holders to encourage the preferred building typologies identified in this document.

Overall, businesses are committed to the precinct and its long-term success.

While the lack of amenity was generally something expected in an industrial context, there was a recognition that access to open space, places to eat and improved public transport would be a benefit.

Nine businesses were consulted, with representatives from real estate, data management, retail, automation/robotics, metal fabrication, manufacturing development and landowners. Many advised that they were just too busy, but there was a general feeling that there had been a long history of previous engagement between government and landowners (they felt their voices had been heard before).

Businesses are focused on their day-to-day operations. This highlights the important role for the three BBP Councils to lead the precinct's transformation with a view to the future, and for using the Transformation Strategy as a way of articulating this commitment and the actions to achieve it.

A detailed summary of interview findings is included in Appendix A of the *Background Report*.

2. Why does the BBP need a Transformation Strategy?

Activity in the Bayswater Business Precinct contributes a significant amount to the Eastern Region's local economy, both in terms of job numbers and gross domestic product (GDP). However, there are signs that the precinct's key industries are in decline, and that jobs growth will not keep pace or remain relevant to the wider Region's growing population as an employment destination.

In order to remain competitive and sustainable, the precinct needs to embrace new technologies and offer more diverse employment choices.

2.1 The BBP is a regionally significant industrial precinct

State government policy defines the role and function of the BBP as a regionally significant industrial precinct (RSIP) in Melbourne's Eastern Metro Region (see Figure 8). The Melbourne Industrial and Commercial Land Use Plan (MICLUP) directs RSIP planning to retain key industrial locations that have a range of traditional industrial uses such as manufacturing, warehousing and other industry.¹⁰ There is policy support to promote employment outcomes that offer a higher amenity to workers and foster economic vibrancy. This may include a greater focus on office or business park development, or support for new and emerging innovation and enterprise-based businesses.

There is strong local policy support to protect the BBP's employment functions and industrial capability, and to enhance public transport and road upgrades to support the way the BBP functions. These directions are also highlighted in the Eastern Metro Region Land Use Framework Plan.¹¹ The BBP Connect platform and BBP Coordinator role set the basis for a governance framework intended to harmonise planning and economic development across the three BBP Councils (Knox, Maroondah and Yarra Ranges), and to support ongoing investment attraction and business-to-business connections.

Key local directions from the three BBP Councils include:

- Advance collaboration between the three BBP Councils for strategic investment attraction and development in the BBP, focussed on business networks, precinct amenity, streamlining assessment and new investment.¹²

¹⁰ DELWP, *Melbourne Commercial and Industrial Land Use Plan*, 2020, p. 34. Available from URL: <https://www.planning.vic.gov.au/policy-and-strategy/metropolitan-industrial-and-commercial-land-use-plan#documents>.

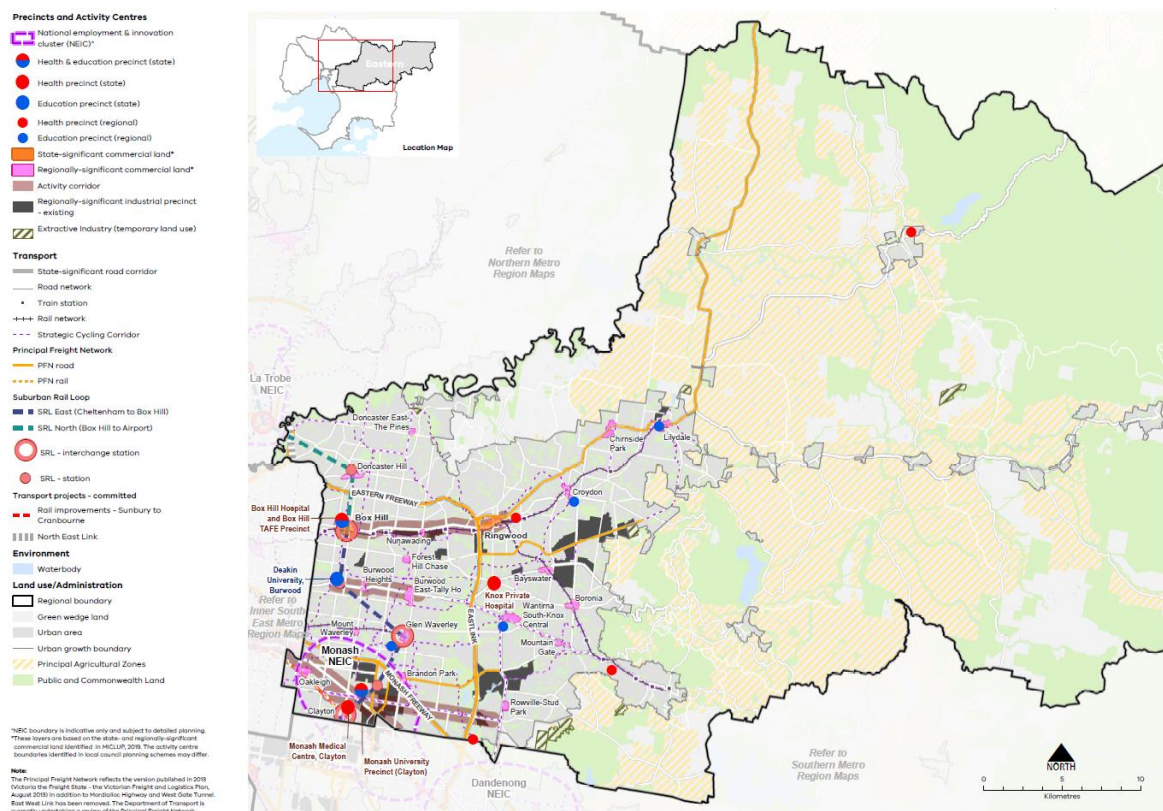
¹¹ DELWP, *Eastern Metro Region Land Use Framework Plan*, 2021, p. 29. Available from URL: https://s3.ap-southeast-2.amazonaws.com/hdp.au.prod.app.vic-engage.files/7216/2977/6024/Eastern_Chapter04_Productivity.pdf.

¹² Knox City Council, *Community and Council Plan (2017-2021)* and *Knox Land for Business Strategy (2018)*.

- Promote and leverage the strategic location and unique role of the BBP, work in partnerships to assist local businesses and promote investment attraction, and advocate for public transport improvements in the BBP.¹³
- For Yarra Ranges, Kilsyth is one of the most significant industrial areas in the Shire. Some land is underutilised, and there are opportunities for infill development and redevelopment of redundant facilities, although interfaces with nearby established residential areas need to be considered.¹⁴

The Eastern Metro Region Land Use Framework Plan reinforces these directions: ‘to remain economically competitive the precinct should encourage adaptation by existing businesses and attract new businesses. Increasing the amenity in and around the precinct will add to Bayswater Business Precinct’s marketability for new businesses.’¹⁵ Direction 4 in the Land Use Framework Plan highlights that RSIPs should be a focus for diversified and intensified employment uses.¹⁶

FIGURE 8: PRODUCTIVITY NETWORK IN THE EASTERN METROPOLITAN REGION TO 2050



Source: DELWP Eastern Metro Region Land Use Framework Plan, 2021.

Like many mature industrial precincts across Australia, the BBP includes large areas of ageing industrial and commercial building stock and some low amenity public spaces which inhibits its ability to prosper and remain competitive in the long term. In order to maintain sustainable levels of new private sector

¹³ Maroondah City Council, *Council Plan (2020/2021 update to the 2017-2021 plan)*.

¹⁴ Yarra Ranges, *Yarra Ranges Activity Centre Network Strategy (Background Report)* (2012).

¹⁵ DELWP, *Eastern Metro Region Land Use Framework Plan, 2021*, p. 29.

¹⁶ DELWP, *Eastern Metro Region Land Use Framework Plan, 2021*, p. 20.

investment in BBP, new investment will be required in a high-quality urban environment and improved connectivity and amenity.

The future competitiveness and sustainability of the precinct requires economic regeneration underpinned by strategic investment in critical infrastructure.

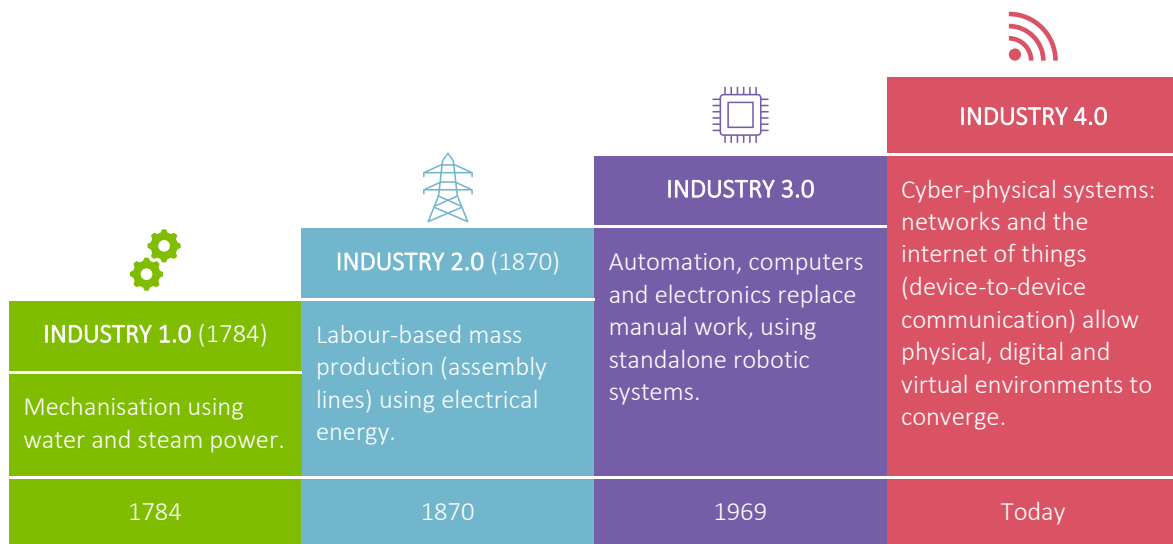
Without a clearly defined strategy for regeneration and value proposition for investment, the precinct’s capacity to retain and attract key propulsive sector industries to sustain the local economy and to create local jobs into the future is at considerable risk.

2.2 Macrotrends affecting the BBP

Due to structural changes in the economy, forecast scale of population growth and other factors, the context for employment planning, in particular, is evolving quickly. These economic trends are leading to new, hybridized development models that transcend traditional notions of industrial estates, business parks and town centres. In this context, a clear strategic direction is needed for the BBP.

Notwithstanding the precinct’s impressive economic profile, the Councils of Knox, Maroondah and Yarra Ranges (the BBP Councils) have become increasingly concerned about the precinct’s ability to attract sustainable levels of new investment required to increase the number of high value employment opportunities and to maintain the region’s economic prosperity. Significant challenges arising from population growth and global economic and industrial transition are placing unprecedented pressure on local economies. Employment precincts across Australia, including the BBP, risk being left behind if they are unable to embrace new ways of working.

FIGURE 9: INDUSTRIAL TRANSFORMATION OVER TIME



Source: Based on various sources including Bosch’s 2013 White Paper on the advent of Industry 4.0.

The past thirty years have seen a profound restructuring of the Melbourne economy. The metropolis has transformed from an industrial city into a knowledge intensive economy. This structural change has impacted the composition and location of employment across Metropolitan Melbourne.

There have been many explorations of the new or 'recombinant economy' of the city, including those by Hutton (2010) and Moretti (2012). Hutton (2010, p. 279) described Melbourne as a 'hybridized structure of cultural production, creative labour and technology' where both new and old economy industries coexist through collaboration, competition, and consumption. Often the former industrial areas, of the inner city, in particular, contain remnants of the industrial past alongside new knowledge and creative uses.

Employment in manufacturing (as traditionally defined) will likely continue to decline, while employment in Professional and Financial services will increase. A range of population serving industries will also expand, including Health care, Retail and Education. The expected changes in manufacturing show a nuanced picture of a sector transforming rapidly, competing in an increasingly globalised economy.

Knowledge-based industries encompass research and development (R&D), design, engineering, marketing, advertising and creative industries, as well as more traditional jobs such as lawyers, bankers, financiers, doctors and management consultants. Many of these activities overlap with production and manufacturing and could present growth opportunities for the manufacturing sector. This is particularly so as more hybrid roles emerge with technological advancements, allowing for movement up the value chain (e.g., rapid prototyping, 'customise-make-service-sell').

Structural economic shifts pose both threats and opportunities to the BBP

With such a strong manufacturing industry profile, this structural transition presents both risks and opportunities for the future economic role and function of the precinct. While manufacturing jobs may be declining, the value of what Australia manufactures is actually increasing. Since 1989, manufacturing has halved its share of contribution to Australia's economic activity (from 12% to 6%) while Professional, Scientific and Technical services and Financial services combined has increased by almost half (to 17%).

Significantly, while manufacturing has declined as a share of total economic activity, the size of its contribution has increased by 16% over that time. This suggests that while manufacturing has been overtaken by knowledge intensive service industries, its economic contribution continues to grow — likely driven by advances in what we produce and how we produce it.

This transition to high value production and advanced manufacturing technologies, combined with the diversification of the types of businesses based in the precinct, represents a significant opportunity for the BBP to build and transform its future growth from its established manufacturing specialisation.

Impacts of COVID-19

Overall, businesses within the precinct appear to have been able to withstand the impact of COVID-19, largely due to JobKeeper. However, while those who supply locally have typically been able to return to relatively normal operations, those who rely on international exports and those whose supply chains are reliant on imports are still experiencing the effects of the pandemic.

The ever-changing border closures has had a significant impact on staffing. Many businesses rely on lower skilled foreign workers, and with the border closures, there is a smaller pool of workers to draw on.

In addition, since JobKeeper ended there have been ongoing lockdowns and varied availability of emergency payments has extended the hardship many businesses, especially smaller businesses, are facing. Small businesses who were able to survive cannot maintain higher debt levels that larger companies are able to and are at risk.

2.3 The need for transformation in the BBP

A range of internal and external forces influence the way the BBP operates today, and its potential future state.

Population growth and urbanisation, global economic and social changes, and industrial pressures and transitions, are all placing unprecedented pressure on local economies and employment precincts. For the BBP to remain economically, environmentally and socially sustainable and prosperous, it needs an edge to promote against competing employment areas with greater available and undeveloped land.

The BBP’s ability to compete with new greenfield developments, especially industrial land in the Northern and Western Growth corridors, and the Southern SSIP (Dandenong South), the Officer-Pakenham SSIP corridor, relates to its location in a highly established area, with access to a skilled and diverse local workforce. In comparison, many of the SSIP sites can offer large, unconstrained lots with better access to the Principal Freight Network, Port of Melbourne and Melbourne Airport.

FIGURE 10: KEY FACTORS INFLUENCING THE BBP’S CURRENT TRAJECTORY

	Baywater Business Precinct	Greater Melbourne/Eastern Metro Region
	Manufacturing and construction are key industries for the Knox, Maroondah and Yarra Ranges LGAs, and around 40,000 local jobs are within or directly connected to the Bayswater Business Precinct.	The Bayswater Business Precinct has a location quotient of around 5 for manufacturing, 3 for wholesale trade and 2 for construction, meaning these industries are present in higher proportions compared to Greater Melbourne.
	Around 10 per cent of businesses in the BBP have 20 or more employees , similar to other comparable employment precincts across Greater Melbourne. There are several key tenants who have a larger proportion of knowledge workers. The average revenue generated by small businesses is \$2.88m compared with business in the Eastern Metro Region, which generate \$1.11m.	The Eastern Metro Region contributes 16 per cent of Greater Melbourne’s total Gross Regional Product (GRP), \$52b. ¹⁷ Melbourne has transitioned from an economy heavily reliant on a declining manufacturing sector (-6 per cent from 2000-2020), to a diversified economy with professional financial and insurance services. ¹⁸ Growing sectors are health care and social assistance, public administration and safety, financial and insurance, and construction.
	Over the past 20 years, population growth in the Eastern Metro Region meant 6.9 jobs were added for every ten people.	The metropolitan average for jobs growth was that 5.5 jobs were added for every 10 people between 2001 to 2021.

¹⁷ DELWP, *Eastern Metro Region Land Use Framework Plan*, 2021.

¹⁸ SGS Economics and Planning, 2021, *Australia’s Economic Wellbeing 2019-2021*.

	Baywater Business Precinct	Greater Melbourne/Eastern Metro Region
	With a forecast annual average growth rate of 1.1 per cent, the three BBP LGAs will need to exceed a ratio of 6.9 jobs per ten people to keep pace with population growth. To date, the ratio was 6.1, meaning job creation is not keeping pace with population growth today.	Comparing the metropolitan average to the BBP, the jobs-to-population ratio suggests a high percentage of workers are able to live, and find work, locally – a key selling point that should be protected into the future.
	The proportion of people in the Knox, Maroondah and Yarra Ranges LGAs with a bachelor's degree or above increased by 7 per cent from 2006 to 2016. In 2016, 22 per cent of people aged 15 years and over had attained that level of qualification or above.	The Greater Melbourne average educational attainment for bachelor's degree or above was 27.5 in 2016, an increase from 14.2 per cent in 2006.
	The BBP has traditionally had a blue collar profile who live locally. As education levels across the Eastern Metro Region are increasing, this brings opportunities for businesses to draw on a pool of highly skilled workers in future, to support a transition to industrial jobs requiring knowledge workers.	Across Greater Melbourne, around one third of all workers are employed in either health care and social assistance, manufacturing or the retail sector. ¹⁹ Twenty-five per cent of workers are professionals, 13.9 percent clerical/administrative workers, and 13.2 percent managers.
	The BBP has a lower effective job density (EJD) due to its peripheral location compared to other employment precincts across Greater Melbourne. However, the precinct's strengths in manufacturing, construction, wholesale and warehousing are key opportunity sectors to target ensuring the precinct's competitive advantage is leveraged now and into the future.	From a business perspective, higher levels of connectivity mean that businesses enjoy scale and productivity advantages through better access to skills, suppliers and complementary enterprises. It is this access – referred to as 'agglomeration' - that drives new knowledge and innovation in modern economies. Industrial employment locations closer to Melbourne's CBD and along the Principal Freight Network (PFN) have a higher EJD than the BBP, a relative score of up to 51/100 compared to the BBP's 24.
	The BBP has less than 10 per cent vacant land available for future development (notwithstanding opportunities to densify and redevelop strategic sites incrementally). The Eastern Metro Region has an anticipated 12 years' supply of industrial land remaining (135.1 hectares).	Across Greater Melbourne, there is around 6,563 hectares of vacant land, with most (4,193) concentrated in State Significant Industrial Precincts (SSIP) in the Western and Northern Metro Regions. Land is being taken up at an average rate of 280 hectares per annum, around 20 years' supply. ²⁰

The BBP is at a competitive disadvantage versus current trends in the industrial property market (i.e., move to more logistics-oriented operations that require large, greenfield sites). However, COVID

¹⁹ Based on *ABS Census of Population and Housing, 2016*.

²⁰ DELWP, 2020, *Melbourne Industrial and Commercial Land Use Plan (MICALUP)*, p. 24.

changes may see a greater demand for local manufacturing as businesses want greater certainty around supply chains (fewer imports, more domestic production), increasing the demand for employment floorspace. A shift away from 'just in time' supply chains could also mean businesses hold more stock, increasing demand for warehouse floorspace.

At the same time, earlier reports on the BBP suggested a move away from Australian manufacturing due to globalisation, high labour and operational costs, and fierce import competition. While traditional manufacturing has been moving offshore, there has been a move towards smarter and knowledge-based manufacturing rather than the process model.

The changing nature of work means many traditional industrial businesses now include higher tech functions and employ higher skilled workers. Businesses employing people in traditional, industrial sectors as well as knowledge-intensive research and headquarter functions on a single site is increasing. This is also occurring for SMEs making use of smaller lots that combine office, warehouse/distribution, and R&D functions on the one site.

The BBP and its surrounds currently employ over 33,000 people, 70 per cent of which live within 10 kilometres of the precinct. Within the BBP study area, there are currently around 27,361 workers (based on 2016 Census, adjusted to 2021 using SGS small area land use projections). The number of jobs in the precinct could increase to more than 44,000 in 2041, with positive intervention to ensure that employment in the BBP keeps pace with, or exceeds, population growth.

The BBP is home to diverse employment activities that could be further showcased and expanded in future.



There is a need to proactively take policy and economic development steps to protect, enhance and expand those opportunities in the BBP. Based on current trends, jobs growth will not keep pace with population growth. Positive action will be required in the BBP to ensure it can embrace opportunities that come along with broader trends.

- Currently, employment in the BBP represents 15 per cent of jobs in the Knox, Maroondah and Yarra Ranges LGAs, and 2.7 per cent of jobs in the Eastern Metro Region. As highlighted earlier, some of the BBP's industry strengths are also sectors that are most under threat of decline.
- At the same time, a small number of very large businesses contribute a high proportion of the BBP's GDP. This means the loss of any one of those businesses would have a significant impact on the BBP's regional productivity and contribution to the local employment market.

2.4 Spatial context

The precinct has been analysed against key spatial and amenity themes, crucial to its future success attracting business and investment. Discussion expanding on each theme in more detail is contained in the *Background Report*.

TABLE 1: SUMMARY OF SPATIAL OPPORTUNITIES AND CONSTRAINTS

	Constraints and challenges	Strengths and opportunities
 Access	<ul style="list-style-type: none"> – Distance from Melbourne port, airport, or rail freight – Poor public transport access - disconnected from rail and poor bus network – connection, no PT connection between key places within the precinct – Significant number of workers live locally but drive to the precinct. 95% workers commute to BBP by car, despite 70% of workers being residents from Knox/Yarra Ranges/Maroondah. 30% workers live within 3km from BBP – Major roads are barrier to movement and unsafe for cycling. – Uncertainty around the Healesville corridor. DOT communications indicates that it will remain a road reserve for potential future use. – Freight network causes bottlenecks around the precinct and disruption to nearby residential areas – Disconnected internal road network and poor internal traffic circulation – Disconnected from Bayswater activity centre and train station (poor pedestrian access) 	<ul style="list-style-type: none"> – Access to Major transport gateways (proximity to East Link, Melbourne CBD and Melbourne Airport) – Access to Bayswater train station on Belgrave line and Ringwood – East and Croydon train stations on the Lilydale line – There is a network of trails along the Dandenong and Bungalook Creeks directly north and south of the BBP – a major opportunity for active transport
 Activity centres and nodes	<ul style="list-style-type: none"> – Lack of identifiable centres within the precinct, places to visit and take clients – Few identifiable nodes of focused employment activity – Little obvious differentiation between the sub-precincts – Due to size of precinct any existing population-serving uses are not within walking – Distance of most parts of the BBP – Current commercial/population serving offering is limited (some cafes, fast food along Canterbury Road and lacks cohesion – Poor amenity/lack of services may limit attraction of new anchor tenants 	<ul style="list-style-type: none"> – Near several major activity centres – Bayswater, Croydon, Boronia, Ringwood MAC, Wantirna Health Precinct – Small commercial nodes and some population-serving activities (cafes, etc.) dotted throughout precinct (e.g., Canterbury Road, corner Bayswater Road)



Physical amenity

- | Constraints and challenges | Strengths and opportunities |
|---|--|
| <ul style="list-style-type: none"> - Lacking clear boundaries or physical markers to denote the precinct (including gateway sites) - Ageing and built-up nature of the precinct – not clean and welcoming - Scale of the precinct – limited sense of place and local identity, no identifiable centres, poor building address and street interface - Inadequate business and employee amenity – need for improved diversity and quality in the local food/restaurant offer, improved personal services (e.g., dry-cleaning, childcare, grocery shopping) and localised business services - Inadequate business accommodation for the growing professional services sector - Limited IT infrastructure, poor digital connectivity - Lack of access to open space - Varied quality of public realm across precincts, but generally poor | <ul style="list-style-type: none"> - Scale of precinct allows for diversity - Improve public realm amenity for workers and visitors, building on existing significant trees and landscape setting near the Dandenong and Yarra Ranges (opportunities for more open space and greenery to soften the appearance of a traditional industrial precinct) - Work with landowners/developers to leverage any renewal projects to include services/amenities that support workers (e.g., somewhere to have lunch, take clients) - Use urban design techniques such as gateway treatments to delineate sub-precincts, and highlight future activity centres/hubs |



Precinct branding

- Does not have a high profile or identifiable brand in the way that Monash, Dandenong, and other major employment precincts do
- Perception (reality?) that the precinct doesn't have the technology and infrastructure to support Industry 4.0 sectors
- Key tenants, such as Siemens, appear to account for the higher skilled worker (and high output for the region) with the remaining showing a more traditional industrial worker profile
- Some key major tenant departures recently

- Home to a range of multinational organisations in the precinct
- Precinct is made up of a diverse mix of businesses
- Recent policy identifies precinct as regionally significant, recognising its important role in the Eastern Metro Region
- Opportunity to support and retain existing anchor tenants in the precinct to encourage collaboration, wider regional precinct promotion and knowledge-sharing



Land use and development

- Safeguard floorspace diversity and affordability to provide flexibility for small local businesses to start and scale up
- There are large, underutilized sites
- Fragmented land ownership
- Precinct is almost fully developed (less than 10 per cent of land vacant and available for future development), limiting expansion opportunities
- Lack of large contiguous sites to meet the need of large industrial uses (90% of lots are 5,000 sqm or less)
- Diverse range of building typologies - parts of the precinct typify an older industrial area, with numerous older buildings occupying smaller lots and individually owned
- The large scale of the precinct is a challenge

- Several large opportunity sites with large lot area and low site coverage or older buildings (opportunities for infill development and redevelopment of redundant facilities)
- Diverse range of building typologies - parts of the precinct look like a modern business precinct with new, high quality buildings set amongst high end landscaping
- Home to a range of multinational organisations in the precinct – Siemens, GSK, Kenworth/Paccar, Henkel. Business landmarks include Siemens; Vulcan; GlaxoSmithKline (GSK); Fibremakers; Kenworth; Boral Quarry
- Nearby: Monash NEIC (including industrial area), Dandenong NEIC and Southern SSIP, Ringwood MAC, Box Hill MAC
- Close proximity to Wantirna Health and Croydon, Bayswater, Boronia MACs

2.5 Directions for the BBP

Based on the analysis in this section, and feedback collected throughout the project, the BBP Transformation Strategy has been prepared with the following context in mind:

Set up the precinct for long-term success

- Establish/strengthen strong governance arrangements between the three Councils, State government and government agencies.
- Provide a home for niche manufacturing/industrial activities that may expand to become higher order businesses.
- BBP businesses have supply chains embedded in the region; strengthen those connections, providing spaces and networks for collaboration and skills sharing.
- Offer incubation opportunities for niche businesses, while also offering a range of differently sized sites for businesses to grow and expand.
- Lead the transition to a circular economy, leveraging the established internal supply chains, and focusing on key industries of manufacturing and construction (two heavily material-dependent and waste-producing industries). Work with businesses to embed those supply chains into business operations and promote opportunities for new businesses where gaps exist.
- Embrace the necessity of decarbonising the economy. The push towards Net Zero emissions is gaining global momentum. This shift will be crucial for the BBP given its focus on manufacturing and construction, which are relatively large contributors to CO2 emissions.
- Build on existing green corridors, and established vegetation throughout the precinct, focusing on opportunities to enhance the environmental sustainability of the precinct for climate, clean air, thermal comfort and amenity reasons.

Spatial structure and planning

- Continue to offer affordable land for urban services (enabling industries such as motor vehicle repairs, printing, or construction) needed by the surrounding established residential areas.
- Support the renewal of land and buildings across the BBP in order to create a diversity of contemporary workspaces for existing and new industrial and commercial businesses within the region.
- Prioritise the creation of higher order land uses (including activity nodes) in places that have good access and strong connections to the freight network or public transport (e.g., near the Bayswater Major Activity Centre, along Canterbury Road and Mountain Highway).
- Differentiate precincts appreciating their underlying opportunities and constraints to improve a sense of arrival, wayfinding and promote the Bayswater Business Precinct as a coherent and regionally significant employment place—to visitors and workers alike.

Profile and identity

- Leverage strong precinct branding to promote vacant/redevelopment sites, attract investment, improve renewal outcomes, and generate wider place/brand recognition for the precinct.
- The BBP is a regionally significant employment precinct, both as a local employment hub for the Knox, Maroondah, and Yarra Ranges LGAs, and based on the GDP it generates for the LGAs and the Eastern Metro Region
- The BBP is home to a diverse range of businesses and has a key manufacturing strength which should be protected, and enhanced, to embrace new technology such as smart manufacturing (Industry 4.0).
- Grow opportunities to export innovative ideas and technology/processes created within the BBP.
- Advanced Manufacturing has been heavily promoted by state and federal government. Planning for employment precincts across Australia is focusing on this transition, supported by business and industry leaders. The BBP already has the manufacturing critical mass and a demonstrated focus on R&D and innovation to take a leading role.
- Focus on Advanced Manufacturing by leveraging the BBP's manufacturing expertise and specialisation and capitalising on the increasing demand of advanced manufacturing capabilities close to customers and places focused on R&D.

Amenity and functionality

- Support a wide range of businesses to locate within the precinct (including knowledge services, population services, training facilities, health-related R&D, manufacturing and distribution activities. This will be achieved by providing a higher level of amenity to better support workers and businesses, including clients (in terms of the precinct's physical attributes, access to open space and commercial/hospitality offering).
- Improve the access network both for freight (reliability and efficiency), active and public transport (connectivity, permeability, and safety).
- Retain, enhance, and expand the BBP's manufacturing offering, keep pace with global advancements and leverage R&D opportunities in the knowledge economy linked to manufacturing innovation.
- Digital and virtual connectivity should be identified as key opportunities for enhancing B2B connectivity.
- Opportunities for technology to be enhanced should feature in the Strategy.
- For transport, consideration needs to be given to mode prioritisation with an understanding of the transport aspirations for the precinct — for example, where (and when) cycling corridors for workers are prioritised compared to a well-functioning and efficient freight network.

3. Transforming the Bayswater Business Precinct

This section sets out strategies and actions to achieve the type of transformation that will be needed in the BBP for it to remain a competitive, prosperous and sustainable regionally significant industrial precinct in the Eastern Metro Region.

3.1 Vision for the Bayswater Business Precinct

The Bayswater Business Precinct holds unparalleled opportunities for manufacturing and commercial businesses in Greater Melbourne.

It is a key employment destination in the Region, and the diverse range of businesses in the precinct make a significant contribution to the Eastern Region's economy.

This is driven by a well-connected and supportive supply chain of niche innovative businesses that are adaptive, an ecosystem of businesses, anchored by many that are innovative and embrace Industry 4.0 principles.

3.2 Strategies and actions

There are four strategies to deliver the vision:

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

Within each strategy, there are actions focused on:

- planning for future growth,
- activating the precinct via infrastructure investment and physical improvements,
- facilitating development, investment and relationships through governance, partnerships, advocacy,
- systems that will create smooth processes to attract and keep businesses, workers, or investment in the precinct.

3.3 Strategy 1: Set the precinct up for long-term success

Action 1	Appoint a formalised governance unit for the BBP, dedicated to overseeing precinct growth including development of the spatial plan, and a branding and marketing strategy.
Action 2	Support business to access various streams of government funding, including for research and development, and preparing business cases.
Action 3	Facilitate business-to-business relationship-building via regular events and a dedicated enterprise hub.
Action 4	Understand business' requirements to remain, grow and invest in the precinct by fostering relationships between key businesses, industry representatives and institutions.
Action 5	Identify, progress and promote the renewal of strategic sites.
Action 6	Prepare an urban greening strategy to support climate adaptation and mitigate the impact of urban heat.
Action 7	Investigate options to pursue a circular economy.
Action 8	Develop a water sensitive precinct strategy to enhance climate resilience and improve environmental outcomes across the precinct.
Action 9	Plan and deliver active transport links to encourage more sustainable transport use.

Facilitate development, investment and relationships

To date, the precinct has been home to a network of high performing businesses. It has provided a regional economic focus, offered jobs and supported the local economies. Projected population growth in the region means that, to retain and build on this role, the precinct will need to accommodate additional jobs and economic activity.

The challenge for the precinct is to retain and build on existing strengths as significant industry and economic transformation is occurring in the broader economy. Another challenge is to provide a range of appropriate sites to accommodate the lifecycle of local business growth, from small to large.

This strategy seeks to promote the precinct's resilience by considering both economic/business longevity and environmental and climate adaptation.

Economic Sustainability

The economic sustainability element has two interlinked components:

- retaining the precinct's unique economic structure defined by the ecosystem of businesses, and
- supporting this system to deliver benefits to the local and regional community.

It is crucial that anchor institutions and the critical mass of businesses of differing size and scale are retained. This network of complimentary business contributes to a unique economic ecosystem and underpins the precinct's success. The larger manufacturing businesses provide diverse supply opportunities to smaller businesses, contribute to the identity of the precinct and contribute to the skill

development of the labour pool. This drives the productivity of the precinct and, without them, the precinct risks losing reliability of demand for small businesses, key drivers of employment and economic activity. The critical mass of employers also provides more choice for the region's skilled workers.

Despite the precinct's strong economic performance, it is susceptible to the outdated image of manufacturing, making it difficult to attract a younger workforce at the same time as the existing workforce is aging and family businesses are turning over.

Fundamental to the role of the precinct in supporting the local and regional economy are the principles of Community Wealth Building. These include:

- building on existing strengths
- supporting local businesses
- retaining the flow of capital within the local economy.

This can be achieved through a range of means, including:

- employing local people who'll spend their wealth locally
- supporting businesses that are strongly connected into local supply chains (B2B wealth capture)
- local procurement and links with local businesses.

Environmental Sustainability

In addition to economic resilience, the precinct needs to be positioned to both mitigate the impacts of climate change and to harness the opportunities of a transition to a sustainable, circular economy. A circular economy removes the concept of waste by considering it as a future resource; circular economic thinking and processes must therefore move beyond just focusing on re-using waste and challenge the fundamental principles of design, production and consumption.

It is important that the precinct is future proofed in the face of climate change, through improving the uptake of solar power through solar panels with batteries for storage, providing charging facilities for electric vehicles in key locations along with actions to reduce the urban heat island effect in the precinct.

Action 1: Appoint a formalised governance unit for the BBP, dedicated to overseeing precinct growth including development of the spatial plan, and a branding and marketing strategy.

Horizon for implementation: Consolidate the BBP, aligning governance mechanisms and promoting a shared understanding of the BBP's identity and competitive advantages.

Outcomes: Foster strong relationships between businesses, streamline redevelopment pathways of strategic sites, branding spatial outcomes are achieved in a streamlined and cohesive manner.

Appoint a formalised governance unit for the BBP that is dedicated to overseeing precinct growth, including the development of the spatial plan and the branding and marketing strategy. For the BBP in each Council, this includes encouraging the realignment of:

- capital works and asset renewal works
- planning strategies and planning schemes

- economic development plans and strategies
- urban cooling and greening, environmental sustainability, climate adaptation/mitigation strategies.

This group should comprise members of the three Councils, DELWP, DJPR and DoT along with business representatives. A key focus of the group will be advocacy, negotiation, and promotion of the BBP to facilitate or achieve the Transformation Strategy actions, by:

- Ensuring policy that drives initiatives from this Transformation Strategy is consistent across the group's jurisdictions.
- Advocating for the BBP to different levels of government, including the Commonwealth and different government agencies (such as Department of Transport, Department of Jobs, Precincts and Regions, etc.).
- Linking BBP advocacy and policy into the wider collective power and efforts of complementary regional groups such as the ERG and ETC.

Action 2: Support business to access various streams of government funding, including for research and development, and preparing business cases.

Horizon for implementation: Enhance the BBP to diversify into allied markets and achieve significant value-adding to existing products and services, and strong connections to institutions that will enable enhanced R&D activity.

Outcomes: Addresses precinct branding and identity outcomes.

Support business to access to various streams of government funding, including for research and development, to help further opportunities for businesses in the BBP by providing dedicated resources to assist with grant writing, business case development and research.

A key focus for this action will relate to the transition from manufacturing to Industry 4.0 (smart manufacturing). Research and development, and access to funding to support this transition, will also involve business engagement, advocacy and strong connections with institutions and businesses on the forefront of Industry 4.0, so that knowledge and opportunities can be introduced or expanded by businesses in the BBP.

Action 3: Facilitate business-to-business relationship-building via regular events and a dedicated enterprise hub.

Horizon for implementation: Enhance the BBP to diversify into allied markets and achieve significant value-adding to existing products and services, and strong connections to institutions that will enable enhanced R&D activity.

Outcomes: Addresses precinct branding and identity outcomes, addresses the need for an activity centre that offers space for workers, partners and businesses to meet and collaborate.

Plan and deliver events and create a space where businesses in the precinct can meet each other and to bring potential partners into the precinct (industry, educational institutions, other levels of government). A dedicated enterprise hub could serve both as a home-base for businesses to easily access the BBP Coordinator, and as a key location where businesses can:

- Engage with one another

- Understand key government policy that will support their growth and development
- Liaise with other industry representatives
- Gain strong connections to research and development occurring in academia and regional institutions.

The enterprise hub may have a focus on Industry 4.0 and advanced technology, providing an opportunity to build on existing practices within the precinct, share knowledge and collaborate between businesses, academia, researchers and key government stakeholders. The space would include opportunities for co-working and hot-desking, function and meeting spaces to foster this collaboration.

BBP businesses will be able to collaborate, identify and strengthen regional supply chains. Knowledge and skill sharing among businesses and institutions in the region means the BBP will be a home for niche manufacturing/industrial activities and offer opportunities for them to become higher-order businesses.

Action 4: Understand business’ requirements to remain, grow and invest in the precinct by fostering relationships between key businesses, industry representatives and institutions.

Horizon for implementation: Consolidate the BBP to promote a shared understanding of the precinct’s identity and competitive advantages and defend current market. Enhance the BBP’s diversification into allied markets.

Outcomes: There is increased awareness of the BBP and local economic development mechanisms. There are strong relationships between businesses and regional anchor institutions, creating a pipeline of skilled workers fit for future industries in the BBP.

Continue to engage with key businesses and institutions to understand their requirements to remain, grow and invest in the precinct. The focus should be on the advanced manufacturing business that supports the manufacturing services ecosystem, along with any other businesses that have strong local supply chains, make a significant financial contribution to the local economy or are large employers, as the anchors for the precinct. The BBP should be a location where incubation opportunities are offered for niche businesses, while a range of sites are also available for those businesses at a stage where they are ready to grow and expand.

Strengthening business’ awareness of, and access to, the BBP Connect network, education providers, institutions and academia will be a key avenue to drive long-term business capability and expansion opportunities in future. Based on past engagement, focus areas are likely to be infrastructure (including digital infrastructure) improvements, availability of retail/hospitality services within the BBP, access to a skilled workforce, opportunities for knowledge sharing and strengthening connections between businesses.

Engagement with education providers (key regional anchor institutions) and academia will be important to support employment growth in target industries, linking to businesses and supporting industry transition in the precinct.

Action 5: Identify, progress and promote the renewal of strategic sites.

Horizon for implementation: Consolidating the BBP to have efficient regulation and development approvals, and efficient infrastructure maintenance.

Outcomes: The redevelopment of strategic sites is guided by preferred development typologies based on location and site conditions (e.g., former corporate HQ, large warehouse, smaller warehouse, redevelopment/greenfield site). There is consistent and aligned with strategic planning policy across State and local governments.

Engage with landowners to identify and progress the renewal of strategic sites, with a priority on Bayswater north and south (to link with Bayswater Activity Centre redevelopment and direct revitalisation opportunities near station). Renewal should focus on:

- providing spaces for development of business networks, including collaboration and interactions
- Improve local amenity and public realm
- Provide a range of hospitality, recreation and business services
- Deliver collaboration spaces, including office and meeting spaces/manufacturing hub and manufacturing incubator
- Deliver small open spaces
- Diversify the built form to provide a range of options for businesses of varying sizes and maturities to become part of, and grow, within the BBP.

This should occur via:

- Engaging with land owners, developers (both within and outside the precinct looking at existing examples in other locations, developers who have done this elsewhere), real estate agents.
- Articulation of the benefits of preferred typologies in strategic locations.
- Investigation of proposed business models, to share with potential investors.

In the short-term, this action could also be achieved in a pop-up/temporary BizHub based on the Maroondah model, with a specific focus on manufacturing/Industry 4.0. The BizHub could run one day a week (or month), where the BBP Coordinator or others from the BBP governance unit, business groups, and educational institutions can have a physical presence in the precinct. Over the longer-term, this could be located in an enterprise hub, while the short-term focus would be to work with land owners in the precinct to identify a site/spare office space, or spaces where the Hub could be rotated around existing business.

Plan for environmentally sustainable future growth

Action 6: Prepare an urban greening strategy to support climate adaptation and mitigate the impact of urban heat.

Horizon for implementation: Consolidate the BBP by improving cooling and greening measures across the public realm.

Outcomes: Addresses physical amenity outcomes, as well as strengthening precinct branding and identity promotion potential – the BBP as a leading employment precinct for climate adaptation.

Prepare urban greening strategy to support climate adaptation, mitigate the impact of urban heat via plantings, street trees, landscaping, building treatments, energy and waste management. There are opportunities to leverage and connect the existing green spaces, while considering a range of

development requirements for canopy trees and the creation of linear green spaces as part of any site redevelopment/renewal.

- Integrate with built form guidance (Strategy 3)
- Ensure sites of biological significance in and around the precinct are protected and enhanced and that habitat connectivity along identified key habitat corridor routes is protected and improved.

Action 7: Investigate options to pursue a circular economy.

Horizon for implementation: Transform the BBP to a precinct where businesses operate under an Industry 4.0 model and can make use of a circular economy.

Outcomes: Addresses physical amenity and land use and development outcomes, as well as overarching vision that transformation will lead to new methods of production and a more environmentally sustainable precinct.

Investigate options to pursue circular economy:

- Identify opportunities to implement decentralised water and energy production and distribution
- Identify local supply chains to minimise transport costs, and identify co-locate businesses that are part of the waste recovery and product manufacturing sectors
- Transition of fleets to ZEV options, electric or hydrogen.

Embracing concepts of the circular economy across the Bayswater Business Precinct will involve a review of supply chain linkages across all industries in the precinct, to look for opportunities to become carbon neutral and for the transformation of waste into construction and manufacturing resources. This action can be informed by parallel activities under the *Knox Enterprise Corridor Strategic Directions* report (SGS Economics and Planning, 2021), which includes strategic directions to develop a precinct-focused circular economy strategy and move towards a net zero carbon precinct.

Action 8: Develop a water sensitive precinct strategy to enhance climate resilience and improve environmental outcomes across the precinct.

Horizon for implementation: Enhance the BBP by improving local amenity and introducing resilience and climate adaptation measures, both in the public realm and in business practice.

Outcomes: Addresses physical amenity outcomes, as well as strengthening precinct branding and identity promotion potential – the BBP as a leading employment precinct for climate resilience and improved environmental performance.

To enhance the climate resilience and improve environmental outcomes across the precinct, develop a *Water Sensitive Urban Design Strategy*. Promote actions which reduce runoff and harvest stormwater to future proof in periods of drought and flooding.

- Work with industry to promote and encourage stormwater harvesting, collecting rainwater from roofed areas, with a specific focus on large sites and new development.
- Integrate WSUD into landscape requirements for the precinct to ensure they are incorporated into landscape designs. This could include water tanks for rainwater collection, raingarden (bioretention

basins and swales), sand filters, constructed wetlands/ponds/shallow lake systems, infiltration measures and gross pollutant traps, use of porous paving where appropriate.

- Education programs to promote good environmental practice by individual businesses with a focus on reducing pollutants entering the stormwater system and benefits of harvesting stormwater
- To ensure integrated water cycle management (IWCM) is considered in the design and layout of new estate subdivisions.
- Create onsite “green zones,” used for the retention and detention of stormwater on-site. These areas allow urban greening, which brings with it attractive and cooler micro-climate zones that people value. Green areas can include irrigated landscaping, water features, outdoor space for staff, green roofs or walls.
- Review and update flood extent across the BBP (if required) to understand how floodwaters can be calmed, cleaned and potentially stored as part of an initiative to reduce polluted run-off and enhance water sensitivity across the precinct.

Action 9: Plan and deliver active transport links to encourage more sustainable transport use.

Horizon for implementation: Enhance the BBP by improving local amenity and transport networks.

Outcomes: Addresses physical amenity outcomes, as well as strengthening precinct branding and identity promotion potential – the BBP as a leading employment precinct for sustainable transport use.

Plan and deliver active transport opportunities to encourage more sustainable transport use, specifically pedestrian and cycling links in plan (prioritise north and south Bayswater)

- New connection to stations and interface with public transport hubs
- New north-south connection
- Additional distributed connections
- New on-road connection on Mountain Highway (commuter cyclists)
- Future proof active transport routes to cater micromobility (e-bikes and scooters) and to augment public transport networks, extending the catchment areas for active and public transport.
- Advocate for the key cycling routes to be added to the PBN and SCC
- Identify key walking routes within the precinct and network gaps, where there is limited space, this should guide prioritisation of use of space for walking vs the provision of street trees.
- All new developments backing onto Bungalook Creek/Dandenong Creek should have direct connection to the shared path trail.

3.4 Strategy 2: Agree on a broad spatial plan for the precinct

Action 10	Adopt an overarching spatial plan for improving the amenity and function of the precinct.
Action 11	Promote a wider diversity of development typologies on vacant, underutilised, and redevelopment sites.

Spatial plan

The precinct covers a large area and contains a diversity activities, development patterns, infrastructure and built form. At present, the precinct lacks a clear or coherent identity as an employment precinct.

However, there are some discrete sub-precincts that exist within the wider BBP, and these should form the basis for prioritisation of interventions. By taking this approach, the amenity and function of each sub-precinct can be improved, and a clearer identity and ‘place-brand’ can emerge over time.

An overarching plan is important to enable a coordinated approach to be taken to improving the amenity, identity and function of each part of the wider BBP. It is also important from a governance perspective, to promote and share a vision for the BBP to State and local government, government agencies, potential precinct partners (like nearby education and health institutions), current and prospective businesses.

The various other physical actions set out in this strategy have been prepared with the wider spatial plan described in *Action 10* in mind. They provide the necessary component-parts for the wider spatial plan to be realised.

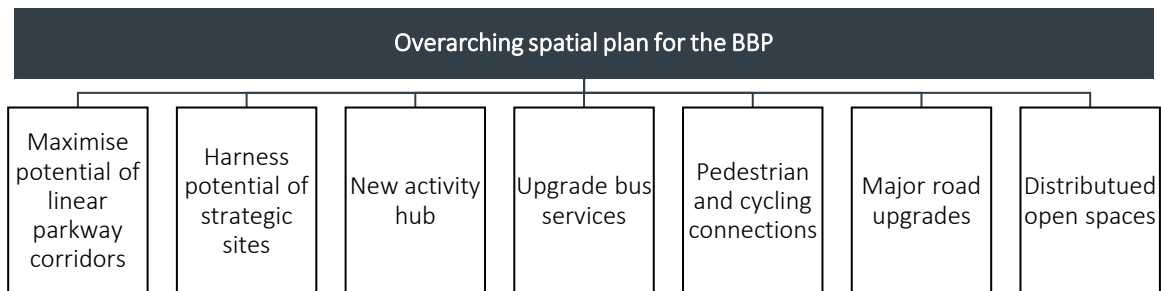
Action 10: Adopt an overarching spatial plan for improving the amenity and function of the precinct.

Horizon for implementation: Transform the BBP by creating a spatial plan that will enable achievement of consolidation and enhancement outcomes, ultimately leading the precinct to launch into entirely new industries.

Outcomes: Addresses access, activity centre and node, and physical amenity outcomes.

An overarching spatial plan (Figure 12) has been prepared which identifies a three sub-precincts, delineated by major roads and other features. The spatial plan will be supported by each of the ‘key moves’ addressing key spatial factors to enhance amenity and built form outcomes in the precinct (depicted in Figure 11).

FIGURE 11: ADOPT AN OVERARCHING SPATIAL PLAN FOR THE BBP



This plan is relatively conceptual and has a strategic intent to create identifiable precincts that each have services and facilities in a high amenity setting. These 'activity nodes' will both improve the branding and identity of the wider precinct and provide much needed convenience retail, hospitality, recreation and other services to each sub-precinct. A series of strategic sites have been identified as potential candidate locations for the creation of 'activity nodes'. These are not fixed locations and other alternative sites may well present as being able to fulfil this function. The priority is to ensure that activity nodes are created in locations which are accessible and highly visible within each of the sub-precincts.

The spatial plan also identifies a series of important improvements to movement and access across the BBP. This includes major road upgrades, new pedestrian and cycle connections and linear parkways.

Plans should be prepared for each sub-precinct, to identify how each of the key moves set out in the spatial plan can best be implemented. **Each sub-precinct plan should:**

- Articulate in greater detail the specialist role and function of the sub-precinct
- Confirm preferred locations for clustering a wide range of complementary business types
- Confirm strategic sites that would be suitable for mixed-use social hubs
- Identify how and where the proposed green and open spaces will be delivered
- Identify new and existing active transport links in the precinct, including funding and delivery mechanisms
- Identify new and existing PT corridors (e.g., buses within and to the precinct), gateways, route services improvements, mode priority and facilities infrastructure, and preferred bus stops
- Outline built form guidelines for areas of change.

Each sub-precinct plan should be prepared in a format similar to a structure plan, and identify infrastructure investment, and land use zoning needs to ensure all parties are accountable and have these priorities aligned to government infrastructure and investment programs. Planning actions to support this may include:

- Explore options for a structure plan suited to each sub-precinct and undertake initial research to drive this (may require a dedicated team member from among or appointed by the BBP governance group). The plans should demonstrate how each of the 'key moves' (Table 3) are to be achieved at the sub-precinct level.
- Undertake a review of the *Knox Land for Business* study and similar local plans, to glean learnings and assess if this is an applicable framework to adopt in the BBP and across the three councils.
- Review strategic sites, build on key moves, identify options around different overlays to support the spatial plan's implementation, preferred development and density outcomes.
- Consider site-specific minimum lot sizes for subdivision to and work with landowners to retain redevelopment opportunities on large strategic sites.
- Once the overarching spatial plan and sub-precinct structure plans have been prepared, implement the plans via updates to the three BBP council industrial land strategies, and undertake planning scheme amendments as required.

FIGURE 12: KEY MOVES UNDERPINNING A SPATIAL PLAN FOR THE BBP



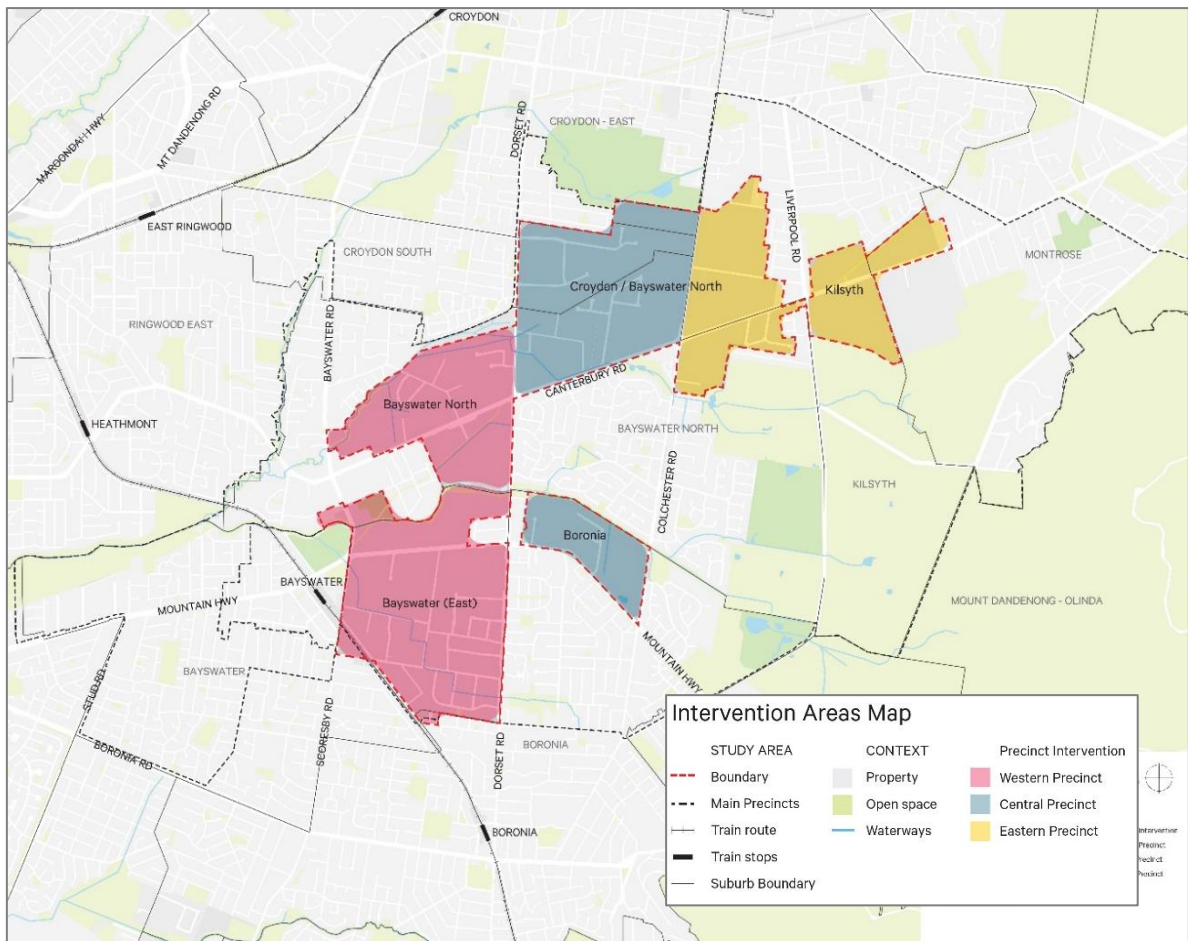
Source: Hodyl&Co, 2021.

Key moves that will underpin Action 10

The following key moves (Table 2) will form the basis of the spatial plan to be prepared under Action 10 of the Strategy and will also be explored as part of structure planning for the three BBP sub-precincts (Figure 13). The intention behind the key moves is to address spatial challenges that are barriers to achieving the BBP vision over the longer-term. The key moves are underpinned by the need to:




- Build from existing infrastructure (rails and cycleways)
- Align with existing higher density job/business clustering
- Concentrate investment on areas of high impact.




FIGURE 13: BBP IMPLEMENTATION SUB-PRECINCTS



Source: Hodyl & Co, 2021.

TABLE 2: KEY SPATIAL MOVES FOR THE BBP

Key move	Proposal	Suggested location(s)
 <p>Maximise potential of linear parkway corridors</p>	<p>Two east-west parkways that provide a green, safe and inviting way of moving around the precinct.</p> <p>Remove existing non-parkland uses, review zoning over some parkland/corridor areas (some IN1Z or Road Zone, some under the PAO)</p> <p>Establish exemplar biodiversity, water management and recreational corridors that support better accessibility for workers and residents who live in the surrounding suburbs.</p> <p>Facilitate regional connections to trails in the Dandenongs and to Bayswater Station</p>	<ul style="list-style-type: none"> - Upgrade Dandenong and Bungalook Creek and improve pedestrian and cycling connections to these corridors (existing, continuous) - Connect northern landscape parkway to create a regionally significant biodiversity/ recreational corridor and improve connectivity to this corridor
 <p>Harness potential of strategic sites</p>	<p>Capitalise on redevelopment of larger sites that are distributed across the precincts to create activity hubs that support a diversity of commercial and social uses within walking distances of more workers.</p> <p>Where appropriate adaptively re-use existing industrial buildings to retain some of the industrial character of each precinct.</p> <p>Co-locate multiple convenience retail, hospitality, recreation and other services within these sites.</p>	<ul style="list-style-type: none"> - Large, strategic sites identified on the Key Moves plan - Well-located/easily accessible within each sub-precinct - Sites that contain distinctive industrial buildings that can be readily adapted and contribute to the character of each precinct
 <p>New activity hub</p>	<p>Four to five new activity hubs are proposed to support access for local works to convenience shopping and hospitality venues.</p> <p>Western precinct (1) - Located on the only continuous east-west connection, therefore has the greatest level of accessibility within this precinct. The changing street pattern creates a point of interest and there is already an existing café/food truck location/gallery indicating some demand. This location also connects directly to bike path and is in close proximity to Bayswater Station.</p> <p>Western Precinct (2) – A new activity hub within the Godfrey Hirst site, capitalising on the high visibility of the site, and the potential of the site to accommodate a wide range of SMEs and startups.</p> <p>Central Precinct (1) – Creation of a new activity hub as part of the redevelopment of the Clipsal site.</p> <p>Central Precinct (2) – Conversion of the existing cluster of fast food/petrol station to a consolidated and more attractive activity hub.</p>	<ul style="list-style-type: none"> - Sites shown on Key Moves plan and described at left

	Key move	Proposal	Suggested location(s)
		Eastern Precinct – A small activity centre that supports convenient access and is located on the proposed pedestrian and bike path connection.	
	Upgrade bus services	<p>Create new bus routes between key locations relevant to the BBP</p> <p>Improve bus timetable frequency during peak times</p> <p>Adjust some routes to better connect to the BBP from key origins</p> <p>Trial on-demand route between Baywater and Boronia stations, and BBP</p> <p>Advocate for roads that carry SmartBus and primary bus transit to be added to the PPTN</p> <p>Explore new technology solutions such as autonomous transport taxis and shuttles buses and uptake of zero emissions transport (buses, taxis and shuttles)</p>	<ul style="list-style-type: none"> – New rapid transit route between Dandenong Station, BBP, Bayswater Station and Croydon Station – Increase frequency of 901 Smart Bus route during peak times – Adjust timetables for 737 and 664 bus routes to better connect BBP with 901 bus route at Knox City – Improve services from Lilydale, Mooroolbark, and the Warburton Highway – Create new bus services along Colchester Road (Canterbury Road to Mt Dandenong Road) <p><i>These five changes would improve public transport access for more than 5,000 workers.</i></p>
	Pedestrian and cycling connections	<p>Provide new links that connect workers to the BBP from key public transport and nearby residential origins</p> <p>Provide new on-road connections for commuter cyclists</p> <p>Provide additional distributed connections throughout the BBP that link directly to the green corridors. This will include a number of new links to the new major east-west corridor north of Canterbury Road. These will need to be introduced gradually through the redevelopment of key sites that support this connectivity.</p>	<ul style="list-style-type: none"> – New connection to Bayswater station from the east. – Create north-south connections through Western Sub-Precinct, connecting up to existing roads and the Dandenong Creek Trail. – Create east-west connections through Eastern Sub-Precinct along the existing easement. – Enhance internal connectivity in the Central Sub-Precinct prioritising opportunities to connect to the new east-west green corridor and the Bungalook Creek. – New on-road connection on Mountain Highway for commuters
	Major road upgrades	<p>Upgrade capacity of Canterbury Road to accommodate freight movement, including road-widening, increasing intersection capacities and improving kerbside lane infrastructure and access arrangements</p> <p>East of Colchester Road, introduce significant tree planting along Canterbury Road</p> <p>Take advantage of vista to mountains by providing landscape improvements along Mountain Highway</p> <p>Improve intersection capacity and design along north-south roads</p>	<ul style="list-style-type: none"> – Canterbury Road – Mountain Highway – North-south roads



Key move	Proposal	Suggested location(s)
Distributed open spaces	<p>Working with developers and available underutilised spaces throughout the sub-precincts, provide additional open spaces. Encourage the inclusion of these spaces on the identified key strategic sites to support integrated social and commercial activity.</p> <p>Based on site size, consider small-scale interventions and larger functional open spaces that can offer recreation, outdoor lunch and meeting places for workers.</p>	<ul style="list-style-type: none"> – Strategic sites shown on Key Move plan – The new activity hub in the Central Precinct – All sites to consider opportunities to include high-quality, small-scale places to sit and socialise for workers.

Action 11: Promote a wider diversity of development typologies on vacant, underutilised, and redevelopment sites.

Horizon for implementation: Transform the BBP by creating a spatial plan that will enable achievement of consolidation and enhancement outcomes, ultimately leading the precinct to launch into entirely new industries.

Outcomes: Addresses access, activity centre and node, and physical amenity outcomes.



Table 3 outlines potential development typologies that could be encouraged on strategic sites, to complement the key moves identified on Figure 12. Opportunities exist for Council to partner with landowners, investors, or developers to encourage an emerging typology that supports the aspirations of the BBP from an amenity, land use and innovation perspective. There are opportunities to promote a mix of development typologies, at various scales.



The key moves are intended to set the precinct up for greater economic resilience, while enabling businesses to strengthen connections, share knowledge and attract workers drawn to a higher-amenity employment location with diverse opportunities.


The potential future typologies represent:

- **Repurposing existing buildings** as low-cost business incubators/startup spaces and potentially tech/innovation hubs.
- **Redeveloping larger sites with their own mixed use amenity** (cafes, childcare, recreation facilities, services, bars, etc.)
- **Redeveloping medium and larger sites** in a format which provides smaller-scale low cost office/warehouse/showroom accommodation.

TABLE 3: DEVELOPMENT TYPOLOGIES UNDERPINNING A SPATIAL PLAN FOR THE BBP

Typology	Description	Site conditions	Planning requirements	Precedent examples
Repurposed corporate HQ	<p>A large-scale, mixed-use building containing office, retail, entertainment, hospitality, health, wellness, fitness</p> <p>Redeveloped site can become focal point for different employment pools across the BBP Sub-Precincts by offering a range of amenities and services not currently available to workers locally</p>	<p>Large site generally greater than 2 hectares able to accommodate an activity hub to support worker amenity across the broader precinct</p> <p>Requires good access from main road/central location in sub-precinct</p> <p>Operates like a new precinct</p> <p>Strategic sites identified in the Western Sub-Precinct</p>	<p>Some uses restricted in the IN1Z, but a mix of office and some convenience may be permissible</p> <p>C2Z is also an appropriate zone for larger-scale office uses.</p>	<p>Bell Works “Metro-burb,” New Jersey</p>  <p>Sites with conditions similar to Siemens, GSK in the Western and Central sub-precincts</p>
Repurposed large warehouse	<p>Flexible space able to accommodate a mix of uses operating at smaller scale (e.g., start-ups, small commercial producers)</p> <p>Small businesses benefit from direct access to local supply chains and business-to-business knowledge-sharing</p>	<p>Existing disused/ underutilised warehouse buildings that can be repurposed as a business incubator</p> <p>Strategic sites identified in the Western and Central Sub-Precincts</p> <p>Multiple tenants, seeking a repurposed warehouse, or new office/showroom</p>	<p>Likely most uses could operate within the existing parameters of the IN1Z (no zone changes required)</p> <p>Alternatively, C2Z or C3Z may be appropriate (noting that because residential uses are not intended to be supported in the BBP, the C3Z would need to include a schedule to prohibit such uses).</p>	<p>Dairy Road, Canberra</p>  <p>Large sites in the Western Sub-Precinct may be suitable based on strategic size/sites identified</p>

Typology	Description	Site conditions	Planning requirements	Precedent examples
<p>Repurposed smaller warehouse</p>	<p>Opportunity to create a small activity hub with a mix of activities (e.g., hospitality, office, retail, creative warehousing, greenspaces) by repurposing a small warehouse or series of small warehouses</p> <p>Again, opportunity to act as a lower-rent incubator for new businesses that can ‘graduate’ to other locations across the BBP over time</p>	<p>Existing disused/ underutilised warehouse buildings</p> <p>Strategic sites identified in the Western and Central Sub-Precincts</p> <p>Single tenant, seeking a repurposed warehouse, new office/showroom/ warehouse</p>	<p>As above, likely most uses could operate within the existing parameters of the IN1Z (no zone changes required)</p>	<p>Morris Moor, Moorabbin</p>  <p>Bellrose, Cheltenham</p>  <p>Makers Space, Coburg</p> <p>Capital Brewery, Canberra</p> <p>Manufacturing Incubator, New York</p>

Typology	Description	Site conditions	Planning requirements	Precedent examples
Redevelopment /greenfield site	<p>On vacant land, create business parks equipped with range of modern amenities and services</p> <p>Opportunity to provide variety of GFA not available elsewhere in precinct</p>	<p>Strategic sites identified in the Western, Central and Eastern Sub-Precincts</p>	<p>As above, likely most uses could operate within the existing parameters of the IN1Z (no zone changes required)</p>	<p>CONO (Connecting Businesses Now), Coburg</p> 

3.5 Strategy 3: Build the profile and identity of the precinct as one of Melbourne’s important economic locations

Action 12	Develop a branding and marketing strategy which reflects the strengths of the precinct.
Action 13	Continue and expand the business directory to build local businesses’ awareness of other local businesses and opportunities.
Action 14	Identify additional shared opportunities for businesses, including skill development and recruitment.

Facilitate development, investment and relationships

There is a need to build awareness internally and externally of the industry profile (skills and capability) of the BBP. Existing businesses need to know they are part of an important economic engine with local supply chains that can work together for better outcomes.

There is an opportunity to offer economies of scale, especially for small businesses, so they can focus on their core business rather than corporate activities (e.g., recruitment and basic training). Applying a precinct approach can connect industry with training opportunities that meet current and future need. An environment of co-operation and deepening the culture of connectedness and communal identity will contribute to its ongoing success.

Action 12: Develop a branding and marketing strategy which reflects the strengths of the precinct.

Horizon for implementation: Consolidating the BBP by aligning governance mechanisms and promoting a shared understanding of the BBP’s identity and competitive advantages.

Outcomes: There is increased awareness of BBP, BBP Connect concept and other local economic development mechanisms/opportunities. There are strong relationships with anchor institutions, creating a pipeline of skilled workers fit for future industries in the BBP.

Develop a branding and marketing strategy which reflects the strengths of the precinct, particularly:

- an established manufacturing and commercial hub for businesses of all sizes
- the range of skills on offer across the BBP; a technically proficient workforce familiar with multi-national companies
- access network to key transport systems
- zoned and affordable land at competitive prices
- supportive and coordinated team of local councils who are open for business.

The strategy should also identify target industries and opportunities (such as advanced manufacturing, and jobs in other broad industry sectors that can link into the BBP’s current strengths) and articulate its benefits and long-term opportunities. It should include the various sub precincts and the vision for the future. An investment prospectus specifically to attract new business and investment could also be developed.

Action 13: Continue and expand the business directory to build local businesses' awareness of other local businesses and opportunities.

Horizon for implementation: Consolidating the BBP by aligning governance mechanisms and promoting a shared understanding of the BBP's identity and competitive advantages.

Outcomes: There is increased awareness of BBP, BBP Connect concept and other local economic development mechanisms/opportunities.

Continue and expand the business directory to build local businesses' awareness of other local businesses and opportunities. This could include encouraging businesses to use the directory to share their capabilities and allow others to understand existing capabilities within the precinct. Understanding what businesses want from the directory will help inform the actions required.

Business networking opportunities such as events and forums, and a physical business hub, should be established within the activity nodes.

Action 14: Identify additional shared opportunities for businesses, including skill development and recruitment.

Horizon for implementation: Consolidating the BBP by aligning governance mechanisms and promoting a shared understanding of the BBP's identity and competitive advantages.

Outcomes: There is increased awareness of BBP, BBP Connect concept and other local economic development mechanisms/opportunities. There are strong relationships with anchor institutions, creating a pipeline of skilled workers fit for future industries in the BBP. Education, training and employment connects people from across the Eastern Metro Region to emerging career opportunities in the BBP.

Through the enterprise hub, activity nodes and businesses-to-business events, foster strong relationships with regional anchor institutions, education and training partners, embedding the BBP and BBP Connect in the process for local workforce development. This will in turn enhance the recruitment pipeline and R&D opportunities for businesses within the BBP and strengthen industry connections among training providers.

Identify additional shared opportunities for businesses, including skill development and recruitment:

- Build knowledge of recruitment and skills challenges throughout the precinct, focusing on key sectors.
- Enhance training opportunities available to prospective employees through industry collaboration, meaning courses on offer will be training people for the jobs of the future.
- Look for opportunities to connect businesses better to apprenticeships from training providers.

3.6 Strategy 4: Improve the amenity and functionality of the precinct

Action 15	Plan for corridors and spaces which contribute to greening, improve access and contribute to health and wellbeing.
Action 16	Prepare movement and place assessments to inform detailed revitalisation plans for Mountain Highway, Canterbury Road, the public transport network and pedestrian and cycling networks.
Action 17	Prepare built form and landscape guidance, with specific guidelines for areas of significant change.
Action 18	Undertake works to Canterbury Road and the wider freight network to enhance freight certainty for businesses.
Action 19	Link green corridors with urban cooling and greening, delivering improved landscape and greening outcomes across the precinct.
Action 20	Engage with business and energy providers to support the transition to Industry 4.0 (smart manufacturing), supported by reliable, high-speed internet connectivity.

Plan for future growth

Enhancing the precinct's functionality and physical amenity is crucial to its long term success. This needs to reflect its location and regional context.

Action 15: Plan for corridors and spaces which contribute to greening, improve access and contribute to health and wellbeing.

Horizon for implementation: Enhance the BBP, attracting a more diverse workforce through improved local amenity.

Outcomes: Addresses physical amenity, and precinct branding and identity outcomes.

Plan for corridors and spaces which contribute to greening, improve access and contribute to health and wellbeing:

- Engage with DoT regarding the existing and longstanding Healesville Road reservation and advocate for its role as a northern linear pathway
- Identify and plan ways to improve connections from Dandenong creek trail into the precinct
- Improve open space connectivity and for use as pedestrian and cycling network to Bayswater train station, as well as north-south, distributed connections through the precinct
- Ensure sites of biological significance in and around the precinct are protected and enhanced and that habitat connectivity along identified key habitat corridor routes is protected and improved.

Action 16: Prepare movement and place assessments to inform detailed revitalisation plans for Mountain Highway, Canterbury Road, the public transport network and pedestrian and cycling networks.

Horizon for implementation: Enhance the BBB, attracting a more diverse workforce through improved local amenity and reliability on both public and private transport networks.

Outcomes: Addresses access outcomes.

In partnership with the Department of Transport, prepare movement and place assessments to inform detailed revitalisation plans for:

- Mountain Highway – to improve access for cycling, local labour force and reduce road space taken up by short trips
- Canterbury Road – to improve freight access along the road, consider/enable the potential for active transport and manage possible conflicts
- Map existing routes and public transport blackspots across the precinct and use pedestrian and cyclist count data before and after these actions are undertaken, to measure the impact of any infrastructure improvements.

Action 17: Prepare built form and landscape guidance, with specific guidelines for areas of significant change.

Horizon for implementation: Enhance the BBB, attracting a more diverse workforce through improved local amenity.

Outcomes: Addresses physical amenity, and precinct branding and identity outcomes.

Develop built form and landscape guidance for the wider precinct with specific guidelines for areas of significant change to create a sense of arrival and cohesion from the public realm, such as:

- For industrial areas in Bayswater north and south
- Gateways – Mountain Highway and Canterbury Road
- Incorporate sustainability outcomes such as WSUD (refer to Action 9)
- Document, preserve and ensure new design responds to valued aspects of character within the BBB, such as a sense of openness and views to nearby landscape features (Dandenong and Yarra Ranges).

Activate the precinct

Action 18: Undertake works to Canterbury Road and the wider freight network, to enhance freight certainty for businesses.

Horizon for implementation: Consolidate the BBB, defending current markets and businesses, and allowing efficient infrastructure maintenance.

Outcomes: Addresses access outcomes.

In partnership with the Department of Transport and relevant regional transport bodies, upgrade Canterbury Road and north-south roads to improve freight certainty, including the deployment of intelligent transport systems.

Consider the emerging intelligent transport systems, automated robotic loading and blockchains which have the potential to offer efficiency and reliability gains.

Action 19: Link green corridors with urban cooling and greening, delivering improved landscape and greening outcomes across the precinct.

Horizon for implementation: Enhance the BBP, attracting a more diverse workforce through improved local amenity.

Outcomes: Addresses physical amenity outcomes and offers opportunities for increased awareness of the BBP as a leading high-amenity employment precinct.

Deliver improved landscape and greening outcomes across the precinct with a priority focus on:

- Tree planting east of Colchester Rd
- Mountain highway landscape enhancements to take advantage of vista to mountains
- Deliver distributed open spaces across the precinct (refer to plan at Action 10, Figure 11).

Facilitate development, investment and relationships

Action 20: Engage with business and energy providers to support the transition to Industry 4.0 (smart manufacturing), supported by reliable, high-speed internet connectivity.

Horizon for implementation: Transform the BBP, allowing businesses to operate under an Industry 4.0 model.

Outcomes: IT infrastructure is reliable and high-speed, enabling businesses to operate in a 21st Century context and achieve Industry 4.0 (smart manufacturing) work practices.

Engage with business and energy providers to support the transition to Industry 4.0 (smart manufacturing) by:

- Mapping supply chains in the precinct: identify where the locations of potential high use and gaps in the supply network
- Providing opportunities (building on actions under Strategy 1) for businesses to come together and share knowledge related to smart manufacturing and technological innovation within the BBP.

4. Implementation

The Transformation Strategy is built around Strategies 1 and 2, which set out a pathway to strengthen governance arrangements and create a shared approach towards key spatial and amenity outcomes, harmonising planning policy and promoting clear preferences around built form, amenity and renewal opportunities for the precinct.

Each of the strategies in this plan is related to the factors affecting the longer-term economic wellbeing and sustainability of the precinct. They are supported by actions that will enhance social and environmental resilience. A strong and shared governance approach to managing and planning for the precinct will be key to realising the vision for the BBP (Strategy 1, Action 1). Planning must occur simultaneously; some physical actions set out in this Transformation Strategy have been prepared with the wider spatial plan described in Strategy 2 (Actions 10 and 11) in mind. They provide the necessary component-parts for the wider spatial plan to be realised.

Timing and responsibility for each action is set out in Table 5. An important next step is for the BBP Coordinator and relevant departments from each Council to come together to harmonise key actions within the BBP, and work with partner organisations at the State government and regional level to promote the vision and actions. As highlighted elsewhere in this strategy, a strong governance approach will be crucial to the strategy's successful implementation. This means there is a strong and supportive partnership, and the fundamental directions of the precinct are agreed among the project stewards (Knox, Maroondah and Yarra Ranges Councils), along with key business representatives.

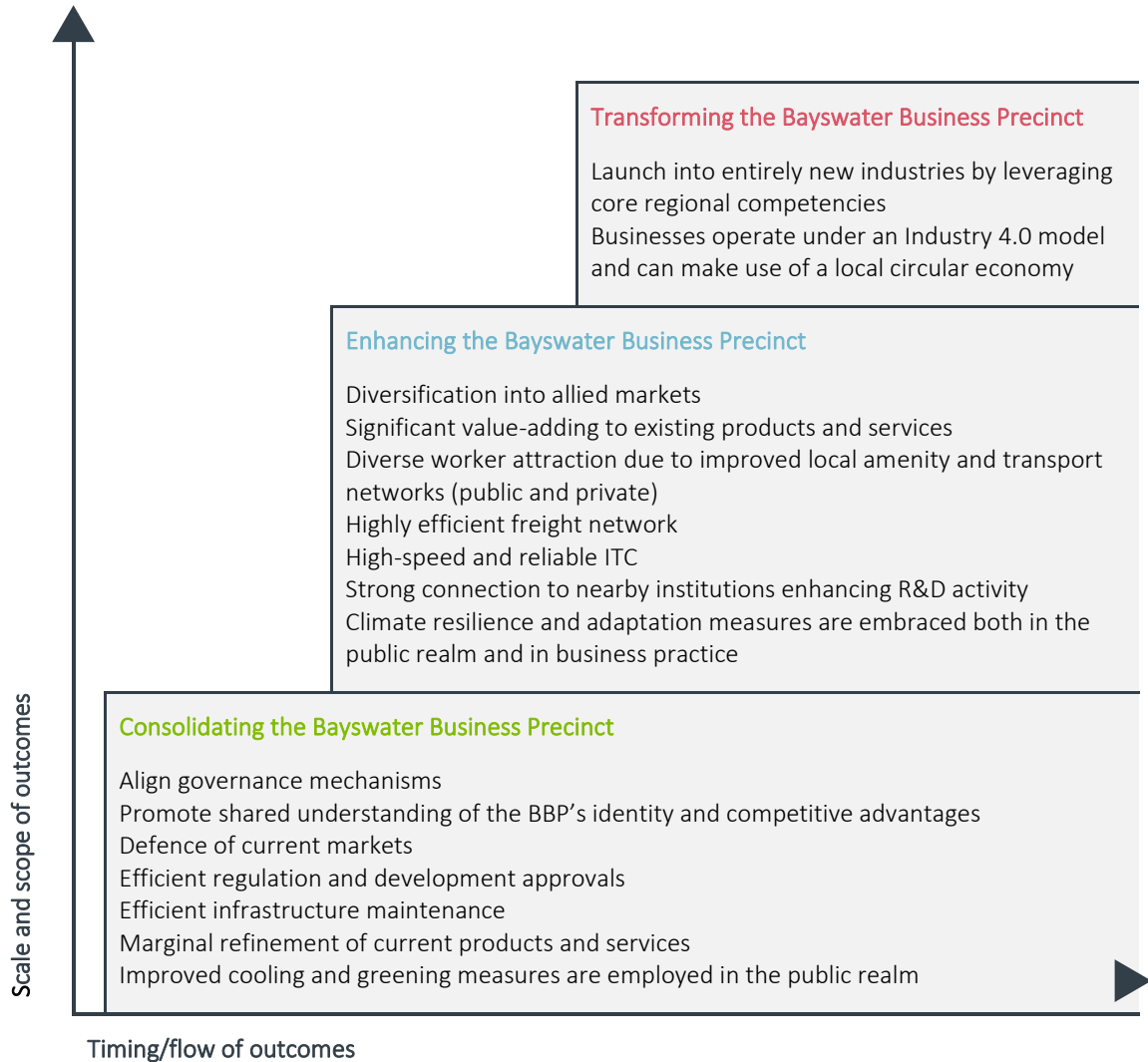
4.1 The three horizons

A three horizons framework has been applied to strategy implementation, which demonstrates that robust places must plan across three horizons (or agendas) simultaneously (Figure 14):

1. **Consolidate** protects existing core business and functions.
2. **Enhance** leverages existing core functions to diversify into related functions, supply chains or aligned businesses. These improvements can be thought of as 'organic innovations', building on existing strengths.
3. **Transform** contemplates new opportunities that are not currently present, but that still draw on the place's advantages that underpin current functions. The third horizon is where a place seeks to 'reinvent itself'.

All three phases need to be undertaken simultaneously, noting that the planning for and benefits of the second and third horizons will take longer. Table 5 shows how the three horizons would be applied to the actions in the BBP Transformation Strategy (also referenced under each action in Chapter 3), highlighting where actions is to be taken and how it will contribute to desired outcomes (achieving the vision) in the longer term.

FIGURE 14: THREE HORIZONS APPROACH TO TRANSFORMATION IN THE BAYSWATER BUSINESS PRECINCT








Source: Adapted from ideas set out in Baghai, Coley and White, 1999.

4.2 Outcomes

Successful implementation of the BBP Transformation Strategy will contribute to the following outcomes (this table can be read as the logical progression of the strategies and actions identified in the previous chapter). Many of the outcomes below are linked to Action 10 and other spatial and precinct branding/promotions actions which will largely be achieved under Horizon 1, creating a platform for the BBP to be enhanced and transform over the longer-term.

TABLE 4: DESIRED OUTCOMES

Theme	Outcomes
 Access	<ul style="list-style-type: none"> – Walking, cycling and public transport access connects workers and customers to activity nodes across the BBP. – Key active transport corridors offer transport flexibility to nearby residents and those who work in the BBP. – The road network to functions as a multi-model system with dedicated priority for selected modes. – Enhanced and expanded the Principal Freight Network within the BBP. – The freight network is efficient, fit for purpose and provides excellent connectivity for supply chains to Greater Melbourne, ports, airports and within the BBP. – IT infrastructure is reliable and high-speed, enabling businesses to operate in a 21st Century context and achieve Industry 4.0 (smart manufacturing) work practices.
 Activity centres and nodes	<ul style="list-style-type: none"> – Amenities, including retail and professional services, are clustered in activity centres and hubs throughout the BBP, creating higher density destinations that meet the needs of workers. – New activity centres/nodes enable workers, partners and businesses to meet and are important focal points throughout the BBP.
 Physical amenity	<ul style="list-style-type: none"> – Sites are redeveloped and enhance the physical environment of the BBP. – The natural environmental values within and around the precinct have been protected and enhanced. – Sustainability is a feature of the precinct, evident through initiatives such as the incorporation of water sensitive urban design, provision of green infrastructure for cooling and greening and uptake of zero emissions vehicles.
 Precinct branding and identity	<ul style="list-style-type: none"> – There is increased awareness of BBP, BBP Connect concept and other local economic development mechanisms/opportunities. – Strong relationships with anchor institutions create a pipeline of skilled workers fit for future industries in the BBP. – Education, training and employment connects people from across the Eastern Metro Region to emerging career opportunities in the BBP.

Theme	Outcomes
 <p data-bbox="240 454 386 515">Land use and development</p>	<ul style="list-style-type: none"> <li data-bbox="416 353 1358 450">– The redevelopment of strategic sites is guided by preferred development typologies based on location and site conditions (e.g., former corporate HQ, large warehouse, smaller warehouse, redevelopment/greenfield site). <li data-bbox="416 456 1254 515">– Consistent and aligned with strategic planning policy across State and local governments.

4.3 Decision-making processes to support delivery of the Transformation Strategy

This Transformation Strategy identifies a vision, strategies and actions to enhance the prosperity and sustainability of the Bayswater Business Precinct as a Regionally Significant Industrial Precinct (RSIP). It is important that the precinct vision is shared across the three BBP Councils and State government, to realise the vision via coordinated investment and investment attraction, and positive planning and economic development actions.

4.4 Monitoring, reporting and review

Action monitoring will be led by the BBP Coordinator, supported by relevant planning and economic development team members from across the three BBP Councils. The project team established to support development of the Transformation Strategy will be integral in maintaining a consistent and coordinated governance approach, and promoting the strategy both across government, to business and prospective investors. Regular (for example, annual) progress report updates are encouraged, using and updating Table 5 with progress made. The strategy should also be formally reviewed in approximately five years, to identify opportunities both in the market and in State and local policy, that could advance the vision and action plan.

4.5 Strategy and action implementation

TABLE 5: IMPLEMENTATION ACTIONS, RELATED OUTCOMES AND TIMING

Actions	Horizon for implementation	Relevant outcomes	Partners	
STRATEGY 1: SET UP THE PRECINCT FOR LONG-TERM SUCCESS				
1	Appoint a formalised governance unit for the BBP, dedicated to overseeing precinct growth including development of the spatial plan, and a branding and marketing strategy.	Foster strong relationships between businesses, streamline redevelopment pathways of strategic sites, branding spatial outcomes are achieved in a streamlined and cohesive manner.	Consolidate the BBP, aligning governance mechanisms and promoting a shared understanding of the BBP's identity and competitive advantages.	Relevant State government agencies, key landowners.
2	Support business to access various streams of government funding, including for research and development, and preparing business cases.	Enhance the BBP to diversify into allied markets and achieve significant value-adding to existing products and services, and strong connections to institutions that will enable enhanced R&D activity.	Addresses precinct branding and identity outcomes.	State and Federal government agencies (e.g., DJPR, Invest Victoria, Development Victoria), key local and regional education institutions.
3	Facilitate business-to-business relationship-building via regular events and a dedicated enterprise hub.	Enhance the BBP to diversify into allied markets and achieve significant value-adding to existing products and services, and strong connections to institutions that will enable enhanced R&D activity.	Addresses precinct branding and identity outcomes, addresses the need for an activity centre that offers space for workers, partners and businesses to meet and collaborate.	Network of BBP businesses, with regular engagement from State government agencies, industry representatives and institutions.
4	Understand business' requirements to remain, grow and invest in the precinct by fostering relationships	Consolidate the BBP to promote a shared understanding of the precinct's identity and competitive advantages and defend current	There is increased awareness of the BBP and local economic development mechanisms. There are strong relationships between businesses and	Network of BBP businesses, with regular engagement from State government agencies (e.g., DJPR, Invest

Actions	Horizon for implementation	Relevant outcomes	Partners
	market. Enhance the BBP's diversification into allied markets.	regional anchor institutions, creating a pipeline of skilled workers fit for future industries in the BBP.	Victoria, Development Victoria), industry representatives and institutions.
5	Consolidating the BBP to have efficient regulation and development approvals, and efficient infrastructure maintenance.	The redevelopment of strategic sites is guided by preferred development typologies based on location and site conditions (e.g., former corporate HQ, large warehouse, smaller warehouse, redevelopment/greenfield site). There is consistent and aligned with strategic planning policy across State and local governments.	Relevant State government agencies (e.g., DJPR, Invest Victoria, Development Victoria), key landowners.
6	Consolidate the BBP by improving cooling and greening measures across the public realm.	Addresses physical amenity outcomes, as well as strengthening precinct branding and identity promotion potential – the BBP as a leading employment precinct for climate adaptation.	Relevant State government agencies (e.g., DELWP, DJPR) and outreach to the network of BBP businesses.
7	Transform the BBP to a precinct where businesses operate under an Industry 4.0 model and can make use of a circular economy.	Addresses physical amenity and land use and development outcomes, as well as overarching vision that transformation will lead to new methods of production and a more environmentally sustainable precinct.	Network of BBP businesses, with regular engagement from State government agencies (e.g., DJPR, Invest Victoria), industry representatives and institutions.
8	Enhance the BBP by improving local amenity and introducing resilience and climate adaptation measures,	Addresses physical amenity outcomes, as well as strengthening precinct branding and identity promotion potential – the	Relevant State government agencies (e.g., DELWP) and

Actions		Horizon for implementation	Relevant outcomes	Partners
	environmental outcomes across the precinct.	both in the public realm and in business practice.	BBP as a leading employment precinct for climate resilience and improved environmental performance.	outreach to the network of BBP businesses.
9	Plan and deliver active transport links to encourage more sustainable transport use.	Enhance the BBP by improving local amenity and transport networks.	Addresses physical amenity outcomes, as well as strengthening precinct branding and identity promotion potential – the BBP as a leading employment precinct for sustainable transport use.	State government agencies (e.g., DOT, DJPR, DELWP).
STRATEGY 2: AGREE ON A BROAD SPATIAL PLAN FOR THE PRECINCT				
10	Adopt an overarching spatial plan for improving the amenity and function of the precinct.	Transform the BBP by creating a spatial plan that will enable achievement of consolidation and enhancement outcomes, ultimately leading the precinct to launch into entirely new industries.	Addresses access, activity centre and node, and physical amenity outcomes.	State government agencies (e.g., DELWP, DOT, DJPR).
11	Promote a wider diversity of development typologies on vacant, underutilised, and redevelopment sites.	Transform the BBP by creating a spatial plan that will enable achievement of consolidation and enhancement outcomes, ultimately leading the precinct to launch into entirely new industries.	Addresses access, activity centre and node, and physical amenity outcomes.	Relevant State government agencies (e.g., DELWP, DOT, DJPR), key landowners.
STRATEGY 3: BUILD THE PROFILE AND IDENTITY OF THE PRECINCT AS ONE OF MELBOURNE'S IMPORTANT ECONOMIC LOCATIONS				
12	Develop a branding and marketing strategy which reflects the strengths of the precinct.	Consolidating the BBP by aligning governance mechanisms and promoting a shared understanding	There is increased awareness of BBP, BBP Connect concept and other local economic development mechanisms/opportunities. There are	Relevant State government agencies (e.g., DELWP, DOT, DJPR), key landowners.

Actions	Horizon for implementation	Relevant outcomes	Partners
	of the BBP's identity and competitive advantages.	strong relationships with anchor institutions, creating a pipeline of skilled workers fit for future industries in the BBP.	
13 Continue and expand the business directory to build local businesses' awareness of other local businesses and opportunities.	Consolidating the BBP by aligning governance mechanisms and promoting a shared understanding of the BBP's identity and competitive advantages.	There is increased awareness of BBP, BBP Connect concept and other local economic development mechanisms/opportunities.	Network of BBP businesses, with input from regional institutions, government agencies (DJPR, Invest Victoria).
14 Identify additional shared opportunities for businesses, including skill development and recruitment.	Consolidating the BBP by aligning governance mechanisms and promoting a shared understanding of the BBP's identity and competitive advantages.	There is increased awareness of BBP, BBP Connect concept and other local economic development mechanisms/opportunities. There are strong relationships with anchor institutions, creating a pipeline of skilled workers fit for future industries in the BBP. Education, training and employment connects people from across the Eastern Metro Region to emerging career opportunities in the BBP.	State government agencies (DJPR, Invest Victoria), network of BBP businesses, local and regional education institutions and training providers.
STRATEGY 4: IMPROVE THE AMENITY AND FUNCTIONALITY OF THE PRECINCT			
15 Plan for corridors and spaces which contribute to greening, improve access and contribute to health and wellbeing.	Enhance the BBP, attracting a more diverse workforce through improved local amenity.	Addresses physical amenity, and precinct branding and identity outcomes.	State government agencies (e.g., DELWP, DOT, DJPR).

Actions		Horizon for implementation	Relevant outcomes	Partners
16	Prepare movement and place assessments to inform detailed revitalisation plans for Mountain Highway, Canterbury Road, the public transport network and pedestrian and cycling networks.	Enhance the BBP, attracting a more diverse workforce through improved local amenity and reliability on both public and private transport networks.	Addresses access outcomes.	DOT, DELWP
17	Prepare built form and landscape guidance, with specific guidelines for areas of significant change.	Enhance the BBP, attracting a more diverse workforce through improved local amenity.	Addresses physical amenity, and precinct branding and identity outcomes.	DOT, DELWP
18	Undertake works to Canterbury Road and the wider freight network to enhance freight certainty for businesses.	Consolidate the BBP, defending current markets and businesses, and allowing efficient infrastructure maintenance.	Addresses access outcomes.	DOT, DELWP
19	Link green corridors with urban cooling and greening, delivering improved landscape and greening outcomes across the precinct.	Enhance the BBP, attracting a more diverse workforce through improved local amenity.	Addresses physical amenity outcomes and offers opportunities for increased awareness of the BBP as a leading high-amenity employment precinct.	DOT, DELWP
20	Engage with business and energy providers to support the transition to Industry 4.0 (smart manufacturing), supported by reliable, high-speed internet connectivity.	Transform the BBP, allowing businesses to operate under an Industry 4.0 model.	IT infrastructure is reliable and high-speed, enabling businesses to operate in a 21st Century context and achieve Industry 4.0 (smart manufacturing) work practices.	Network of BBP businesses, with regular engagement from State government agencies (e.g., DJPR, Invest Victoria), industry representatives and institutions.

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