SUBURBAN RAIL LOOP EAST

SRL East Draft Structure Plan | Box Hill

Economic Profile Technical Report

More Homes For Victorians

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SRL EAST DRAFT STRUCTURE PLAN – ECONOMIC PROFILE TECHNICAL REPORT - BOX HILL

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Appendices

Executive summary

As part of the Suburban Rail Loop (SRL) East project, Draft Structure Plans (Structure Plans) are being prepared for the neighbourhoods surrounding the new underground stations at Cheltenham, Clayton, Monash, Glen Waverley, Burwood and Box Hill.

The Structure Plans will provide a framework to guide growth and change in each neighbourhood, while protecting and preserving the features that people love about them now.

This report will inform the development of the Structure Plan for Box Hill.

PURPOSE OF BOX HILL'S ECONOMIC PROFILE

Understanding how Box Hill's economic role and function will evolve with the introduction of SRL East is crucial for structure planning, especially for understanding the need to accommodate future employment-related land uses.

This report evaluates the economic and job growth potential of the Structure Plan Area and examines to what extent the market can deliver the forecast additional employment floorspace.

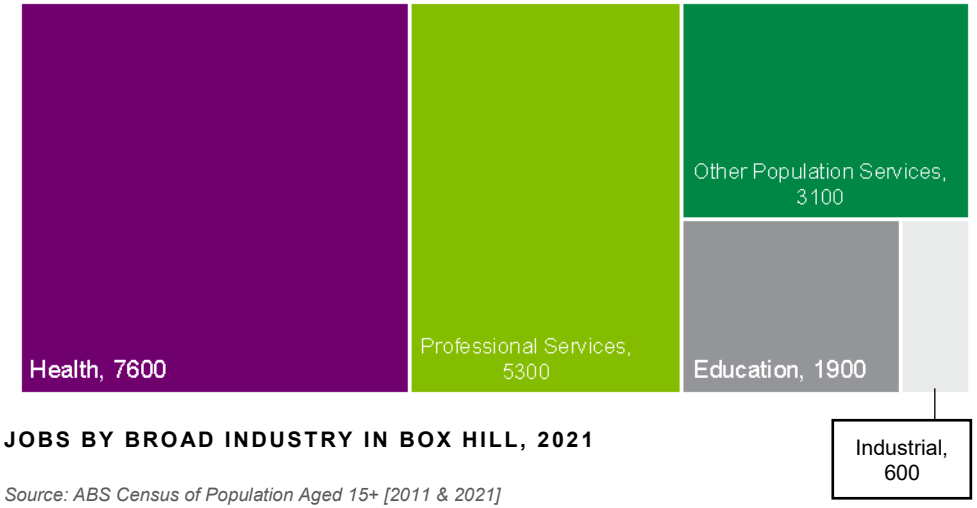
Recommendations to consider when developing the Structure Plan are made to ensure the right amount and type of employment floorspace is delivered in the right locations.

BOX HILL'S ECONOMY TODAY

Box Hill has a vibrant local economy. In 2021 the Structure Plan area employed around 18,500 people and contributed approximately around $118.4 billion to the Victorian economy annually. Over the past decade, job growth has been moderate at 1.7% per year, adding about 288 workers annually. Business formation has grown more robustly at around 2.4% per year, mainly driven by small to medium-sized businesses in the education and training, finance and insurance services, and accommodation and food services. Notably, there was no net growth in the number of businesses with 200 or more employees from 2013 to 2023.

ECONOMIC SNAPSHOT OF BOX HILL, 2021

Sources: Cordell Connect data for employment pipeline, Cordell presents pipeline in terms of gross floor area. Job and resident data from ABS Census 2011 and 2021. Business data excludes non-employing businesses, for years 2013 and 2023. ABS Business Counts. Economic value add data for 2021 from REMPLAN.



JOBS BY BROAD INDUSTRY IN BOX HILL, 2021

Source: ABS Census of Population Aged 15+ [2011 & 2021]

FINDINGS

Box Hill is the only designated Metropolitan Activity Centre (MAC) in Melbourne's eastern region, with a large health precinct and emerging office market. Its vibrant local economy currently employs almost 18,500 workers.

Over 40% of jobs in the Structure Plan Area are in the health care and social assistance industry. Offices are playing an increasingly important employment role, given Box Hill's unique high-rise environment.

Box Hill Central and the surrounding retail offer underpin Box Hill's important role in population services for the local and regional catchment. The industrial sector has a negligible role in Box Hill employment.

While employment growth has been slightly behind Greater Melbourne over the last decade, the strong pipeline of new health, office and retail development, combined with the influence of SRL East, highlights the potential for strong employment growth in the Box Hill Structure Plan Area to 2041.

The total floorspace growth by use forecast to be required, as derived from this report, is summarised in the table below.

BOX HILL STRUCTURE PLAN AREA, EMPLOYMENT FLOORSPACE REQUIREMENTS (SQ.M)

LAND USE	FLOORSPACE 2021, (GROSS BUILDING AREA)	FLOORSPACE 2041, (GROSS BUILDING AREA)	ADDITIONAL FLOORSPACE 2021-2041 (GROSS BUILDING AREA)
Health	288,300	464,100	175,800
Office	204,300	408,400	204,100
Education	140,500	190,200	49,700
Retail	110,000	157,700	47,700
Public use	53,300	61,800	8500
Entertainment / Recreation	31,300	52,400	21,100
Accommodation	29,600	53,400	23,800
Industrial	12,900	14,600	1700
Total	**870,200**	**1,402,600**	**532,400**

Note: Retail floorspace figure in this table is the mid-point of the GBA range outlined in the Retail Needs Report.

Source: Derived from CityPlan (published in SRL BIC); AJM JV

RECOMMENDATIONS

The Structure Planning recommendations below are reflected with their respective locations shown in the Figure at the end of this Executive Summary. The numbers on the Figure refer to the number pertaining to each recommendation.

Office

1. **Support the provision of over 200,000 sq.m gross building area (GBA) of new high-density office floorspace, largely within the core of central Box Hill, with excellent access to public transport and amenities.** Box Hill is a suitable location has the potential to provide an alternative location for high-density offices outside inner Melbourne. Box Hill will need to build on its high worker amenity, and policy support and investment attraction strategies may be required to bring offices to Box Hill.
2. **Areas just outside the core of central Box Hill can accommodate a should provide for a diverse range of office uses, including larger campus-style and smaller mixed-use office spaces.** The Ellingworth Parade area of Box Hill is well-suited for lower density, mixed-use and flexible office spaces and the Structure Plan should support office development along the Whitehorse Road corridor east of Station Street.
3. **Plan for approximately +60,000 sq.m GBA office floorspace in the health and education precinct.** The Structure Plan should allow support office floorspace in the Box Hill health and education precinct to support its continued growth and evolution. Office space can provide for health-related functions as well as professional services which complement the health and education role of the precinct.
4. **Manage the balance between office and residential delivery in central Box Hill.** In the core of central Box Hill and the Whitehorse Road corridor, office floorspace is likely to face competition from residential uses, particularly in the short to medium term. The level of intervention to ensure office uses are not crowded out by residential uses will need to be considered.

Health Floorspace

5. **Plan for an additional 176,000 sq.m of health floorspace in the Box Hill health and education precinct.** The Box Hill health and education precinct should be the priority location for future health floorspace. Future health floorspace is likely to be a mix of hospital and mixed-use health-focused building typologies. They should be supported by a high level of worker amenities with good access to public transport.
6. **Define the health and education precinct boundary and consider the mix of uses supported within it.** The Structure Plan should define the boundaries of the health and education precinct to reduce any potential encroachment from unaligned uses. This precinct is considered to generally occupy the area bounded by Whitehorse Road, Nelson Road, Thames Street and Elgar Road (with Box Hill Institute straddling the road). Health uses are also mixing with residential on the northern side of Thames Street, which can continue be supported.

Education floorspace

7. **Plan for an increase of up to 50,000 sq.m GBA of additional education floorspace, primarily in the Box Hill health and education precinct.** Future planning should support the growth and evolution of the education offer in Box Hill's health and education precinct. Additional tertiary education floorspace may be delivered through a more intensive use of existing tertiary education sites or through mixed-use developments with health, office or other complementary uses. Some of the education space may be delivered in office environments through the MAC core.
8. **Where possible, locate future school education floorspace on existing school sites.** Future school floorspace will be primarily determined by the Department of Education and Training and align with population growth.

Retail and Entertainment Floorspace

9. **As per the recommendations of the Box Hill Retail Needs report, plan for an additional 43,000- 52,000 sq.m Gross Building Area of retail and food and beverage (F&B) space in the Structure Plan Area.** The *SRL East Retail Needs Technical Report – Box Hill* recommends this

amount of retail floorspace will be required in the Structure Plan Area. Demand will be driven by a grown in the resident, worker, student and visitor population. Retail should be consolidated in the existing core activity centre, close to the SRL station.

10. **Support entertainment uses in and around central Box Hill.** Entertainment uses such as cinemas, pubs, bars, theatres, and leisure uses play an important role in attracting a mix of visitors to Box Hill and providing a range of amenities to residents, students and workers. Plan for around an additional 21,000 sq.m of entertainment uses across the Structure Plan Area.

Other Employment Floorspace

11. **Plan for an additional 24,000 sq.m accommodation floorspace around central Box Hill and the health and education precinct.** Future hotels and accommodation space will enhance Box Hill's visitor offerings, catering to various markets including friends and relatives visiting, as well as a growing number of business travellers.

12. **Support the transition of the small amount of industrial floorspace in the Structure Plan Area to more employment intensive uses and typologies.** The industrial sector will likely play a negligible role in the Box Hill economy in future. While the employment forecasts are relatively high, this does not reflect the current role or reality of industrial activity in the Structure Plan Area. As land values increase, market forces will likely see remaining industrial sites shift towards uses of greater employment density such as commercial, retail or mixed employment use.

13. **Support public use floorspace within central Box Hill, potentially building on the existing civic precinct.** Public use floorspace will support the growth of non-office based public services. Modelling conducted for this assessment suggests the Structure Plan Area will not require a significant increase of public use floorspace to 2041. Future planning should be ultimately informed by the recommendations of the *SRL East Box Hill Community Infrastructure Needs* report.

OTHER OPPORTUNITIES

Although potentially beyond the scope of the Structure Plan and supporting planning scheme amendments, other opportunities to support employment development in Box Hill include:

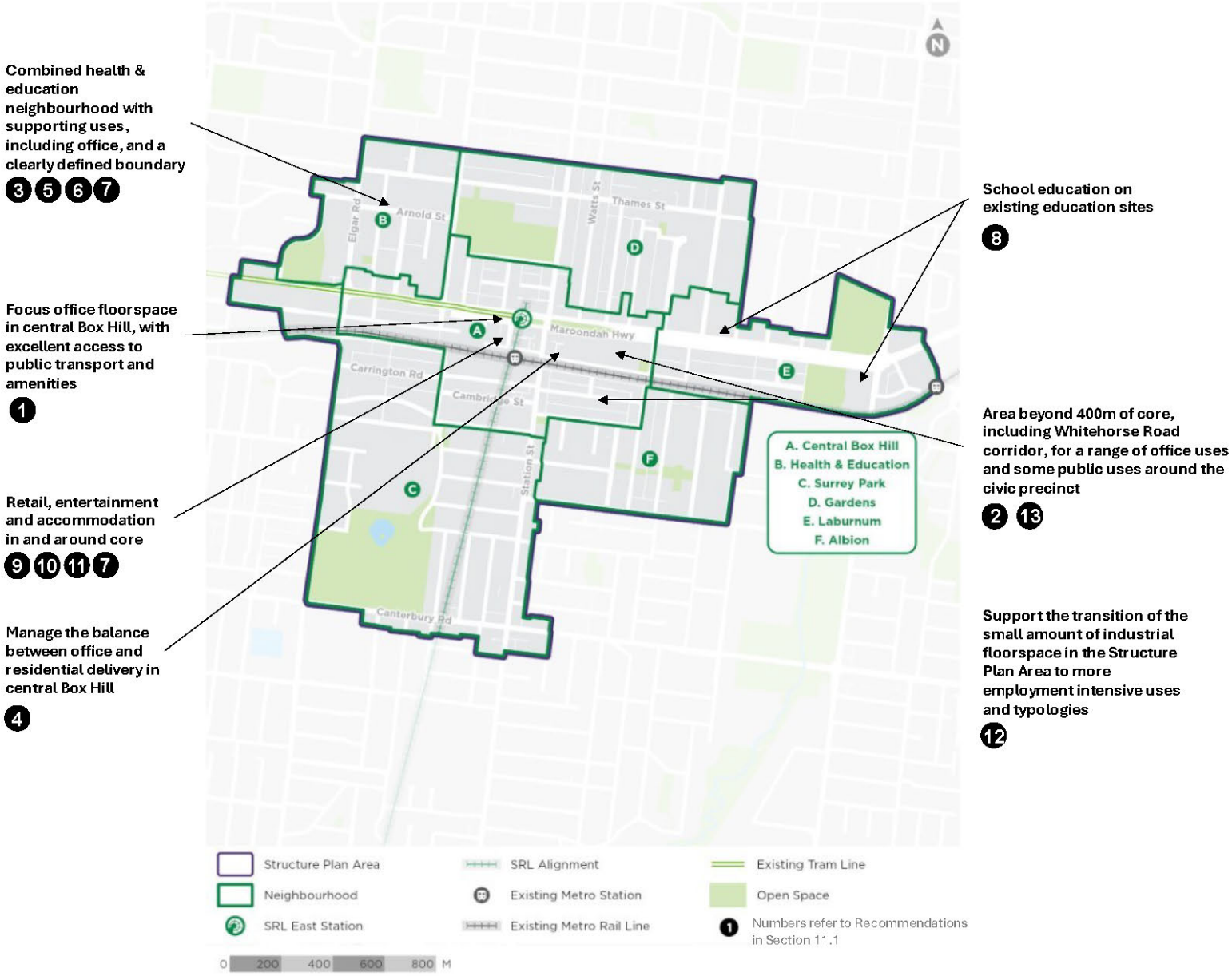
- **Opportunity 1 - Business attraction strategies -**Consider business attraction strategies and other mechanisms beyond the planning framework such as government tenants, financial incentives, government-led development, partnerships and strong policy support to create a critical mass of office tenants in Box Hill in the short to medium term.

- **Opportunity 2 - Health and Education Precinct Strategy -** Create a long-term strategy for the health and education precinct which clearly sets a combined health and education offer, assists with reshaping Box Hill's tertiary education offer (see Opportunity 5) and supports a wide range of complementary uses to activate the precinct. The strategy should focus on attracting businesses, encourage collaboration and innovation and delivering a high level of worker amenity.

  This strategy would require detailed input from the main health providers operating in the precinct.

- **Opportunity 3 - Review Box Hill's tertiary education offer -** Achieving the education floorspace will require further understanding of the Box Hill Institute's long-term plans for its three sites in the activity centre, and exploration of how to leverage the proximity of the health precinct to grow the tertiary education offer.

- **Opportunity 4 - Clearly define role and focus for key employment precincts -** Realising Box Hill's employment vision will require clear articulation of the role and priorities of key employment precincts through further economic development strategies. Aside from Box Hill's Health and Education Precinct, discussed above, the key precincts are the central Box Hill core immediately around the station, the Whitehorse Road corridor and the Ellingworth Parade area.



LOCATION RECOMMENDATIONS FOR FUTURE EMPLOYMENT FLOORSPACE IN THE BOX HILL STRUCTURE PLAN AREA

1. Introduction

SRL is a transformational project that will help shape Melbourne's growth in the decades ahead. It will better connect Victorians to jobs, retail, education, health services and each other – and help Melbourne evolve into a 'city of centres'.

SRL will deliver a 90-kilometre rail line linking every major train service from the Frankston Line to the Werribee Line via Melbourne Airport.

SRL East from Cheltenham to Box Hill will connect major employment, health, education and retail destinations in Melbourne's east and south east. Twin 26-kilometre tunnels will link priority growth suburbs in the municipalities of Bayside, Kingston, Monash and Whitehorse.

SRL East Draft Structure Plan (Structure Plan) Areas will surround the six new underground stations at Cheltenham, Clayton, Monash, Glen Waverley, Burwood and Box Hill.

1.1 Purpose of this report

This report will inform the development of the Structure Plan to guide land use planning and development in the Box Hill Structure Plan Area.

The report assesses the economic and jobs growth potential of the Structure Plan Area, and to what extent the market is capable of providing the forecast employment floorspace. Issues and opportunities relating to employment floorspace in the Structure Plan Area are identified. It does this by:

- Examining the present condition of the local economy and consider its potential for growth going forward, taking into account its competitive strengths, weaknesses, opportunities, and challenges.
- Understanding recent and proposed employment-related development activity to assess if the market is capable of providing the projected demand for floorspace independently. Additionally, consider broader economic trends and their impact on activity centres.
- Identifying the amount of employment floorspace that will be required to realise projected employment, including the form/type of space.
- Providing a summary of the factors that Structure Plan controls should take into account to ensure the right amount and form of employment floorspace is delivered in appropriate locations.

1.2 Project context

Construction of the SRL East underground stations is underway Cheltenham, Clayton, Monash, Glen Waverley, Burwood and Box Hill. This provides an opportunity to enhance the surrounding neighbourhoods. SRL East will support thriving and sustainable neighbourhoods and communities that offer diverse and affordable housing options, with easy access to jobs, transport networks, open space, and community facilities and services. Figure 1.1 shows SRL East in the context of the entire SRL project and Melbourne's rail network.

A Box Hill Vision has been developed in consultation with the community and stakeholders for the Structure Plan Area and surrounds. The visions set out the long-term aspirations for these areas, ensuring they are ready to meet the needs of our growing population.

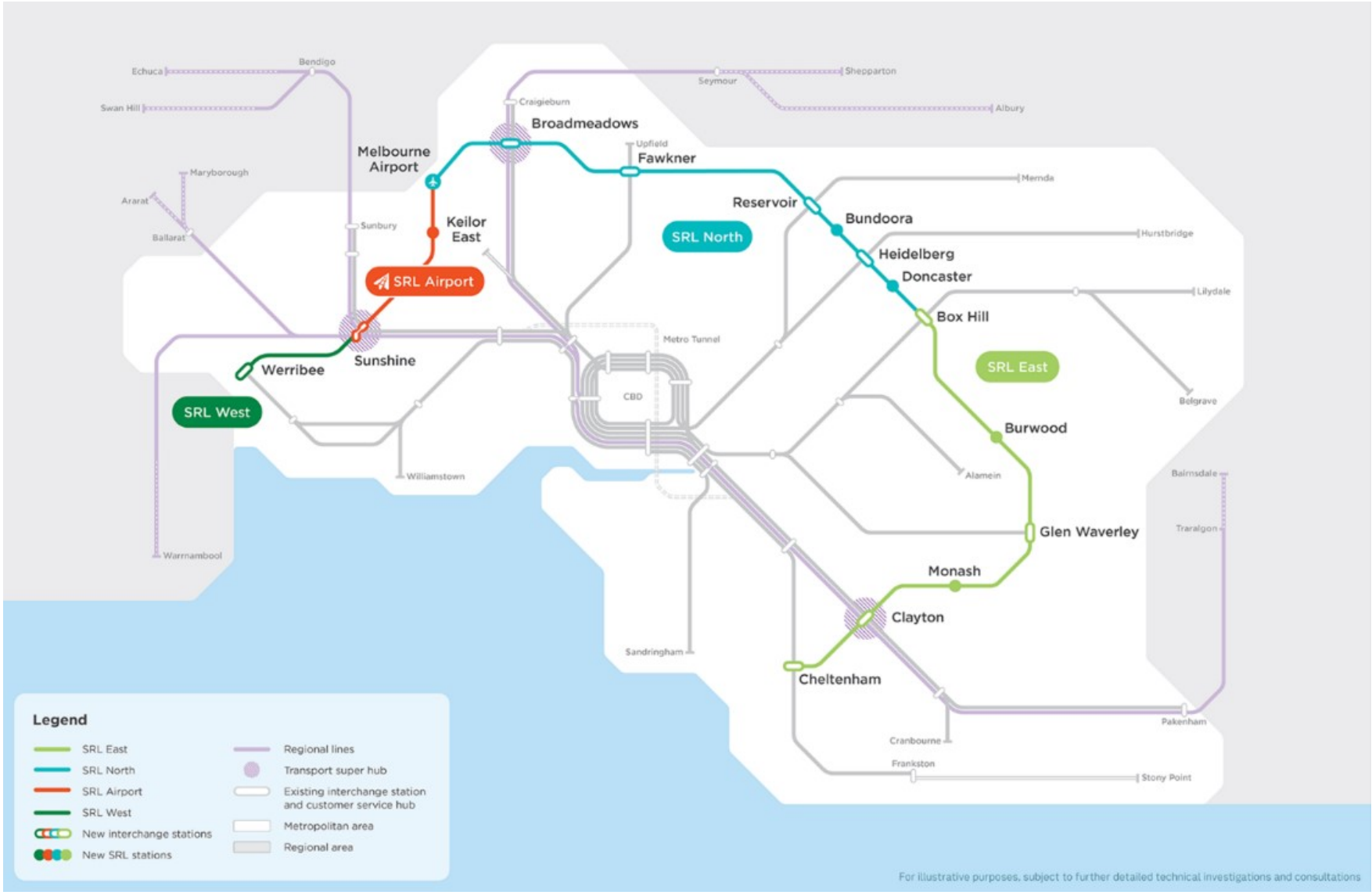


FIGURE 1.1 SUBURBAN RAIL LOOP

1.3 Structure planning for SRL East

Structure Plans have been prepared for defined areas surrounding the new SRL East stations to help deliver the Box Hill Vision developed for each SRL East neighbourhood.

The Structure Plans cover defined SRL East Structure Plan Areas that can support the most growth and change. These areas cover a walkable catchment that extends from the SRL station entrances. Additional places are included within each defined area as required to make planning guidance more robust and effective, and to align with each community's aspirations and current and future needs.

A Structure Plan is a blueprint to guide how an area develops and changes over a period of time. Structure Plans describe how future growth within the area will be managed in an appropriate and sustainable way to achieve social, economic and environmental objectives. The plans cover a wide range of matters, such as transport connections and car parking, housing and commercial development, community infrastructure, urban design, open space, water and energy management, climate resilience and sustainability.

By tailoring planning decisions to reflect the needs of a defined area, Structure Plans give effect to the policies and objectives set for these areas and cater for changing community needs. They also provide certainty for residents, businesses and developers by identifying the preferred locations and timing of future land uses, development and infrastructure provision.

Structure Plans take a flexible and responsive approach that enables places to evolve over time.

Planning scheme amendments will be required to implement the Structure Plans into the planning schemes of the cities of Bayside, Kingston, Monash and Whitehorse.

1.4 Structure of this report

Part A: Background

- Part A reviews Victorian and local government policies and strategies relating to employment growth and considers how development in the Structure Plan Area can contribute to achieving their objectives. An overview of existing economic features and jobs in the Structure Plan Area is provided, including recent and proposed employment-related development.

Part B: Economic outlook and potential

- Part B reviews the role of suburban employment hubs and the potential for growth in professional services jobs in the Structure Plan Area. The changing nature of work and jobs and the impacts on workplace types and locations is considered, along with the implications for planning future employment floorspace in the Structure Plan Area. The economic strengths and challenges of the Structure Plan Area are considered, and its long-term economic potential and growth is assessed. Additionally, consider broader economic trends and their impact on activity centres.

Part C: Future employment floorspace demand

- Part C identifies which sectors are expected to generate the most jobs growth in the Structure Plan Area and assesses the amount and form of floorspace needed to support this jobs growth, as well as the most appropriate locations for its development.

Part D: Summary and recommendations

- Part D provides a summary of the factors that Structure Plan controls should take into account to ensure the right amount and form of employment floorspace is delivered in appropriate locations.

1.5 Data sources and definitions

The key data sources and definitions used in this analysis are outlined here:

- **Future employment demand** was assessed using employment projections for the Structure Plan Area which were derived from the CityPlan population and employment projections outlined in the Business and Investment Case (BIC) prepared for the SRL (August 2021). The CityPlan projections used in the BIC projections account for the expected overall growth of Melbourne and the transport interventions and precinct initiatives of SRL influence the distribution of population. That is, population growth isn't solely driven by SRL, rather SRL influences the distribution of growth.

- **Travel zones (TZNs)** are the unit of geography used by the Victorian Integrated Transport model (VITM) and is the base geography for the CityPlan model above. There are a total of around 7000 zones across Victoria.
- A **floorspace audit** was caried out to identify and categorise employment land in the Structure Plan Area. This process included review of several data sources (such as The Department of Energy, Environment and Climate Action (DEECA), Public Sector Mapping Agency (PSMA) and Space Syntax) to understand, for each building, the existing employment land use and estimate the amount of floorspace. This data set provided a baseline for future floorspace estimates and figures are in Gross Building Area (GBA).
- A further comprehensive **industrial land audit** was carried out to identify and categorise relevant industrial land uses within the boundaries of each Structure Plan. This process included a thorough examination of current occupants by analysing *Arealytics* data and other online datasets. Businesses were classified based on their industry, the nature of the business, and the typology of the space they occupied was determined.
- A job is defined as employment of all contract types including full-time, part-time and casual employment. The terms 'job' and 'workers' are used interchangeably in this report. To distinguish by industry, the following Australian and New Zealand Standard Industrial Classification (ANZSIC) Divisions have been summed under the following industry grouping used in this analysis:
  - Professional Services: Information Media and Telecommunications; Financial and Insurance Services; Rental, Hiring and Real Estate Services; Professional, Scientific and Technical Services; Administrative and Support Services; Public Administration and Safety
  - Health: Health Care and Social Assistance
  - Education: Education and Training
  - Other Population Services: Retail Trade; Accommodation and Food Services, Arts and Recreation Services; Construction, Other Services
  - Industrial: Agriculture, Forestry and Fishing; Mining; Manufacturing; Electricity, Gas, Water and Waste; Wholesale Trade; Transport, Postal and Warehousing.
- Employment is distributed among various land uses:
  - Office: Includes multi-storey office towers, campus style buildings and commercial tenants in shopping centres, mixed-use developments or along the street
  - Health: Includes hospitals, medical centres and health tenancies in shopping centres, mixed-use developments or along the street
  - Education: Includes schools and universities and education tenancies in shopping centres, mixed-use developments or along the street
  - Retail: Includes shopping centres, retail on high streets and standalone sites
  - Public Use: Includes courts, town halls, police stations, fire stations and the like
  - Industrial: Industrial uses in warehouse and factory typologies
  - Entertainment / Recreation: Includes structures in sporting contexts (such as club rooms), bars or clubs, cinemas and other commercial entertainment (such as mini golf)
  - Accommodation: Includes hotels, serviced apartments and short-stay accommodation.
- The following floorspace measurements are used:
  - Workspace ratio is the average floorspace (sq.m) per employee
  - Gross Building Area (GBA) refers to the total floorspace of a building such as stairs, hallways and plant.
  - GBA is used for the floorspace audit as the audit was undertaken using external building information, so no common spaces or otherwise unleasable spaces were removed for the audit

» Gross Floor Area (GFA) is the total area of all floors in a building, measured from the exterior walls, and generally excludes stairs and plant area

» Gross Leasable Area (GLA) focuses on the portion of space available for lease to tenants, typically excluding common areas and utility spaces.

A comprehensive compilation of abbreviations, data sources and definitions, including conversion assumptions between GLA and GBA by floorspace type is provided in Appendix A.

1.6 Assumptions and limitations

The following assumptions and limitations apply to this assessment:

- The analysis focuses on a single potential employment outcome and evaluates the employment floorspace requirements necessary to achieve that specific outcome. The projected year for employment floorspace need is 2041 as the emphasis for structure planning is 2041.
- The CityPlan employment projections are based on modelling which approximates of what can be expected in the real environment. The employment projections are best at representing strategic level demands, rather than for small areas. Notwithstanding this, there will usually be differences between forecasts and actual results because events and circumstances frequently do not occur as expected or predicted, and those differences may be material. As a strategic representation, CityPlan data may be less reliable as geographic areas become smaller or when the data is further divided, such as by industry.
- While it is generally appropriate to rely on CityPlan projections for the SRL East Structure Plan Areas at an aggregate level (e.g., total population, total jobs), caution should be exercised when further breaking down this data (e.g., population by age, jobs by industry). The implications of this for the Economic Profile is discussed further in Section 7.
- Retail is addressed in this report as a land use but is further examined in the *SRL East Structure Plan - Retail Assessment – Box Hill* report. Conclusions about retail floorspace demand and employment are based on the findings of that report.

More information about assumptions and limitations of this report is provided in Appendix A.

1.7 Interactions with other technical reports

This *SRL East Structure Plan – Economics Profile – Box Hill* report informs, or is informed by other reports prepared to guide the development of SRL East Structure Plans:

- *SRL East Housing Needs Assessment – Box Hill*: This report forecasts long-term housing needs in the Structure Plan Area, including the number, type and size of dwellings. Employment uses and housing need to be delivered in an integrated way, resulting in a need to understand anticipated economic outcomes and the consequences for housing delivery.
- *SRL East Structure Plan - Retail Assessment – Box Hill:* This report forecasts long-term retail demand in the Structure Plan Area, and the amount and type of retail floorspace needed to meet the demand. Retail space needs to be directed to appropriate areas to support the future population and workforce.
- *SRL East Structure Plan - Land Use Scenario and Capacity Assessment (LUSCA*): This analysis tests the capacity of the SRL East Structure Plan Areas to accommodate projected population and employment floorspace at 2041. The housing floorspace demand derived from this report is an input to LUSCA.
- *SRL East Structure Plan - Community Infrastructure Needs Assessment - Box Hill*: This will provide an understanding of the community infrastructure needs associated with the growth and renewal of the SRL East Structure Plan Areas to 2041, recommendations for future community infrastructure provision priorities and potential sites to accommodate them.
- *SRL East Structure Plan – Transport Technical Report - Box Hill*: Outlines how the transport network, across all modes, will support the Structure Planning process. The scale, location and nature of future employment uses, informed by this report, influences the transport requirements. The appended Precinct Parking Plan recommends parking management tools to support the development of the SRL East Structure Plan Areas and support implementing a schedule for the Parking Overlay. The scale, location and nature of employment uses, informed by this report, influences the parking requirements.

1.8 Structure Plan Area

1.8.1 BOX HILL STRUCTURE PLAN AREA

The Box Hill Structure Plan Area surrounds the SRL station at Box Hill in the City of Whitehorse.

It is generally bordered by Severn Street and McKean Street to the north, Clota Avenue and Laburnum Street to the east, slightly west of Elgar Road to the west and Canterbury Road to the south.

Whitehorse Road / Maroondah Highway and the existing Belgrave / Lilydale Line intersect in the centre of the Structure Plan Area in an east-west alignment. The main road corridors include Whitehorse Road, Elgar Road and Station Street.

The Box Hill Structure Plan Area is shown in Figure 1.2. Current and projected resident and worker populations are shown below in Table 1.1.

The Structure Plan Area is divided into a series of neighbourhoods. These neighbourhoods represent areas with similar land use mix and are referenced through the structure planning process.

TABLE 1.1 RESIDENT AND WORKER POPULATION IN 2021 AND PROJECTED TO 2041, BOX HILL STRUCTURE PLAN AREA

POPULATION TYPE	2021	2041
Workers	18,500	38,700
Residents	13,300	29,100

Source: ABS Census for Population (residents) and Census for Population Aged 15+ (workers). Business and Investment Case for projections out to 2041

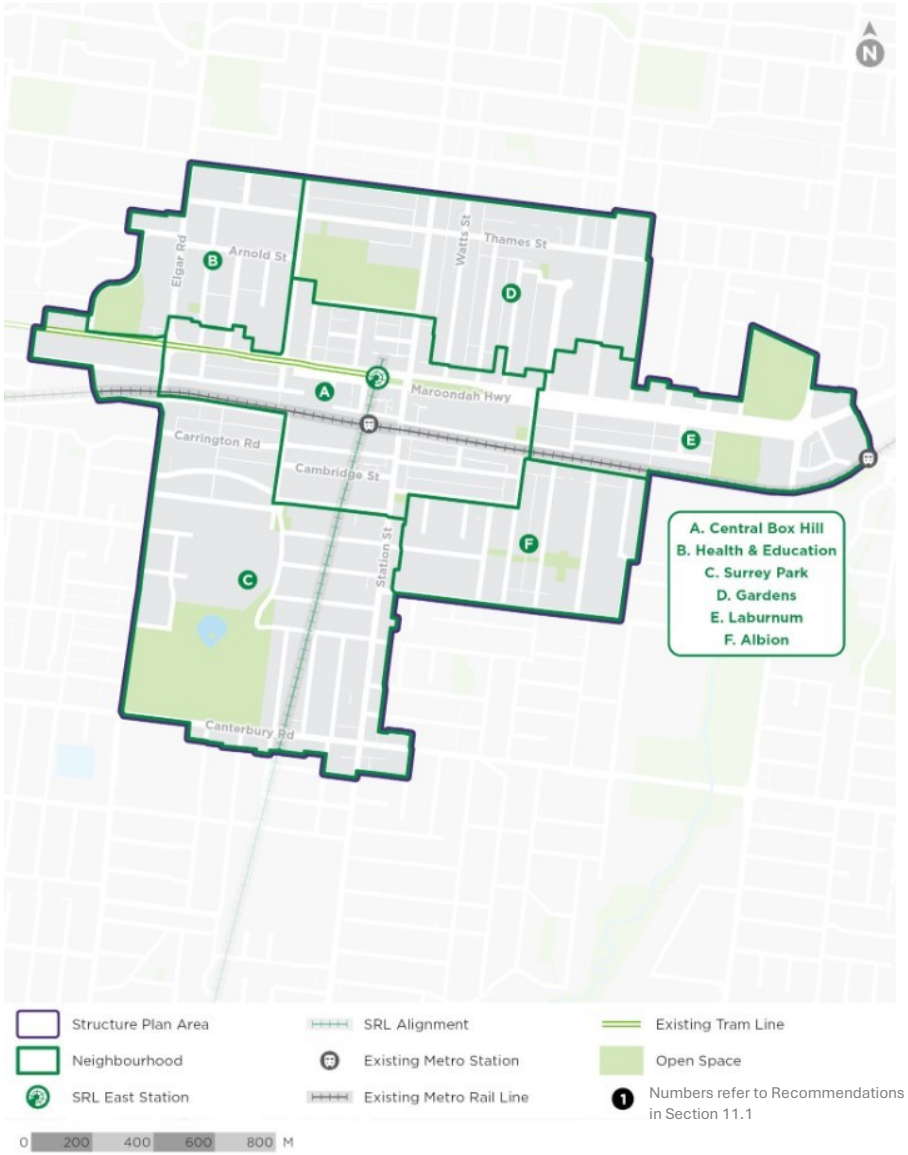


FIGURE 1.2 BOX HILL STRUCTURE PLAN AREA

Source: AJM JV

1.8.2 BENCHMARK AREAS

For the purposes of benchmarking, data was also collected for the following areas:

- **Greater Melbourne** – as defined by the Australian Bureau of Statistics (ABS) Greater Capital City Statistical Areas boundary.
- **South East Region** – which comprises the following local government areas: Bayside, Glen Eira, Boroondara, Greater Dandenong, Kingston, Knox, Manningham, Maroondah, Monash, Whitehorse, and Stonnington. The South East Region is shown in Figure 1.3.

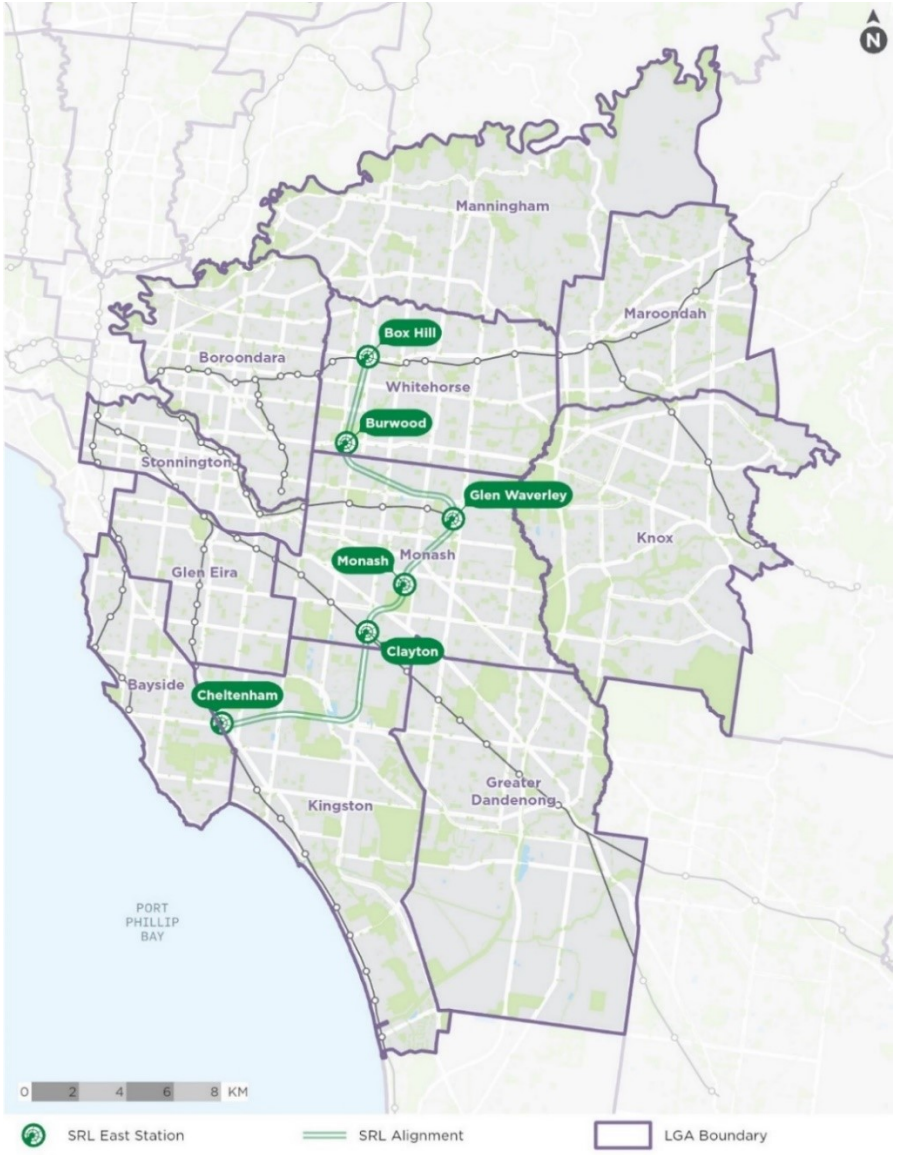


FIGURE 1.3 SOUTH EAST REGION

Source: AJM JV

Part A: Background

Part A includes:

- **Section 2** summarises the strategic context. It reviews Victorian and local government policies and strategies relating to employment growth and considers how development in the Structure Plan Area can contribute to achieving their objectives.
- **Section 3** provides an overview of existing economic features and jobs in the Structure Plan Area, including recent and proposed employment-related development.

2. Strategic Context

This section summarises Victorian and local government policies and strategies relating to employment growth and considers how development in the Structure Plan Area can contribute to achieving their objectives.

2.1 Victorian government policy

2.1.1 PLAN MELBOURNE 2017-2050

Plan Melbourne 2017–2050 is the Victorian Government's long-term planning strategy, guiding the way the city will grow and change to 2050.

It provides an integrated land use, infrastructure and transport planning strategy to support population and jobs growth, while building on Melbourne's legacy of distinctiveness, liveability, and sustainability.

A primary objective of Plan Melbourne is to **promote employment growth in areas beyond the central city**, fostering a city structure that enhances Melbourne's competitiveness in attracting jobs and investments.

The development of National Employment and Innovation Clusters (NEICs), Metropolitan Activity Centres (MACs), and Major Activity Centres is intended to facilitate employment growth outside the central city:

> *To grow jobs and create accessible, affordable and attractive neighbourhoods, Melbourne needs to take advantage of the land it has available for renewal in the city and suburbs. Increasing the number and diversity of jobs closer to where people live—in places such as suburban employment clusters, health and education precincts and industrial precincts—will help make Melbourne more productive and competitive.*[1]

The *Plan Melbourne addendum 2019* (*Addendum*) updated Melbourne's projected population, housing and employment growth. The Addendum incorporates Stage 1 of SRL (SRL East). The Addendum recognises the role of the SRL in connecting Melbourne's major employment, health and innovation precincts, and supporting the development of 20-minute neighbourhoods.

2.1.1.1 Activity Centres

Plan Melbourne emphasises the crucial role of activity centres in enhancing Melbourne's economic performance.

Activity centres are classified into three main types: Metropolitan Activity Centres, Major Activity Centres, and Neighbourhood Activity Centres.

Plan Melbourne provides the following general description of activity centres:

> *Areas that provide a focus for services, employment, housing, transport and social interaction. They range in size and intensity of use from smaller neighbourhood centres to major suburban centres and larger metropolitan centres.*[2]

Box Hill is a designated Metropolitan Activity Centre (MAC), which is the highest order of activity centre outside Melbourne's central business district (CBD). It is one of nine established MACs across metropolitan Melbourne, and the only MAC in the South East Region of Melbourne.

MACs act as primary hubs for regional catchments and are focal points for public transport services with a key service delivery role, providing major health, retail, community, government, entertainment and cultural facilities.

The Victorian Government acknowledges the crucial role of MACs in ensuring that residents across Greater Melbourne can access a diverse range of services amid the city's ongoing expansion. MACs are planned to be significant contributors to job opportunities, various activities, and housing options, outside the CBD.

Plan Melbourne also identifies that activity centres should accommodate an increasingly wide mix of land uses:

> *All activity centres have the capacity to continue to grow and diversify the range of activities they offer. Diversification will give communities access to a wide range of goods and services, provide local employment and*

[1] Department of Transport and Planning, (2017) Plan Melbourne 2017-2050 https://www.planning.vic.gov.au/guides-and-resources/strategies-and-initiatives/plan-melbourne p. 8

[2] Department of Transport and Planning, (2017), p. 138

support local economies and the development of 20-minute neighbourhoods.[3]

2.1.1.2 Health and/or Education Precincts

Plan Melbourne identifies state-significant health and/or education precincts for further services and jobs growth.

Plan Melbourne seeks to reinforce the economic functions of these precincts and states that *'these precincts stimulate innovation, create employment and are of fundamental importance to the emerging knowledge economy and surrounding communities'.*[4]

Box Hill is identified as a health and education precinct owing to the presence of Box Hill Hospital, Epworth Eastern and surrounding health uses, and the Box Hill Institute, which provides a range of tertiary courses.

Figure 2.1 shows the locations of jobs and investment across Melbourne, as provided in Plan Melbourne.

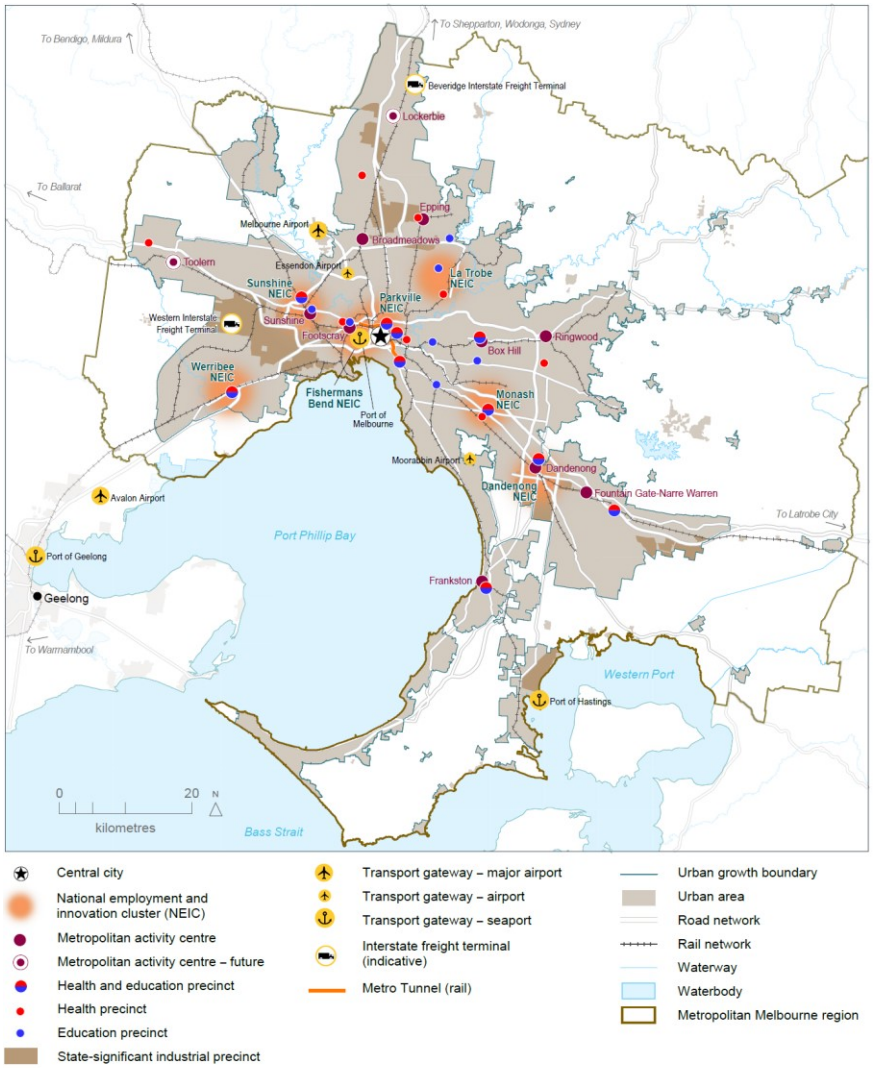


FIGURE 2.1 JOBS AND INVESTMENT ACROSS MELBOURNE

Source: Department of Transport and Planning

[3] Department of Transport and Planning, (2017), p. 37

[4] Department of Transport and Planning, (2017), p. 34

2.1.1.3 The 20-Minute Neighbourhood

To create a healthier and more inclusive city, Plan Melbourne adopts the principle of 20-minute neighbourhoods. The 20-minute neighbourhood is all about 'living locally', giving people the ability to meet most of their everyday needs within a walkable distance, generally around 800 metres.

Features of a 20-minute neighbourhood include places to study and work, as shown in Figure 2.2

Plan Melbourne also states that *'due to the specialised and diverse nature of many people's work, access to employment will often be outside the 20-minute neighbourhood'.*[5] Nonetheless, there is still a preference to maximise employment opportunities closer to where people live.

FIGURE 2.2 FEATURES OF A 20-MINUTE NEIGHBOURHOOD

Source: Department of Transport and Planning

2.1.2 MELBOURNE INDUSTRIAL AND COMMERCIAL LAND USE PLAN

The *Melbourne Industrial and Commercial Land Use Plan (MICLUP) (2020)* provides guidance for managing employment land across metropolitan Melbourne. It builds on Plan Melbourne and establishes a planning framework to support the Victorian and local governments to plan more effectively for future employment and industry needs.

The MICLUP aims to support industrial and commercial use of land by:

- Identifying and setting aside adequate long-term industrial and commercial land supply to support future industry and business growth
- Recognising and retaining industrial and commercial areas that provide an ongoing economic and employment contribution to local communities, regions and the state as a critical economic resource
- Providing clear direction on locations where growth should occur and protecting state-significant industrial precincts from incompatible land uses to allow for long term investment and future growth
- Supporting industry and business to innovate and grow in identified areas.

MICLUP identifies and categorises employment land into 'industrial' or 'commercial' land across a designated hierarchy where employment land uses are further classified into precincts of state, regional or local significance. These classifications reflect the policy objectives for the area or precinct and assist with identifying land that should be retained for current industrial or employment uses, or considered for alternative uses.

The existing activity centre classification is used as a basis for classifying the role and purpose of commercial land. As a MAC, **Box Hill is identified as a state-significant commercial area in MICLUP.** The Plan recognises the Box Hill MAC as a significant regional mixed-use centre with high accessibility to the Melbourne CBD and a mix of significant retailing, office, accommodation, restaurant, civic, health and education facilities.

[5] Department of Transport and Planning, (2017), p. 99

2.1.3 MELBOURNE'S FUTURE PLANNING FRAMEWORK

In 2021, six region-specific Draft Land Use Framework Plans were released to guide the application of Plan Melbourne at a regional level. The metropolitan region relevant to Box Hill is the Eastern Metro region.

2.1.3.1 Draft Eastern Metro Land Use Framework Plan

The Eastern Metro region comprises the municipalities of Knox, Manningham, Maroondah, Monash, Whitehorse and Yarra Ranges.

The Eastern Metro Region has an established network of activity centres, linear corridors based along key transport routes for residential and employment growth, and urban renewal areas that will provide opportunities to increase the supply of housing.

This framework identifies that SRL East will accelerate jobs and investment in the Eastern Metro Region:

> *SRL East (Cheltenham to Box Hill) will facilitate growth and diversity within station precincts and open up employment opportunities by connecting established precincts such as the Monash National Employment and Innovation Cluster (NEIC), Deakin University, Box Hill Metropolitan Activity Centre, and Glen Waverley and Clayton major activity centres. The north-south alignment will increase access to jobs and services and increase the reach of businesses to attract workers from across the region and beyond.*[6]

The Framework Plan flags that a significant amount of additional commercial floorspace will be needed across the Eastern Metro Region. With no future commercial areas identified, the Eastern Metro Region must rezone, consolidate or intensify land uses to accommodate future requirements. A significant proportion of the region's recent office development has been in freestanding business or office parks. There is a need to identify and supply additional commercial floorspace in designated activity centres close to public transport, including under-used land and surplus Crown (State-owned) and Council-owned land.

The Framework Plan acknowledges that housing development must be balanced with protection of employment uses particularly around regionally-significant industrial precincts, and the Monash NEIC.

The Framework Plan identifies the following **economic opportunities for Box Hill**:

- Support significant growth and investment in retail, public transport, health, justice, education, entertainment, and medium- and higher-density residential development
- Support health and public sector jobs and maximise employment growth, accommodate more intensive and diverse range of activities
- Grow the state-significant health and education precinct and attract allied sectors

Strategies in the Framework Plan that relate to employment in Box Hill are:

- **Strategy 3** – Support significant land use change and higher-density development in SRL precincts.
- **Strategy 4** – Encourage investment that will attract major anchor tenants, start-ups and specialised labour in the region's health and/or education precincts.
- **Strategy 5** – Support convenience retail, service and business uses in health and/or education precincts and SRL precincts to provide ancillary business opportunities and amenities.
- **Strategy 8** – Direct high-value jobs and higher-density development to Box Hill and Ringwood Metropolitan Activity Centres as well as suitable major activity centres.

[6] Draft Eastern Metro Land Use Framework Plan, p. 18.

- **Strategy 9** – Retain existing commercial zoned land and identify areas that can support future demand for commercial floorspace and new investment with a focus on Metropolitan and Major Activity Centres.
- **Strategy 10** – Maximise land use and economic intensification around SRL precincts, particularly those co-located with activity centres, leveraging public transport improvements.
- **Strategy 11** – Encourage the agglomeration of commercial investment by locating employment uses and office development in activity centres.

2.2 Local government policy

2.2.1 WHITEHORSE INVESTMENT & ECONOMIC DEVELOPMENT STRATEGY 2024-2028

The Whitehorse *Investment & Economic Development Strategy 2024–2028 (*adopted May 2024) sets out economic growth priorities and actions for the City of Whitehorse to 2028. The Strategy is being finalised following a community consultation process.

The Strategy states that Box Hill will continue to drive local consumption, employment and investment. It recognises the significant opportunities that SRL will create for Box Hill, generating long-term economic growth.

Economic development themes of the Strategy are:

- Supporting the business community to encourage growth, productivity, and development
- Supporting the employment precincts and activity centres and driving local consumption, supporting business activity, generating local job creation and providing services and amenity to residents
- Providing opportunities for residents of all backgrounds with skills development and training
- Driving visitor growth and enhancing the visitor experience, with a particular focus on international students and the visiting friends and relatives of migrant communities.[7]

[7] City of Whitehorse, Investment & Economic Development Strategy 2024-28 DRAFT, p. 5

2.2.2 WHITEHORSE COUNCIL PLAN 2021-25

The *Whitehorse Council Plan 2021–25* sets out policies across seven strategic directions to ensure the municipality continues to be a healthy, prosperous and sustainable community supported by strong leadership and community partnerships.

Whitehorse City Council has committed to **increasing employment activity outside the CBD** by increasing the area's **attractiveness to local business**. Future development needs to provide opportunities for employment and residential growth.

The Council Plan sets out specific actions including increasing procurement from local business, partnering with the education sector, facilitating a renewal of retail rate schemes, and implementing a business communication program. Providing fast transport for customers to new business in the Structure Plan Area is essential to achieving the goals of the Council Plan.

2.2.3 BOX HILL TRANSIT CITY ACTIVITY CENTRE STRUCTURE PLAN

Land use and development in the Box Hill Metropolitan Activity Centre is guided by the Box Hill Transit City Activity Centre Structure Plan (2007).

The Plan states:

- Box Hill will be a place where people can live, work, shop and access social networks and personal services. It will be an important residential growth area, accommodating a significant increase in the number of dwellings and housing of different types and scales, supporting diversity in terms of household size and affordability. It will accommodate growth in office space and local employment and its status as a major retail centre will be reinforced.
- Box Hill will be a focus for regional health care, educational and community services. It will accommodate growth in educational facilities, medical services and associated specialist activities, and offer an environment that attracts related business investment. It will be a focus for provision of local and state government services in the region and community health and support services.[8]

Substantial changes in Box Hill's land use, growth and demographics prompted a review of the Transit City Activity Centre Structure Plan, with a revised plan prepared in December 2018, the *Box Hill Metropolitan Activity Centre to 2036 – Draft Structure Plan*. This plan remains in draft.

The revised Structure Plan identifies that since the 2007 Structure Plan was released a risk had emerged of residential development speculation, and development crowding out employment floorspace and increasing competition for retail space.

2.2.4 WHITEHORSE INDUSTRIAL STRATEGY 2011

The *Whitehorse Industrial Strategy* provides an assessment of the eight industrial precincts across the municipality. There are no designated industrial precincts in the Box Hill Structure Plan Area, so the Whitehorse Industrial Strategy has a limited application for structure planning.

[8] City of Whitehorse, Box Hill Transit City Activity Centre Structure Plan 2007 p. 11

2.3 Implications for Box Hill Structure Plan

SRLE will contribute to achieving the objectives of Victorian and local government policies and strategies relating to employment growth. Key strategic policy considerations are outlined as follows:

- Increasing employment opportunities outside the Melbourne CBD is a policy priority at state and local levels. As a designated Metropolitan Activity Centre (MAC) and with SRLE providing greater accessibility, Box Hill is identified to play a major role in this shift. The Structure Plan for Box Hill can support this employment growth.
- Box Hill will continue its service delivery role with major retail, community, government, entertainment and cultural activities. The Structure Plan should support these functions to serve the needs of a growing resident and worker population.
- Plan Melbourne identifies Box Hill as an important health and education precinct serving Melbourne's east. The Structure Plan should support the optimisation of the Box Hill health and education precinct to serve this purpose. The Structure Plan should encourage innovation, create more jobs locally and boost the knowledge-based economy to meet the long-term needs of Melbourne's eastern region.

3. Existing economic features

This section provides a snapshot of the current employment landscape and significant economic assets in the area, along with an overview of recent employment-related developments.

3.1 Employment generators

Box Hill is a designated Metropolitan Activity Centre (MAC). MACs play a major service delivery role, including government, health, justice and education services, as well as retail and commercial opportunities.

The main existing employment generators and area in the Box Hill Structure Plan Area are:

1. Box Hill Central – a large shopping centre spread over north and south sites with a distinct fresh food offer and direct connection from the existing Box Hill Station. Box Hill Central forms part of a larger retail precinct in in surrounding streets.
2. The hospital cluster – anchored by Box Hill Hospital and the Epworth Eastern hospital. Box Hill Hospital is an acute care public hospital with 621 beds and over 48,000 patients admitted annually. It is also a teaching hospital with affiliations with Monash, Deakin, and La Trobe universities. Epworth Eastern is a private hospital with 223 beds. Several smaller practices and consulting rooms are in the area surrounding the two hospitals.
3. Box Hill Institute – the Elgar Campus comprises eight large educational buildings used for automotive, carpentry, an integrated technical hub, nursing ward and computer labs. There is also a smaller Nelson Campus and Whitehorse Campus along Whitehorse Road.
4. A range of larger commercial buildings are located along Whitehorse Road, including the ATO building which houses the Australian Tax Office, and 990 Whitehorse Road and 991 Whitehorse Road, both of which accommodate a mix of businesses. A cluster of older office buildings is located along Prospect Street, just south of Whitehorse Road.
5. Ellingworth Parade has a mix of small offices, older warehouse and office style buildings set among emerging residential buildings to the eastern edge of Box Hill's commercial core.
6. Box Hill South features a small retail and commercial area at the intersection of Canterbury Road and Station Street. There are two smaller clusters of shops and commercial premises near Laburnum.
7. Box Hill High School is located to the west of Middleborough Road near Laburnum.

These employment locations are shown in Figure 3.1. Information on recent and pipeline developments with related employment growth is provided in Section 3.6.

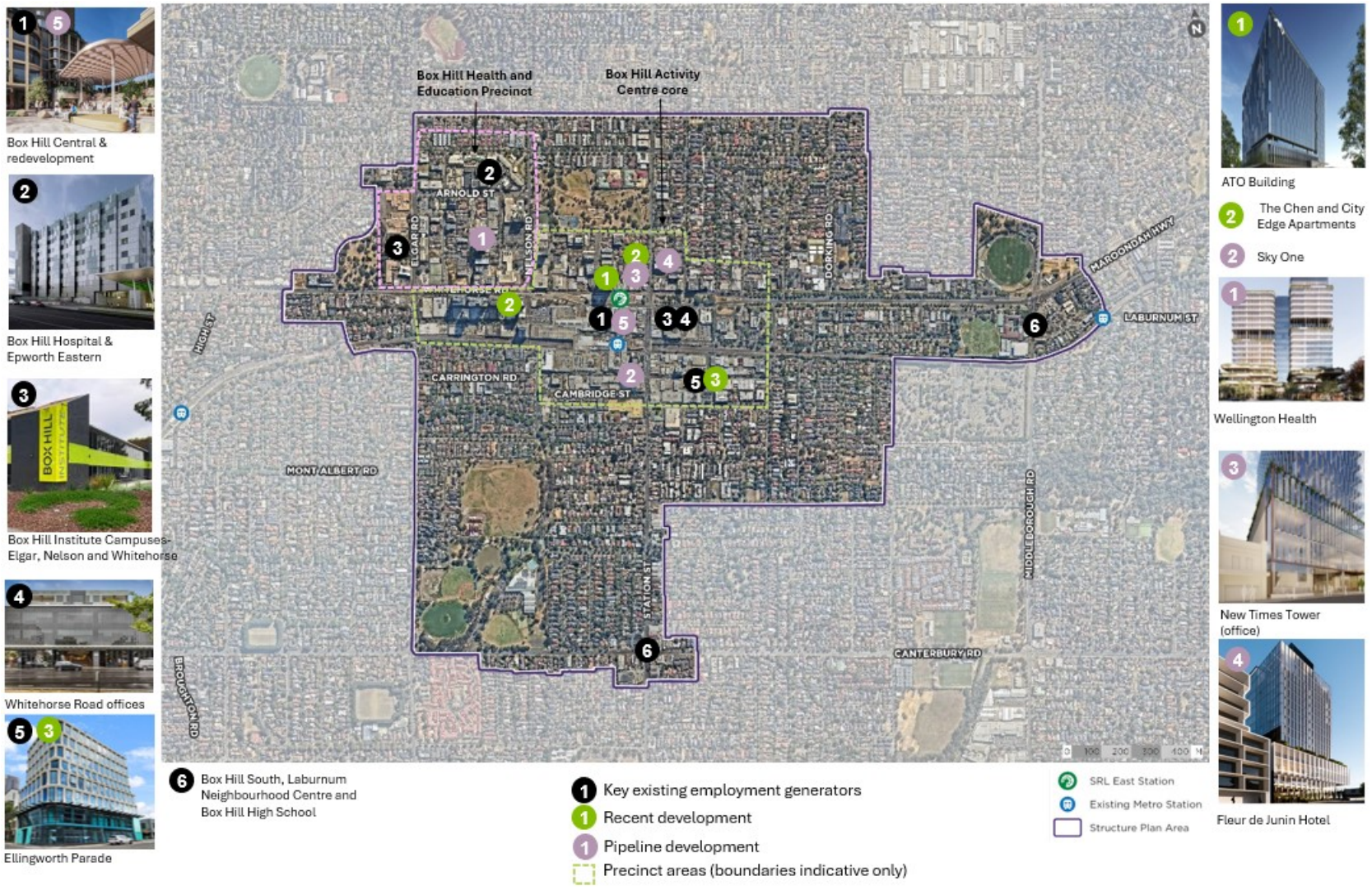


FIGURE 3.1 EXISTING EMPLOYMENT LOCATIONS AND FUTURE SUPPLY, BOX HILL STRUCTURE PLAN AREA[9]

Source: AJM JV

[9] Note: Numbering for existing employment refers to numbers used on previous page (e.g. Box Hill Central buildings are marked '1' and is the first dot point on the previous page). Numbers for proposed and pipeline are ordered sequentially within the map and do not refer to existing numbers.

3.2 Economic snapshot

An economic snapshot of Box Hill is shown in Figure 3.2. Box Hill has a vibrant local economy, employing around 18,500 people and contributing approximately around $118.4 billion to the Victorian economy annually. Over the past decade, job growth has been moderate at 1.7% per year, adding about 288 workers annually. Business formation has grown more robustly at around 2.4% per year, mainly driven by small to medium-sized businesses in the education and training, finance and insurance services, and accommodation and food services. Notably, there was no net growth in the number of businesses with 200 or more employees from 2013 to 2023. More details are provided in Appendix B.

FIGURE 3.2 ECONOMIC SNAPSHOT, BOX HILL STRUCTURE PLAN AREA

Sources: Cordell connect data for employment pipeline. Job and resident data from ABS Census 2011 and 2021. Business data excludes non-employing businesses, for years 2013 and 2023. ABS Business Counts. Economic value add data for 2021 from REMPLAN.

**Refer to section 3.7 for further information on the employment floorspace pipeline.*

3.3 Detailed industry breakdown

The Box Hill industry profile is summarised in Figure 3.3 and Figure 3.4. The Box Hill Structure Plan Area comprised of 18,500 workers in 2021, compared to 15,600 in 2011. Key industry categories in the Box Hill Structure Plan Area are Health Care and Social Assistance, Public Administration and Safety, and Education and Training. These are closely tied to the Box Hill Hospital, the ATO, and Box Hill Institute, underscoring their significance in shaping Box Hill's employment landscape historically. More details are provided in Appendix B.

Top Industries by Volume of Workers, 2021	
1	Health Care & Social Assistance
2	Public Administration & Safety
3	Education & Training

Top Industries by Jobs Growth, 2011-2021	
1	Health Care & Social Assistance
2	Accommodation & Food Services
3	Construction

Bottom Industries by Jobs Growth, 2011-2021	
1	Administration & Support Services
2	Retail Trade
3	Public Administration & Safety

Top Industry Specialisations, LQ 2021*	
1	Health Care & Social Assistance
2	Public Administration & Safety
3	Rental, Hiring & Real Estate Services

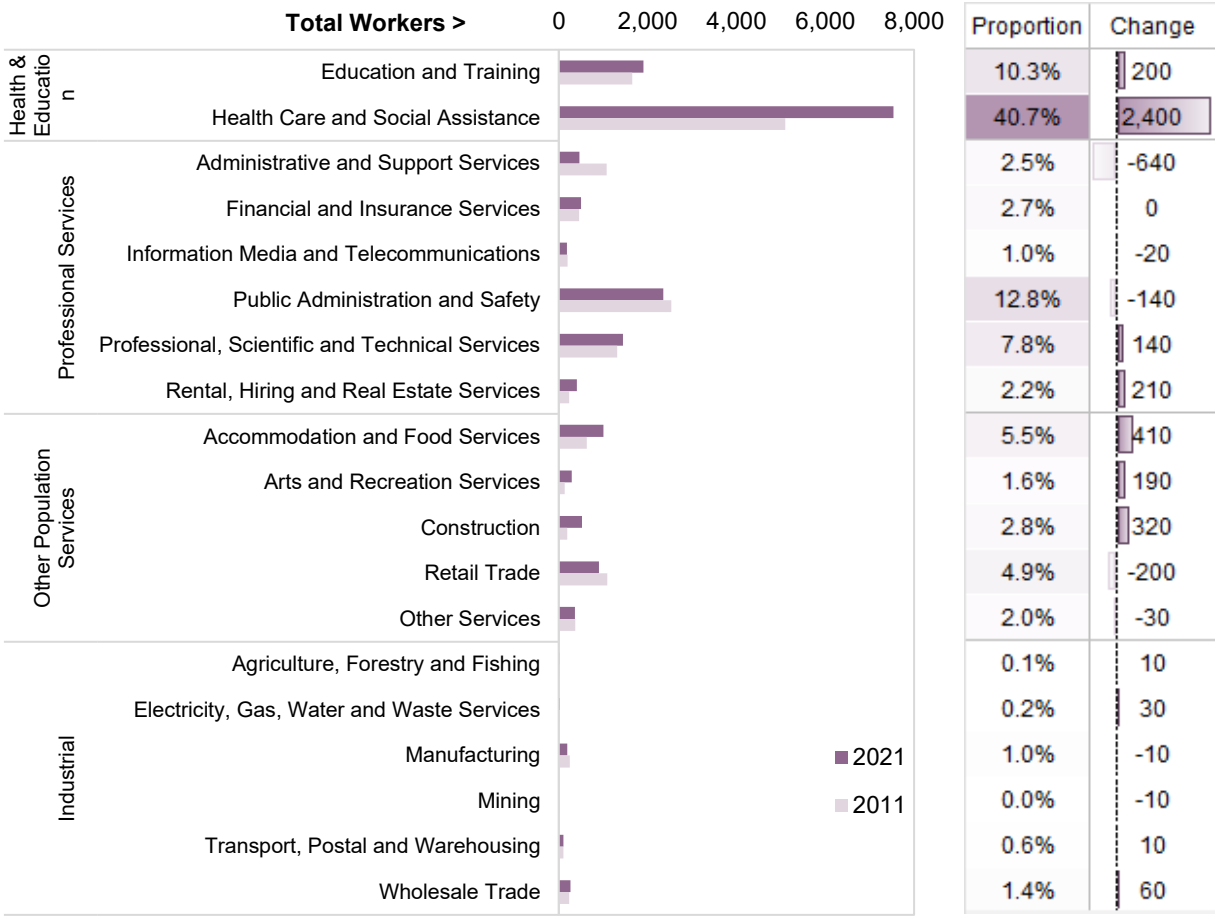


FIGURE 3.3 BOX HILL INDUSTRY SUMMARY, 2011 – 2021

FIGURE 3.4 BOX HILL INDUSTRY PROFILE, 2011 - 2021

**LQ refers to Location Quotient, that is the proportion of the target geography jobs, Glen Waverley, over the proportion of jobs in a benchmark geography, in this instance Greater Melbourne. For example, an LQ of 1 indicates that the target geography has the same proportion of an industry as the benchmark. LQ's below 0.8 indicates a relatively low reliance on that industry, whilst an LQ above 1.[2] indicates a specialisation.*
Source: ABS Census of Population Aged 15+ [2011 & 2021]

3.4 Worker snapshot

Figure 3.5 provides a snapshot of workers in the Box Hill Structure Plan and compares them to Greater Melbourne. Box Hill's workforce is highly-skilled, with 50% having a bachelor degree or above and 88% working in white-collar jobs. Average incomes are comparable to Greater Melbourne with professionals comprising the top occupations. Box Hill has a higher proportion of part-time workers compared to the Greater Melbourne average, indicating a larger casual workforce. More detail is provided in Appendix B.

STATISTIC TYPE	STATISTIC	BOX HILL STRUCTURE PLAN AREA (NO.)	BOX HILL STRUCTURE PLAN AREA (%)	GREATER MELBOURNE	VARIANCE TO GREATER MELBOURNE
Workers	Total workers	18,500	-	2,376,700	-
	Full-time workers	10,200	55%	61%	-5.5%pt ▽
	Part-time workers	7100	39%	33%	5.5%pt △
Age	Aged 15-24 years	2000	11%	13%	-2.6%pt ▽
	Aged 25-39 years	7400	40%	38%	2.3%pt △
	Aged 40-54 years	5600	30%	31%	-0.7%pt ▽
	Aged 55+ Years	3500	19%	18%	1.1%pt △
Education & income	Bachelor degree or higher	11,400	62%	44%	17.3%pt △
	Diploma and above	2200	12%	12%	-0.1%pt ▽
	Certificate or Year 10 and above	4200	23%	39%	-15.8%pt ▽
	Average income	$75,700		$76,200	-0.6% ▽
Broad occupation	White collar	16,300	88%	75%	13.1%pt △
	Blue collar	2200	12%	25%	-13.0%pt ▽
Top occupations	1. Professionals	7900	43%	28%	14.8%pt △
	2. Clerical & Administrative	3200	17%	14%	3.7%pt △
	3. Community & Personal Service	2100	11%	11%	0.6%pt △
Broad industry	Education	1900	10%	11%	0%pt △
	Health	7600	41%	16%	24%pt △
	Professional Services	5300	29%	21%	8%pt △
	Other Population Services	3100	17%	32%	-16%pt ▽
	Industrial	600	3%	20%	-17%pt ▽

FIGURE 3.5 BOX HILL WORKER CHARACTERISTICS VS GREATER MELBOURNE, 2021 *Source: ABC Census of Population Aged 15+ [2021]*

3.5 Existing employment floorspace

The floorspace in the Box Hill Structure Plan Area was audited for this assessment. This considered LiDAR scans of the built environment, zone and ground floor use data, as well as a series of manual checks on floorspace use and investigating any irregular sizes.

Note the figures provided are gross building area (GBA) as the floorspace audit was undertaken using external building information, and no common spaces or otherwise unleasable spaces were removed from the building extents.

There is an estimated 870,200 sq.m of employment floorspace in the Box Hill Structure Plan Area. This is broadly equivalent to the gross building area of residential floorspace in the Structure Plan Area.

Figure 3.6 shows the distribution of employment floorspace by type in the Structure Plan Area. It highlights the dominance of office, health, accommodation and retail uses in the Structure Plan Area.

The existing locations of these employment types in the Structure Plan Area is identified in Appendix B. It shows that employment activities are centred around the activity centre core and the health precinct.

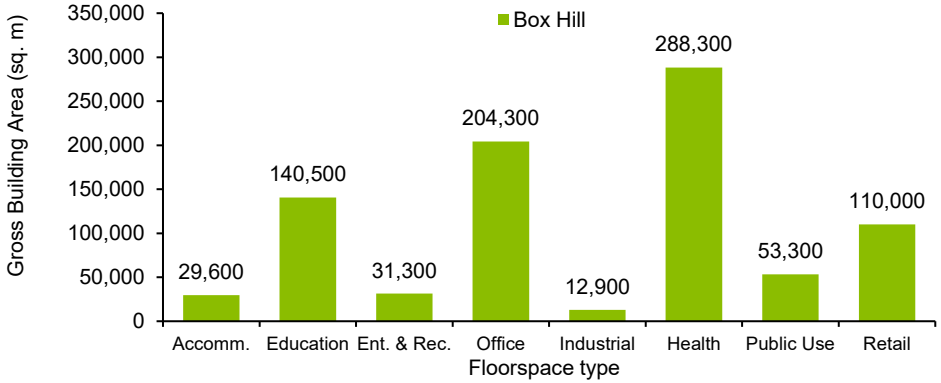


FIGURE 3.6 BOX HILL STRUCTURE PLAN AREA, EXISTING FLOORSPACE BY TYPE (SQ.M GBA) 2023

Source: DEECA, PSMA, Space Syntax; AJM JV

3.6 Recent and proposed employment-related development

Understanding recent and proposed employment-related development activity helps to understand if the market is ready to meet projected demand for floorspace.

The amount of floorspace by land use in the short-term development pipeline is summarised in Table 3.1. This data is presented as Gross Floor Area (GFA).

Recent and proposed large-scale employment-related developments in the Box Hill Structure Plan Area are summarised in Table 3.2 and Table 3.3 (also shown in Figure 3.1 above).

There has been significant development or proposed development in Box Hill across a variety of employment land uses including retail, commercial and health.

The ATO building was constructed in 2015 and highlights the important role of government tenants in generating office-based employment in suburban centres like Box Hill.

Projects in the pipeline underscore Box Hill's potential to accommodate higher density office and mixed-use development typically associated with inner Melbourne. Proposed towers ranging from 15 to 30 storeys will set Box Hill apart from other suburban areas.

The Wellington Health development is a high-density mixed-use medical complex to be delivered over four stages. The proposal highlights the maturity and potential growth trajectory of the Box Hill health precinct as it draws in a broad range of complementary health activities.

TABLE 3.1 ESTIMATED FUTURE SUPPLY OF EMPLOYMENT FLOORSPACE, BOX HILL STRUCTURE PLAN AREA

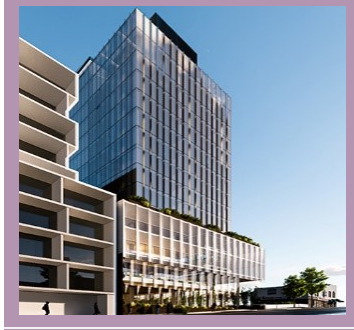
LAND USE	ESTIMATED SHORT-TERM DEVELOPMENT PIPELINE (GFA)	KEY DEVELOPMENTS
Office	70,000 sq.m	• New Times Tower • Box Hill Central Master Plan Stage 1 • Wellington Health Stage 1 (office)
Health	20,000 sq.m	• Wellington Health Stage 1 (health related)
Retail	15,000 sq.m to 20,000 sq.m*	• Box Hill Central Master Plan • Sky One
Accommodation	17,000 sq.m	• Fleur De Juin • Wellington Health Stage 1 (accommodation)

Source: Cordell, AJM JV. Note: Based on publicly available information, AJM JV estimates 25% of Stage 1 Wellington Health is for offices for medical industry.

TABLE 3.2 RECENT EMPLOYMENT-RELATED DEVELOPMENT, BOX HILL STRUCTURE PLAN AREA

1. ATO BUILDING, MAROONDAH HIGHWAY 	• 20-storey commercial office built to accommodate the Australian Taxation Office (ATO). The A-grade office tower also has ground floor retail and car parking for 300 spaces, located on lower levels just above the retail. This development is on Whitehorse Road, directly north of the SRL station. • GFA: 19,000 sq.m • Development stage: Complete (2015) and fully occupied.
2. HOTELS: THE CHEN & CITY EDGE APARTMENTS  	• The Chen is a 5-star hotel in the heart of Box Hill at 850 Whitehorse Road built in 2017. It has 100 rooms and luxury amenities. • City Edge Box Hill Apartment Hotel was also built in 2017, with 49 budget hotel rooms. It is located just off Station Street, north of Whitehorse Road.
3. 21 ELLINGWORTH PARADE 	• This recently constructed eight-level office building in Ellingworth Parade offers flexible levels to accommodate a range of uses including retail, offices and medical consulting. • GFA: 3440 sq.m • Development stage: completed in 2024, spaces available for lease.

TABLE 3.3 PIPELINE EMPLOYMENT-RELATED DEVELOPMENT, BOX HILL STRUCTURE PLAN AREA

1. WELLINGTON HEALTH, WELLINGTON ROAD 	• Integrated healthcare, research and knowledge precinct across four sites adjacent to Box Hill Hospital. Each stage will be up to 20 storeys and will have a mix of medical offices, consultation suites and labs, accommodation as well as various other health uses. • GFA: Stage 1: 50,000 sq.m for a mix of health and office uses; Stage 2: 25,000 sq.m for health uses. • Development stage: Stage 1 under construction. • Expected completion: 2024 Stage 1, timing of following stages to be advised.
2. SKY SQUARE, STATION STREET 	• Sky Square on Station Street will provide a vibrant three-level retail and entertainment precinct with a mix of food and beverage inspired by food halls and hawker centres. Sky Square is located below 19-storey build-to-rent residential towers. • GFA: 10,000 sq.m retail and food and beverage • Development stage: Construction, due for completion in 2025.
3. NEW TIMES TOWER 941-951 WHITEHORSE ROAD 	• Commercial development over 15 storeys including retail space (3750 sqm). Located on the north side of Whitehorse Road, close to the future SRLE station. • GFA: 10,850 sq.m • Development stage: Development approval. • Expected completion: 2025.
4. FLEUR DE JUIN BOX HILL 702 TO 706 STATION STREET 	• Novotel's newest venture in Box Hill comprises a 23-storey hotel including 150 suites, a ballroom, conference rooms, a restaurant, spa and gym. This development is currently under construction and sits to the north of the existing Box Hill Station and Box Hill Central. • GFA: 150 rooms, equates to 12,000-20,000 sq.m GFA. • Development stage: Development approval. • Expected completion: 2025.
5. BOX HILL CENTRAL (NORTH SIDE OF WHITEHORSE ROAD, CORNER OF WELLINGTON ROAD) 	• Box Hill Central is undergoing a staged transformation in line with its 10-year master plan. Recent development includes a 4100 sq.m co-working space, revitalised fresh food market, small tenancies and Coles supermarket. In 2024 the State Government approved, through the Development Facilitation Program, approval for a further 7 towers which will provide additional housing and some commercial office space[1]. • GFA: approximately 250,000 sq.m once completed. • Expected completion: Staged to 2030.

Source: Cordell, AJM JV. Notes: 1. The Box Hill Central North Redevelopment Master Plan (June 2022) proposed around 83,203 sq m of commercial office space. Updated GFA estimates not included in the Box Hill Central North Master Plan Incorporated Document May 2024.

Note the numbers correlate to locations shown on the map in Figure 3.1.

3.7 Implications for Box Hill Structure Plan

The key findings and implications derived from this section influencing the development of the Box Hill Structure Plan Area include:

- Box Hill's economy has expanded over the past decade, primarily driven by robust growth in the health sector. In 2021 the sector accounted for about 40% of all jobs in the Structure Plan Area. Other industry groups have remained relatively stable, with limited growth or even contraction in sectors like retail and some professional services, likely affected by COVID-19. Health, education and professional and other population services will continue to be the cornerstone of Box Hill's economic growth.
- Despite moderate growth over the past decade, Box Hill's future prospects are promising. Box Hill has a significant development pipeline that includes several new office and health-related projects, indicating strong market support for high-density health and office development in and around the core of Box Hill. This pipeline also reflects the growing diversity of uses in the health precinct, including office space, accommodation, and research and development facilities.
- Structure planning should consider this development pipeline which may be delivered over the next 10 years. This is an indication of market sentiment and building typology preferences. It is not an assurance that specific development types will be delivered or be feasible. There may be a need to encourage and support development to accommodate projected employment growth.

Part B: Economic outlook and potential

Part B includes:

- **Section 4** reviews the role of suburban employment hubs and assesses the potential for growth in professional services jobs in the Box Hill Structure Plan Area.
- **Section 5** considers the changing nature of work and jobs, the impacts on workplace types and locations, and the implications for planning future employment floorspace in the Structure Plan Area.
- **Section 6** considers the economic strengths and challenges of the Structure Plan Area and assesses its long-term economic potential and growth.

4. Supporting the evolution of employment hubs outside CBDs

This section provides an analysis of the present functions of employment hubs outside the Melbourne CBD and the distribution of professional services jobs across Greater Melbourne. The growth of employment hubs outside the Melbourne's CBD is contrasted with Sydney, emphasising crucial insights and strategies for promoting the development of suburban employment hubs.

SRLE will enhance connectivity to Box Hill and drive employment growth. This analysis provides a framework to evaluate whether Box Hill can support a major employment hub with a high concentration of office-based uses or if a smaller, mixed employment function would be more suitable

4.1 Historical and current role of suburban employment hubs

Suburban centres have traditionally focused on meeting the needs of their local communities, serving as hubs for employment that cater to the population. This includes employment in sectors such as health, education and other population services.

On the other hand, central business districts (CBDs) have traditionally played a crucial role as the primary commercial and economic centres in Australian cities. They have been characterised by dense concentrations of professional services jobs including corporate headquarters and financial institutions.

With the evolution of technology, changing work patterns, and shifting preferences, the roles of suburban employment hubs and CBDs are evolving, with some suburban areas transforming into vibrant centres accommodating more professional services and CBDs adapting to accommodate a more diverse range of activities and functions. There are several push factors at play. As CBDs reach their capacity, accommodation costs (such as rents) increase and there is limited space for new employment floorspace. As outlined in Section 2, there is also a strong policy push to decentralise jobs across metropolitan areas to increase economic competitiveness and employment opportunities.

4.2 Distribution of professional services - Melbourne vs Sydney

Figure 4.1 and Figure 4.2 show the distribution of professional services jobs across Melbourne and Sydney respectively.

In Melbourne, the CBD offers the principal concentration of professional services jobs, while there are few of these jobs in suburban areas. The more limited role of professional services in Melbourne's suburban centres is linked to its highly centralised and successful CBD and inner city. Its excellent accessibility and amenities, along with a critical mass of knowledge intensive firms, has made inner Melbourne a highly attractive location for business, leading to a concentration of economic activity.

These businesses depend on the most skilled workers, and by locating in the heart of Melbourne, employers have access to the largest possible supply of labour via the hub and spoke network of train lines and freeways. Similarly, the CBD enables businesses to locate close to their clients, a key factor which has been shown in to influence business location.

As at the ABS Census in 2021, 21% of Melbourne's total job market is now concentrated in the CBD (the Melbourne City SA3 was adopted as the Melbourne CBD for this assessment). Consequently, 43% of all professional services jobs are in the Melbourne CBD, with a substantial share of the city's office space concentrated in the CBD. In Sydney, while the CBD remains significant, professional services jobs are also located outside the CBD, particularly in the corridor extending from the CBD towards Macquarie Park. Only around 35% of

professional services jobs across Greater Sydney are in the CBD (defined as the Sydney [North] – Millers Point and Sydney [South] – Haymarket) SA2s).

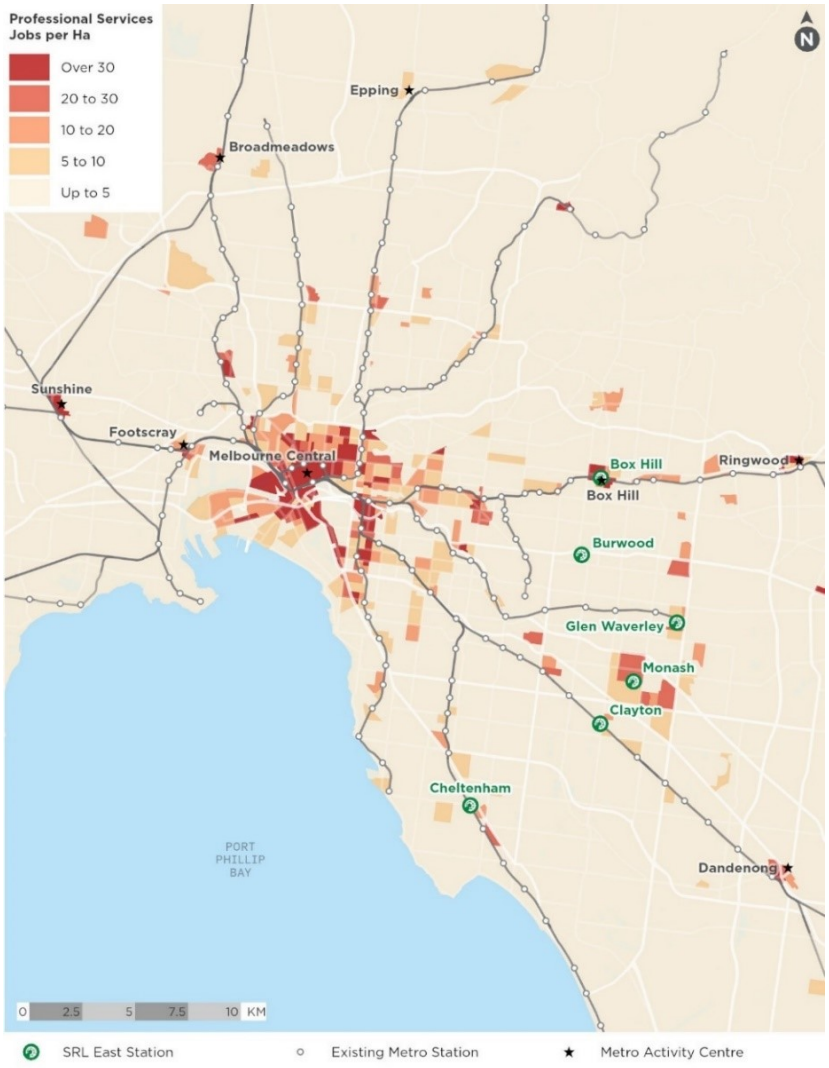


FIGURE 4.1 DISTRIBUTION OF PROFESSIONAL SERVICES EMPLOYMENT DENSITY ACROSS MELBOURNE, 2021

Source: AJM JV, ABS Census 2021

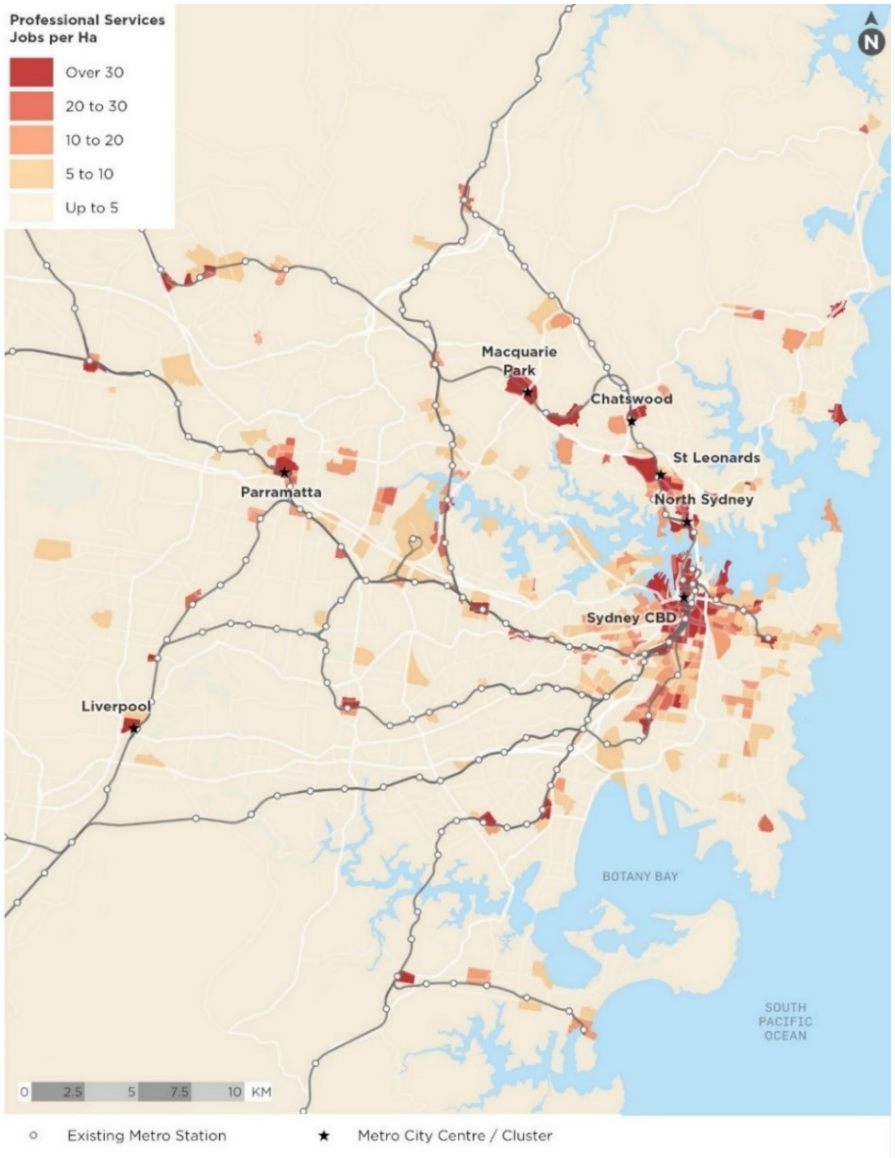


FIGURE 4.2 DISTRIBUTION OF PROFESSIONAL SERVICES EMPLOYMENT DENSITY ACROSS SYDNEY, 2021

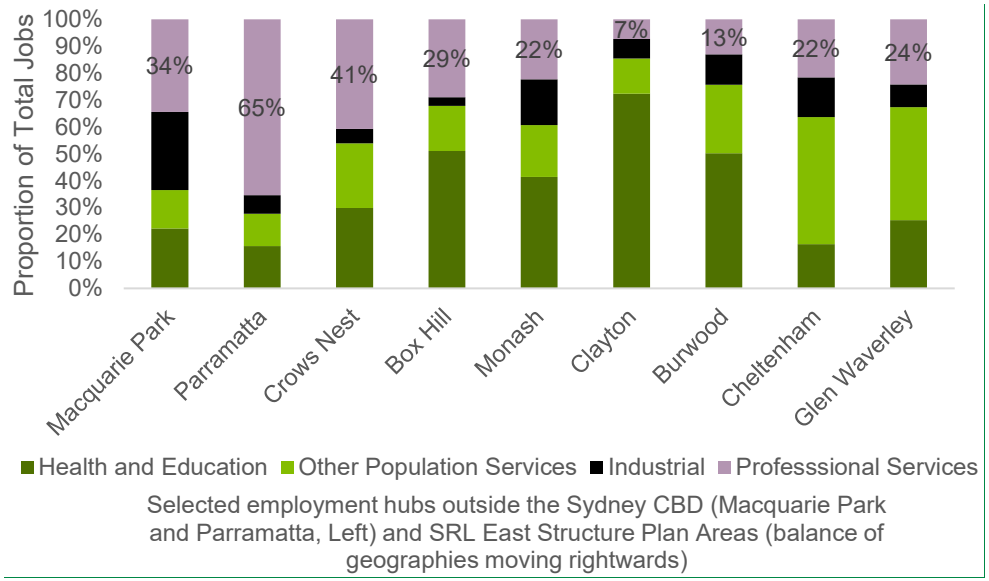
As Figure 4.3 shows, key clusters of professional services outside the CBD include:

- Macquarie Park
- North Sydney
- Parramatta
- St Leonards / Crows Nest
- Chatswood.

Compared to the current Structure Plan Areas, a higher share of the jobs in these areas are professional services jobs. An average of just under 50% of all jobs in these Sydney hubs are in professional services, compared with around 20% in the Structure Plan Areas, erring higher in the denser regions of Box Hill and Monash, as shown in Figure 4.3. More detail profiling the Sydney suburban employment hubs is provided in Appendix C, Table

Over the past decade in Sydney, more office floorspace was delivered outside the non-CBD office markets.[10] Looking forward, pressures such as escalating rents in Sydney's CBD and space limitations are likely to continue to propel the growth of office floorspace, and therefore by extension, professional services jobs outside the Sydney CBD.

While to date, Melbourne's CBD has been able to accommodate the high share of Greater Melbourne's professional services jobs, it cannot continue to do so. There is ultimately limited capacity in the CBD and adjoining areas. This includes a lack of land area to expand, but also transport network constraints capping the ability to keep moving the population in growing outer areas to jobs in the city. As the need for jobs grows in line with Melbourne's population, a greater share of jobs of all types, including traditional CBD employment, will need to be located closer to where people live in suburban environments.



Selected employment hubs outside the Sydney CBD (Macquarie Park and Parramatta, Left) and SRL East Structure Plan Areas (balance of geographies moving rightwards)

FIGURE 4.3 JOBS BY INDUSTRY, SELECTED SUBURBAN EMPLOYMENT HUBS OUTSIDE THE SYNDEY CBD AND SRLE LOCATIONS, 2021

Source: ABS Census 2021, AJM JV

While there are factors influencing suburban employment growth in Sydney that are not as applicable to Melbourne, such as accessibility challenges owing to the geographical arrangement of Sydney, the Sydney experience can be instructive for the evolution of Melbourne's suburban employment hubs. Exploring the key drivers of non-CBD employment and office growth in Sydney can offer valuable insights into promoting the growth of professional services employment beyond Melbourne's CBD. These elements are explored more below.

[10] Savills, "Location requirements for office occupiers" Prepared for the Western Sydney Parkland City, June 2021

4.3 Essential factors fostering the evolution of suburban employment hubs

While each employment hub has specific factors influencing growth and each plays its own role, the Sydney experience highlights some common success factors that are applicable to understanding how the suburban employment locations in Melbourne may grow and support a greater share of professional services jobs.

This review highlights that in the Sydney context, suburban office hubs are not located at every train station, but generally at locations with the specific features such as a major anchor, high amenity and excellent public transport accessibility. For SRL East, this highlights that suburban office space is likely to play a varied role in each Structure Plan Area, defined by its unique attributes.

The Macquarie Park Innovation District is one example of the successful growth of a suburban employment hub, driven by a combination of public transport enhancements (particularly rail connections); the collaboration of key institutions, government and private sector; amenity for workers driven by a growing residential population; and space to grow office space. Macquarie Park is profiled in more detail in Appendix C.

Figure 4.4 provides a snapshot of the key elements fostering the expansion of suburban employment hubs, which is applicable to the future role of some of the employment hubs to be serviced by SRL East. More detail on these key elements and examples in the Sydney context are provided in Appendix C, Table C.2.

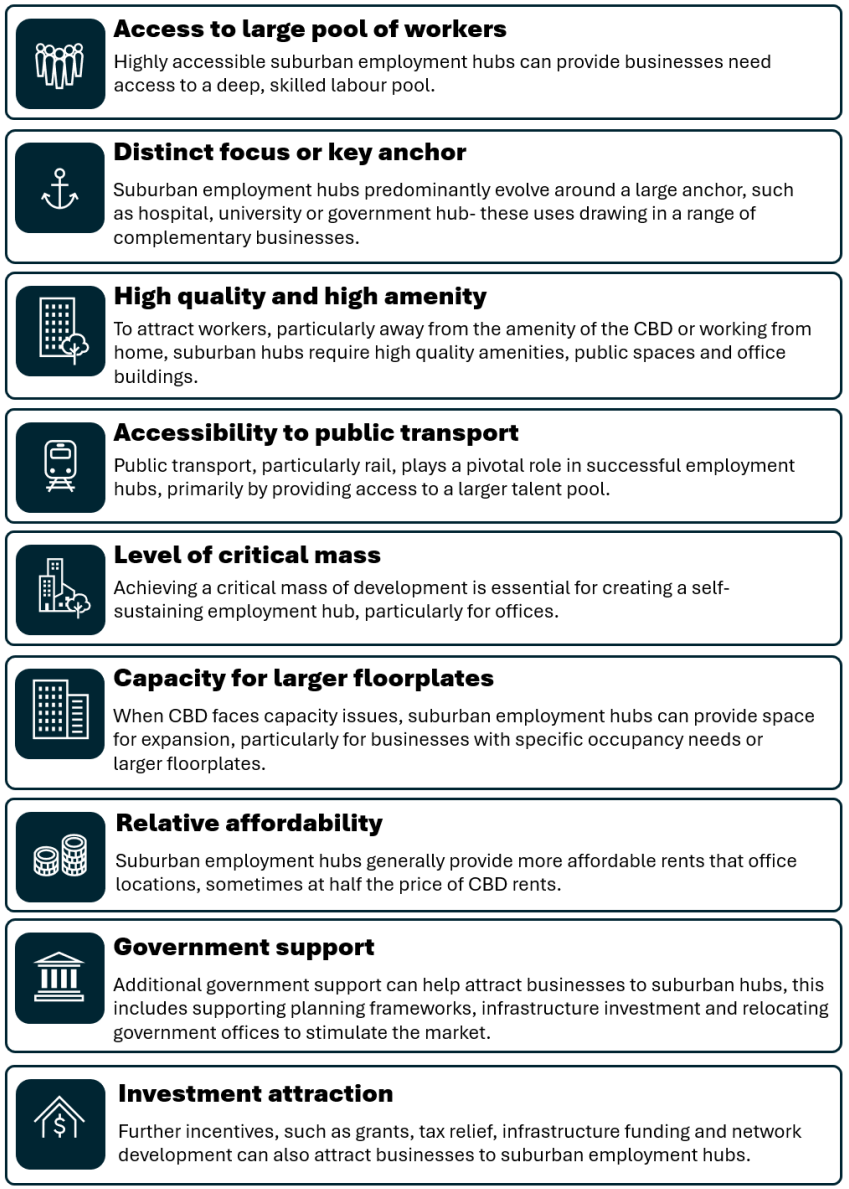


FIGURE 4.4 KEY ELEMENTS OF SUBURBAN OFFICE HUBS

Figure 4.5 assesses Box Hill against these factors, highlighting the propensity of Box Hill to support a larger suburban office hub.

Box Hill has many of the attributes to support an expanding suburban office environment. Key among those attributes include:

A location that provides businesses with access to a large white-collar workforce

- High levels of amenity including food and beverage
- Activity generated by co-location with the health and education precinct
- Public transport, with SRL East to complement the existing east-west connections.

Element		Opportunity in Box Hill
Access to a large pool of workers	High	Large white-collar workforce in surrounding suburbs
Distinct focus or key anchor	High	Combination of health institutions and ATO
High quality, high amenity	High	Excellent F&B and accommodation
Access to public transport	High	SRL plus existing east-west train line and bus interchange
Critical mass	Medium	Emerging office market with potential for growth
Capacity for large floorplates	Medium	Amalgamation of lots supporting some larger footprints
Relative affordability	High	Rents compare favourably with CBD and inner Melbourne
Government support	High	Strong policy support as a Metropolitan Activity Centre, supported by SRL Structure Planning. Past history of relocating government occupiers (e.g. ATO)
Investment attraction	Medium	Opportunity for further support and partnerships to attract commercial business
BOX HILL OVERALL	**Strong potential for growth**	

FIGURE 4.5 ASSESSMENT OF BOX HILL AGAINST KEY FACTORS OF SUBURBAN OFFICE HUBS

Source: AJM JV

4.4 Implications for Box Hill Structure Plan

The key findings and implications derived from this section influencing the development of the Box Hill Structure Plan Area include:

- Melbourne faces a distinct challenge in nurturing the growth of suburban employment hubs outside the CBD. It requires a major shift from historical trends and current norms. This is particularly so for professional services jobs, which have historically concentrated in and around the Melbourne CBD.
- Learning from Sydney's experience, there are several factors which can support growth of suburban employment hubs. These include high worker amenity, worker catchment, role of key anchors, supportive planning framework and other strategies to attract and incentivise business investment.
- Box Hill shares many of the attributes identified in the case studies of suburban employment hubs that support larger professional services. This indicates there is opportunity to grow the professional services sector in the Box Hill Structure Plan Area to generate jobs growth. Increasing jobs opportunities in Box Hill is also consistent with Victorian and local government policies.

5. Industry requirements

This section summarises key industry trends influencing the floorspace needs of different businesses, as well as the specific location requirements of various sectors. This helps in understanding the specific types of floorspace needed to accommodate the projected jobs growth in the Box Hill Structure Plan Area, and the ideal locations for the floorspace.

5.1 Changing nature of work and jobs

The changing nature of work, driven by globalisation, technologies and demographic shifts is reshaping the employment landscape and workspace requirements.

Over the last 40 years there has been a shift across all industries towards occupations with a higher level of skills, alongside the decline of industrial activity in the economy. As outlined by the RBA[1], this trend has been predominantly driven from a labour demand perspective, with industries requiring an increasingly higher level of skill over time, rather than a shift in employment from industries with low-skilled employment to those with high-skilled employment.

A key driver of this has been the noticeable decrease in the proportion of people employed in routine jobs. Technology has had a significant impact on routine manual as well as cognitive jobs. Automation and robotics have significantly replaced human labour in agriculture and manufacturing sectors. Technology has also facilitated the outsourcing of routine cognitive tasks to regions with lower labour costs, such as offshore call centres and back-office operations. This has culminated in the relative decline of lower and middle-skilled jobs over the past 30 years.

Improved technological efficiency, while decreasing the number of low-skilled jobs, does not decrease employment overall. In contrast, non-routine roles have gained increasing significance. These positions are inherently more challenging to automate due to various factors. For instance, occupations like architecture often require creativity and problem-solving abilities, while others like childcare require a physical presence.

The significance of non-routine positions has led to considerable expansion in the broader service sector. Over the past 15 years or so, the health care and social assistance industry has made the largest contribution to employment growth, with most new positions falling into the non-routine category. Following health care, the professional, scientific and technical services, and education and training sectors are the next largest contributors to the growth of non-routine jobs during this period as these industries experience increased demand for labour upskilling.[2] This trend is reflected in the changing composition of employment by industry across Australia, shown in Figure 5.1.

Looking forward, continued technological change, such as AI and other technologies, is likely to bring a variety of changes to employment. Increased automation will continue to reduce demand for routine jobs and increase demand for higher skilled workers across all industries, particularly in health and education and the professional services sectors.

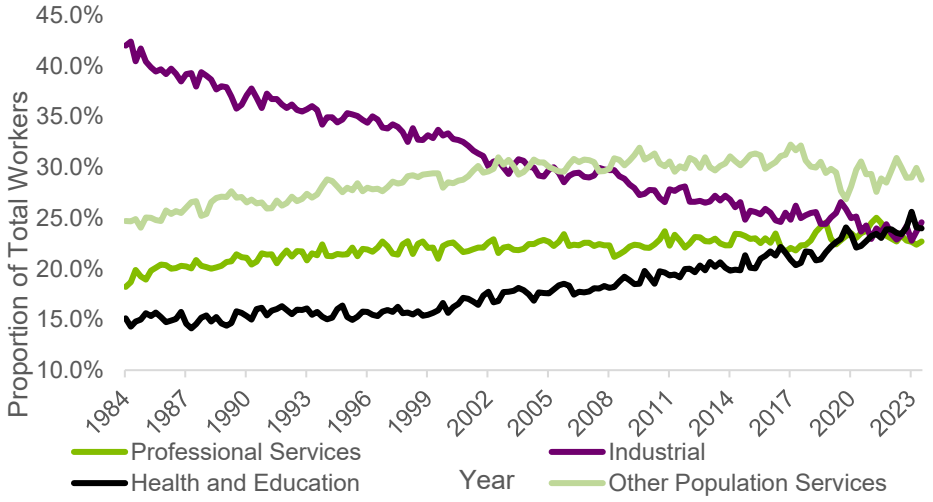


FIGURE 5.1 SHARE OF WORKERS BY BROAD INDUSTRY, VICTORIA

Source: AJM JV, ABS Labour force time series, detailed by industry

5.2 Emerging workplace trends

The changing nature of work and jobs also impacts the types of spaces we work in. Our workplaces are constantly changing, and the rate of change was expedited by the COVID-19 pandemic, which accelerated the cultural norms and technologies to support flexible and remote work. It also emphasises the importance of high amenity workplaces to engage workers and the value collaborative spaces to enable the transfer of ideas and knowledge.

Key trends influencing where and how we work are summarised below, with further explanation provided in Appendix C.

- **Mixed use buildings and precincts** – There has been a shift towards uses and activities mixing in buildings and precincts to create opportunities for collaboration and engagement, while enhancing amenity and vibrancy for workers.
- **Remote work** – The increase in and acceptance of remote working post COVID-19 has led to greater flexibility of how and where we work.
- **'Flight to quality'** – To attract employees and encourage them to come together in a formal workplace, businesses and institutions are increasingly seeking high-quality workspaces supported by high levels of amenity.
- **Co-working** – As a response to supporting the need and desire for remote working, but maintaining employee interaction and collaboration, demand for co-working facilities and suburban office hubs is increasing.
- **Technology** – Technological advancements and increasing infrastructure needs to support digital capacity are influencing the nature of workplaces and support services.
- **Sustainability** – Sustainable workspaces as increasingly a must-have, providing for energy efficiency, meeting environmental, social and governance (ESG) commitments and attracting talent.

5.3 Impact on workplace typologies and locational preferences

Workplace needs are evolving in response to these trends. In planning for future employment floorspace, the impact of the trends on the type, nature and location of the buildings accommodating the future workforce must be considered. The main changes to future building typologies and locational preferences are summarised in Figure 5.2, noting the impacts will differ by industry. These trends have been considered specifically to the Box Hill context in Section 9.6. More details on the influence of trends on workplace typologies and locational requirements by sector is included in Appendix C, Figures C.1 to C.6.

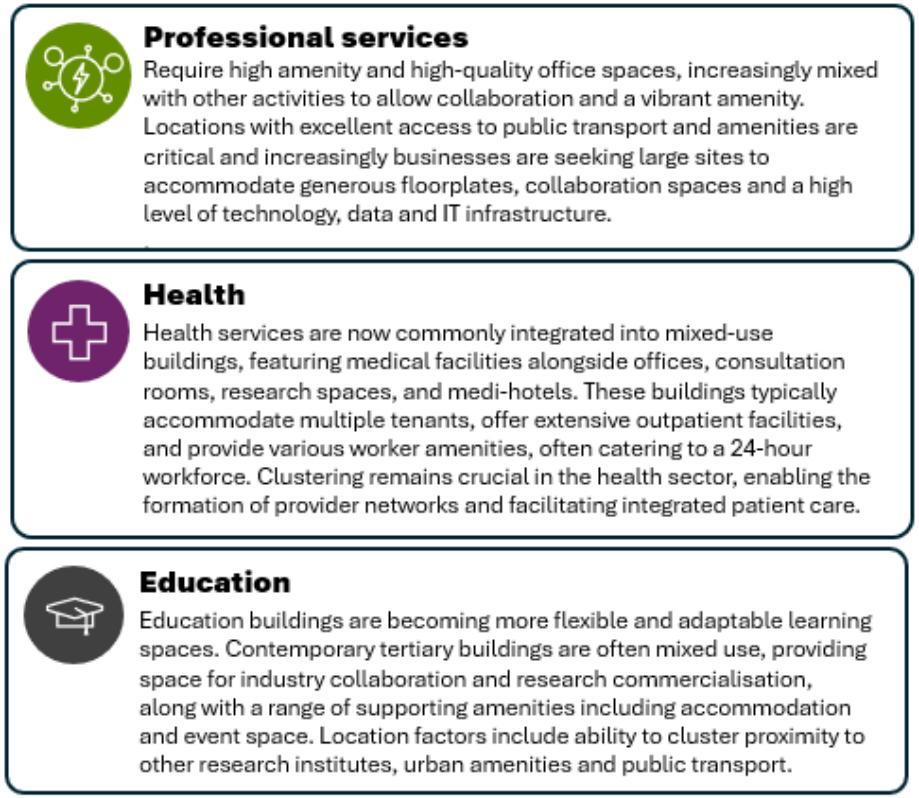


FIGURE 5.2 WORKPLACE TYPES BY INDUSTRY GROUP

Source: AJM JV

5.4 Implications for Box Hill Structure Plan

The changing nature of work, jobs and workplaces has the following implications for the development of the Box Hill Structure Plan:

- Box Hill stands to gain from national economic shifts, especially the growth of skilled workers in sectors like health, education, and professional services. The Structure Plan should support the attraction of institutions, businesses and workers by offering suitable land and employment infrastructure that builds critical mass and allows for synergy of uses.
- For Box Hill, this means adapting to emerging workspace trends in these sectors, prioritising high-quality office spaces, allowing the health precinct to evolve through a greater mix of uses (without diluting its core function) and looking at ways to integrate the education sector further into the health precinct.
- Worker amenity, including access to public transport, retail, gyms and childcare, remains crucial across most sectors. Box Hill must continue to enhance the already supportive urban amenities to accommodate its growing workforce, and also to a standard which attracts professional services. Prime locations for retail and other services will be focused in the central Box Hill neighbourhood, specifically around the SRL station. Smaller, supporting facilities may be necessary in other nodes, including the health precinct and in other locations accessible to the large future residential population.

6. Economic potential

This section considers the economic potential of the Structure Plan Area, highlighting the main attributes and challenges that will impact its long-term economic growth.

6.1 General drivers of economic growth

Figure 6.1 summarises the main drivers of growth which will influence long-term growth and development in the Box Hill Structure Plan Area. These drivers arise from broader trends in the Greater Melbourne economy and will shape economic growth across the urban area, especially in areas undergoing significant change such as the SRL East corridor. These factors have been taken into account when defining the competitive strengths of the Box Hill Structure Plan Area.

6.2 Strengths, weaknesses, opportunities and challenges of local industries

Table 6.1 to Table 6.6 assess the economic competitiveness (strengths, weaknesses, opportunities, challenges) for employment and economic growth in the Box Hill Structure Plan Area. It does this by using a SWOC framework which considers strengths, weaknesses, opportunities and challenges. The purpose is to understand the relative strengths and weaknesses of the area generally, and each industry specifically, to identify the competitive potential of the Structure Plan Area over the next 15 to 20 years.

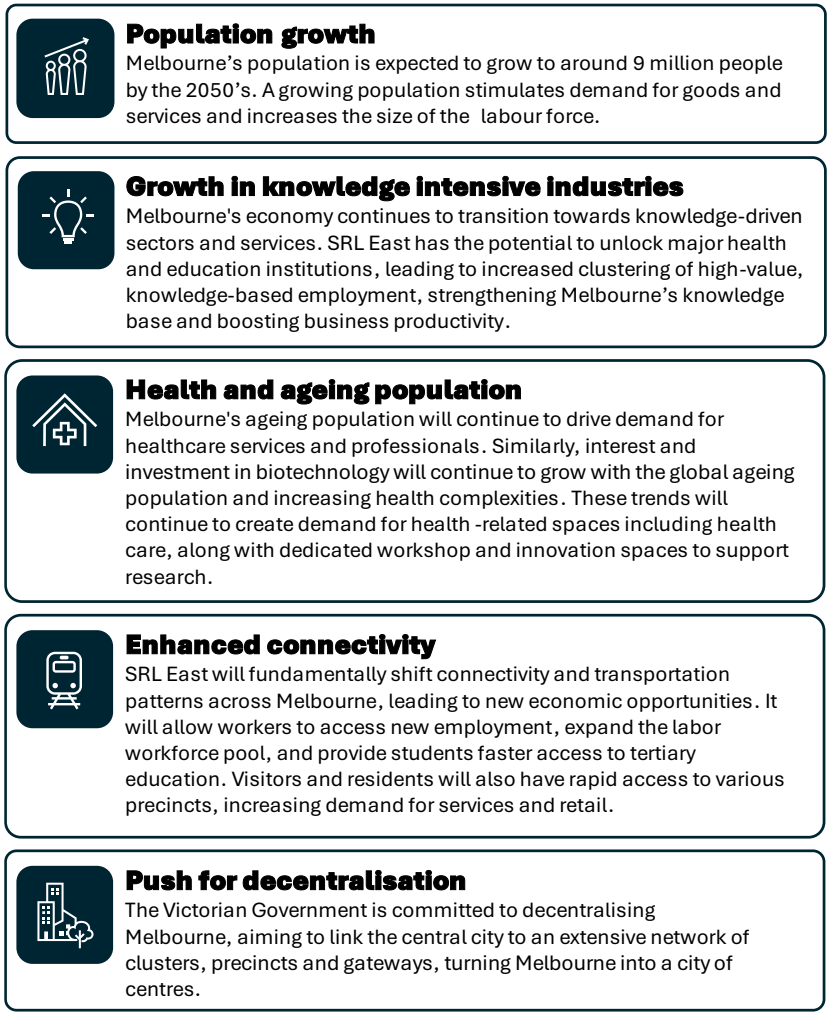


FIGURE 6.1 GENERAL MARKET DRIVERS OF ECONOMIC GROWTH

Source: AJM JV

TABLE 6.1 BOX HILL GENERAL ECONOMIC SWOC ASSESSMENT

STRENGTHS	WEAKNESSES
• **Strong worker amenity:** Reflecting its designation as a Metropolitan Activity Centre (MAC), Box Hill offers an amenity-rich core with a range of retail and services. This environment caters to the needs of the existing workforce and attracts workers and businesses to the area. • **Health-led growth:** Strong growth in the health sector has driven the increase of workers in Box Hill over the past decade, with this sector responsible for almost all the additional 2500 workers over the past decade. • **Public transport connectivity:** Further enhancing the appeal to workers, Box Hill already has excellent public transport connectivity, served by tram and train services. • **Strong pipeline:** Box Hill has a significant pipeline of upcoming developments in health, commercial, and hotel sectors, which align closely with the vision and competitive strengths of the Structure Plan Area. The completion of these projects in the next 5 to 10 years will reinforce Box Hill's position as a prominent employment hub in Melbourne and contribute to achieving the forecast growth. • **Investment:** Historically, there has been a trend of capital investment from Asia into Box Hill, which is less commonly observed in other suburban centres across Melbourne.	• **Varied employment growth:** Apart from the health sector and other population services, other sectors in Box Hill remained broadly consistent over the past decade with limited growth. Professional services and the industrial sector slightly declined in terms of workers, whereas education and training grew minimally. Similar trends were also observed across these sectors from 2011 to 2016, the period before the 2021 Census which was undertaken during the COVID-19 pandemic.
OPPORTUNITIES	**CHALLENGES**
• **Strong population growth:** The Structure Plan Area has experienced significantly higher-than-average population growth, equating to a 3.3% annual growth rate over the past 5 years to 2023. Comparatively, over the same period, the South East Region and Greater Melbourne recorded growth of 0.1% and 1.3% per annum, respectively. • **Access to more workers:** Box Hill's pool of highly qualified workers within a 20-minute radius of Box Hill will increase with the rapid connectivity that SRL East provides along the corridor. This will increase the talent base, particularly in professional services, health and education, which require a highly skilled workforce. • **Market confidence:** Delivery of SRL East and pipeline development will positively impact investor interest and confidence. • **Future amenity:** Completion of the Box Hill Central redevelopment will provide a revitalised core, connected to a new SRL station and improved amenity. • **Government support:** SRL East and the Structure Plan Area development demonstrate a clear Victorian Government commitment to facilitating Box Hill's long-term growth as a major employment hub. Future growth will also be supported by a new planning framework and broad investment in the public realm. **Emerging visitor economy**: The local visitor economy is growing due to increased international students and visiting family and friends of migrant communities. This a key focus of Whitehorse City Council's economic development strategy.	• **Competition between uses:** Residential development around the SRL station, and to some extent other employment areas, may outbid or crowd out future employment development. • **Technological change:** Many industry sectors are poised for substantial transformation, driven by technological advancements enabling the automation of routine tasks and the emergence of new opportunities. Changes in the workspace models may also impact the demand for employment floor space. • **Walkability:** High levels of congestion on the key arterial roads in the Box Hill MAC impact the walkability and amenity of the area.

TABLE 6.2 BOX HILL PROFESSIONAL SERVICES SWOC ASSESSMENT

STRENGTHS	WEAKNESSES
• **High density form:** The presence of some high-density buildings, including office towers, is highly unique for Melbourne's suburban office market and shows potential for further high-density offices. • **Worker amenity:** There is a strong provision of services which cater to workers, including retail, services, gyms, childcare along with excellent public transport connectivity. • **Public administration:** Box Hill has a specialisation in public administration and safety, and this accounts for nearly half of all professional services jobs, likely due to the ATO building. This sector had experienced limited growth over the past decade. • **Policy support:** Victorian Government policy recognises Box Hill's role as a Metropolitan Activity Centre (MAC), and health and education precinct. The MAC zoning currently facilitates office development. • **Affordable rents:** Office rents are generally at a discount to inner Melbourne locations.	• **Limited growth:** Professional services employment slightly declined from 2011 to 2021, potentially due to the departure of a significant tenant. This underscores that knowledge-intensive industries in the Box Hill Structure Plan Area are still in a relatively early stage and may need substantial support to achieve the forecasted growth rates in the long term. • **Limited office stock:** The existing office stock is limited to older style office stock east along Whitehorse Road and the ATO building, which was constructed specifically for a government tenant. • **Varied amenity and critical mass:** Although the retail offer provides food and beverage opportunities, the amenity and public realm around Box Hill Central is mediocre and the few office towers do not yet create a critical mass of office worker activity.
OPPORTUNITIES	**CHALLENGES**
• **Office attributes and critical mass:** Box Hill has the fundamentals of accessibility, a small but established office market and quality of place to continue to grow a larger office market in the long term. • **Government tenant:** Box Hill could use the presence of the ATO to showcase the Structure Plan Area's appropriateness for large corporations and knowledge-intensive enterprises. • **Increasing worker amenity:** SRL East-related investment and policy initial will further increase worker amenity and in turn increase attractiveness of Box Hill to businesses. • **Emerging trends:** Investment and new development in Box Hill could deliver offices spaces which meet emerging trends by providing spaces worker collaboration, technological integration and mixed-use buildings. • **Potential specialisations and office growth:** Opportunity to develop a specialisation for professional services, particularly on a regional basis through the delivery of the pipeline of high-density office developments and attracting the professional services to Box Hill. While some of pipeline developments are still in the proposal stage, and may be delayed given broader challenges in the office market, they collectively demonstrate the potential for increased office density in Box Hill.	• **Counter to office market trends:** Professional services have historically concentrated in inner Melbourne. Attracting these jobs to suburban locations will require a significant departure from existing trends, as discussed in Section 3. • **Competition for sites:** As an established centre there will be competition for well-located sites close to public transport and other amenities. Residential development will be the main competitor. • **Duplication along SRL East:** Box Hill may face competition with other areas for knowledge-based jobs, especially in the Monash Structure Plan Area, depending on Monash's final mix and suite of business investment activities. The final role of the Glen Waverley Structure Plan Area may also influence the development of government services in the Box Hill Structure Plan Area. • **Competition with emerging professional services hubs:** Particularly near the CBD, new professional services hubs such as Docklands, Cremorne, Fisherman's Bend, and Arden present competition for Box Hill. Many of these areas have high vacancy rates in the post-COVID-19 environment and have planned growth for several of these precincts. • **Technological change:** Technological transformation will impact the professional services sector, resulting in changes to workspace models, demand for office related space and infrastructure to support digital and technological requirements.

Box Hill has the potential to be one of Melbourne's leading suburban professional services clusters. Box Hill boasts several existing features that underpin a robust office market, including a sizable worker catchment, excellent worker amenities, accessibility, and government backing. These attributes will be further reinforced by the completion of SRL East and a substantial pipeline of office-related developments. Future growth of professional services jobs in Box Hill may be tempered by the broader shift needed to attract professional services jobs to suburban areas in Melbourne and competition for office-based businesses across the metropolitan region.

TABLE 6.3 BOX HILL HEALTH SWOC ASSESSMENT

STRENGTHS	WEAKNESSES
• **Established cluster:** Box Hill supports a cluster of regional and metropolitan significance with two major anchors (Box Hill Hospital, Epworth Hospital) plus smaller health providers in a variety of accommodation. • **Health workforce growth:** Box Hill employs over 7600 health workers across the public and private health sectors. The significance of this cluster has increased in recent years, with the workforce increasing 4% per annum over the past decade. • **Health ecosystem:** Existing and pipeline development in the Structure Plan Area shows a maturing of the cluster towards a broad mix of ancillary and health-related uses. This is likely to support further growth of the cluster. Pipeline development includes an expanded research and development focus to further build the health cluster. • **Health pipeline:** The pipeline of health-related development indicates high investor interest and confidence.	• **Health worker amenity:** While current worker amenities and public transport accessibility are in place, they will require ongoing enhancement to accommodate a growing workforce.
OPPORTUNITIES	**CHALLENGES**
• **Health-education cluster:** There is opportunity to strengthen alignment and interaction with the adjoining Box Hill Institute to growth the education and health precinct, along with new research and development investment in the proposed Wellington Health buildings. • **Precinct growth:** Current development pipeline shows an interest for high-density health buildings, which means there may be opportunity for infill growth into the surrounding area. • **Demand drivers:** Strong population growth in the Structure Plan Area and the broader 20-minute catchment will continue to generate demand for health services. • **SRL East collaboration:** SRL East has the potential to enhance collaboration opportunities with other health clusters in SRL East Structure Plan Areas, such as at Monash and Clayton which could achieve synergies and efficiencies with research and patient care.	• **Uncertainty:** There is limited understanding of the Victorian Government's long-term expansion plans for Box Hill Hospital until stakeholder engagement is completed. A large part of the employment outcome is predicated on health growth in hospitals and the surrounding ecosystem. • **Health precinct planning:** The lot and ownership arrangement around the existing health precinct is significantly fragmented. Future planning needs to consider lot sizes and arrangement which provide for continuum of care through the health precinct, open plan floorplates, large outpatient facilities and mixed-use buildings and integrated service providers. • **Residential encroachment:** The absence of a clearly delineated boundary for the health precinct, combined with strong residential demand in the surrounding residential-zoned land presents a risk to the expansion of the precinct and provision of health uses. • **Technological capability:** Future planning is needed to ensure buildings are provided with the required level of digital infrastructure to meet long-term required technological demands of the health sector. • **Worker safety:** Future planning should consider worker safety and accessibility for 24-hour shift health workers leaving and entering the health precinct.

The health sector is set to continue to be a pillar of Box Hill's economy and the leading provider of jobs to the surrounding population. Continued growth is likely, evident by a large pipeline of private health development and growing population which will underpin continued long-term demand for health services. There is opportunity to strengthen Box Hill's health precinct by planning for a broader range of complementary uses, delivering a high level of worker amenity, identifying sites for future expansion and exploring potential synergies with the adjacent Box Hill Institute site.

TABLE 6.4 BOX HILL EDUCATION SWOC ASSESSMENT

STRENGTHS	WEAKNESSES
• **Established uses:** There are two large education providers, including the Box Hill Institute which is a large campus centrally located in the MAC and adjacent to the hospital, and Box Hill High School, towards Laburnum on the east of the Structure Plan Area. • **Tertiary provider:** Box Hill Institute is a leading provider of a range of tertiary courses and has three campuses in the Structure Plan Area. A large part of their offer includes VET courses, along with some bachelor degrees and other higher education certificates. • **Linkages with universities:** Box Hill Hospital is a teaching hospital with affiliations with Monash, Deakin, and La Trobe universities. • **Policy support:** Plan Melbourne identifies Box Hill as an important health and education precinct for metropolitan Melbourne.	• **Small sector:** Education is currently relatively small sector for Box Hill despite the presence of the Box Hill Institute. It is not an existing specialisation. • **Varied growth:** Employment in education and training fell in 2016 but recovered to the 2011 level of around 1900 workers by 2021.
OPPORTUNITIES	**CHALLENGES**
• **Elgar Campus:** Box Hill Institute's Elgar Campus is a large educational asset near the health precinct and has the potential to be reimagined, taking advantage of the collaboration opportunities with the health precinct its proximity to a range of businesses in Box Hill and along SRL East. • **Nelson Campus:** Box Hill Institute's Nelson Campus located on Whitehorse Road is located near the health precinct and the proposed Wellington Health development. The site could be redeveloped to enhance the educational offer of Box Hill and provide educational floorspace which aligns with the changing needs of this sector. • **Research alignment:** Emerging uses in the Wellington Health proposal includes space for research work, providing strong potential linkages to the education sector, in the Structure Plan Area and also other major universities along SRL East. • **Box Hill High School:** The expanding population in the Box Hill Structure Plan Area and surrounds will see an increase in school-aged population in the catchment of the high school. The opportunity to expand the capacity of the school to accommodate this growth needs to be considered.	• **Declining VET enrolments:** VET enrolments are declining nationally[1] and this may impact the ability to grow the current tertiary offer in Box Hill. Further, the current tertiary offer may need to be reviewed to meet strategic aspiration of a range of Victorian and local government policies to grow Box Hill's education and health offer. • **Increasing school demand:** Continued population growth will increase enrolment demand for schools in Box Hill and there is limited opportunity to expand beyond the current school site.

Box Hill's education sector could further enhance its role in the local economy, given the relatively small size of the education sector compared to its size and regional influence and the availability of educational sites located in the Structure Plan Area. The future role of the education sector in Box Hill should consider its current tertiary education offer and leveraging the potential from a combined health and education cluster, with the adjoining health precinct.

Note 1: Towards a National Jobs and Skills Roadmap, Annual Jobs and Skills Report 2023, Australian Government. Available at https://www.jobsandskills.gov.au/download/19298/towards-national-jobs-and-skills-roadmap/1967/2023-annual-jobs-and-skills-report/docx observed 'stagnate growth in VET enrolments nationally over recent years (pg.90)

TABLE 6.5 BOX HILL OTHER POPULATION SERVICES SWOC ASSESSMENT

STRENGTHS	WEAKNESSES
• **Retail hub:** Box Hill provides an established and strong retail and other population services offer in the core of the activity centre. • **Regional role:** Box Hill is a designated Metropolitan Activity Centre (MAC) and serves the surrounding region. • **Visitor economy:** Box Hill and the surrounding area attracts many visitors, primarily international students and those visiting friends and relatives, particularly for migrant communities. • **Population and worker growth:** Strong population growth of Box Hill and the surrounding area, combined with increasing number of local workers, will likely underpin the continued growth of the population services sector and reaffirm Box Hill's regional retail and population services role. • **Box Hill Central:** Box Hill Central provides an established and strong retail and other population services offer in the core of the activity centre. The Box Hill Central Master Plan envisages a moderate growth in the retail floorspace while maintaining Box Hill's distinct fresh food and dining offer. The master plan also envisages renewed public spaces for gathering, events and entertainment. • **Accommodation pipeline:** Distinct for suburban hub, Box Hill has a growing accommodation offer, highlighted by two recent hotel developments and a proposed third hotel.	• **Slow growth:** The retail and other services role has not grown for some time (and in some categories, declined) due to competition from other major activity centres in the surrounding region.
OPPORTUNITIES	**CHALLENGES**
• **Growing visitor market:** Leverage continued growth of visitors to Box Hill and ensure Box Hill's retail, food and beverage, and its accommodation offer is aligned with the area's unique visitor market. Long-term, the accommodation market may also include business visitors to the larger health, education or offices in Box Hill. • **Growing retail offer:** The current retail role will be consolidated, building on the wide appeal of the fresh food and dining offer. Expansion of retail facilities driven by the resident population will support a growing workforce also. The Structure Plan Area and the broader 20-minute catchment will continue to generate demand for population serving industries. • **Enhanced dining and entertainment offer:** Box Hill can continue to grow its distinct dining and entertainment offer, typified by fine grain shop fronts and the new format higher density dining offers, as illustrated by the Sky One Plaza.	• **Concentrate retail activity:** To ensure the long-term vibrancy of the central core it is important to concentrate retail and food and beverage to the core of central Box Hill.

The other population services sector is likely to grow to serve a larger worker and resident catchment. with increased local workers and residents. Box Hill will continue to function as regionally important MAC providing a wide range of retail, food and beverage, arts, recreation, and other population services role. Box Hill can also grow its retail, F&B and accommodation offer to serve a growing visitor base, both visiting family friends and potentially business visitors.

TABLE 6.6 BOX HILL INDUSTRIAL SWOC ASSESSMENT

STRENGTHS	WEAKNESSES
• Industrial land in the Box Hill Structure Plan Area is very limited. Some of the few industrial sites in central Box Hill have transitioned towards higher value employment uses such as offices and retail.	• Industrial plays a very minor role in the Structure Plan Area, representing around 3% of all jobs, including some in manufacturing and wholesale trade. • There is no dedicated industrial precinct, and the few sites are small and isolated across the Structure Plan Area. These sites are also surrounded by a mix of uses which may present amenity issues for industrial activities. As such, the utility of many of these sites for industrial activities is declining, while the value of the land is encouraging redevelopment for higher value uses.
OPPORTUNITIES	**CHALLENGES**
• As already observed in the Structure Plan Area, the few industrial sites are likely to transition towards higher density employment uses. This could be higher value industrial uses, although more likely, other employment uses. • Transition of these uses to higher density and high value employment uses is consistent with the existing policy framework for Box Hill.	
The industrial sector is likely to continue to play a negligible role in Box Hill's economy and the few remaining small industrial sites in the Structure Plan Area are likely to shift towards higher density mixed uses.	

6.3 Implications for Box Hill Structure Plan

Table 6.7 summarises Box Hill's competitive strengths, future employment generators, and potential economic and employment role by 2041. The Structure Plan for Box Hill should seek to support the growth of key sectors in appropriate locations.

TABLE 6.7 BOX HILL STRUCTURE PLAN AREA ROLE IN 2041

	ROLE IN 2041
Regional employment role	*One of Melbourne's prominent employment hubs outside the inner city, providing a wide array of mixed-use amenities. It boasts one of the few high-density office markets outside the CBD and hosts a regionally significant health cluster. Existing and future transport links support access to a considerable employment base and links future businesses to emerging business, health, and education clusters along the corridor.*
Competitive strengths of Box Hill	• **Large, skilled local workforce:** The potential workforce size of the Box Hill Structure Plan Area is anticipated to grow substantially due to SRL East. Improved accessibility will mean better connections between businesses and their workforces, enabling better matching of skills to job and agglomeration benefits. Agglomeration benefits could include attracting employees, opportunities for knowledge-sharing and attracting more customers. • **Established and growing health precinct:** Box Hill is home to one of Melbourne's leading health precincts, which is set to expand through its pipeline of private investment and the broader population growth in its extensive catchment. This ensures that health and related industries will remain pivotal drivers of growth for the precinct. • **Market support for a larger, high-density office market:** Box Hill has the fundamentals of excellent accessibility, an established office market and high worker amenity, which continue to drive growth in its office market over the long term. It already has a strong pipeline of commercial development including a major renewal of the public realm around Box Hill Central. This indicates some market support for Box Hill to continue to grow as a leading activity centre and high-density office market outside the CBD. This is discussed more in the next section. • **Connectivity to CBD and SRL East:** Moreso than other Structure Plan Area, Box Hill currently benefits from excellent connectivity centrally towards to the CBD and to the east through the existing train and tram services. The CBD is 25 minutes by train, the fastest from all SRL East Structure Plan Areas. Once SRL East is operating, Box Hill workers will have rapid access to other SRL East Structure Plan Areas. This unparalleled accessibility to key precincts in Melbourne presents businesses with the opportunity to establish a primary or secondary office in Box Hill. • **SRL East policy support:** A robust planning framework which encourages and incentivises new employment developments will enhance Box Hill's competitiveness relative to other activity centres across Melbourne and can help attract new business and investment.

	ROLE IN 2041
Sector roles (industries listed in order of future economic opportunity)	 • **Health:** Box Hill's health sector is set to continue to be the dominant pillar of Box Hill's local economy and the leading provider of jobs to the surrounding population. There is opportunity to strengthen the health precinct by planning for a broader range of complementary uses, delivering a high level of worker amenity, identifying sites for future expansion and exploring potential synergies with the adjacent Box Hill Institute site.  • **Professional services:** Box Hill's professional services sector has the potential to grow in importance. Box Hill currently has many attributes of a successful office market, and its potential draw of workers, customers and businesses will be strengthened by SRL East and connectivity to other SRL East Structure Plan Areas. Future growth of professional services in Box Hill will need to use a wide range of attraction strategies to bring professional services jobs to a suburban location, but if they can, the existing amenities in the area will be of great value  • **Other population services**: The amenity provided by the mix of retail, food and beverage entertainment, and accommodation will be critical in supporting employment growth in Box Hill. The existing strengths in fresh food and Asian dining can be built-upon, supported by a wide range of services that will make Box Hill an increasingly attractive work location.  • **Education:** Box Hill's education sector can play a larger role in the local economy. This could be achieved by reviewing its current tertiary offer and by leveraging the potential from a combined health and education cluster, with the adjoining Box Hill health precinct.  • **Industrial:** Continue to play a negligible role in Box Hill's economy. The few remaining industrial sites in the Structure Plan Area are likely to shift towards higher density mixed uses in the medium to long term.

Part C: Future employment floorspace demand

Part C includes:

- **Section 7** summarises the methodology for estimating employment floorspace demand in the Structure Plan Area.
- **Section 8** identifies which sectors are expected to generate the most jobs growth in the Structure Plan Area.
- **Section 9** assesses the amount and form of floorspace needed in the Structure Plan Area to support this jobs growth, as well as the most appropriate locations.

7. Methodology for estimating employment floorspace demand

This section summarises the methodology used to assess the amount of employment floorspace required to support projected employment growth in the Structure Plan Area.

7.1 Use of employment projections and floorspace modelling

The employment projections are derived from CityPlan projections generated for the SRL Business and Investment Case. As described in Section 1, CityPlan is most effective representing strategic-level demands and patterns, and its reliability may diminish when the data is broken down by industry at a small-area level. The total job estimates for the Structure Plan Area are considered reliable for the purpose of structure planning. Nonetheless, to estimate floorspace demand by land use type, it is essential to analyse CityPlan job projections by industry at a small-area level.

It is important to recognise that while this report uses these projections as the best available information to estimate floorspace demand by land use type, the job and floorspace mix by industry may ultimately differ. This should be kept in mind when reviewing the calculated floorspace demand by land use type. The floorspace projections by use should not be considered definitive.

A common example is when industrial sector employment is projected to grow, but recent trends show a decline in industrial jobs at the local area, particularly as older industrial areas within a Structure Plan Area transition to other uses. In such cases, while the projections are used, the report highlights areas where actual growth in a specific industry may deviate from the forecast. This provides insight into how critical it is to accommodate the projected floorspace by specific land use type. Ultimately, the key priority is to ensure that the total jobs and overall employment floorspace are adequately provided in appropriate locations.

7.2 Overview of methodology for assessing floorspace demand

At a high level, the process of estimating floorspace demand involves the following steps:

1. **Review of employment projections by industry group** for the Structure Plan Area to understand the alignment with the industry outlook and future vision for the area. The detailed process for this review, and importantly, the limitations of the employment projections, are outlined in Section 7.3.
2. **Determine the distribution of employment across different land uses;** that is, the share of employment in each industry allocated to various land use types.
3. **Establish workspace ratios** (WSRs) for each land use type, indicating the amount of floorspace per employee / worker.
4. **Calculate future floorspace demand.** The estimate of future floorspace demand is calculated by:
    a. Multiplying the 2041 employment projection for each industry by the share of that industry's employment allocated to each land use
    b. Multiplying the employment allocated to each land use by the workspace ratio for that land use.

This method enables the adjustment of workspace ratios and employment land use shares at a Structure Plan Area level to reflect the unique nature of employment in each area. An example of this calculation is described here, noting the below are generic numbers for illustration:

1. Total Health jobs for the Structure Plan Area are an estimated 10,000 in 2041.
2. Health jobs in the Structure Plan Area in future are estimated to in future comprise 60% on dedicated health floorspace (such as a hospital) and 40% on office land uses.
3. The workspace ratio for the health land use is estimated at 40 per worker, with 20 sq.m per worker for office land use.
4. The health land use floorspace estimate is therefore 240,000 sq.m (10,000 workers x 60% x 40 sq.m) and for office space 80,000 sq.m (10,000 workers x 40% x 20 sq.m).

This process is repeated for each industry group to forecast total floorspace demand for each land use type.

Where appropriate, tests have been undertaken to ensure known future supply would fit within the projected outcomes. For illustration, if a development was under construction in the Structure Plan Area that was to deliver office floorspace for 1000 health care and social assistance jobs, the future movement of health care and social assistance jobs into office floorspace would be adjusted to ensure this known supply is accounted for.

The high-level methodology is shown in Figure 7.1 adjacent. More detail about the methodology for assessing floorspace demand is provided in Appendix E. The following sub-sections describe in detail the estimation of the distribution of industry employment into different land uses, and appropriate workspace ratios.

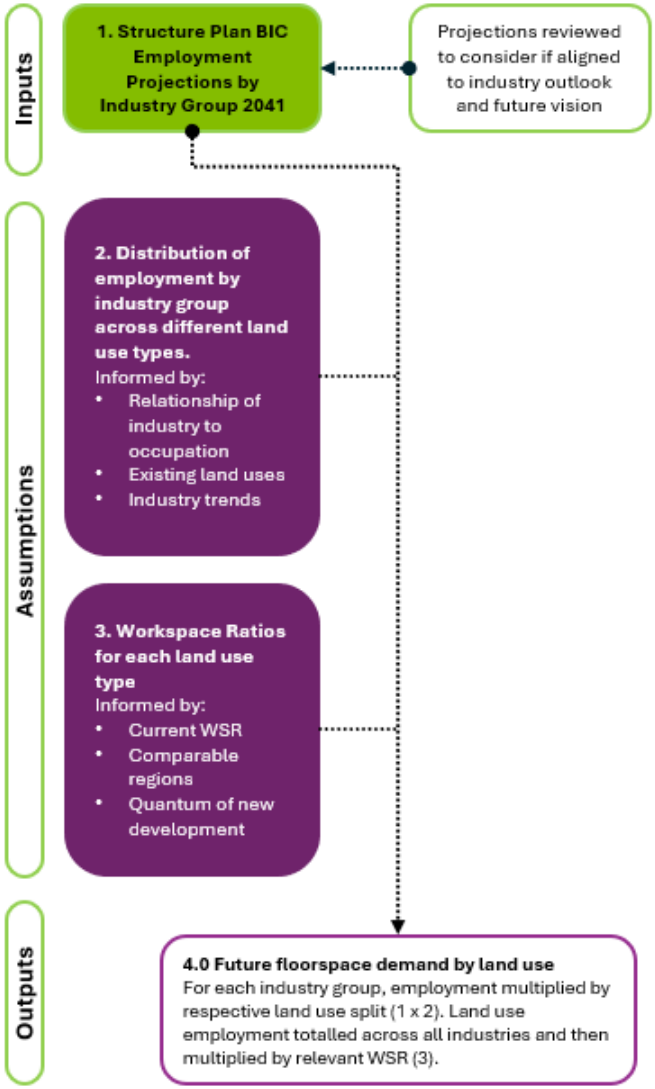


FIGURE 7.1 OVERVIEW OF FLOORSPACE DEMAND METHODOLOGY

Source: AJM JV

7.3 Review of employment projections

The employment projections are derived from CityPlan projections generated for the SRL Business and Investment Case. Given the limitations of using this dataset at the small-area level (refer discussion in Section 7.1) the employment projections were evaluated by taking into account the following factors:

To this end, the employment projections for the Structure Plan were evaluated by taking into account the following factors:

- The current economic role and competitive strengths of the Structure Plan Area
- Historical industry and employment patterns
- Broader industry trends and forecasts
- Consideration of the anticipated employment role and focus of the Structure Plan Area.

This review is summarised in Appendix D.

The aim of is activity is **not to create revised employment projections** for the Structure Plan area, but to highlight where the industry mix may vary from that projected or where additional support may be required to achieve the total employment projection for the Structure Plan Area.

7.4 Deriving employment land use shares

Employment land use share refers to the distribution of workers by land use type.

These proportions capture the distinct employment characteristics of certain areas alongside overarching trends in each industry. For instance, in the industrial sector, the prevailing trend towards job automation suggests that employment will shift towards supportive or administrative roles in office space rather than manual or traditional industrial positions in industrial space.

To estimate the proportion of employees in each industry allocated to various land use categories by 2041, the following steps were undertaken:

- **The relationship between occupations and industries was reviewed**. Using ABS Occupation level 4 data, cross-referenced against the industry of work (that is, a worker in occupation x is employed in industry y, z, etc.) provides an indication of the type of floorspace or land use required for an occupation mix (such as an accountant employed in the industrial sector more likely creates a need for office space rather than industrial land use typologies).
- Analysed data from the floorspace audit in the Structure Plan Area to understand the **potential land uses** workers recorded in each destination zone could work in.
- Manual checks where appropriate to assess any significant deviations from normal range of workspace ratio outcomes.
- Assessed the **shift in workers by industry toward different floorspace types** over time outlined earlier in this report (such as health workers using office space at a higher intensity), considering available time series data indicating change over time in workspace ratios (such as the City of Melbourne Census of Land Use and Employment).

This process is described more in Appendix E, with details of the assumptions adopted for the Structure Plan Area shown in Section 9.

7.5 Deriving workspace ratios

Workspace ratios represent the amount of floorspace allocated to each worker in a work environment. Although there are typical ranges that are often noted, these can fluctuate depending on factors such as location, industry sector, and the specific needs of individual businesses.

This analysis undertaken establishes a workspace ratio (WSR) for each land use type (such as office, health, education, retail) as opposed to a workspace ratio for each industry. This is due to there being variation between workspace ratios in an industry, depending more on the nature of the occupations and workspaces used in that industry in a particular location.

To estimate the workspace ratio for each land use type at 2041:

- Based on the density of employment over land area in the ABS's Statistical Areas Level 2 (SA2s) around Australia, **the nature of development and building typologies were reviewed** in other precincts to identify areas that are likely comparable to the future outcome in the Structure Plan Area. These

comparable help inform the appropriate future workspace ratios and likely levels of growth.

- The **current workspace ratio of each land use type in the Structure Plan Area was estimated** by combining the floorspace audit with jobs by industry and destination zone geography derived from the 2021 ABS Census of Population and Housing. This is brought to a Gross Leasable Area (GLA) level to be comparable with benchmarks. This was done referencing building-level City of Melbourne CLUE data to remove common areas and similar spaces.
- Estimates of current average workspace ratios across different regions in Australia were reviewed to understand **how the Structure Plan Area compares to other regions** and to understand where workspace ratios might move over time. This comparison indicates the efficiency of the space used relative to current standards elsewhere, noting workspace ratios can be influenced by factors such as the age and nature of floorspace, the presence of vacant space, and the specific types of jobs supported in an industry.
- Available data on annual growth in locations around Australia were reviewed **and tested where the Structure Plan Area would sit along the range of historical values at different workspace ratio scenarios.** In conjunction with the first check, this allows for a sense check on the level of growth that would need to occur to reach an overall workspace ratio outcome. For example, if a Structure Plan Area without a hospital would require health jobs to grow at a level that is comparable to Parkville in Melbourne to reach a workspace ratio outcome, this would be deemed not appropriate.
- **How much of the future floorspace will be new versus old was estimated**. Newer, modern buildings are typically more efficient, accommodating more workers for a given floor area (that is, a lower WSR). The greater the share of future floorspace that will be new, the greater the shift down to more efficient workspace ratios for the area. The proportion of space that is new vs. old is estimated using benchmarks from the City of Melbourne Census Land Use and Employment (CLUE) data and the City of Melbourne Development Activity Monitor. For example, there was an additional 800,000 sq.m of office floorspace added to the City of Melbourne in the past decade, but the difference in the count of total stock was only 400,000, it can be assumed that 0.5 sq.m is removed for each sq.m of new stock.
- **Downward trend in workspace ratios as a result of flexible working arrangements.** The increasing prevalence of flexible working arrangements has led to a reduction in the amount of floorspace needed to host workers per day. If a worker moves from needing 20 square metres of employment across five days down to four days per week, on average they will require 16 square metres per week (4 days/5 days times 20 sq.m of floorspace). This will put generalised downward pressure on most floorspace typologies.

Bringing all of these checks together, a narrower range of possible WSRs can be tested to determine a workspace ratio that reflects appropriate benchmark locations, aligns with broader workspace trends for that industry, and suits the context of the Structure Plan Area.

7.6 Peer review

This technical report has been independently peer reviewed by Julian Szfraniec of SGS Economics & Planning. The peer review report is attached as Appendix F of this report, which sets out the peer reviewer's opinion on the SRL East Draft Structure Plan - Economic Profile Technical Report.

8. Employment projections

This section assesses how appropriate the employment projections are in terms of their alignment with the anticipated future role of the Structure Plan Area.

8.1 Box Hill Structure Plan Area employment projections

Figure 8.1 shows the employment projections to 2041 for the Box Hill Structure Plan Area. from the SRL East Business and Investment Case (BIC). Comparable numbers sourced from the 2011 and 2021 Censuses provide context to the projected growth.

Compared to recent trends, it appears the baseline employment BIC projections represent a significantly higher growth trajectory in the Box Hill Structure Plan Area. Whether the change anticipated from the introduction of SRL East and supportive policy environment is sufficient to support this growth is discussed more in the next sub-section.

Table 8.1 shows the employment projections by broad industry groups as well as the comparison at a total level between the Business and Investment Case 2041 projections at the 1600m level with the Structure Plan Area. All sectors are forecast to grow strongly in the Box Hill Structure Plan Area to 2041:

- Professional services are forecast to grow significantly, driven by professional, scientific and technical services, administrative and support services and public administration and safety.
- Health will continue to be largest pillar of Box Hill's economy and is forecast to double the number of health workers. One in three jobs are forecast to be in the health sector by 2041.
- Education is forecast to grow strongly to 2041 while continuing to represent just under 10% of local jobs.
- Other population services are forecast to grow strongly from retail trade, accommodation and food services, and the construction subsectors.
- While industrial is also forecast to grow strongly, this growth will likely be curtailed by land availability (see Section 6). Alternatively, industrial jobs will need to be accommodated in other use types, such as office.
- The proportion of employment within a 1600m radius of the Box Hill SRL station that will be within the Structure Plan Area is expected to increase from around 88% in 2021 up to 93% in 2041.

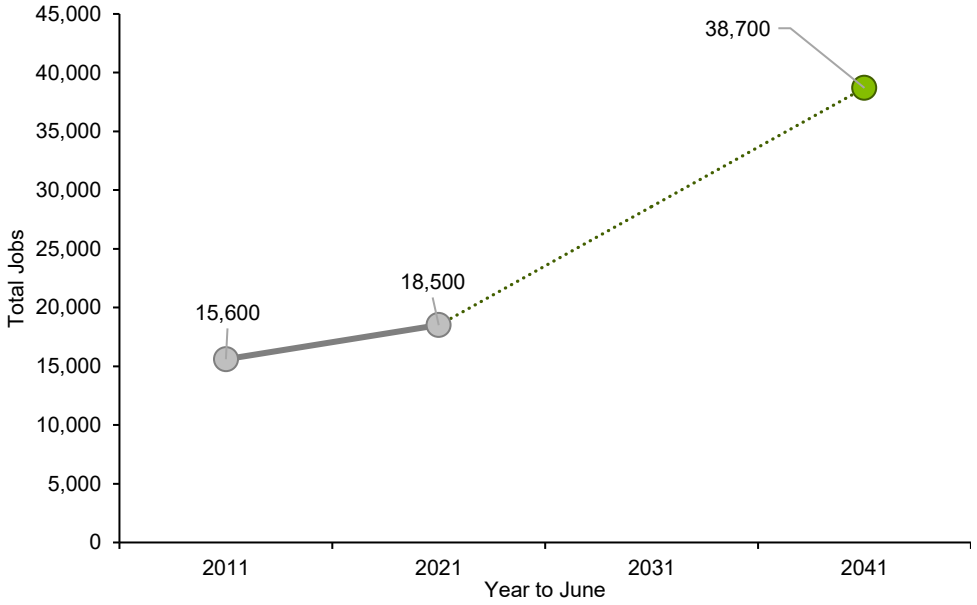


FIGURE 8.1 HISTORICAL AND FORECAST EMPLOYMENT IN THE BOX HILL STRUCTURE PLAN AREA, 2011–2041

Source: ABS Census 2011 and 2021, Derived from CityPlan (published in SRL BIC); AJM JV

TABLE 8.1 BOX HILL STRUCTURE PLAN AREA TOTAL WORKERS AND ANNUAL GROWTH BY INDUSTRY, 2011–2041

BROAD INDUSTRY SECTOR	WORKERS			ANNUAL CHANGE (NO.)		ANNUAL CHANGE (%)	
	2011	2021	2041	2011-21	2021-41	2011-21	2021-41
Education	1700	1900	3500	20	80	1.1%	3.1%
Health	5100	7600	14,200	250	330	4.1%	3.2%
Professional Services	5800	5300	11,100	-50	290	-0.9%	3.8%
Other population services	2400	3100	7600	70	225	2.6%	4.6%
Industrial	500	600	2300	10	85	1.8%	6.9%
Structure Plan Total	**15,600**	**18,500**	**38,700**	**290**	**1010**	**1.7%**	**3.8%**
1600m Total	**16,600**	**21,100**	**41,500**	**450**	**1020**	**2.4%**	**3.4%**

Source: ABS Census 2011 and 2021, CityPlan for 1600m and derived from CityPlan for Structure Plan Area (published in SRL BIC); AJM JV

8.2 Review of employment projections

This sub-section reviews the projections of the SRL East Business and Investment Case (BIC) at a broad industry level to assess their alignment with the industry outlook and future vision for the area.

As noted in Section 7.1 the employment projections are derived from a metropolitan-wide strategic model, they are best used for regional or corridor analysis rather than at a small area level. While it provides accurate total employment figures at the Structure Plan Area level, the industry breakdown may be less precise, particularly for smaller industries.

Therefore, it is necessary to conduct a sense-check to ensure that projections for the Structure Plan Area align with expectations for future growth. This evaluation is crucial because if the forecasts are overly optimistic, there might not be as great a requirement to accommodate modelled floorspace demand. Conversely, if the projections are thought to be accurate or potentially on the low side, accommodating the necessary floorspace becomes imperative. When evaluating the general suitability of the Structure Plan Area projections, these questions were considered:

When evaluating the general suitability of the Structure Plan Area industry projections, these questions were considered:

- Do the projections align with the present economic conditions and past growth patterns?
- Do the projections correspond with wider industry trends?
- Do the projections align with the vision for the Structure Plan Area and its competitive strengths?
- The overall alignment of the industry projections is subsequently assessed.

Table 8.2 summarises the extent to which the industry projections align with expectations of the future order of growth for the Structure Plan Area. The degree of alignment is denoted by a traffic light system colour (green, amber, red). More detail about the assessment of the employment projections is provided in Appendix D.

TABLE 8.2 BOX HILL STRUCTURE PLAN AREA REVIEW OF INDUSTRY-LEVEL EMPLOYMENT PROJECTIONS

		% SHARE OF TOTAL EMPLOYMENT	REVIEW OF EMPLOYMENT PROJECTIONS	IS THE INDUSTRY-LEVEL FLOORSPACE ESTIMATE LIKELY TO NEED TO BE ACCOMODATED?
	Total Employment	-	The projected growth in total employment within the Box Hill Structure Plan is expected to significantly rise from 1.3% to 3.7% per annum. This substantial increase is likely to be achieved by the scale of new investments including new rail connectivity, a strong development pipeline, and the robustness of the health, education, and other population service sectors.	Structure planning should seek to support the total additional projected floorspace through to 2041. The total employment projections for the Structure Plan Area are considered an accurate estimate that is an appropriate base to plan for through to 2041.
	**Professional Services**	29%	Overall, while a forecast rate of growth at 3.7% per annum is a turnaround from historically low growth, it may be achievable given the increased accessibility provided by SRL East, supplementary investments into the urban realm and using attraction strategies to actively bring new businesses to Box Hill. Realisation of the office development pipeline could potentially deliver around a third of forecast growth to 2041. Realising Professional Services forecasts will require adequate sites to deliver large office buildings in central Box Hill, noting this will also be a location sought for residential development.	Structure planning should aim to accommodate the projected floorspace demand for professional services to encourage the development and delivery of high-value employment, with Box Hill to play an elevated role as a suburban professional services/office hub.
	**Health**	41%	The health sector projection appears broadly appropriate. Health care and social assistance is a key growth industry for Melbourne generally, with the major cluster in Box Hill a focus for growing private sector interest. Delivery of initial stages of Wellington Health could contribute around a third of the growth forecast in the short to medium term.	The projected expansion of the health workforce is likely to be supported by floorspace growth, particularly around the hospital and integrated health and education area.
	**Education**	10%	Education and training employment growth may be less than forecast, unless there is a shift in the current education offer and growth profile, existing tertiary education sites are repurposed for alternate educational use, or additional tertiary education uses are provided elsewhere in the Structure Plan Area. Other schools are expected to grow moderately.	Any planning for future schools should be considered with the Department of Education and Training. Jobs growth will also be dependent on Box Hill Institute's growth ambitions and capacity constraints.
	**Other population services**	17%	The BIC projections are a reasonable representation of likely employment growth. Strong population growth is likely to sustain demand for this sector. However, a turnaround in key sectors which have had relatively stagnant growth in recent years will be required, including retail.	Planning for retail floorspace should be guided by SRL East Retail Needs Assessment – Box Hill. Planning for non-retail other population uses (i.e. accommodation, community infrastructure) should use the estimated floorspace as a guide, but again the specific floorspace demand should align with specialist reports.
	**Industrial**	3%	Given the negligible role of the industrial sector in the Structure Plan Area, and the limited number of industrial sites, the high number of forecast industrial jobs is likely overstated and there might not be as great a requirement to accommodate modelled floorspace demand.	Likely there will not be as great a need to accommodate the projected industrial floorspace demand as industrial job numbers are declining as older industrial sites in Central Box Hill are converted to other uses. This job growth is likely to occur in other industries in the Structure Plan Area, creating demand for other building typologies (e.g. office).

Source: AJM JV

8.3 Implications for the Box Hill Structure Plan

The implications of the employment projections for the development of the Box Hill Structure Plan include:

- Overall, the total employment projections for the Structure Plan Area are considered an accurate estimate that is an appropriate base to plan for through to 2041. Therefore, Structure Planning should plan for the total additional projected floorspace through to 2041.
- At an industry level, forecasts indicate reasonable growth expectations for health and population services, reflecting strong sector potential in the Structure Plan Area. Planning should account for projected floorspace demand.
- Forecasts project high demand for professional services and education, although this may be achievable with additional support to attract more private and public office occupiers and by repositioning the tertiary education offer. Planning should seek to accommodate the modelled floorspace demand to encourage development and delivery of high-value employment.
- The forecast for industrial space is higher than likely is required due to limited availability of remaining sites in the Structure Plan Area. There might therefore not be as great a need to accommodate the projected floorspace demand. The industrial sector is very small (less than 6% of total projected employment) and has been on a downward trend in recent years. This is expected to continue as the Box Hill Metropolitan Activity Centre transitions from industrial to other uses over time. Although it is appropriate to plan for the identified employment and floorspace, it is likely the projected jobs and floorspace need will emerge in other industry sectors.

9. Future employment floorspace needs

This section presents the anticipated employment floorspace necessary to support the projected employment figures in the Box Hill Structure Plan Area, along with the specific land use assumptions and workspace ratios utilised to calculate these needs. Consideration is also given to whether the market will deliver the projected growth, and the locational preferences and built-form typologies likely required.

Note:

The role of this report is to translate the employment projections for the Structure Plan Area into floorspace outcomes. Whilst the previous section considered the consistency of the employment projections by industry with past growth and anticipated change in the Structure Plan Area, ***these projections are adopted as the basis of analysis in this section without variation.*** *The key outcome of this section is to identify the floorspace by use required to accommodate the projected employment levels. Given the potential variation in employment outcomes, there may be instances where floorspace requirements are lower or higher than estimates provided in this section. Consequently, at the end of this section, the floorspace estimates are also tested to identify the likelihood of that space being required and how critical it is that structure planning accommodates the estimated floorspace.*

9.1 Structure Plan employment land use share assumptions

To project out the floorspace requirements for the Box Hill Structure Plan Area, it is important to first estimate the number of workers by the type of floorspace that they are, or will be, accommodated within.

As described in the methodology (Section 7 and Appendix E), to estimate the share of workers by industry in each floorspace use we have used a combination of estimating the current land use to employment relationship, and reference to observed trends in industry-level shifts towards different land uses in comparable precincts.

Where appropriate, tests have been undertaken to ensure known future supply would fit within the projected outcomes.

Table 9.1 highlights the estimated current and future (2041) split of workers by floorspace type. Significant upward and downward shifts are highlighted.

Evidently, office floorspace is the primary type of space across many industries in Box Hill.

Box Hill will be more oriented towards office floorspace than other SRL East Structure Plan Area due to:

- Low levels of industrial floorspace – this means any industrial industries that are in Box Hill are more likely to be office-based, white-collar positions that manage the operations of an industrial sector business.
- Large share of health and education uses which currently use office space – in line with trends in these industries, these industries are likely to use more office space in future.

Health floorspace is the dominant floorspace typology for health care and social assistance (90%) and similarly education is primarily within education floorspace (68%). Office is the second most common in both.

Retail floorspace is the primary use for other population services. This sector also has an estimated 21% of employees in office floorspace.

Trends into the future have been assessed with reference to Section 5 and iteratively adjusted through reviewing future developments outlined in Section 3.6.

TABLE 9.1 BOX HILL STRUCTURE PLAN AREA, LAND USE SHARE ASSUMPTIONS

	INDUSTRY SECTORS									
	PROF. SERVICES		HEALTH		EDUCATION		OTHER POPULATION SERVICES		INDUSTRIAL	
LAND USE	2021	2041	2021	2041	2021	2041	2021	2041	2021	2041
Office	72%	78%	5%	9%	18%	31%	21%	32%	58%	67%
Health	6%	8%	90%	89%	7%	8%	4%	4%	5%	4%
Education	0%	1%	0%	0%	68%	52%	1%	1%	2%	2%
Retail	1%	2%	3%	1%	2%	3%	58%	52%	22%	20%
Industrial	0%	0%	0%	0%	0%	0%	6%	2%	9%	5%
Public Use	18%	11%	2%	1%	0%	0%	3%	3%	3%	3%
Accommodation	0%	0%	0%	0%	0%	0%	3%	2%	0%	0%
Entertainment / Recreation	2%	1%	0%	0%	5%	5%	4%	4%	0%	0%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: ABS, CLUE, AJM JV. Yellow highlights significant shifts from 2021 to 2041.

Figure 9.1 translates Table 9.1 into an employment projection by floorspace type. Note the total number of jobs is still fixed at the 2041 employment projections for the Structure Plan Area. employment forecast in the SRL East Business and Investment Case. Office will be the largest employing floorspace type, followed by health, retail and education. This aligns with the key businesses and institutions in the area.

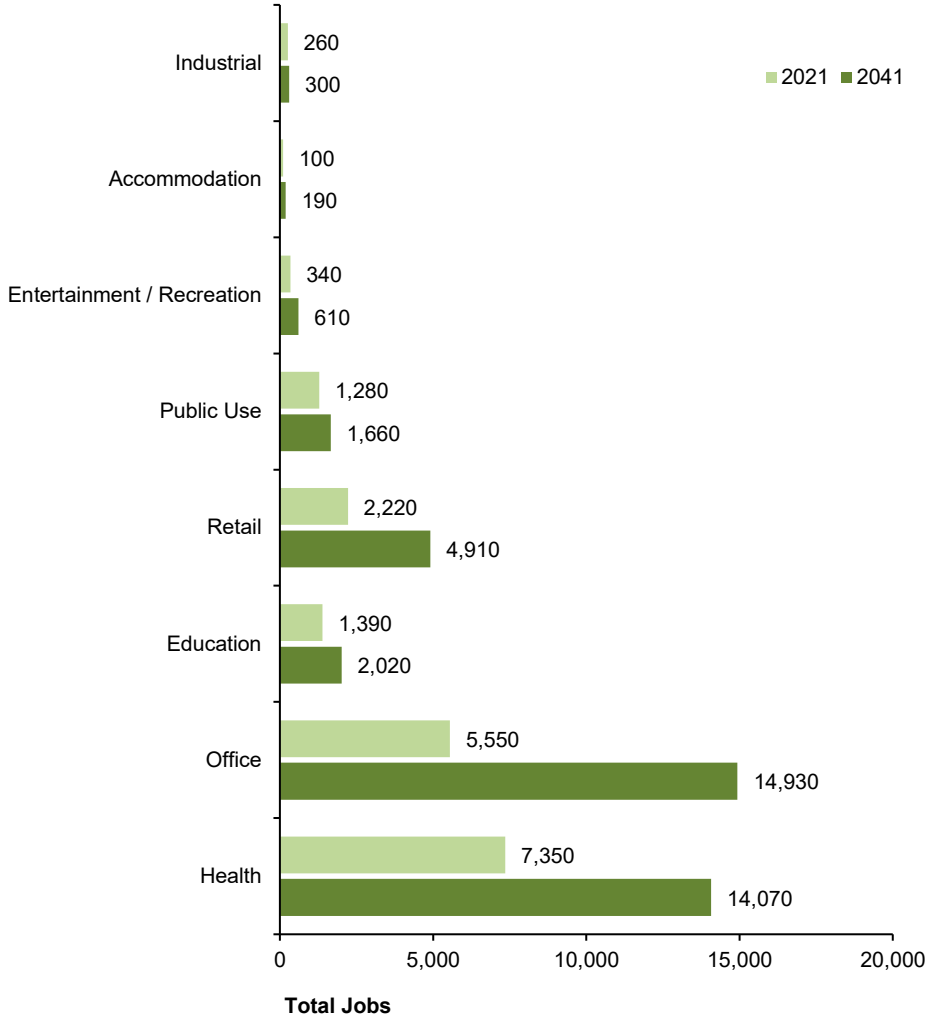


FIGURE 9.1 BOX HILL STRUCTURE PLAN AREA, NUMBER OF WORKERS BY FLOORSPACE USE, 2021–2041

Source: Derived from CityPlan (published in SRL BIC), ABS Census of Population Aged 15+ [2021]; AJM JV

9.2 Structure plan area workspace ratio assumptions

This sub-section considers the second broad key assumption in the employment floorspace modelling being the workspace ratio (WSR): the relationship between the number of workers in a use type and the floorspace required to accommodate them.

See Appendix E for a summary of the key findings of the workspace ratio analysis for the Box Hill Structure Plan Area. This includes, for each land use, the estimated 2021 workspace ratio, the range identified from assessment of other locations, the benchmark locations identified for the Structure Plan Area with an associated image, results of testing the workspace ratio against projected employment growth, and finally, the estimated 2041 workspace ratio.

By combining the audit of floorspace in Box Hill with the analysis of current worker numbers within the Structure Plan (Section 3), the workspace ratio of employment as of 2021 has been estimated.

This is important to provide a baseline for future shifts to be incorporated from, and more accurately estimate the need for floorspace going forward.

We note that a different approach is being taken for calculating future retail workspace ratios. Retail floorspace need is calculated in the SRL East Structure Plan - Retail Assessment – Box Hill independent of the retail jobs projections. Retail jobs are calculated in this report with reference to Section 9.1 using a combination of ABS, AJM JV research and the employment projections for the Structure Plan Area.

A workspace ratio is then derived by comparing the two different sources (floorspace divided by jobs). Since these may not be aligned, the workspace ratio change may be unrealistic. For example, if the projected growth in jobs based on BIC is substantially higher than the estimated retail floorspace need growth, the workspace ratio would decline to unrealistic levels. Any change in retail worker density should be read in conjunction with the discussion on the appropriateness of the BIC employment projections. This can be found in section 8.2.

Given our floorspace audit was undertaken using external building information, no common spaces or otherwise unleasable spaces have been removed from the building extents. To mitigate this, we have provided estimates for Gross Building Area (GBA) which is result of the floorspace audit, and Gross Leasable Area (GLA) which is the typical measure for workspace ratios. GBA to GLA conversion is different by land use with different proportions of total space going to non-employment space such as common areas and storage. This is shown in Appendix E using building level CLUE City of Melbourne data.

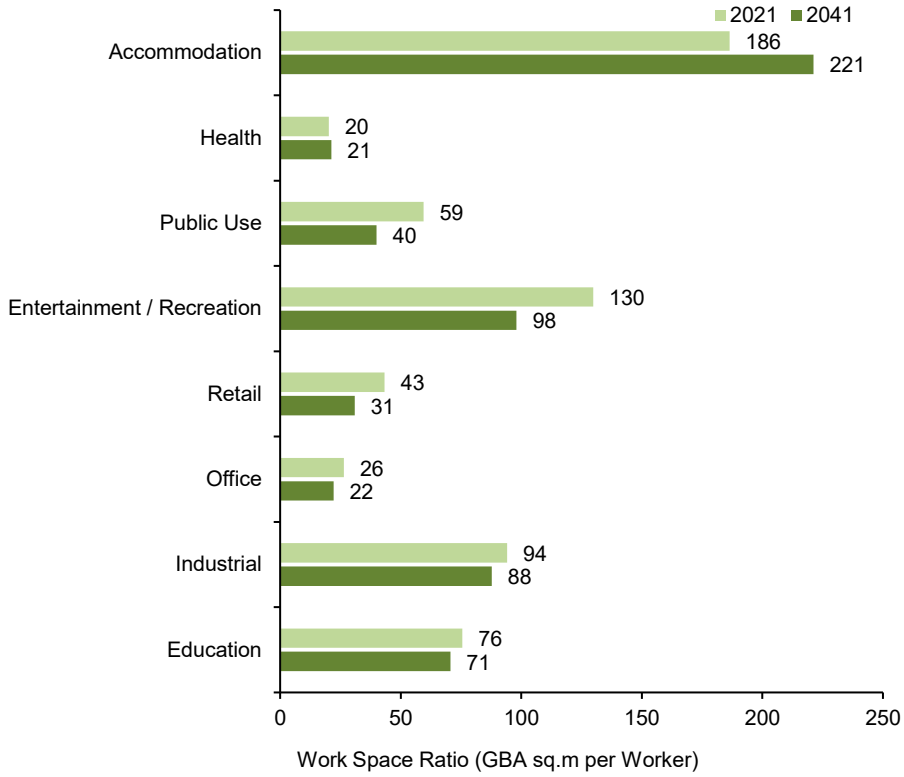


FIGURE 9.2 ESTIMATED EMPLOYMENT RATIO BY TYPE, BOX HILL STRUCTURE PLAN AREA 2021–2041

Source: AJM JV

9.3 Future employment floorspace demand

Based on projected employment growth and typology/workspace ratio assumptions, the future employment floorspace demand in the Structure Plan Area to meet the BIC employment projections is derived. This is shown in Figure 9.3

This analysis indicates that realisation of the Structure Plan Area employment BIC projections for 2041 for Box Hill would require around over 1.4 million sq.m of employment floorspace.

This is an additional 532,400 sq.m of floorspace above what is currently provided in the Structure Plan Area. We do note that this will be less than the total amount of new development that will occur as this figure is net of space removal. For example, we have estimated that there will be around 200,000 sq.m of additional office floorspace required by 2041. Around 58,000 sq.m of office space will be removed to facilitate growth, meaning that total new development is in fact around 260,000 sq.m, rather than 200,000 sq.m.

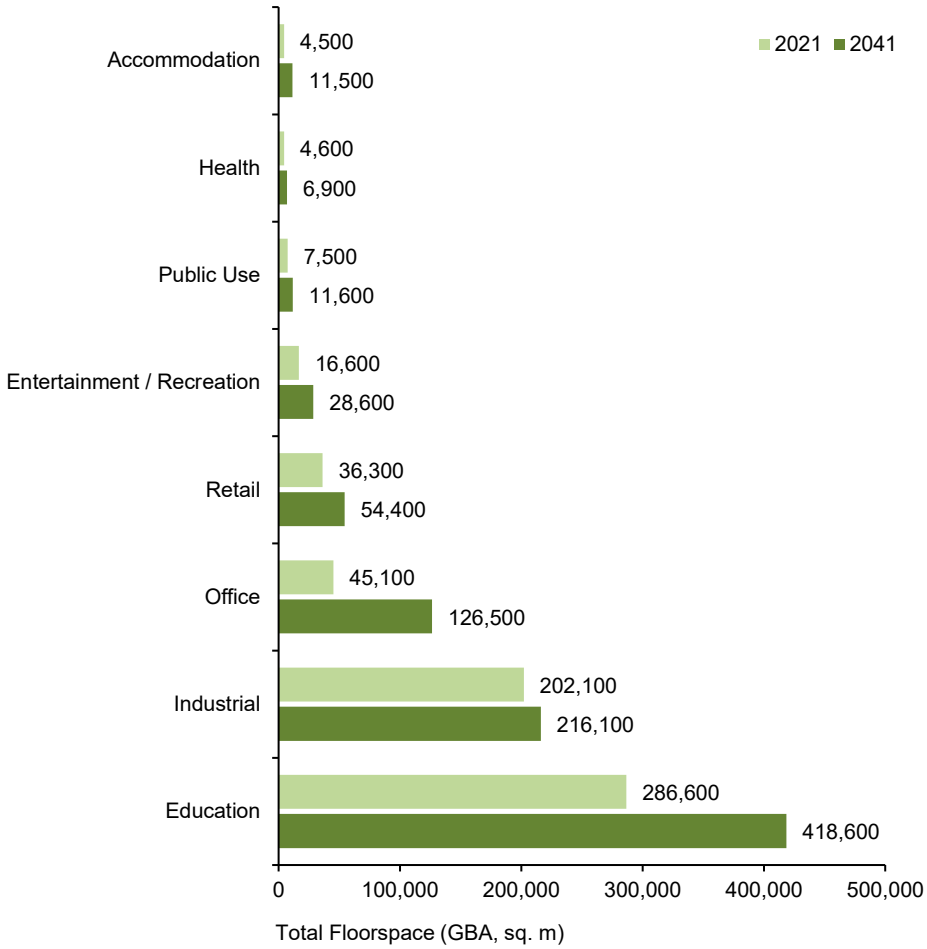


FIGURE 9.3 ESTIMATED EMPLOYMENT FLOORSPACE BY TYPE, GBA BOX HILL STRUCTURE PLAN AREA 2021–2041

Note: Retail floorspace figure in this table is the mid-point of the GBA range outlined in the Retail Needs Report.

Source: AJM JV

TABLE 9.2 BOX HILL STRUCTURE PLAN AREA, TOTAL JOBS, WSR AND EMPLOYMENT FLOORSPACE, 2021–2041

LAND USE	TOTAL JOBS	AVERAGE WSR (GBA SQ.M PER WORKER)	FLOORSPACE 2021, (GBA)	FLOORSPACE 2041, (GBA)	ADDITIONAL FLOORSPACE 2021-2041 (GBA)
Health	14,100	33	288,300	464,100	175,800
Office	14,900	27	204,300	408,400	204,100
Education	2000	94	140,500	190,200	49,700
Retail	4900	32	110,000	157,700	47,700
Public use	1700	37	53,300	61,800	8500
Entertainment / Recreation	600	86	31,300	52,400	21,100
Accommodation	200	277	29,600	53,400	23,800
Industrial	300	49	12,900	14,600	1700
Total	**38,700***	**-**	**870,200**	**1,402,600**	**532,400**

**A small number of jobs are allocated to land uses such as student accommodation, aged care, carparking and utilities that are not explored in this report.*

Note: Retail floorspace figure in this table is the mid-point of the GBA range outlined in the Retail Needs Report.

Source: Derived from CityPlan (published in SRL BIC); AJM JV

9.4 Testing employment floorspace demand

This sub-section evaluates whether the market is likely to deliver the forecast employment floorspace demand. This is informed by assessing historical growth and development, as well as the current development pipeline, as detailed in Section 3. This indicates if there is evidence of existing market appetite for development of the scale required to meet employment and floorspace projections. It also informs consideration of whether further actions to support the delivery of employment floorspace in the Structure Plan Area will be necessary. The floorspace delivery considerations are summarised in Table 9.3.

TABLE 9.3 BOX HILL STRUCTURE PLAN EMPLOYMENT FLOORSPACE DELIVERY CONSIDERATIONS

	EXAMPLES OF RECENT DEVELOPMENT IN THE STRUCTURE PLAN AREA	HOW WILL PIPELINE DEVELOPMENT CONTRIBUTE? [1] (GFA)	WILL FUTURE GROWTH BE DELIVERED BY THE MARKET WITH LIMITED INTERVENTION?	
Office	ATO building is a high density office tower with a GFA of 20,000 sq.m. This project was government rather than market led. Ellingworth Parade is an 8-storey office tower on a small lot, around 300 sq.m.	**Approximately 30%** Pipeline development of 65,000 sq.m has the potential to deliver around a third of forecast office floorspace. Future stages of Box Hill Central North Master Plan may contribute further towards office floorspace, once the final development fix is confirmed.		**Likely.** Strong pipeline of approved office development plus plans for further office space in the full Box Hill Central Master Plan. This may take time to be realised given the COVID-induced slowdown in the office market across Melbourne, however, over an extended period, more office space will be required. Increased investment in Box Hill will also enhance the appeal for both businesses and workers alike. Consideration should be given to ensuring capacity for necessary office development in central Box Hill close to the station to balance residential development, as well as other government initiatives to develop the office cluster further.
Health	Construction is underway of Stage 1 Wellington Health which will deliver a large mixed-use development which includes some clinical health space.	**Approximately 20%** Pipeline development of 20,000 sq.m has potential to deliver around a fifth of future health floorspace. Future stages 3 and 4 of Wellington Health (not yet approved) may contribute further.		**Likely.** Population growth combined with the private market interest in the health precinct indicates the market is likely to deliver the future growth in health jobs and floorspace. However, further discussions to understand long term plans of the hospital operators in Box Hill is recommended. Measures to support health-related development around the health precinct could be considered.
Education	Limited change.	**Nil.** No major education development proposals identified.		**Unlikely.** Floorspace estimate would only be delivered if there was a significant shift in the current tertiary offer in Box Hill, away from VET courses and towards higher growth tertiary courses. Further consideration on the long-term role of education in Box Hill and the ability to better integrate with the surrounding health precinct is recommended.
Retail	Construction is under way of Sky Square, a vibrant three level retail and entertainment precinct, with 10,000 sq.m of retail floorspace.	**Approximately 65%** Retail pipeline estimated at 31,300 sq.m GLA. Refer to SRL East - Box Hill Retail Needs Technical Report for more detail.		**Highly likely.** The strong increase in resident and worker numbers in the Structure Plan Area will require additional retail space to support it. There will be significant opportunity for delivery of retail space at the ground level of mixed-use developments.
Entertainment & recreation	Limited change.	**Nil.** No major entertainment and recreation development proposal identified but there is likely to be some of these uses in the Box Hill Central Stage 1 development.		**Highly likely.** Entertainment and recreation concepts (such as cinemas, mini golf, bars) are increasingly popular in retail precincts, particularly malls. Continued growth of the retail offer in the Box Hill MAC and Box Hill Central will also likely support a large entertainment and retail component.

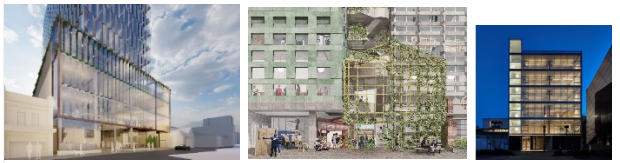
	EXAMPLES OF RECENT DEVELOPMENT IN THE STRUCTURE PLAN AREA	HOW WILL PIPELINE DEVELOPMENT CONTRIBUTE? [1] (GFA)	WILL FUTURE GROWTH BE DELIVERED BY THE MARKET WITH LIMITED INTERVENTION?	
Accommodation	The Chen Melbourne (2017) 100 5-star rooms and City Edge Box Hill (2017) with 48 budget apartments.	**Approximately 70%+** Pipeline development of 17,000 sq.m GFA is likely to deliver around 70% the forecast accommodation floorspace.		**Highly likely.** The existing pipeline under construction is likely to deliver above that forecast. This indicates the market is responding to the increased activity in Box Hill, including more workers, growth of the health precinct, and the cultural mix of the area attracting visitors seeing family and friends locally. More employment in Accommodation relative to forecast could be possible.
Public use	Limited change.	**Nil.** No major public use development proposals identified.		**Highly likely.** Minor increase expected.
Industrial	Limited change. However, there may have been some small-scale replacement of industrial uses in some parts of the Structure Plan Area.	**Nil.** No significant industrial development proposals identified.		**Unlikely.** The small increase in industrial jobs implies a need for some increase in industrial floorspace. However, this is unlikely as there are no dedicated industrial areas, and the remaining industrial floorspace is being replaced through more intensive development in the Box Hill activity centre. Nonetheless, this is not seen as a concern that needs addressing through the Structure Plan. It is a function of industry-level employment projections not being entirely aligned at the small area level to the vision developed by community and stakeholders for the neighbourhood surrounding the SRL station, and likely future development outcomes.

Source: AJM JV. Notes: 1. Refer to Section 3.6 for further details on pipeline development.

9.5 Location and form of future employment floorspace

Based on the general land use and industry location preferences, and respective built-form typologies identified in Section 5 and detailed more in Appendix C (Figures C.1 to C.5), the location and built-form preferences for the land uses assessed in the Structure Plan Area are summarised in Table 9.4.

TABLE 9.4 BOX HILL STRUCTURE PLAN EMPLOYMENT FLOORSPACE LOCATION AND FORM

	LOCATIONAL PREFERENCES	BUILT FORM TYPOLOGIES	EXAMPLE TYPOLOGIES *Refer to Appendix C- Figures C1 to C5*
Office	• Central Box Hill, in locations with excellent access to public transport and amenities. • Whitehorse Road corridor, particularly for larger lots which have excellent transport accessibility. • Box Hill health and education precinct, for office space related to health or education activities.	• High rise office or mixed-use office towers in central Box Hill. • Outside the core, a range of other office typologies to attract a range of businesses. For example, mid-rise office or modern campus along Whitehorse Road, smaller offices or studios around Ellingworth Parade. • Health-related office in mixed-use health buildings	 *High rise office New Times Tower Box Hill, mixed-use offices Walk Up Village Collingwood, office/studios at Cremorne Studios*
Health	• Primarily in Box Hill health and education precinct to co-locate with tertiary hospital providers. Health clusters, anchored by a tertiary provider and supported by various smaller providers, enable a continuum of care and the sharing of facilities. • Ability to co-locate complementary health functions such as office, accommodation, research and education worker amenities. • Some smaller consulting suites in the central Box Hill, particularly for more retail-aligned health uses.	• Hospitals • Mixed use health buildings to provide a mix of complementary health services such as clinical, office, research, accommodation. • Medium to high density mixed medical buildings such as clinical, offices, research facilities. • Smaller medical consulting suites in central Box Hill.	 *Mixed use Wellington Health facility in Box Hill and hospital typologies*
Education	• In and around central Box Hill within walking distance (400 m) to public transport. • In the Box Hill health and education precinct for potential collaboration and growth of a combined health/education precinct. Depending on the final education focus. • Schools to intensify on existing sites.	• Integrated campus with a mix of education, office, research, incubator, student amenities and private sector spaces. • Tertiary education buildings, with potential for integrated office, research and incubator space. • High density primary and secondary schools.	 *Integrated campuses at Melbourne Connect & 1PSq, Parramatta*
Accomm'n	• Across Box Hill activity centre with good access to public transport and amenities, particularly retail, dining and entertainment. • Health-related accommodation (medi-hotels) located in the Box Hill health and education precinct.	• High rise hotels around central Box Hill. • Accommodation within a mixed-use building (that is, education, health, office or retail),	

	LOCATIONAL PREFERENCES	BUILT FORM TYPOLOGIES	EXAMPLE TYPOLOGIES *Refer to Appendix C- Figures C1 to C5*
			Hotels integrated into mixed-use retail or accommodation to support hospital use.
Retail	• Central Box Hill with excellent access to public transport. • Small provision at Box Hill health and education precinct to meet needs of workers in this area. • Small existing commercial nodes around the Structure Plan Area (such as Box Hill South).	• Enclosed retail mall • Fine grain retail formats along streets • Some larger format showrooms	 *Enclosed malls at Chadstone Shopping Centre and fine grain retail streetscape at Central Market, Adelaide*
Entertainment & Rec.	• Central Box Hill. • Co-located with retail, food and beverage activity.	• Within retail environments • Shopping centre and street-based	 *Social Quarter Chadstone & Bridge Road Brewery, Brunswick East*
Public use	• Across the central Box Hill including the Whitehorse Road corridor, clustered around the existing civic precinct. • Health-related public uses in Box Hill health and education precinct.	• Range of buildings depending on the specific uses • Either integrated into mixed-use building or a community focused precinct combining a range of public-focused uses	 *Narrm Ngarru Library and Community Hub at Glen Waverley*
Industrial	• Existing industrial-zoned land.	• Range of higher density office / industrial spaces, depending on the specific attributes of the site	 *Modern industrial / office at Work Belrose or transition to higher density employment uses such as Cremorne Studios*

Source: AJM JV

9.6 Implications for Box Hill Structure Plan

The employment floorspace estimates presented in this section need to be considered in preparing the Structure Plan:

- Floorspace modelling estimates indicate an additional 532,400 sq.m of floorspace will need to be supplied in the Box Hill Structure Plan Area by 2041 to meet the needs of the increased population. Almost half of this will be new office floorspace, which will cater to various industry sectors beyond professional services.
- The health sector will require an additional 126,100 sq.m of floorspace, primarily serving health-related needs. This additional floorspace should be concentrated in central Box Hill and the health and education precinct. Other sectors will require modest increases in floorspace.
- Pipeline development could be crucial in providing some of the required floorspace by 2041. Current approved plans suggest the market will likely supply a portion of the needed office, health, accommodation, and retail spaces. Structure planning should take these approved developments into account and consider longer-term, unapproved plans that might particularly contribute to office and health space. However, pipeline development is only an indicator of potential growth. Primarily for office space, further measures might be necessary to ensure adequate supply.
- It is less likely the forecast demand for education and industrial floorspace will be available in the Box Hill Structure Plan Area. The education employment forecasts, and thus the floorspace demands, are unlikely to be met without changes to Box Hill's current tertiary education offer. Similarly, the industrial employment forecasts appear overstated, with additional industrial employment expected to generate only minor increases or intensified use of existing industrial sites.

Part D: Summary and recommendations

Part D includes:

- **Section 10** summarises the findings of the assessment provided in the previous sections.
- **Section 11** makes recommendations for employment floorspace planning and development to consider when developing the Structure Plan.

10. Summary of findings

This section summarises the demand for employment floorspace in the Box Hill Structure Plan Area and the driving factors behind it. These provide the basis for the recommendations to inform the development of the Box Hill Structure Plan.

10.1 Employment policy expectations and goals

Victorian and local government priorities that should guide Box Hill's long-term employment role, and the distribution of employment growth and floorspace across the Structure Plan Area are:

- Increasing **employment opportunities** outside the Melbourne CBD is an objective of the Victorian Government and Whitehorse City Council. Box Hill is a designated Metropolitan Activity Centre (MAC) in the state's planning strategy, Plan Melbourne, and SRL East will increase accessibility to the MAC. Structure planning should support a high level of employment growth in and around the central Box Hill.
- Its designation as a MAC means that Box Hill will continue to **provide a major service delivery role** with major health, retail, community, government, entertainment, and cultural activities. Structure planning should ensure these functions serve the needs of a growing resident and worker population through to 2041 and beyond.
- Plan Melbourne also identifies Box Hill as an **important health and education precinct** serving Melbourne's east. Structure planning should ensure sure that Box Hill's health and education precinct is optimised to serve this purpose. The Structure Plan should encourage innovation, create more jobs locally and boost the knowledge-based economy.

10.2 Opportunity for suburban employment growth

Growing suburban employment hubs outside the CBD is a significant departure from historical trends and current norms. This is particularly so for the professional services jobs, which have historically concentrated in and around the Melbourne CBD. Learning from Sydney's experience, a range of factors need to be in place to grow professional services in suburban employment hubs. The Sydney experience also shows the mix of suburban employment varies depending on the attributes of the local area.

Box Hill shares many of the attributes of the locations in the case studies of suburban employment hubs that support a professional services sector. This indicates that Box Hill has opportunity to grow its own professional services sector, which can contribute significantly to jobs growth. Growing Box Hill's knowledge economy is also consistent with Victorian and local government policy.

10.3 Future economic role of Box Hill Structure Plan Area

Over the past decade, Box Hill's economy has experienced robust growth, primarily driven by expansion in the health sector which now accounts for nearly half of all jobs in the Structure Plan Area. Other industries, such as education and professional services, have seen limited growth.

Box Hill boasts a substantial building development pipeline, particularly for the office and health sectors, indicating there is market interest for high-density developments in and around its core. This pipeline also showcases the evolving mix of uses in the health precinct, including office spaces, accommodation, and research and development facilities. While structure planning should consider this development pipeline expected over the next decade, it's important to note that its existence only reflects market support for various development types, without guaranteeing their delivery or feasibility.

A review of the Box Hill local economy, its competitive positioning, and the outlook for key sectors undertaken for this assessment has identified Box Hill's future economic role as one of Melbourne's prominent employment hubs outside the inner city.

This is underpinned by the future role and opportunity for each of the industry sectors in the Box Hill Structure Plan Area:

- **Professional services:** Box Hill's professional services sector has the potential to grow in importance. Box Hill currently has many attributes of a successful office market, and its potential draw of workers, customers and businesses will only be strengthened by SRL East and its connectivity other Structure Plan Areas along the corridor. A range of attraction strategies will be needed to counter current market trends and attract professional services jobs to a suburban location.
- **Health:** Box Hill's health sector is set to continue to be a pillar of the local economy and the leading provider of jobs to the surrounding population. There is opportunity to strengthen Box Hill's existing health precinct by planning for a broader range of complementary uses, delivering a high level of worker amenity, identifying sites for future expansion, and exploring potential synergies with the adjacent Box Hill Institute.
- **Education:** Box Hill's education sector could play a larger role in the local economy. This could be achieved by reviewing its current tertiary offer and by leveraging the potential from a combined health and education cluster, with the adjoining Box Hill health precinct.
- **Population services:** Box Hill provides for a diverse range of retail needs and other community services, consistent with its role as a MAC. This can be built upon, with a focus on providing convenient fresh food, a large culturally-influenced dining and entertainment offer, and day-to-day services to support a growing local population and sizeable worker, student and other visitor cohorts.
- **Industrial:** The industrial sector will continue play a negligible role in Box Hill's economy with the few remaining industrial sites in the Structure Plan Area likely to shift towards higher density mixed uses in the medium to long term. Box Hill's industrial needs are serviced outside the Structure Plan Area.

10.4 Employment forecasts to 2041

Figure 10.1 shows the forecast growth for employment in the Box Hill Structure Plan Area to 2041, derived from the derived from the forecasts in the CityPlan (published in the SRL BIC). It shows substantial forecast growth, with an additional 20,200 workers in the Structure Plan Area forecast by 2041.

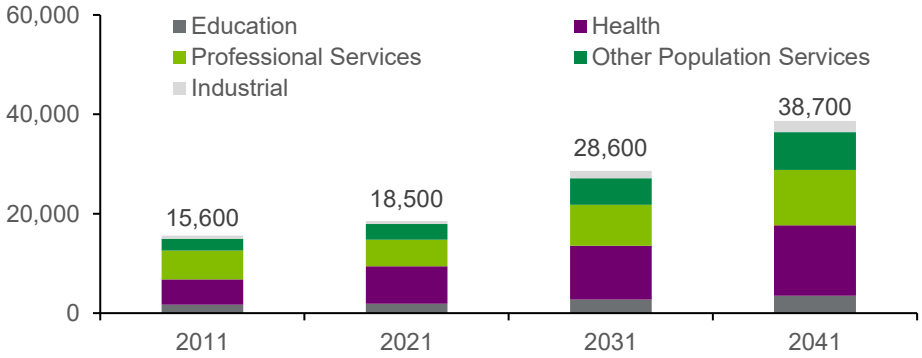


FIGURE 10.1 HISTORICAL AND FORECAST EMPLOYMENT IN THE BOX HILL STRUCTURE PLAN AREA, 2011–2041

Source: Derived from CityPlan (published in SRL BIC); ABS

Overall, the total employment projections for the Structure Plan Area are considered an accurate estimate that is an appropriate base to plan for through to 2041. Therefore, Structure Planning should plan for the total additional projected floorspace through to 2041.

The employment forecasts for each sector identified in this assessment indicate reasonable growth expectations for health and other population services, reflecting their strong potential in the Structure Plan Area.

The employment projections for the Structure Plan Area project high growth for professional services and education jobs, although this may be achievable with additional support to attract more private and public office occupiers and by

repositioning the tertiary education offer. Planning should thus seek to create the opportunity for the modelled floorspace to be delivered to encourage development and delivery of high-value employment.

The industrial sector is very small (less than 6% of total projected employment) and has been on a downward trend in recent years. This is expected to continue as the Box Hill Metropolitan Activity Centre transitions from industrial to other uses over time. As a result, the industrial sector job forecast appears to be overstated. Although it is appropriate to plan to provide the identified employment and floorspace, it is likely the projected jobs and floorspace need will emerge in other industry sectors.

The forecast for industrial space appears overstated due to redevelopment of existing industrial sites in the Structure Plan Area. There might not be as great a need to accommodate the projected floorspace demand.

10.5 Total employment floorspace demand

The floorspace modelling takes the 2041 employment forecast by sector and converts these into a floorspace estimate across a range of employment uses. The modelling uses workspace ratios (WSR) developed specifically for the Box Hill Structure Plan Area, taking account the existing density of workers and future workplace trends.

The modelling indicates the Box Hill Structure Plan Area will need to accommodate an additional 532,400 sq.m of floorspace above what is currently provided. This will be less than the total amount of new development that will occur as this floorspace is net of space removal.

Table 10.1 and Table 10.2 shows current floorspace according to use in the Structure Plan Area, and the additional forecast floorspace required by 2041.

TABLE 10.1 BOX HILL STRUCTURE PLAN AREA, EMPLOYMENT FLOORSPACE REQUIREMENTS (SQ.M)

LAND USE	FLOORSPACE 2021, (GBA)	FLOORSPACE 2041, (GBA)	ADDITIONAL FLOORSPACE 2021-2041 (GBA)
Health	288,300	464,100	175,800
Office	204,300	408,400	204,100
Education	140,500	190,200	49,700
Retail	110,000	157,700	47,700
Public use	53,300	61,800	8500
Entertainment / Recreation	31,300	52,400	21,100
Accommodation	29,600	53,400	23,800
Industrial	12,900	14,600	1700
Total	**870,200**	**1,402,600**	**532,400**

Note: Retail floorspace figure in this table is the mid-point of the GBA range outlined in the Retail Needs Report.

Source: Derived from CityPlan (published in SRL BIC); AJM JV

10.6 Potential for employment floorspace to be delivered

This economic assessment reviewed the potential for the market to deliver the employment floorspace demand estimated for the Box Hill Structure Plan Area. This is informed by assessing historical growth and development, as well as the current development pipeline (see Section 5). This indicates if there is evidence of existing market appetite for development of the scale required to meet employment and floorspace projections. It also informs consideration of whether further actions to support the delivery of employment floorspace in the Structure Plan Area will be necessary. Table 10.2 summarises the results of the review.

TABLE 10.2 EMPLOYMENT FLOORSPACE DELIVERY POTENTIAL

 **High potential to be delivered by market**	• **Retail:** Will be underpinned by the large increase in resident and worker numbers in the Structure Plan Area and will require additional retail space to support it. • **Accommodation:** The existing pipeline under construction will likely deliver above what is forecast. • **Entertainment and recreation:** Aligned to the retail offer, future population and worker growth will likely underpin demand for future entertainment and recreation. **Public use:** Small increase in public use floorspace will likely be achieved with future community infrastructure planning.
 **Moderate potential to be delivered by market**	• **Office:** Pipeline development may deliver around a third of future office floorspace, but additional support may be required to attract further office investment to Box Hill to fulfill its role as a future suburban office hub in Melbourne. • **Health:** Population growth combined with the private market interest in the health precinct indicates the market will likely deliver the future growth in health jobs and floorspace. However, further discussions to understand long-term plans of the hospital operators in Box Hill is recommended.
 **Low potential to be delivered by market**	• **Education:** Floorspace estimate would only be delivered if there was a significant shift in the current tertiary offer in Box Hill, away from VET courses and towards higher growth tertiary courses. Further consideration on the long-term role of education in Box Hill and the ability to better integrate with the surrounding health offer is recommended. • **Industrial:** The small increase in industrial jobs implies a need for some increase in industrial floorspace. However, this is unlikely as there are no dedicated industrial areas, and the remaining industrial floorspace is being replaced through more intensive development in the Box Hill activity centre. Nonetheless, this is not seen as a concern that needs addressing through the Structure Plan. It is a function of industry-level employment projections not being entirely aligned at the small area level to likely development outcomes.

11. Recommendations and opportunities

This section makes recommendations to ensure the right amount and type of employment floorspace is delivered in the right locations in the Structure Plan Area.

For each category of employment floorspace, the amount of floorspace required is recommended, along with its optimal spatial distribution and appropriate building typologies. Additional actions considered necessary to achieve the economic vision for the Box Hill Structure Plan Area are recommended.

These recommendations are summarised with the locations shown in Figure 11.1 at the end of this section. The numbers on the figure refer to the numbers of the recommendations below.

11.1 Recommendations

11.1.1 OFFICE FLOORSPACE

Recommendation 1 – Support the provision of over 200,000 sq.m gross building area (GBA) of new high-density office floorspace, largely within the core of central Box Hill, with excellent access to public transport and amenities.

Box Hill is well-suited for has the potential to provide an alternative location for high-density offices outside inner Melbourne. Box Hill will need to build on its high worker amenity, and policy support and investment attraction strategies may be required to bring offices to Box Hill. These are outlined in Section 11.2

To support the growth of a high-density office market, structure planning should provide for the majority of the 200,000 sq.m GBA forecast office floorspace in central Box Hill. This location is generally within 400 metres of the SRL station and has a high level of amenities and excellent public transport access. This area should also be the focus of public realm investments and a mix of worker amenities to create an area that is highly desirable for workers and businesses.

Offices in the core of the Structure Plan Area should be high density towers, either A-Grade or B-Grade. Future office development may be in stand-alone or mixed-use buildings, which can provide a range of amenities and complementary uses on sites that can accommodate larger floorplates (1300 sq.m or larger). Office provision should be considered in areas where these large sites exist, or the amalgamation of sites is possible.

The Structure Plan should consider the office development pipeline in central Box Hill. However, the development pipeline only shows an indication of market support for different development types. It is not an assurance that specific development types will be delivered or be feasible.

Competition between office and residential uses is likely to be high in central Box Hill, particularly given the strength of the residential market. This is discussed further in Recommendation 4.

Recommendation 2 – Areas just outside the core of central Box Hill should provide for a diverse range of office uses, including larger campus-style and smaller mixed-use office spaces.

The Ellingworth Parade area of Box Hill can accommodate is well-suited for lower density, mixed-use and flexible office spaces. It reflects the urban scale and smaller lot sizes of the area, making it ideal for a variety of small to medium office tenancies.

Th Structure Plan should support office development along the Whitehorse Road corridor east of Station Street, particularly on sites with potential to accommodate larger office floorplates, with good access to public transport and amenities.

Recommendation 3 – Plan for approximately +60,000 sq.m GBA office floorspace in the health and education precinct.

The Structure Plan should support office floorspace in the Box Hill health and education precinct to support its continued growth and evolution. Office space can provide for health-related functions as well as professional services which complement the health and education role of the precinct.

Around a third of the future office floorspace in the Structure Plan Area could be locate in the health and education precinct. Future planning should consider approved and pipeline health-related floorspace in the Wellington Health proposals.

Office floorspace in the health and education precinct is likely to be incorporated in mixed-use buildings, alongside health, research and other ancillary health or education activities. Office floorspace should be supported by improved levels of worker amenity and prioritised in locations with excellent access to public transport, such as Nelson Road and Wellington Road, towards Whitehorse Road.

Recommendation 4 – Manage the balance between office and residential delivery in central Box Hill.

In the core of the Structure Plan Area and Whitehorse Road corridor, office floorspace faces likely to face competition from residential uses, particularly in the short to medium term. The level of intervention to ensure office uses are not crowded out by residential uses will need to be considered. This is not to say residential development should be excluded in any location, but office development will need to be encouraged to meet professional services employment projections and deliver a large suburban office market.

11.1.2 HEALTH FLOORSPACE

Recommendation 5 – Plan for an additional 176,000 sq.m of health floorspace in the Box Hill health and education precinct.

The Box Hill health and education precinct should be the priority location for future health floorspace. The Structure Plan should provide for almost all the 175,800 sq.m of forecast health floorspace to be accommodated in this area. This will support Box Hill's continued competitive strengths in this sector.

Future health floorspace will include is likely to be a mix of hospital and mixed-use health-focused building typologies. They should be supported by a high level of worker amenities with good access to public transport.

The Structure Plan should also allow for a nominal amount of health floorspace across the Box Hill MAC for smaller-scale health users suited to an activity centre, such as general practitioners, local health services, and cosmetic services). These users can occupy shopfront and other commercial premises in highly accessible areas.

Recommendation 6 – Define the health and education precinct boundary and consider the mix of uses supported within it.

The Structure Plan should define the boundaries of the health and education precinct to reduce any potential encroachment from unaligned uses. This precinct is considered to generally occupy the area bounded by Whitehorse Road, Nelson Road, Thames Street and Elgar Road (with Box Hill Institute straddling the road). Health uses are also mixing with residential on the northern side of Thames Street, which can continue be supported.

Health uses should be the primary use supported in this precinct, but with aligned uses such as office space, key worker housing, complementary retail, accommodation, and complementary education part of the mix.

Balancing this with the existing residential land in the precinct needs to be managed. While low density residential is likely to be replaced over time, some higher density residential will remain, while potentially more could be supported subject to capacity through mixed-use projects.

Large, contiguous land parcels should be supported in the precinct to accommodate a significant expansion of health facilities, preferably in locations which maintain a functional connection with major health providers.

11.1.3 EDUCATION FLOORSPACE

Recommendation 7 – Plan for an increase of approximately 50,000 sq.m GFA of additional education floorspace, primarily in the Box Hill health and education precinct.

Future planning should support the growth and evolution of the education offer in Box Hill's health and education precinct. Based on the modelling, approximately 50,000 sq.m GFA of additional education floorspace may be required to 2041, primarily in the health and education precinct. Additional tertiary education floorspace may be delivered through a more intensive use of existing tertiary education sites or through mixed-use developments with health, office or other complementary uses.

Some of the education space may be delivered in office environments through central Box Hill.

Recommendation 8 – Where possible, locate future school education floorspace on existing school sites.

Future school floorspace will be primarily determined by the Department of Education and Training and align with population growth. However, a share of the education floorspace estimate is likely to be required for schools. Future school education floorspace should be accommodated on existing school sites in the Structure Plan Area, such as at Box Hill High School.

11.1.4 RETAIL AND ENTERTAINMENT FLOORSPACE

Recommendation 9 – As per the recommendations of the Box Hill Retail Needs report, plan for an additional 43,000- 52,000 sq.m Gross Building Area of retail and food and beverage (F&B) space in the Structure Plan Area.

The *SRL East Retail Needs Technical Report – Box Hill* recommends this amount of retail floorspace will be required in the Structure Plan Area. Demand will be driven by a grown in the resident, worker, student and visitor population.

The *SRL East Retail Needs Technical Report – Box Hill* recommends retail uses are consolidated in the existing core of central Box Hill, close to the SRL station. Other retail areas in the Structure Plan Area (such as in Box Hill South) could expand slightly through mixed-use development, while more retail space will likely be required in the health and education precinct.

The key retail locations should be protected from significant out-of-centre development as part of mixed-use development across the predominantly residential areas of the Structure Plan Area.

Some retail uses should be supported in the health and education precinct to improve amenity in a convenient location, without detracting from the broader offer in the rest of the activity centre.

Recommendation 10 – Support entertainment uses in and around central Box Hill.

Entertainment uses such as cinemas, pubs, bars, theatres, and leisure uses play an important role in attracting a mix of visitors to Box Hill and providing a range of amenities to residents, students and workers. Modelling conducted for this economic assessment suggests the need to plan for an additional 21,100 sq.m of entertainment uses across the Structure Plan Area. The location should be defined by the specific attributes of the use, with businesses such as cinemas, bars and theatres in the MAC located close to retail activity. Broader community-focused entertainment uses (such as swimming pools, sporting facilities) should be informed by the recommendations of the *SRL East Community Infrastructure Needs Assessment – Box Hill* report.

11.1.5 OTHER EMPLOYMENT FLOORSPACE

Recommendation 11 – Plan for an additional 24,000 sq.m accommodation floorspace around central Box Hill and the health and education precinct.

Future hotels and accommodation space will enhance Box Hill's visitor offerings, catering to various markets including friends and relatives visiting, as well as a growing number of business travellers.

Based on the modelling, approximately 24,000 sq.m of accommodation floorspace, should be planned for, mainly situated in and around the MAC near amenities, public transport, offices and retail. Accommodation floorspace can also be located in the health and education precinct to cater to medi-hotels, business travellers and business events.

Recommendation 12 – Support the transition of the small amount of industrial floorspace in the Structure Plan Area to more employment intensive uses and typologies.

Box Hill's industrial sector is likely to continue to play a negligible role in the local economy. As such, the BIC employment forecasts for this sector are unlikely to be realised in Box Hill. Existing industrial sites in the Structure Plan Area are limited and small in scale. As land values increase, market forces will result in these sites naturally transitioning towards higher employment density uses such as commercial, retail or mixed employment use.

Recommendation 13 – Support public use floorspace within central Box Hill, potentially building on the existing civic precinct.

Public use floorspace will support the growth of non-office based public services. Examples include public libraries, courts, community centres, churches, non-office government buildings, policy, fire and ambulance facilities.

Modelling conducted for this assessment suggests the Structure Plan Area will not require a significant increase of public use floorspace to 2041. However, future planning should be ultimately informed by the recommendations of the *SRL East Box Hill Community Infrastructure Needs* report.

There is an existing civic precinct along Whitehorse Road east of Station Street which could support further development of public uses.

11.2 Other opportunities

Although potentially beyond the scope of the Structure Plan and supporting planning scheme amendments, other opportunities to support the employment development in Box Hill include:

Opportunity 1 – Business attraction strategies

Consider business attraction strategies and other mechanisms beyond the planning framework such as government tenants, financial incentives, government-led development, partnerships and strong policy support to create a critical mass of office tenants in Box Hill in the short to medium term.

Opportunity 2 – Health and Education Precinct Strategy

Create a long-term strategy for the health and education precinct which clearly sets a combined health and education offer, assists with reshaping Box Hill's tertiary education offer (see Opportunity 5) and supports a wide range of complementary uses to activate the precinct. A strategy should focus on attracting businesses, encourage collaboration and innovation and delivering a high level of worker amenity.

This strategy would require detailed input from the main health providers operating in the precinct.

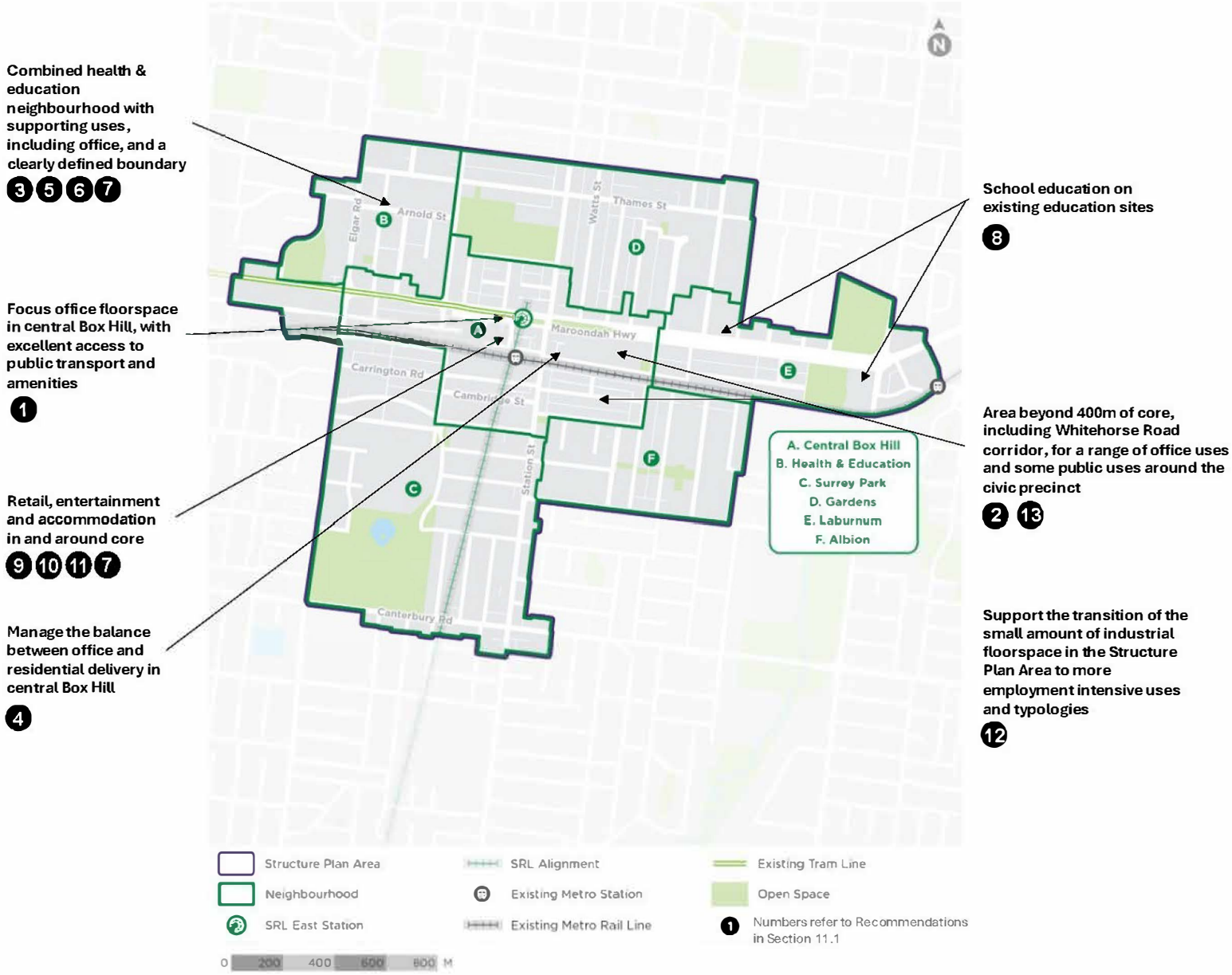
Opportunity 3 – Review Box Hill's tertiary education offer

Achieving the education floorspace will require further understanding of the Box Hill Institute's long-term plans for its three sites in the activity centre, and exploration of how to leverage the proximity of the health precinct to grow the tertiary education offer.

Opportunity 4 – Clearly define role and focus for key employment precincts

Realising Box Hill's employment vision will require clear articulation of the role and priorities of key employment precincts through further economic development strategies. Aside from Box Hill's Health and Education Precinct, discussed above, the key precincts are the central Box Hill core immediately around the station, the Whitehorse Road corridor and the Ellingworth Parade area. Based on the analysis presented in this the Economic Profile, the potential economic roles for these precincts are as follows:

- Central Box Hill Core should continue to be the focus of the Box Hill, providing a high amenity and vibrant a mixed-use centre. The Core will be a regional destination and support a large catchment. In terms of employment development, the Core will be the focus for some high density and mixed-use offices along with a range of supporting retail and population services activities.
- The Whitehorse Road Corridor will continue to play an important role supporting the concentration of activity in the Core. The eastern extent can accommodate larger office developments and expanding its civic role. The western extent will be influenced by the growth of the Health and Education Precinct.
- Ellingworth Parade and surrounding area is well-suited for lower density, mixed-use and flexible office spaces.



LOCATION RECOMMENDATIONS FOR FUTURE EMPLOYMENT FLOORSPACE IN THE BOX HILL STRUCTURE PLAN AREA

Appendix A

Data sources, use and descriptions

Abbreviations, Data Sources and Definitions

ACRONYMS AND ABBREVIATIONS

ABS	Australian Bureau of Statistics
AJM JV	AJM Joint Venture
ANZSIC	Australian and New Zealand Standard Industrial Classification
ANZSCO	Australian and New Zealand Standard Classification of Occupations
ATO	Australian Tax Office
BIC	KPMG's Business and Investment Case (BIC) for SRL East
CBD	Central Business District
CLUE	Census Land Use and Employment
DEECA	Department of Energy, Environment and Climate Action
DJSIR	Department of Jobs, Skills, Industry and Regions
DTP	Department of Transport and Planning
DZ	Destination Zone
FES	Floorspace Employment Survey
GBA	Gross building area
GFA	Gross floor area
GLA	Gross leasable area
LGA	Local Government Area
LQ	Location Quotient
MAC	Metropolitan Activity Centre
MICLUP	Melbourne Industrial and Commercial Land Use Plan
NEIC	National Employment Innovation Cluster
OCCP	Occupation [ABS Census]
PSMA	PSMA Australia [Land Tenure Data]
SA2	Statistical Area Level 2 (geographical units defined by the ABS)
SP	Structure Plan
SRL	Suburban Rail Loop
SRLA	Suburban Rail Loop Authority
TAFE	Technical and Further Education
VET	Vocational Education and Training
VIF	Victoria in Future
VITM	Victorian Integrated Transport Mode
WSR	Workspace ratio

DATA SOURCES AND GEOGRAPHIES

The following key data sources and key geographies were used in the analysis:

- **Census of Population and Housing 2006, 2011, 2016 and 2021**, Australian Bureau of Statistics (ABS)

  Census data is available for standard ABS geographies such as Destination Zones (DZs) and Local Government Areas (LGAs).

- Land use projections generated as part of the **Business and Investment Case (BIC) for SRL East**, 2021, KPMG (on behalf of the Victorian Government)

  - » Land use projections (including demographic, employment and enrolment estimates) included in the SRL BIC are derived from the CityPlan model.
  - » CityPlan is a strategic scale Land Use Transport Interaction (LUTI) model that is used to estimate the broad land use impacts of major transport and precinct initiatives. It was developed by KPMG on behalf of the Victorian Government Department of Transport and Planning (DTP).
  - » CityPlan's geographic scope is confined to Victoria, with a focus on metropolitan Melbourne and surrounding settlements. In this instance, CityPlan has been used to redistribute the base population and employment distribution based on the SRL transport and other related initiatives. These redistribution effects have been contained in the total Victorian population projects, with the majority of movements contained in metropolitan Melbourne.
  - » The CityPlan model uses a range of data. Some of the data is publicly available and some is internal to the Victorian Government.
  - » The version of CityPlan used for the SRL BIC was Version 1.1.1. Key inputs into CityPlan Version 1.1.1 include:

    - SALUP19 based on Department of Environment, Land, Water and Planning (DELWP) Projections 2018 (Unpublished)
    - ABS Census 2016
    - Victorian Planning Authority (VPA) potential development capacities
  - Data is reported at the Travel Zone, SA2, SA3 and LGA level.
  - For an introduction to CityPlan, in the context of the SRL, see the SRL Business and Investment Case available from: https://bigbuild.vic.gov.au/library/suburban-rail-loop/business-and-investment-case
- A **floorspace audit** was caried out to identify and categorise employment land in the Structure Plan Area. This process included review of a number of data sources (such as DEECA, PSMA and Space Syntax) to understand, for each building, the existing employment land use and estimate the amount of floorspace. This data set provided a baseline for future floorspace estimates and figures are in Gross Building Area (GBA).

DEFINITIONS

Industry classifications

The following Australian and New Zealand Standard Industrial Classification (ANZSIC) Divisions make up the combined industry classifications used in this analysis:

- **Professional Services:** Information Media and Telecommunications; Financial and Insurance Services; Rental, Hiring and Real Estate Services; Professional, Scientific and Technical Services; Administrative and Support Services; Public Administration and Safety
- **Health:** Health care and social assistance
- **Education:** Education and Training
- **Population-serving:** Construction; Retail Trade; Accommodation and Food Services, Arts and Recreation Services; Other services
- **Industrial:** Agriculture, Forestry and Fishing; Mining; Manufacturing; Electricity, Gas, Water and Waste; Wholesale Trade; Transport, Postal and Warehousing

When referring to industries in the report, it is almost always relating to these ANZSIC level 1 industries.

Occupation

The occupation classification used in Australian Bureau of Statistics (ABS) surveys is the Australian and New Zealand Standard Classification of Occupations (ANZSCO). ANZSCO is a skill-based classification of occupations which covers all jobs in the Australian and New Zealand workforce. Occupation information collected in surveys and the Census provides a description of a person's job, and refers to the kind of work undertaken by an employed person irrespective of the industry in which that job is held.

Occupational analysis has used ANZSCO level 4 occupations, which is the most granular occupation level that is also comparable with previous census periods. This level has been used as it is typically in conjunction with determining floorspace type, which requires a detailed understanding of the job description.

Methods of floor area measurement

- **Gross Building Area (GBA)** refers to the total floorspace of a building including stairs, hallways, plant etc.

  Note that the figures are Gross Building Area (GBA) as the floorspace audit was undertaken using external building information, no common spaces or otherwise unleasable spaces have been removed from the building extents.
- **Gross Floor Area (GFA)** is the total area of all floors in a building, measured from the exterior walls. It generally excludes stairs and plant area.
- **Gross Leasable Area (GLA)** focuses on the portion of space available for lease to tenants, typically excluding common areas and utility spaces.

Workspace ratio

Workspace ratio is the average floorspace (sq.m) per employee. In this report there are discussions using both workspace ratios for GFA and GLA. GLA is used when comparing with collected workspace ratio benchmarks from other cities in Australia. These benchmarks are provided at a GLA level. GFA workspace ratios are used to calculate the total amount of floorspace demanded in the selected

area. GFA is more useful for this analysis as the structure planning process will need to be aware of the total employment floorspace, not just the leasable area.

Assumptions and limitations

MODELLED PERIOD

- The analysis presented in this report focuses on a single potential population outcome and evaluates the employment floorspace requirements necessary to achieve that specific outcome. The projected year for employment demand is 2041 as the emphasis for structure planning is 2041.

ASSUMPTIONS

There are several key assumptions associated with this analysis. They are:

- **Workspace ratios**. In order to determine an appropriate workspace ratio to apply to the future of the Structure Plan Area, a translation needed to occur between workspace ratio on a GBA basis, as determined by the floorspace audit undertaken, to a GLA based workspace ratio in order to compare with known benchmarks. This is variable based on the land use, as shown in appendix E. This assumption was made in conjunction with interrogation of the City of Melbourne CLUE dataset.
- **New and removed floorspace**: In projecting the future floorspace demand in the Structure Plan Area an assumption was required on the amount of floorspace that was new, the amount that was old and the amount that was removed. All of these spaces will have differing impacts to the workspace ratio across the Structure Plan Area. The average rate of removal per annum was derived from City of Melbourne CLUE data to assist with this.

LIMITATIONS

There are several key limitations associated with this analysis. They are:

- **Census data**. The 2021 Census was conducted at an unusual time with much of Australia's eastern seaboard subject to COVID-19 restrictions, prompting caution when interpreting certain results, especially regarding data on place of employment. Census data is also subject to random perturbation to protect the confidentiality of individuals. These adjustments result in small introduced random errors when analysing more finely classified data. Changes to data management and collection methods across Census periods can also impact the use of a few datasets especially when used at a small geographic level or over time.
- **Spatial misalignment:** Numerous situations arise where the geographic units of one type intersect with the boundaries of another type in inconsistent ways. For example, Travel Zones (used in BIC data) do not perfectly align with SA1s (the principal geography Census data is extracted from). AJM JV and SRLA have agreed on specific methods for apportioning geographic data. However, apportioning can result in some inaccuracy in the allocation of data for the area sought to approximate.
- **BIC projections**: The projections are strategic and should be considered indicative. Since the projections were prepared, some material events have occurred impacting population and employment growth and to some extent, typical behaviours of households and businesses. These include: COVID-19; lower population growth; shift in user preference to working from home and updated to staging of competing and complementary projects. For full details on the assumptions and limitations of CityPlan and the provided land use outputs see Appendix C1: Demand Modelling Report from the SRL Business and Investment Case available from: https://bigbuild.vic.gov.au/library/suburban-rail-loop/business-and-investment-case

Appendix B

Structure Plan employment profile

TABLE B.1 WORKER CHARACTERISTICS, BOX HILL, 2021 CENSUS

	BOX HILL		GREATER MELBOURNE
	2011	2021	2021
Industry:			
Education and Training	1700	1900	224,400
Health Care and Social Assistance	5100	7600	337,200
Professional Services	5800	5300	666,500
Other Population Services	2400	3100	725,500
Industrial	500	600	423,200
Total	**15,600**	**18,500**	**2,376,700**
Full-Time / Part-Time			
Full-Time	9400	10,200	1,441,600
Part-Time	5400	7100	781,600
Away from work	800	1200	153,500
Total	**15,600**	**18,500**	**2,376,700**
Gender:			
Male	5900	7200	1,219,800
Female	9700	11,300	1,156,900
Total	**15,600**	**18,500**	**2,376,700**
Age:			
15-24 years	1600	2000	319,400
25-39 years	5300	7400	897,900
40-54 years	5900	5600	736,200
55-64 years	2400	2800	326,000
65 years and over	400	500	97,400
Working Age (15-64 years)	**15,200**	**18,000**	**2,279,300**
Total	**15,600**	**18,500**	**2,376,700**
Education:			
Bachelor or Above	*Irregularities in Comparison*	11,400	1,057,200
Diploma or Above		2200	281,500
Certificate or Year 10 and above		4200	921,100
Year 9 and below		600	107,800
No educational attainment		0	9000
Total		**18,500**	**2,376,700**

	BOX HILL		GREATER MELBOURNE
	2011	2021	2021
Income:			
Negative income	0	0	2300
Nil income	100	100	11,000
$1-$149 ($1-$7799)	700	300	59,800
$150-$299 ($7800-$15,599)	600	500	68,300
$300-$399 ($15,600-$20,799)	700	500	71,500
$400-$499 ($20,800-$25,999)	1800	700	86,400
$500-$649 ($26,000-$33,799)	2200	1000	140,100
$650-$799 ($33,800-$41,599)	2100	1400	182,400
$800-$999 ($41,600-$51,999)	2400	2000	259,800
$1000-$1249 ($52,000-$64,999)	1800	2600	314,100
$1250-$1499 ($65,000-$77,999)	1900	2100	255,000
$1500-$1749 ($78,000-$90,999)	1400	2000	230,800
$1750-$1999 ($91,000-$103,999)	*Ranges Altered Between Census Periods*	1500	171,200
$2000-$2999 ($104,000-$155,999)		2600	310,700
$3000-$3499 ($156,000-$181,999)		400	76,000
$3500 or more ($182,000 or more)		800	137,300
Average Income	**$57,588**	**$75,245**	**$76,198**
Total	**15,600**	**18,500**	**2,376,700**
Method to Work:			
Worked at home	*No Data*	5400	799,500
Private Vehicle		10,700	1,346,700
Active Transport		1000	73,400
Other Public Transport		1400	147,100
Other Mode		100	10,100
Total		**18,500**	**2,376,700**
Occupation:			
Managers & Professionals	7900	9900	1,007,200
White Collar	14,000	16,200	1,785,400
Blue Collar	1600	2300	591,300
Total	**15,600**	**18,500**	**2,376,700**

1. Calculated as those who work in the Box Hill Structure Plan Area and live in the column header (such as those who work and also live in the Box Hill Structure Plan Area is 12.3%.

Source: ABS Census of Population and Housing, 2011, 2021

TABLE B.2 INDUSTRY PROFILE, BOX HILL, 2011 & 2021

	2011	2021	PROPORTION 2021	G.MELB PROPORTION	LOCATION QUOTIENT	2011-21 ANNUAL GROWTH (NO.)	GROWTH RANK
Education and Training	1700	1900	10%	11%	1.0	26	4
Health Care and Social Assistance	5100	7600	41%	16%	2.5	244	1
Administrative and Support Services	1080	460	2%	3%	0.9	-62	19
Financial and Insurance Services	460	500	3%	3%	1.1	4	8
Information Media and Telecommunications	200	180	1%	1%	0.8	-2	15
Public Administration and Safety	2540	2360	13%	4%	3.5	-18	17
Professional, Scientific and Technical Services	1310	1440	8%	8%	0.9	13	7
Rental, Hiring and Real Estate Services	230	400	2%	2%	1.1	17	5
Professional Services	5800	5300	29%	21%	1.4	-48	
Accommodation and Food Services	630	1010	5%	6%	0.9	38	2
Arts and Recreation Services	130	290	2%	1%	1.2	16	6
Construction	190	520	3%	9%	0.3	33	3
Retail Trade	1090	900	5%	12%	0.4	-19	18
Other Services	370	370	2%	4%	0.5	0	12.5
Other Population Services	2400	3100	17%	32%	0.5	68	
Agriculture, Forestry and Fishing	0	10	0%	0%	0.2	1	10.5
Electricity, Gas, Water and Waste Services	20	30	0%	1%	0.2	1	10.5
Manufacturing	250	190	1%	10%	0.1	-6	16
Mining	10	0	0%	0%	0.0	-1	14
Transport, Postal and Warehousing	110	110	1%	4%	0.2	0	12.5
Wholesale Trade	230	260	1%	5%	0.3	3	9
Industrial	500	600	3%	20%	0.2	-2	
Total	15,600	18,500	100%	100%	1.0	290	

Note: Group totals have been rounded to be consistent with the balance of the report.

Source: ABS Census of Population and Housing, 2011, 2021

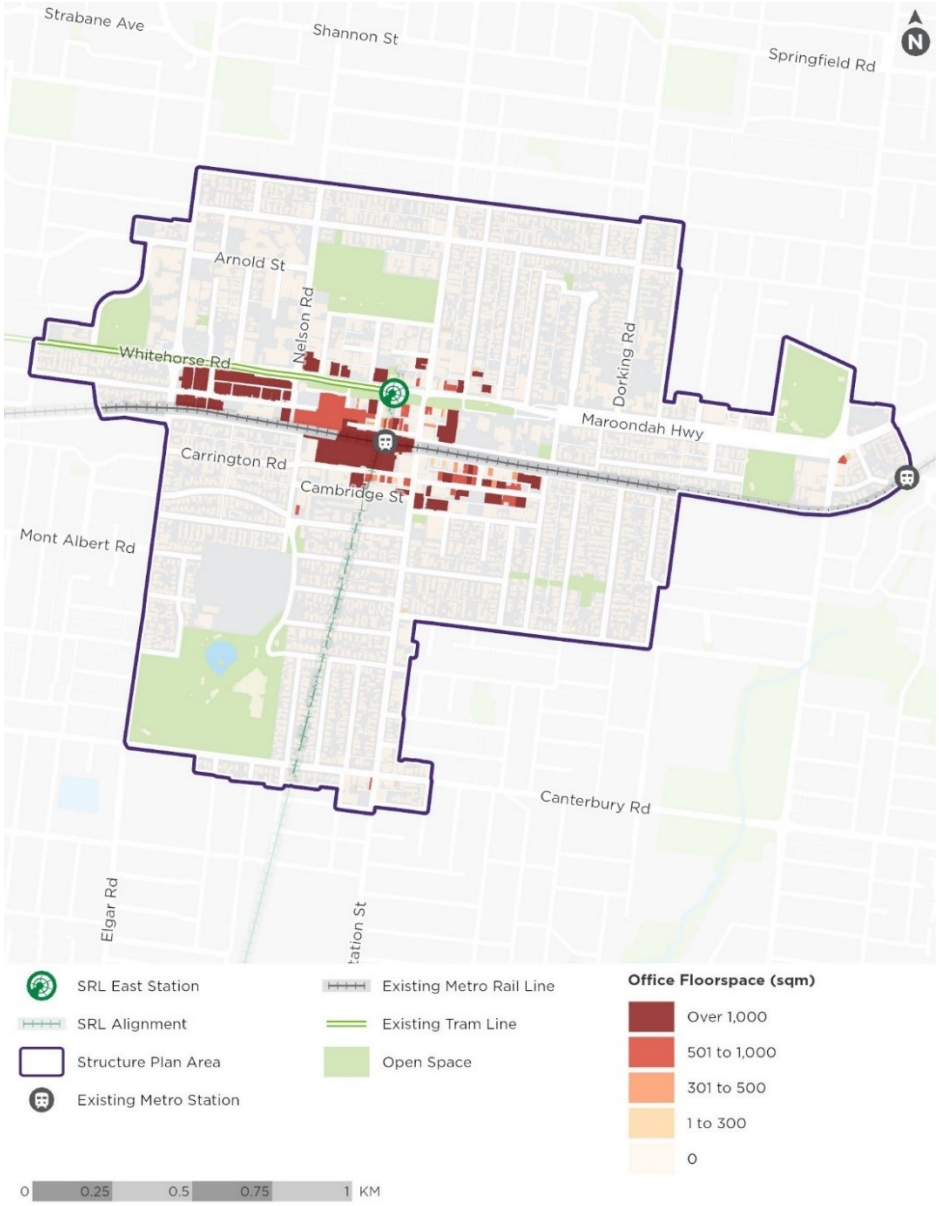


FIGURE B.1 BOX HILL OFFICE FLOORSPACE, 2024

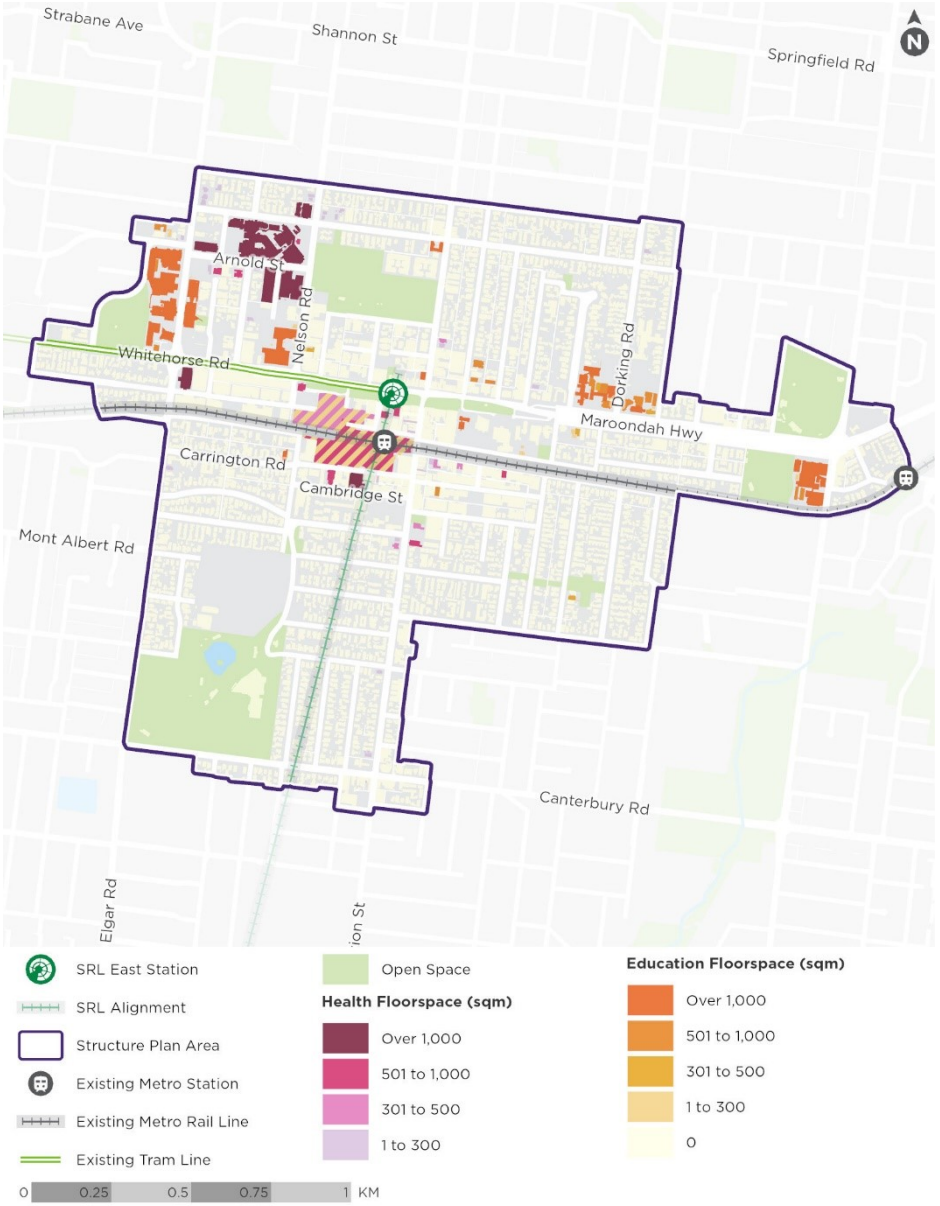


FIGURE B.2 BOX HILL HEALTH AND EDUCATION FLOORSPACE, 2024

Source: DEECA, PSMA, Space Syntax, AJM JV

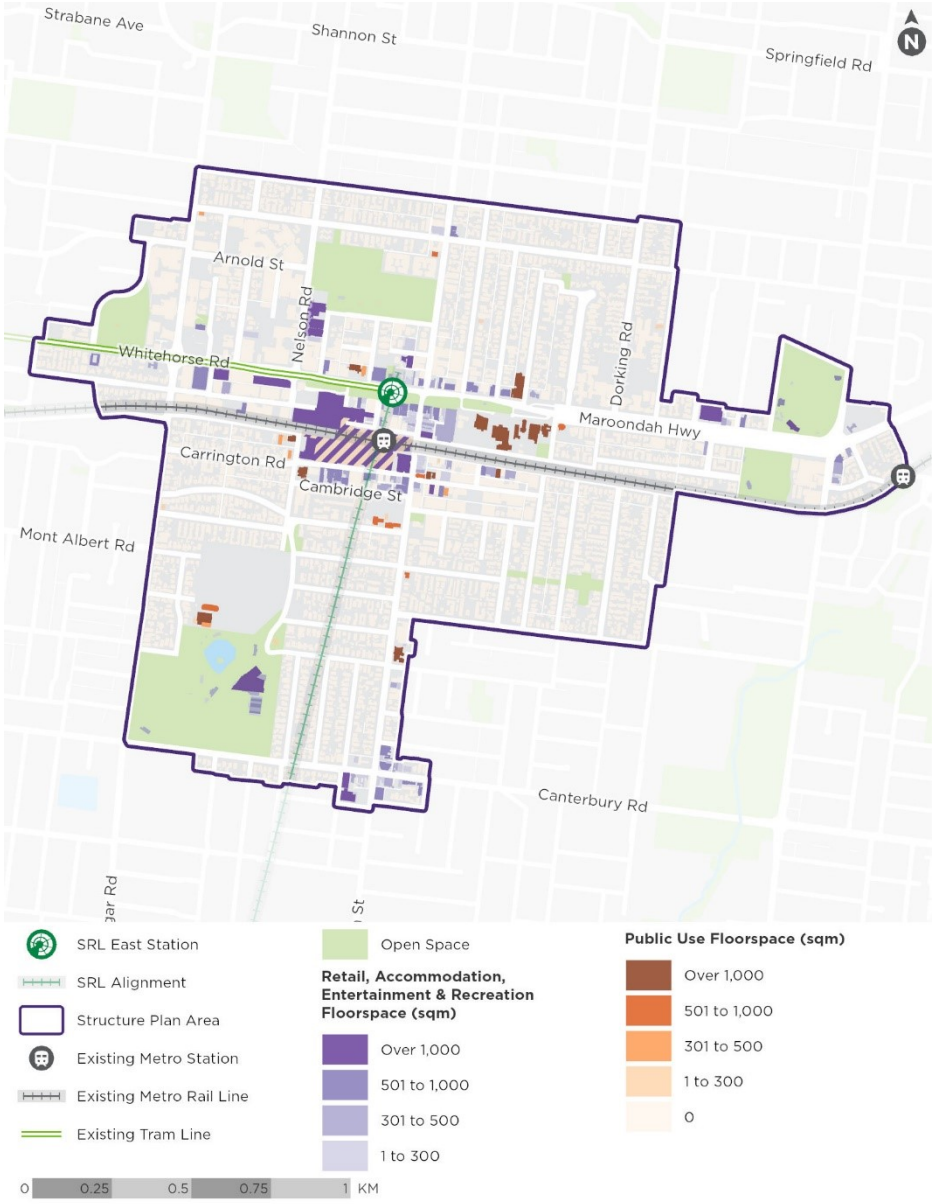


FIGURE B.3 BOX HILL RETAIL, ACCOMMODATON (INCLUDING STUDENT ACCOMMODATION NOT IN FIGURES), ENTERTAINMENT, RECREATION AND PUBLIC USE FLOORSPACE, 2024

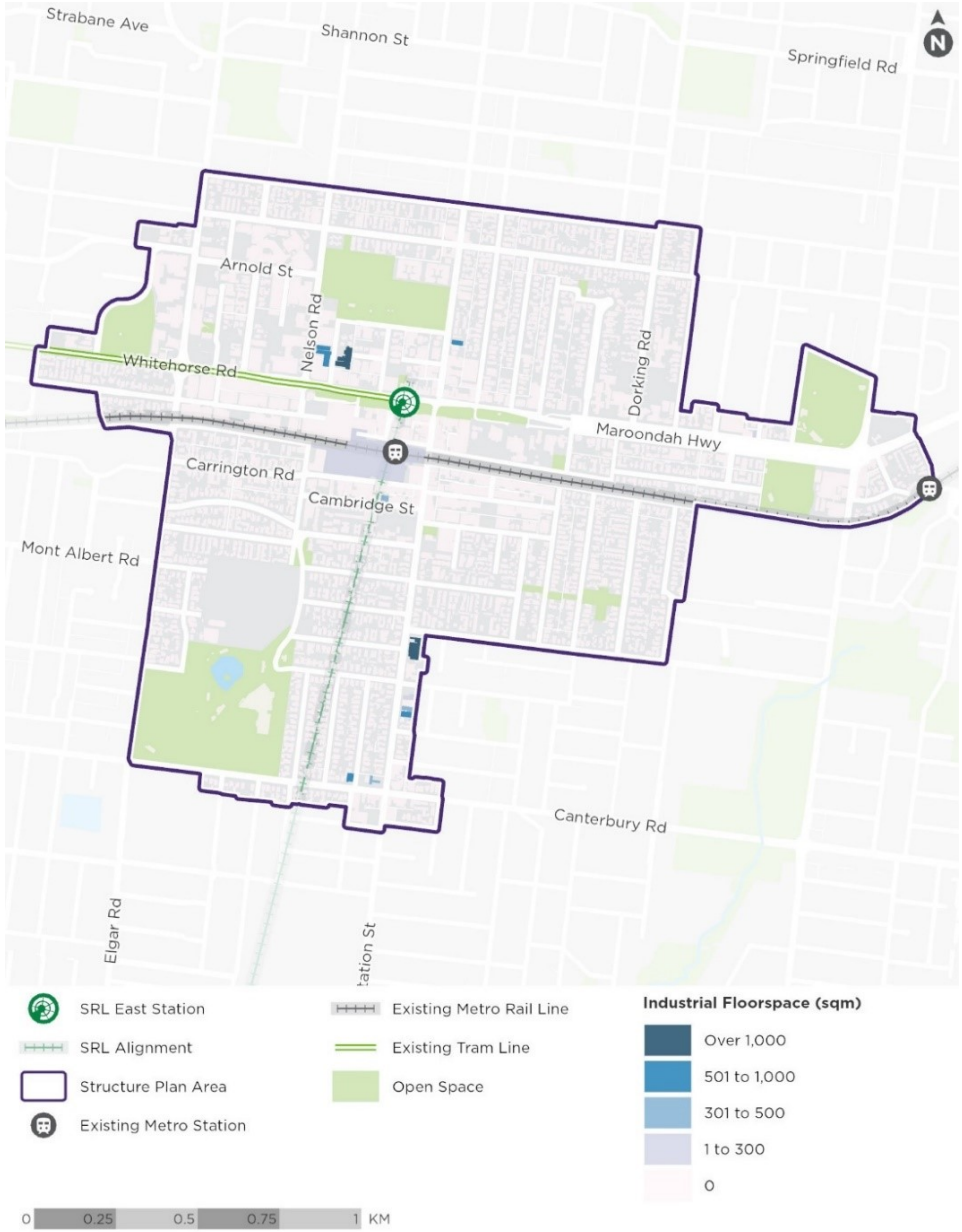


FIGURE B.4 BOX HILL INDUSTRIAL FLOORSPACE, 2024

Source: DEECA, PSMA, Space Syntax, AJM JV

Appendix C

Suburban employment hubs & workplace trends

Sydney suburban employment hubs

TABLE C.1 PROFILE OF SYDNEY'S KEY SUBURBAN EMPLOYMENT HUBS

	PARRAMATTA	MACQUARIE PARK	NORTH SYDNEY	ST LEONARDS/ CROWS NEST	CHATSWOOD	SYDNEY CBD BENCHMARK
Professional services jobs 2021	13,952	15,788	36,577	14,008	9278	237,709
ABS SEIFA Index – Education and Occupation (percentile)	NSW Percentile: 95 Score: 1116	NSW Percentile: 98 Score: 1161	NSW Percentile: 100 Score: 1192	NSW Percentile: 100 Score: 1205	NSW Percentile: 97 Score: 1146	NSW Percentile: 97 Score: 1142
Proximity to work force (weighted mean distance from centre)	<5km	<3km	<10km	<10km	<5km	<15km
Office space 2022 (sq.m)	887,000	909,000	923,000	341,000	273,000	5,163,000
Office space growth 2002-2022	2.3%	2.8%	0.7%	0.04%	-0.3%	0.7%
Office rents 2023 (annual per sq.m)	$350	$360	$620	$575	$500	$900
Rail access	Existing rail on Inner West line and plans for new heavy and light rail networks. Plans for new Parramatta light Rail Stage 1, connecting the Parramatta CBD to Westmead. New Parramatta metro station to the north of existing Paramatta station and located within Paramatta CBD. To link in with Civic Link	Existing rail network expanded through Northwest Metro in 2015 with access to Chatswood and Sydney Northern Line.	Existing integration with Northern Line (T9) and North Shore Line (T1). New Station, Victoria Cross Station, to be located in the North Sydney CBD as part of the City and Southwest line extension.	Existing integration with Northern Line (T9) and North Shore Line (T1). Future investment to be made to extend the Metro North West line to include the new City and Southwest line with a new station at Crows Nest.	Existing integration with Northern Line (T9) and North Shore Line (T1) and the Metro North West Line. The City and Southwest Line will be extended from Chatswood to Sydenham.	Significant integration with 6 existing metro lines of heavy rail. And 3 lines of light rail. Future extensions of the Southwest Line will also add to the network in the CBD.
Key amenities	Retail: Westfield Parramatta Civic uses: Paramatta Library; Old Government House; Paramatta Town Hall Entertainment Commbank Stadium; Secondary Education Tertiary Education & Western Sydney University	Retail: Macquarie Shopping Centre Entertainment and Recreation (Macquarie Ice Rink, Macquarie University Sport and Aquatic Centre) Open Space (Lane Cove River, Mars Creek Fontenoy Park) Education & childcare	Stanton Library Primary Education Secondary Education Early Education Public Space (St Leonards Park)	Public Space Health Retail Technical Education Community Centre	Retail: Westfield Chatswood, Chatswood Chase, major retail strip. Open Space Golf Club Aged Care Early Education Secondary Education	Public Space Town Hall Retail Waterfront Education Museums & Galleries Sydney Opera House Community Centres

	PARRAMATTA	MACQUARIE PARK	NORTH SYDNEY	ST LEONARDS/ CROWS NEST	CHATSWOOD	SYDNEY CBD BENCHMARK
		Early Education Secondary Education			Library	
Institutions	Western Sydney University ; NSW Police Force ; Department of Home Affairs; Department of Communities & Justice; NSW Department of Education	Macquarie University; Macquarie University Hospital; Macquarie Park Data Centre Campus; Transport for NSW; Macquarie University Incubator	Chambers of Commerce; US Foreign Consulate; Sydney Design School; Australian Catholic University (ACU); Royal Art Society NSW	North Shore Private Hospital; Royal North Shore Hospital; TAFE NSW – St Leonards; Health Infrastructure Headquarters; North Shore Health hub	Chatswood Police Station	UTS, USYD, Hospital on periphery of CBD; NSW Parliament; NSW Treasury; Supreme Court of NSW ; Sydney Hospital and Sydney Eye Hospital; Sydney Conservatorium of Music
Key Private Businesses	Westfield Parramatta Myer Parramatta	Macquarie Centre; Optus; Cochlear; DXC Technology ; Ericsson Australia; Toshiba; Fujitsu; AMP Capital	Microsoft;SAP; Coca-Cola; Zurich; Sony; Sydney Morning Herald	Stryker	Westfield Chatswood	Westpac; CBA; EY Optiver; Other major Banks, Financial Services and consulting
Government Support	Designated as a priority growth area by NSW Government Significant Transport investment – Sydney Metro West and Parramatta Light Rail. State-led rezoning of Church Street North Precinct located north of Parramatta CBD.	Designated as a priority growth area by NSW Government 3 New master planned neighbourhoods within Macquarie Park Macquarie Park Innovation Precinct Rezoning Macquarie Park Place Strategy New affordable housing investment.	New Victoria Cross Station Investment	New train station in 2024 (Crows Nest Metro Station) Crows Nest has been identified as an accelerated precinct under the Transport Oriented Development Program including rezonings around the new Crows Nest Metro site. Relocation of Government offices.	Key connecting node for Sydney's metro extension. Investment in developing the Central Precinct Central Sydney Strategic Plan – additional height and density, removal of incentives for residential towers.	Prioritise Employment Growth and Capacity Expansion: max 50% residential land use mix requirement. Increased height allowances from 80m to 110m Streamlined planning proposal processes.

1. *Professional Service Jobs 2021: Census of Population and Housing 2021 – Industry of Employment, Australian Bureau of Statistics (ABS)*
2. *ABS SEIFA Index: Socio-Economic Indexes for Australia (SEIFA) – Index of Education and Occupation, 2021, Australian Bureau of Statistics (ABS). The SEIFA Index ranks areas in Australia according to their relative socio-economic advantage and disadvantage using census data. All areas are ordered from the lowest to highest score with the lowest 1% of areas given a percentile number of 1 up to 100. The higher scores designate higher advantage.*
3. *Proximity to Workforce: Nikolic, N. (2023). Office Market Segmentation at the Intra-urban Level: The Relationship between Office Users and Market Structure (MPhil dissertation, UNSW Sydney). Data represents the weighted mean location of the workforce for each centre. For example, Parramatta's workforce, defined by the weighted mean, lives less than 5km from Parramatta.*
4. *Workforce location of office each office market.*
5. *Office Rents 2023: Australian Metro Office Snapshot, Q^2 2023, Colliers*

Drivers of professional services in suburban locations

TABLE C.2 KEY ELEMENTS IN FOSTERING PROFESSIONAL SERVICES JOBS IN SUBURBAN LOCATIONS

ELEMENT	DESCRIPTION	EXAMPLE OF BEST PRACTICE
Access to large pool of skilled workers	• Businesses need access to deep, skilled labour pool. • Alongside the availability of affordable housing, the commute duration is becoming an increasingly significant factor for workers. • Decreasing housing affordability has pushed many workers to live further away from the CBD, reducing the CBD's pool of potential workers but opened up the pool of skilled workers for suburban hubs.	• Parramatta, located close to the geographical centre of Sydney • Crows Nest/St Leonards, Macquarie Park and Chatswood all benefit from proximity to the workers in the northern suburbs, who have above-average levels of education and a high proportion of residents categorised as 'professionals' and managers
Distinct focus / key anchor	• Universities or large hospitals are pivotal in the formation of suburban employment hubs and in drawing a diverse array of supporting and complementary businesses. • There are opportunities for commercial office spaces to complement universities, hospitals, and research institutions.	• Macquarie Park, precinct anchored by Macquarie University • St Leonards with Royal North Shore Hospital • North Sydney cluster of technology firms
High quality, high amenity	• Businesses and employees alike increasingly demand high quality accommodation and convenient access to amenities such as retail, childcare, services, recreation, and fitness facilities. • With the rise of remote work, the importance of quality office environments has escalated, as employers need to 'earn the commute' of workers. • Offices are increasingly emphasising vibrant and unique environments, featuring ample natural light, comfortable workspaces, picturesque views, state-of-the-art end-of-trip facilities, wellness centres, and outdoor areas. Large floorplates are required to accommodate modern office fit outs (e.g. open plan) and foster stronger worker connections in an efficient manner. • The quality of buildings, amenities, streetscape, and public spaces is vital in shaping a corporate or professional identity for businesses. Ensuring alignment with this identity is a primary concern for tenants when selecting office locations. • Increasing role of residential development to support amenity, deepen retail demand and create day/night activity	• Parramatta, North Sydney, Chatswood and St Leonards/Crows Nest all have an established residential population supporting amenity accessible by workers • Future plans for Macquarie Park includes residential development in order to 'create a lively community in the suburb', also enables the development of further amenities and facilities which can also be utilised by workers. • Outside of Sydney, new and emerging innovation precincts are increasing including residential uses to drive the amenity and vibrancy of the precinct (Tonsley Innovation Precinct, Adelaide; Cummings Research Park, Alabama US; and EcoResponsive Environments in Runcorn UK).
Accessibility to public transport	• Access to public transport, especially rail networks, plays a pivotal role in successful office markets. Research indicates that top-performing office locations in Melbourne and Sydney have over 50% of their stock within proximity to a train station, enabling businesses to tap into a larger talent pool[1].	• Parramatta, North Sydney, Chatswood, Macquarie Park, St Leonards/Crows Nest all located on rail line. • Many of these centres have recently, or are in the process of, expanding rail or light rail services, which will further increase the public transport catchment for workers.
Level of critical mass	• Achieving a critical mass of development within a suburb is essential for creating a self-sustaining office precinct.	• Parramatta, North Sydney, Chatswood, Macquarie Park, St Leonards / Crows Nest all have 273,000 to 923,000 sq.m of office space, creating a critical mass of office activity in these centres.
Capacity for larger floorplates	• Aside from suburban employment hubs supporting jobs close to where large numbers of skilled workers reside, they provide space for expansion that no longer exists as readily in CBDs. This particularly for businesses who require floorplates which cannot be readily accommodated in a constrained CBD. • There has been a trend in recent years of professional firms looking to improve integration of business units and staff. This is best achieved by larger office floorplates with several consecutive floors that are connected by stairs. This includes floorplates of at least 1300 sq.m, often significantly larger.	• Newer buildings in Parramatta developed over the last 15 years have had floorplates around 1300 sq.m or above. Older buildings with smaller floorplates have faced leasing difficulties[3].

ELEMENT	DESCRIPTION	EXAMPLE OF BEST PRACTICE
Relative affordability	• Shortage of employment land supply in the CBD, combined with high levels of demand result in high office rents and often prices many businesses out of CBD areas. • The more affordable office space options in suburban areas makes those areas more attractive to some relative to a CBD location, or influences decisions around having satellite offices. • While Melbourne's CBD has maintained a competitive advantage with rents not growing to the same levels as Sydney, going forward, this could be an increasing factor in supporting businesses seeking suburban alternatives. There is limited capacity for more employment space in the core of Melbourne's CBD, while Docklands, which has offered an outlet for expansion that has maintained affordability, will also fill up in appropriate locations in coming years. This is expected to place upward pressure on rents in central areas, creating an opportunity for suburban areas.	• Typically rents in Sydney's suburban office precincts are 40%-60% below that of the Sydney CBD, providing an affordable price point for many businesses. • Office rents in Parramatta and Macquarie Park are around $350/ sq.m whereas office rents in North Sydney, St Leonards/Crows Nest and Chatswood are around $500-$600/sq.m
Government support	• Governments can support suburban office markets through various means, such as: • Establishing a conducive planning and policy environment, ensuring suitable zoning regulations and rules that facilitate office development in terms of size, design, and parking requirements, tailored to the unique characteristics of each area. • Relocating government agencies, which can help in creating critical mass. • Supporting and collaborating with industries and invest in essential infrastructure like roads, energy distribution, rail, and airports. • Offering additional crucial components like investing in transport infrastructure to improve accessibility and enhancing the public realm.	• Planning frameworks have long supported a high intensity of development around key activity centres such as Parramatta and North Sydney. • The NSW government's relocation of several agencies to Parramatta, including Sydney Water, the Attorney General's Department, and the Department of Education, has bolstered the area's office market.
Investment attraction	Investment attraction strategies are highly varied across Australia and typically operate at the regional or sectoral level. Investment attraction programs are designed to stimulate economic growth, create jobs and foster innovation across various industries. Types of programs include: • Grants to assist with capital costs along with ongoing operational expenditures. • Tax incentives for new and emerging businesses in certain priority sectors. • Infrastructure funding to support new business to set up or expand in a specific location. • Non- financial support through creating networks, partnership and collaboration opportunities.	• The geographical layout combined with high rents and capacity constraints of the Sydney CBD has naturally created a push towards suburban employment hubs, so these strategies have been less common in the Sydney context. • City of Gold Coast's 'Investment and business attraction program' is an example to attract and expand business in an urban region. It includes financial incentives such as cash rebates for capital investments, including land or building purchases, reimbursement on operational expenditure, relocation assistance along with non-financial assistance packages such as ongoing business support, networking and government facilitation[4].

Source: Urbis. Footnotes: 1. Jones Lang LaSalle (2020) Office Precincts for 2030 and Beyond, Report 4: Future Cities Research, May 2020; [2] City of Sydney, Central Sydney Planning Strategy 2016-2013, updated March 2022; 3. Urbis 2015, Economic Review of Achieving A Grade Office Development In Parramatta CBD; 4. Gold Coast City Council,. New Investment and Attraction Program, GCCC Website April 2024.

Case study: Macquarie Park

What is Macquarie Park?

Macquarie Park is NSW's second largest non-CBD office market, comprising an important cluster of leading universities, hospitals and companies in Sydney's north west, approximately 13km from the CBD. The establishment of Macquarie University in 1964 and rapid growth in housing post-war were instigators for the expansion of Macquarie Park's industrial and scientific sectors. Over the decades, policy has shifted towards encouraging increased research and development activities throughout the precinct. For example, in 1979 the Ryde Planning Scheme required industrial employment uses to have a "research and development" component to take advantage of Macquarie University. In the proceeding years, amenity within the precinct grew to service the larger workforce and student population with the opening of the Macquarie Centre in 1979.

The precinct has since attracted a diverse range of R&D and professional service businesses including Optus, Cochlear, NAB, AMP Capital, Fujitsu and Johnson & Johnson. It has also formalised the business community through the establishment of the Macquarie Park Innovation District (MPID), which represents 380 businesses across the life sciences, digital and technology industries.

The wider precinct, Macquarie Park, was designated as a *Priority Precinct* by the NSW Premier in 2020, while the Sydney Metro extension due for completion in 2024 will ensure it is directly accessible to the Sydney CBD and a broad workforce across Sydney's northern suburbs. Housing development within the precinct has also accelerated. epitomised by the Ivanhoe Estate redevelopment, the largest social housing project in Australia. Bringing housing to the precinct is seen to as a way to increase vibrancy and activity.

Within the next 15 years, the precinct is forecast to increase its overall contribution to the NSW economy to $14bn, representing the second biggest contribution to state GDP behind the joint contribution of the CBD and North Sydney. Growth is expected to occur in the Education, Medtech, Biomedical Sciences and Advanced Manufacturing sectors.

Key success factors:

- Macquarie University as an anchor tenant
- Policy framework to prioritise R&D businesses
- Continued transport and infrastructure investment
- Relative affordability of office spaces compared to CBD
- Government support through range of soft and hard infrastructure initiatives
- Capacity for expansion and ability to accommodate large campus-style office buildings
- Focus on enhancing amenity now residential uses to bring greater vibrancy to the Precinct

Key Stats

- 47,000 jobs
- 894,000 sq.m commercial floor space
- 617,000 sq.m premium grade office space
- Commercial core businesses: 19 % pharmaceutical; 25 % high tech, computing and technology, 20 % electronics; 7 % telecommunications
- Macquarie University 45,000 students; 3000 staff.
- Macquarie University Hospital 500 staff
- Macquarie Centre 134,000sqm retail floor area

Timeline

1964 Macquarie University

1979 Planning scheme supports research and development

1981 Macquarie Centre

2009 Macquarie Park train station

2015 Connect MPID

2019 Rail connection to Sydney Metro Northwest

2022 Macquarie Park Place Strategy aims to further diversity and grow Macquarie Park with a further 20,000 jobs and 7650 homes

Sources: https://greatercities.au/innovation-districts; SRL Business and Investment Case; MPID Annual Report 2022; Draft Macquarie Park Place Strategy 2021; Macquarie Park Innovation Precinct Place Strategy, August 2022

FIGURE C.1 MACQUARIE PARK IMAGERY

Emerging workspace trends

SHIFT TOWARDS MIXED USES AND ACTIVITIES

Moving towards mixed uses means combining different types of users and activities in one workspace. For instance, this could involve bringing private sector research and development into educational settings, or having office buildings with additional conference or event areas. This mix creates chances for different sectors to collaborate, leading to more innovation and productivity.

INCREASE OF REMOTE WORK

In the aftermath of the COVID-19 pandemic, remote work seems poised to remain, albeit in a scaled-down capacity. According to the ABS Household Impacts of COVID-19 Survey conducted in 202[2,] 30 % of individuals worked from home either every day or most days, while 24 % worked from home at least once a week. This trend is likely to result in a decreased demand for worker floorspace and alterations in urban travel patterns. Consequently, this has the potential to increase demand for contemporary co-working spaces and suburban business hubs, although businesses offering a network of suburban offices has not materialised to any significant extent to date.

A ‘FLIGHT TO QUALITY’

Competition with home offices and neighbourhood workspaces has driven demand for ultra-luxurious workspaces, particularly offices, with larger proportions of floorspace dedicated to high-quality amenities such as wellbeing rooms, end-of-trip facilities, strong environmental credentials, and outdoor areas. Demand for Premium or A-grade office space is therefore high, with secondary stock likely to see reduced interest.

CO-WORKING SPACES

Accelerated by the increase in remote work and a preference for collaborative environments, co-working spaces are a cost-effective workspace solution that allows businesses to adopt flexible workspace strategies and reduce long-term lease commitments. These spaces can also provide flexible spaces for smaller, emerging firms or allow firms to quickly establish a presence in new locations.

TECHNOLOGICAL ADVANCEMENTS

Increased automation and robotics are altering job roles and skill requirements and has led to a reduction in the amount of floorspace required to complete tasks. Predictions indicate that by 2030, one in 16 workers may need to change jobs due to AI disruptions[1]. This impact on employment underscores the importance of businesses locating near emerging tech or other specialist clusters and co-locating with all sectors of industry to increase knowledge sharing and technology spillovers. Technology advancements also require additional infrastructure to support digital capacity.

SUSTAINABLE PRACTICES

Green workspaces with energy-efficient systems and biophilic design elements are gaining popularity, enhancing worker productivity, and attracting talent. Locationally, proximity to urban areas can help to reduce pollution associated with transportation and meet worker and consumer expectations regarding climate and ESG concerns.

Notes: 1.McKinsey & Company (2023) ‘What is the future of work?’ Available at https://www.mckinsey.com/featured-insights/mckinsey-explainers/what-is-the-future-of-work

Trends influencing typologies and location requirements

Professional services

Require high amenity and high-quality office spaces, increasingly mixed with other activities to allow collaboration and a vibrant amenity. Locations with excellent access to public transport and amenities are critical and increasingly businesses are seeking large sites to accommodate generous floorplates, collaboration spaces and a high level of technology, data and IT infrastructure.

Professional services industry trends:

- Office from "place to work" to "place to meet"
- Rise in WFH – offices are for collaboration
- High level of amenity within and near workplaces
- Flexible workspaces which can adapt to changing needs, range of tenants and uses
- Generative AI and its associated challenges
- Hub and spoke model of large corporates client facing office in CBD and non-client facing offices in suburban location

Implications for building typologies:

- Mixed use office buildings with retail, residential, hotels, conference facilities, amenities etc
- High-quality internal building amenity with spaces for collaboration, socialisation and meeting
- Large, open-plan and column free floorplates
- Building capacity for high level technology, data and IT integration
- Reducing floorspace per worker, but greater emphasis on collaboration and meeting spaces
- Non-client facing offices, particularly outside the CBD

Location requirements:

- Accessibility to public transport
- Amenity including access to F&B, childcare, gyms
- Proximity and accessibility to workers
- Larger lots for larger floorplates
- Proximity to clients, partners and institutions to enable collaboration.

Example professional services typologies:

High rise office: New Times tower, Box Hill is A to B grade office over 16 storeys. Including lower-level retail spaces (3,750sq.m). Total GFA 10,000sq.m.

Mid rise office: Encore, Cremorne 7-stories above heritage building. flexible floor plates are provided to meet the needs of different tenants.

Modern campus: Array Macquarie Park, NSW. A-grade building with over seven levels and large floorplates. A contemporary commercial centre designed to enable flexible and agile working environments. 10,000sq.m GFA.

Mixed use offices: Walk Up Village Collingwood. 13-storey mixed-use development Provides space for dense workspaces, retail, social spaces, and a hotel. 12,000sq.m GFA.

Office studio: Cremorne Studios, Cremorne. 6 - story development, comprising of flexible studio/office spaces. High environmental standards and full site coverage 10,000sq.m GFA

Institution office: Health Administration headquarters in high quality office space. See following page.

Sources AJM JV, Hassell Studio (2020): Future Academic Workplaces: A Literature Review; COX Architects Vertical learning a new Typology; PWC Changing Places: Designing hybrid offices that work; Allwork (2020) Rethinking workplace density; Savills UK Covid 19 Tenant Impacts Survey; Hassell Studio 2022 Workspace Futures Survey; Alliance CGC 'The future of healthcare real estate: Building location and design trends to watch'; CMBA Architects (2022) Modern School Design Trends; Hassell Studio (2021) How to restructure the workplace after COVID

FIGURE C.2 PROFESSIONAL SERVICES SPECIFIC TRENDS, BUILDING TYPOLOGIES AND LOCATION REQUIREMENTS

Health

Health services are now commonly integrated into **mixed-use** buildings, featuring medical facilities alongside offices, consultation rooms, research spaces, and medi-hotels. These buildings typically accommodate multiple tenants, offer extensive outpatient facilities, and provide various worker amenities, often catering to a 24-hour workforce. **Clustering** remains crucial in the health sector, enabling the formation of provider networks and facilitating integrated patient care.

Health industry trends:

- Health clusters anchored by tertiary provider and supported by a range of smaller providers, enabling continuum of care and the sharing of facilities.
- Health buildings with mixed uses facilities including office space, research facilities, administration, consulting rooms etc.
- Digital Health Platforms such as Tele-Health, AI powered administrative services, remote diagnostics and virtual wards.
- Transition from single service providers to integrated health providers.
- Medi-hotels
- Increased use of outpatient facilities

Implications for building typologies:

- Mixed use buildings which incorporate health floorspace along with office, consulting suites and research space, hotels
- Buildings to contain a mix of individual or related providers.
- Consolidated floorplans with a focus on open floorplan, modular design and technology integration.
- Emphasis on public facing outpatient facilities.
- Building capacity for high level technology, data and IT integration.
- 24 hour activity in health buildings across a range of functions

Location requirements:

- Cluster health and broad range of health-related uses (i.e. office, hotels, F&B, research space etc)
- Accessibility to public transport
- Ensure safety and accessibility for healthcare shift workers
- Amenity including access to F&B, childcare, gyms

Example health building typologies:

Hospitals: Victorian Heart Hospital, Clayton 8-storey out and inpatient hospital, specialising in cardiac treatments and research. Also used for education and training 206 beds.

Mixed use health: Wellington Stage 1, Box Hill integrated healthcare, research and knowledge precinct. Incl. medical offices, consultation suites, labs, and various other health uses. GFA 50,000sq.m.

Mixed use health: Wickham Private Medical & Hotel (QLD). State-of-the-art medical facility with 7 levels of medical ues, 81-room apartment hotel, dual lobby, ground floor restaurant and pharmacy, conference facilities, gym, and pharmacy. 5,307sq.m medical space, 186sq.m retail, 97sq.m function facilities

Health Administration: Co-located on the Royal North Shore Hospital site. Provides office space for ten NSW Health Agencies, a café and childcare centre. GFA 30,000sq.m.

Mixed tenure consult centre: Clayton Road Medical centre. Five storey with medical centre, pharmacy & café. Multi-tenanted. GFA 10,000sq.m.

Smaller consulting suites in retail-based environments

FIGURE C.3 HEALTH SPECIFIC TRENDS, BUILDING TYPOLOGIES AND LOCATION REQUIREMENTS

Education

Education buildings are becoming more flexible and adaptable learning spaces. Contemporary tertiary buildings are often mixed use, providing space for industry collaboration and research commercialisation, along with a range of supporting amenities including accommodation and event space. Location factors include ability to cluster proximity to other research institutes, urban amenities and public transport.

Education industry trends:

- Mixed use and precincts approach to new campus buildings to creative activation, knowledge sharing and partnerships with private industry.
- Shift to open plan and consolidated academic offices
- Continued importance of academic and administrative space
- Remote learning and online assessments
- Amenity driven, purpose blended campuses
- Flexible spaces for study and socialising
- Tech enabled workspaces including video conference capability and collaborative software.
- Green space and wellness-oriented design considerations.
- Shift from campus towards integration with surrounding urban area

Implications for building typologies:

- Mixed use educational buildings with range of education, research, office, collaboration, gathering spaces and areas for private companies.
- Decreased worker density for academic spaces
- Emphasis on building flexibility
- Building capacity for high level technology, data and IT integration
- High quality building and public domain amenity

Location requirements:

- Accessibility to public transport
- Amenity including to access to F&B, retail, entertainment, childcare, gyms
- Co-location with another major institutional provider (i.e. health precinct, R&D precinct)
- Integration with surrounding urban area to share amenities and facilities

Example education building typologies

High density schools: Richmond High school in a vertical arrangement, utilising existing site. GFA of 15,000sq.m. Performing Arts Centre open to pubic.

Integrated campus: Melbourne Connect at University of Melbourne has private office, hotel, teaching & events. Designed to encourage collaboration between interdisciplinary organizations and institutions of all levels. GFA 15,000sq.m.

Integrated campuses : 1PSQ an integrated campus of Western Sydney in the Paramatta CBD. Incudes Graduate Schools, Engineering Innovation Hub and library in 19 storey building and to collaborate with surrounding businesses.

Innovation spaces: University of Wollongong Innovation campus acts as a 'business park' . Includes a business incubator and accelerator, commercial office building, and research centres. 50,000sq.m GFA.

Research focus: CSL Global HQ and centre for R&D18-storey facility including seven stories of labs, four levels of office space, and a collaborative bio-incubator for start-ups in Melbourne's biomedical precinct designed to accelerate Australian biotech. GFA of 54,000sq.m, 3,370sq.m site area

FIGURE C.4 EDUCATION INDUSTRY SPECIFIC TRENDS, BUILDING TYPOLOGIES AND LOCATION REQUIREMENTS

Other population services

Whilst representing a range of activities and building typologies, most population services aim to enhance visitation, visitor experience and cross-expenditure opportunities for the local community. This is often achieved by locating in highly accessible and walkable locations, activating public realm, placemaking and delivering a broad mix of uses.

Other population services industry trends:

- Advanced Chat Bots and AI based customer service
- QR code and digital enabled hospitality
- Experiential retail
- Online retail
- Mixed uses and clustering to drive cross usage, activation and vibrancy
- Seamless digital/physical retail including wayfinding
- Increased localisation of shopping centres into community hubs
- Emphasis on creating spaces to engage with community and sense of place.

Implications for building typologies:

- Integration and activation with surrounding public realm
- Visitor focused facilities and amenity
- Multi-purpose trips supported by mixed buildings and precincts with retail, office, residential entertainment, creative, lifestyle and educational uses
- Placemaking and high quality, activated public realm
- Retail floorspace should be walkable and accessible for visitors of all abilities.
- Reducing the environmental impact of the future retail floorspace (including closed loop malls, more efficient water and energy use and recycled materials)

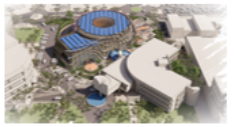
Location requirements:

- Accessibility to public transport for visitors and workers
- Access to large visitor, worker or resident catchments
- Retail and services located proximate to other daily activity to enhance convenience
- Consolidated activity centre core rather than dispersed or less walkable environments

Example other population services typologies:

Entertainment & retail: The Social Quarter at Chadstone Shopping Centre. Mix of entertainment and dining, late night usage. 10,350sq.m. total area

Entertainment: Bridge Road Brewery, East Brunswick. Fine grain dining/brewery development to activate shopfronts



Community: Proposed community hub at Glen Waverley Activity Centre Includes public plaza, library, multi-purpose spaces, and office space with around 6,000sq.m GFA.

Hotels: Hotel Chadstone integrated hotel into a shopping complex. 12-storey, 250 rooms plus event spaces,

Community Spaces: Narrm Ngarru Library, Melbourne integrated into a mixed-use building.

Fine grain retail: Fine grain streetscape at Central Market, Adelaide. Retail within a fine grain street frontage.

FIGURE C.5 OTHER POPULATION SERVICES INDUSTRY SPECIFIC TRENDS, BUILDING TYPOLOGIES AND LOCATION REQUIREMENTS

Industrial

Contemporary, urban industrial precincts (as opposed to larger, state-significant precincts) are becoming increasingly customer and worker focused, resulting in higher amenity mixed employment buildings, with a range of office, storage and light industrial activities. Technology combined with land constraints, is enabling increased floorspace efficiency and higher density buildings. Industrial uses in urban areas also increasingly serve a range of recreation, service and destination uses to surrounding populations.

Other population services industry trends:

- Automation of production processes
- E-Commerce and online stores
- Supply chain efficiency through proximity to suppliers, customers and distribution hubs
- Gentrification of industrial areas towards higher value and mixed uses, serving a surrounding catchment
- Affordable and flexible spaces for startup businesses
- Predictive maintenance and remote monitoring
- Technology enabled processes, maintenance and monitoring
- Enhanced sustainability outcomes

Implications for building typologies:

- Increased floorspace efficiency
- Multi-level warehouses
- Distribution and warehousing spaces
- Data centres
- Higher building and public realm amenity
- Mixed use with office space, commercial showrooms and retail tenancies
- Diversity of uses including visitor focused retail, gyms, education, leisure, breweries, showrooms etc
- Building capacity for high level technology, data and IT integration
- Improved urban realm on site and in the surrounding context

Location requirements:

- Highway and arterial road network access
- Proximity to service consumers in urban locations
- Worker amenity including F&B, childcare, gyms
- Higher visitor amenity, including accessibility and car parking
- Appropriate separation from residential areas

Example industrial building typologies

Modern industrial/ office: Cheltenham Quarter, Cheltenham
Proposed 3-storey commercial and industrial hub located within the Bayside Business District containing 11 purpose-built warehouses, 2,463sqm of offices, three commercial showrooms, and additional retail tenancies.

Modern industrial/office: Work Belrose, Cheltenham provides office/ warehouses. Adaptive re-use development/ 2 storey with office suits, showroom style warehouses and 'high-tech' units.

Modern business park: Caribbean Gardens, Scoresby
Stage 3 buildings includes campus style modern offices at around 8,000sq.m each across 5 levels with large floorplates of around 1,750sq.m.

High density logistics: Ascent Logistics Centre, Alexandria NSW
Proposed multi-level warehouse including 5,000sqm of A-grade office and wellbeing amenity with access to the M8, and Sydney CBD and Sydney Airport within a 10-minute drive. GFA 27,000sq.m.

Advanced Manufacturing: Moderna mRNA Vaccine Manufacturing Facility, Clayton. Pharmaceutical grade space, employee amenities, 103 car spaces, and laboratories. GFA 16,500sq.m.

FIGURE C.6 INDUSTRIAL SECTOR SPECIFIC TRENDS, BUILDING TYPOLOGIES AND LOCATION REQUIREMENTS

Appendix D

Analysis of employment projections

TABLE D.1 BOX HILL STRUCTURE PLAN AREA EMPLOYMENT FORECASTS

	BOX			BOX ANNUAL CHANGE (NO.)		BOX ANNUAL CHANGE (%)	
	2011	2021	2041	2011-21	2021-41	2011-21	2021-41
Industry:							
Education and Training	1700	1900	3500	20	80	1.1%	3.1%
Health Care and Social Assistance	5100	7600	14200	250	330	4.1%	3.2%
Professional Services	5800	5300	11100	-50	290	-0.9%	3.8%
Other Population Services	2400	3100	7600	70	225	2.6%	4.6%
Industrial	500	600	2300	10	85	1.8%	6.9%
Total	**15,600**	**18,500**	**38,700**	**290**	**1010**	**1.7%**	**3.8%**

	SOUTH EAST REGION				GREATER MELBOURNE			
	2021	2041	ANN. CHANGE (NO.)	ANN. CHANGE (%)	2021	2041	ANN. CHANGE (NO.)	ANN. CHANGE (%)
Industry:								
Education and Training	80,800	132,100	2565	2.5%	224,400	410,300	9295	3.1%
Health Care and Social Assistance	123,400	216,400	4650	2.8%	337,200	658,700	16,075	3.4%
Professional Services	156,300	283,700	6370	3.0%	666,500	1,166,400	24,995	2.8%
Other Population Services	243,100	368,300	6260	2.1%	725,500	1,210,000	24,225	2.6%
Industrial	149,900	211,400	3075	1.7%	423,200	604,100	9045	1.8%
Total	**753,500**	**1,211,900**	**22,920**	**2.4%**	**2,376,700**	**4,049,500**	**83,635**	**2.7%**

Source: ABS Census of Population Aged 15+ in 2011 and 2021, cross tabulated by ANZSIC Level 1 industry. Forecasts to 2041 derived from SRL BIC CityPlan projections.

TABLE D.2 BOX HILL STRUCTURE PLAN AREA REVIEW OF PROFESSIONAL SERVICES AND HEALTH FORECASTS FOR BOX HILL STRUCUTRE PLAN AREA

	PROFESSIONAL SERVICES	HEALTH
Is the industry employment projection Consistent with historical growth?	**No**, future growth at 3.7 % pa is forecast to be higher than historical growth which was negligible over the past decade. Low rate of growth in Professional Services persisted from 2011 to 2016, and therefore seems so be less affected by COVID-19.	**Yes**, forecast growth at 3.2 % p.a. is below historical growth in Box Hill at 4 % per annum.
Does the industry employment projection align with either broader industry or regional trends?	**Broadly**, forecast growth rate of Box Hill to 2041 is slightly higher than that of Greater Melbourne. In terms of trends, professional services have a low propensity to locate in suburban locations (refer Section 4). Reversing these trends are likely to require a wide range of supports as outlined in Section 4.	**Yes**, Employment forecast growth rate for Box Hill (3.2 % p.a.) is comparable to that of Greater Melbourne, but above that of the South East region. However, a higher rate is reflective of Box Hill's important regional role. For context, the health sector across Australia is estimated to grow closer to 3 % per annum to 2026 (Note 1).
Does the industry employment projection align with the competitive strengths of the Structure Plan Area?	**Yes**, professional services align with Box Hill's competitive strengths (refer Section 6). Development pipeline indicates market support to grow this sector in Box Hill. Realisation of the office pipeline (broadly 2000 jobs) could help realise around a third of forecasted professional services jobs.	**Yes,** health care and social assistance is a clear competitive strength, as discussed in Section 6.2. Development pipeline indicates market support to grow this sector in Box Hill. It is estimated that early stages of Wellington Health could support approximately 1500 to 2000 jobs in the short term, around a quarter of the jobs forecast for Box Hill through to 2041.
Does the industry employment projection align with the future economic role of the Structure Plan Area, considering the transformative effect of SRL East?	**Yes**, projections consistent with Box Hill's future economic role. Sector growth is driven by professional, scientific and technical services, administrative and support services and public administration and safety, which align with existing attributes of Box Hill (that is, established health precinct, government offices).	**Yes**, projections consistent with Box Hill's future economic role. Box Hill's health care offer will continue to be of regional significance into the future and continue to serve a growing region.
Overall, is the industry employment projection appropriate for the Structure Plan Area?	**Broadly**, but future planning should support growth of the professional services by delivering the key elements for successful suburban precincts outlined in Section 4.	**Yes,** Employment forecast projection appears high but broadly appropriate for the health sector. Health care and social assistance is a key growth industry for Melbourne generally, with the major cluster in Box Hill a focus for growing private sector interest. Delivery of initial stages of Wellington Health may contribute significantly towards the growth forecast.

Note 1: Australian Government's uses a CAGR of 2.98% from 2021 to 2026, when forecasting the Health Care and Social Assistance sector nationally. This rate of growth aligns with the historic 5-10 year trend. Refer to: https://labourmarketinsights.gov.au/industries/industry-details?industryCode=Q

TABLE D.3 BOX HILL STRUCTURE PLAN AREA REVIEW OF EDUCATION, OTHER POPULATION AND INDUSTRIAL FORECASTS FOR BOX HILL STRUCTURE PLAN AREA

	EDUCATION	OTHER POPULATION SERVICES	INDUSTRIAL
Is the industry employment projection Consistent with historical growth?	**No**, future growth at 3.1 % pa is forecast to be higher than past growth both in Box Hill which was 1.1%p.a. For context, the South East Region and Greater Melbourne annual average of 3.7% and 4.1% respectively. Historical low growth of Box Hill's education may reflect that the main education facility in Box Hill provides a large number of VET course which are experiencing slower growth relative to other educational sectors, such as universities (Note 2).	**Broadly**, future growth rate of other population services is slightly higher than Box Hill's historic growth rate. Other population services in Box Hill also grew closer to the Greater Melbourne average (2.6% per annum) rather than higher South East region rate. This is primarily due to the large and established contribution to employment made by retail, which saw a reduction in employment as the centre's discretionary retail role was downsized.	**No**, industrial sector has had negligible growth over past decade which contrasts with forecast of 7.6 % p.a. albeit from a low base. Forecasts are likely to be artificially high due to spatial disaggregation of a regional forecast to a local area.
Does the industry employment projection align with either broader industry or regional trends?	**No**, while the forecast growth rate of education in Box Hill is comparable to the benchmarks, the primary issue is achieving stronger growth rates with the current tertiary offer which has been impacted by stagnant growth nationally in recent years (Note 3).	**Yes.** An established MAC, Box Hill plays an important regional other population services role, specifically retail, accommodation, and food services. As the broader Region grows, Box Hill's population serving employment should grow at a similar rate, or even somewhat inflated due to the capacity for growth.	**No,** the Structure Plan Area employment projection do not reflect the limited industrial land in the Structure Plan and broader trends and policies do not seek to increase industrial land supply in areas around Box Hill.
Does the industry employment projection align with the competitive strengths of the Structure Plan Area?	**Partly**, despite a number of tertiary campuses in the Box Hill and co-location with a hospital, education is not a specialisation of Box Hill. Education could play a larger role if there was change to the current tertiary education offer and if future growth leveraged the strong potential of the Box Hill health offer as a reimagined health/education precinct. However, the future growth of the tertiary education facilities in Box Hill will be dependent on the plans of the private operator. Continued population growth will increase demand for schools in the Structure Plan Area.	**Yes**, as growth in other population services reflects Box Hill's important population serving role for a large and growing regional catchment. For context, population in Box Hill Structure Plan Area is forecast to grow at 4 % per annum from 2021 to 41, faster than that of the South East Region (1.1%). This reflects the existing and future competitive strengths Box Hill offers relative to most other centres in the Region, including the MAC status, amenity, higher local population growth and a sizeable workforce which also access population serving businesses and community facilities.	**No**, the Structure Plan Area employment projection overstates importance of industrial in Box Hill and given the limited supply of industrial land (see Section 6.2
Does the industry employment projection align with the future economic role of the Structure Plan Area, considering the transformative effect of SRL East?	**Yes**, The vision for the neighbourhood surrounding the SRL station at Box Hill identifies a higher education and training cluster around the Box Hill Institute. The future growth of this will be dependent on the plans of the private operator. The adjacent Health Cluster provides strong potential for synergies. Shared education and training facilities related to health could bolster the education and training offer long term.	**Yes**, the slightly strong growth of other population services broadly aligns with the envisioned economic role of Box Hill. This includes some growth in the retail offer, which is considered in more detail in the Box Hill Retail Needs Assessment.	**No**, however there could be a small increase of employment through redevelopment of industrial sites for higher density employment uses.
Overall, is the industry employment projection appropriate for the Structure Plan Area?	**Potentially**, growth may be less than forecast, unless there is a shift in the current education offer and growth profile, existing tertiary education sites are repurposed for alternate educational use, or additional tertiary education uses are provided elsewhere in the Structure Plan Area. Other schools are expected to grow moderately, in line with population growth.	**Broadly**, the employment projections are a reasonable representation of likely employment growth. Strong population growth is forecast in the catchment, and more specifically, the Structure Plan Area, which will sustain demand in this sector.	**No**, industrial has a very minor role in the Structure Plan Area, and there a limited number of industrial sites, The high number of forecast industrial jobs is overstated and there might not be as great a requirement to accommodate modelled floorspace demand.

Note 2: Stagnate growth in VET enrolments is reflected in long term trends in Victoria with Victorian VET enrolments of 1,017,000 in 2017 and 1,070,800 in 2021 (Report on Government Services 2023 Chapter 5 Vocational education and training, table 5A.8, prepared by the Productivity Commission, https://www.pc.gov.au/ongoing/report-on-government-services/2023/child-care-education-and-training/vocational-education-and-training*). Note 3: Towards a National Jobs and Skills Roadmap, Annual Jobs and Skills Report 2023, Australian Government. Available at* https://www.jobsandskills.gov.au/download/19298/towards-national-jobs-and-skills-roadmap/1967/2023-annual-jobs-and-skills-report/docx *observed 'stagnate growth in VET enrolments nationally over recent years (pg.90)*

Appendix E

Floorspace methodology and testing

Overview

This section provides further detail on the methodology and supporting data behind the key assumptions in the floorspace modelling. As shown in the purple boxes in the figure adjacent, these are:

- Deriving employment land use shares in order to understand the distribution of employment by industry group across different land use types, and,
- Workspace ratios for each land use type, outlining they key assumptions used for this Structure Plan Area.

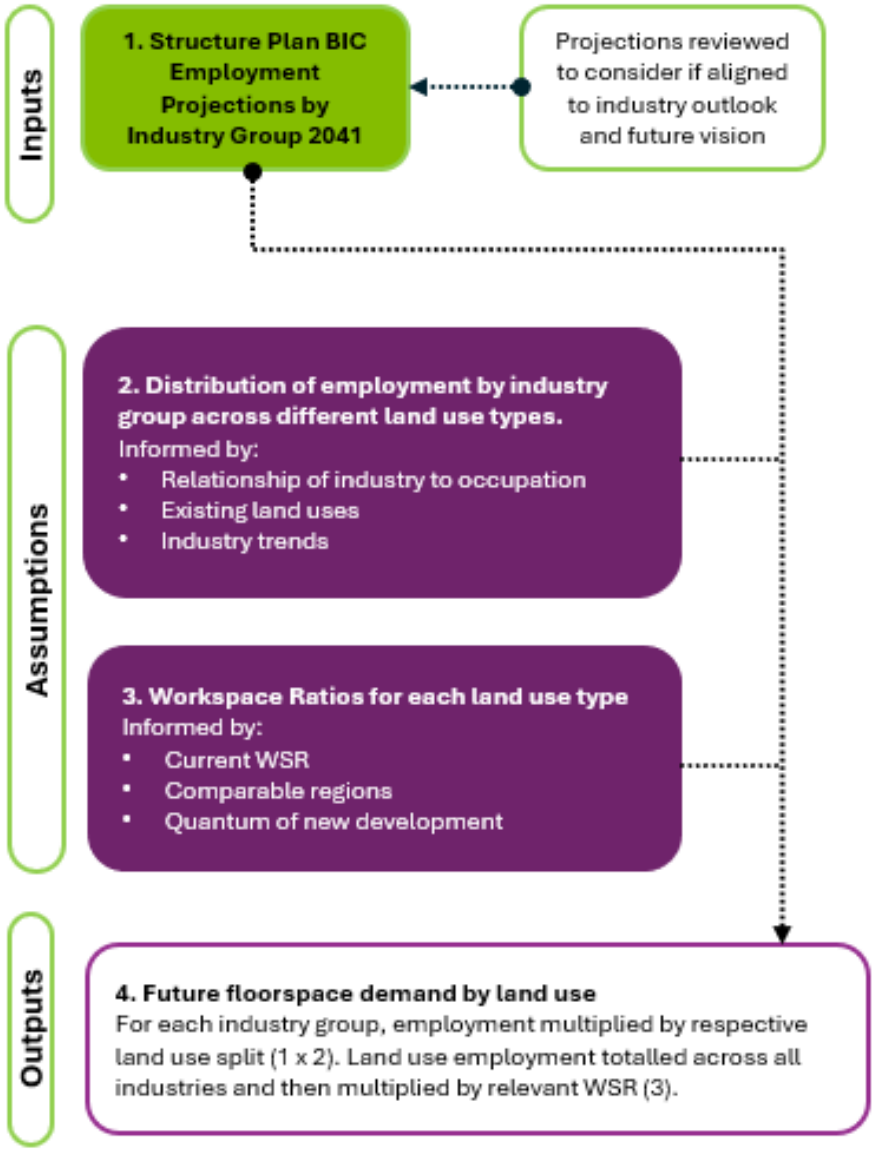


FIGURE E.1 OVERVIEW OF FLOORSPACE DEMAND ESTIMATION APPROACH

Employment land use shares in Box Hill

Below are the data inputs used to understand the distribution of workers by employment land use type in the Box Hill Structure Plan Area. As detailed in Section 7.3, this is based on a series of checks:

- **Check 1:** Understanding the relationship between occupations and industries in the Structure Plan Area to provide an indication of the type of floorspace or land use required for the occupation mix.
- **Check 2:** Understanding the existing relationship between occupations and floorspace by looking at the employment floorspace audit of the Structure Plan Area.
- **Check 3:** Projecting the future relationship between occupations and floorspace in 2041 by bringing together long-term industry trends, zoning information and employment floorspace data sets such as City of Melbourne CLUE data, to estimate the future shift in workers by industry toward different floorspace types

CHECK 1: RELATIONSHIP BETWEEN OCCUPATIONS AND INDUSTRIES

Figure E.2 shows a Sankey chart with the top 15 OCCP level 4 occupations found in Box Hill Structure Plan Area as at the 2021 Census to the left, with links highlighting the proportion that are within each of the 19 ANZSIC industries moving to the right. Occupations have the greatest link to floorspace typology, given they describe what an employee does at work.

For Box Hill Structure Plan Area, it is noted:

- A large share of workers work in health-related industries. This includes the top three occupations of registered nurses, receptionists and General Practitioners and Resident Medical Offices.
- The presence of the ATO gives a unique distribution of occupations for the Public Administration and Safety industry with a high share of call centre workers and regulatory officers.
- Of the most common occupations, those linked to industrial sector jobs include sales assistants, receptionists, and accountants. These occupations do not typically require traditional industrial use to accommodate them.

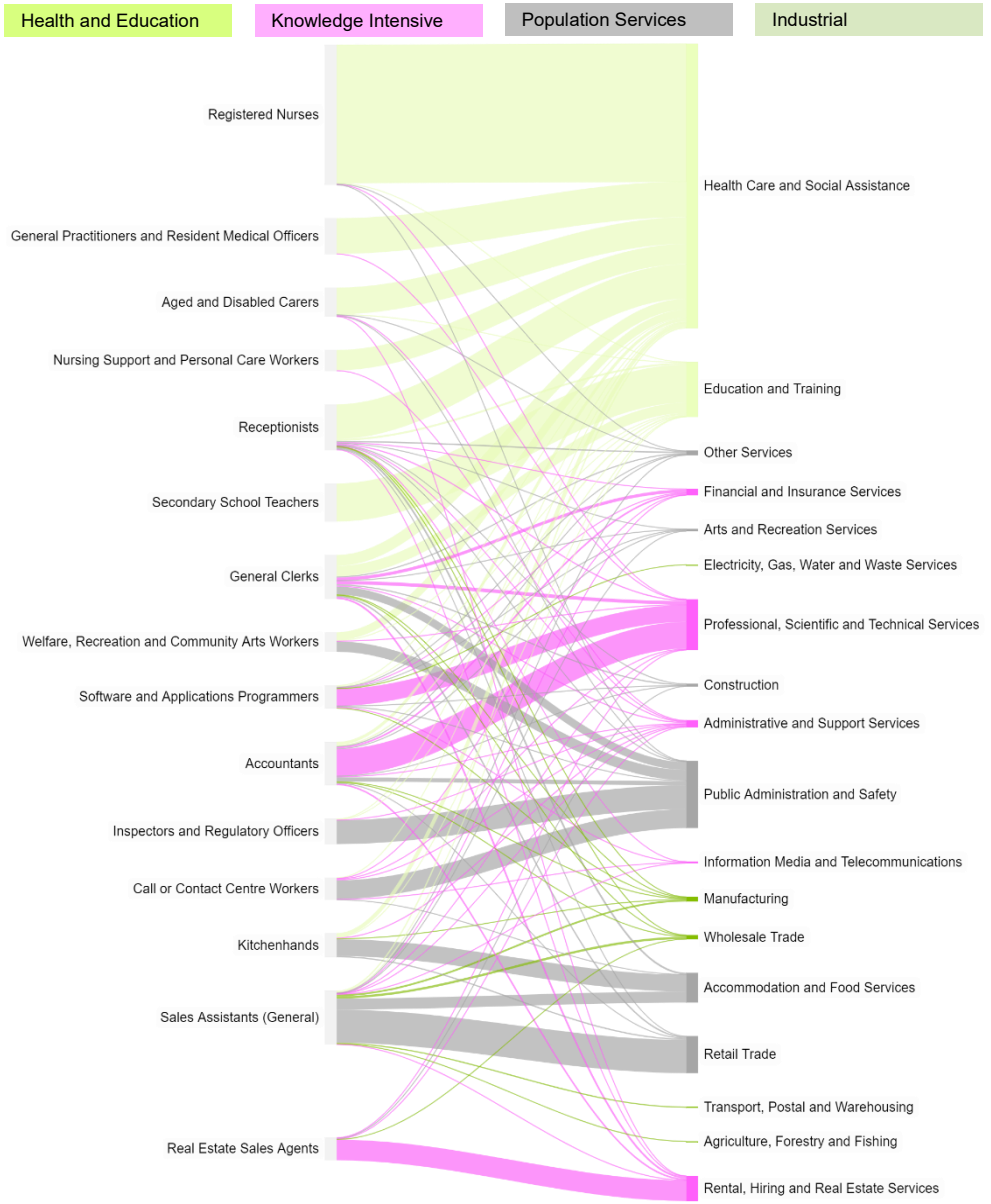


FIGURE E.2 EMPLOYMENT BY OCCUPATION BY INDUSTRY, BOX HILL STRUCTURE PLAN AREA 2021

Source: ABS

CHECK 2 AND 3: RELATIONSHIP BETWEEN WORKERS BY INDUSTRY AND LAND USES IN 2021 (2) AND MOVEMENT TO 2041 (3)

The table adjacent shows the estimated current split of workers by floorspace type in 2021, informed from the land use audit completed for the Structure Plan Area. A description of this audit is in Appendix A.

Where appropriate, tests have been undertaken to ensure known future supply would fit within the projected outcomes.

For Box Hill this analysis shows:

Evidently, office floorspace is the primary type of space across many industries in Box Hill.

Box Hill will be more oriented towards office floorspace than other SRL East Structure Plan Area due to:

- Low levels of industrial floorspace – this means any industrial industries that are in Box Hill are more likely to be office-based, white-collar positions that manage the operations of an industrial sector business.
- Large share of health and education uses which currently use office space – in line with trends in these industries, these industries are likely to use more office space in future.

Health floorspace is the dominant floorspace typology for health care and social assistance (90%) and similarly education is primarily within education floorspace (68%). Office is the second most common in both.

Retail floorspace is the primary use for other population services. This sector also has an estimated 21% of employees in office floorspace.

Trends into the future have been assessed with reference to Section 5 and iteratively adjusted through reviewing future developments outlined in Section 3.6.

TABLE E.1 BOX HILL STRUCTURE PLAN AREA LAND USE SHARE ASSUMPTIONS, 2021 AND 2041

	INDUSTRY SECTORS									
	PROF. SERVICES		HEALTH		EDUCATION		OTHER POPULATION SERVICES		INDUSTRIAL	
LAND USE	2021	2041	2021	2041	2021	2041	2021	2041	2021	2041
Office	72%	78%	5%	9%	18%	31%	21%	32%	58%	67%
Health	6%	8%	90%	89%	7%	8%	4%	4%	5%	4%
Education	0%	1%	0%	0%	68%	52%	1%	1%	2%	2%
Retail	1%	2%	3%	1%	2%	3%	58%	52%	22%	20%
Industrial	0%	0%	0%	0%	0%	0%	6%	2%	9%	5%
Public Use	18%	11%	2%	1%	0%	0%	3%	3%	3%	3%
Accommod'n	0%	0%	0%	0%	0%	0%	3%	2%	0%	0%
Entertainment / Recreation	2%	1%	0%	0%	5%	5%	4%	4%	0%	0%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

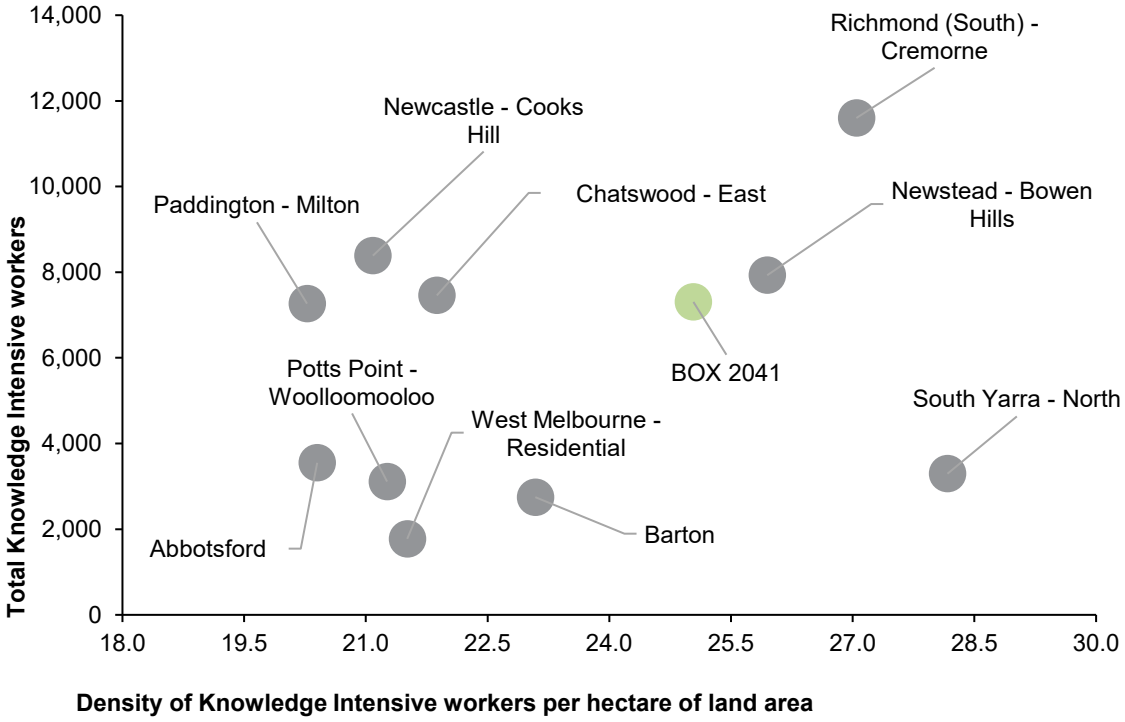
Source: ABS, CLUE, VPA, AJM JV

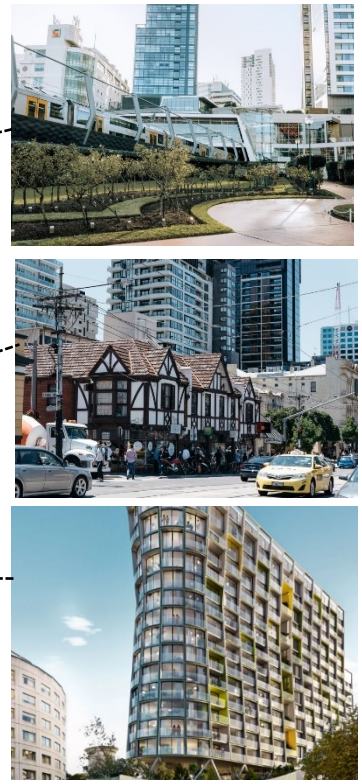
Workspace ratio approach for Box Hill

Workspace ratios represent the amount of floorspace allocated to each worker in a work environment. Although there are typical ranges that are often noted, these can fluctuate depending on factors such as location, industry sector, and the specific needs of individual businesses.

As detailed in Section 7.4, the final workspace ratio is selected following a series of checks:

Check 1: On a land area basis, what will be the density of employment in the Structure Plan and where is this comparable? This will help identify areas around Australia that are currently holding the density of workers that the Structure Plan will hold in the future. This prompts further investigation on the typologies that allow for this. The jobs that are compared are the most comparable industry or set of industries to that floorspace. In the example for office shown below, this is knowledge intensive industries defined for this purpose to include finance, insurance, professional, scientific and technical services, and real estate advisory services.





New office stock in comparable areas is medium to high rise office space and mixed use developments.

FIGURE E.3 BOX HILL 2041 WORKER DENSITY BY LAND AREA COMPARED TO AUSTRALIAN SA2'S

Source: 2021 ABS census for population aged 15+ workers by ANZSIC industry, imagery from real commercial advertising

Check 2: Understanding existing WSR in the Structure Plan Area, by combining by combining the audit of floorspace in the Structure Plan Area and the analysis of workers recorded by the ABS Census 2021. This provides a baseline for future shifts to be incorporated from, and more accurately estimate the need for floorspace. This is then shown in comparison to benchmarks from the City of Melbourne, City of Sydney and Perth to gain an understanding on where the Structure Plan sits currently and why. To bring the floorspace audit in line with the benchmark comparisons a translation of floorspace from GBA to GLA has to occur. This is estimated using building level data from CLUE 2016.Figure E.4.

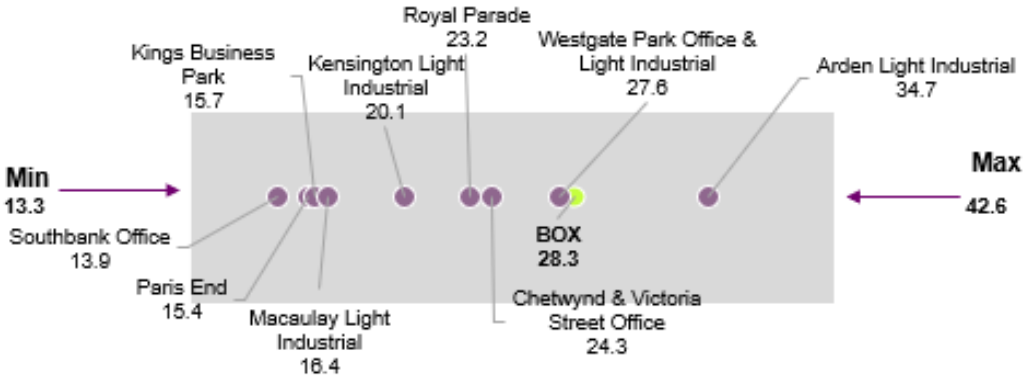


FIGURE E.4 BOX HILL OFFICE WSR IN COMPARISON TO BENCHMARKS

Box Hill currently has a low to mid density office work space ratio. It sits around areas of Melbourne that are made up of business parks and older low density stock.

Check 3: Again, bringing together benchmark data from the City of Melbourne and City of Sydney, the annual volume of floorspace growth in different areas is considered. This is checked against the range of growth scenarios that emerge by applying the 10th and the 90th percentile of workspace ratios in Check 2 against forecast the forecast jobs by type in the structure plan. For example, below shows that Box Hill would grow at between 3000 and 12,300 sq.m per annum from 2021 to 2041 if either the 10th percentile (14.5 sq.m per worker) or the 90th percentile (27 sq.m per worker) from Check 2 are applied to Box Hill's 2041 office jobs estimate.

Future growth in commercial office space in Box Hill is bound to be significant, with at growth placing it to be similar to Southbank (Melbourne).

This points to the moderately high number of office-based jobs that are expected within the Box Hill Structure Plan.

FIGURE E.5 COMPARISON OFFICE 10 YEAR ANNUAL GROWTH BY VOLUME (SQ.M)

Source for both figures: City of Melbourne 2016 Census of Land Use and Employment, detailed information with breakdown of floorspace types by building. CLUE (City of Melbourne floorspace census), FES (City of Sydney floorspace census) and PLUC (Perth land use census) data to get a range of workspace ratios to compare with Box Hill)

Check 4: Given a certain level of space as "new" and a certain level as "renovated" at different scenarios of growth, there will be a quantity of space left over as old floorspace in the Structure Plan Area. Within CLUE data, older floorspace has either remained constant or increased in its workspace ratio over time. By applying this assumption, the range of workspace ratios that can be applied to the Structure Plan Area can be further limited.

TABLE E.2 BOX HILL STRUCTURE PLAN AREA WORKSPACE RATIO ASSUMPTIONS

LAND USE	EXISTING WORKSPACE RATIO 2021	WORKSPACE RATIOS IN KNOWN BENCHMARK AREAS[1]	FUTURE PRECINCT COMPARABLE LOCATIONS[2]	TESTING WSR AGAINST PROJECTED EMPLOYMENT FLOORSPACE GROWTH	RECOMMENDED WORKSPACE RATIO FOR STRUCTURE PLAN 2041
Health	33.3 [GLA], 39.2 [GBA]	17.9 - 101.8 [GLA]	Fitzroy, South Yarra - West, Melbourne CBD - East	Current Box Hill workspace ratio (WSR) for health is high, comparable that of health around the Alfred Hospital in Melbourne. It would be expected that this would densify and push towards inner urban areas like East Melbourne at 20 – 30 sq.m GLA per worker. Future growth should be expansive due to the presence of the hospital, but should be lower than areas such as Parkville and Clayton that are larger health services. A workspace ratio of 25 allows for growth of just below 5000 sq.m per year which splits between Parkville and Carlton for annual growth.	28.0 [GLA], 33.0 [GBA]
Office	28.3 [GLA], 36.8 [GBA]	14.5 - 27.0 [GLA]	Newstead - Bowen Hills, Barton, Richmond (South) - Cremorne	Comparable precincts from a land area per worker basis are areas such as Cremorne and Newstead where there is a mix of medium and high density modern floorspace. Current workspace ratio is high compared to the range and should decline with expansive growth in modern, high-worker-intensity office floorspace. A workspace ratio of 21 sq.m per worker GLA allows for growth of above 7000 sq.m per annum and is in line with Redfern Street in Sydney. This will assume new space at around 14 sq.m and older space holding at around 28 sq.m per worker.	21.0 [GLA], 27.3 [GBA]
Education	85.9 [GLA], 101.0 [GBA]	30.4 - 110.6 [GLA]	Darlinghurst, Southbank - East, South Yarra - West, Surry Hills, North Sydney - Lavender Bay	Current workspace ratio is at the upper end of the range, and reflects a mix of education uses as well as potentially some Covid induced vacancy due to the technical university, which would have limited capacity without in person classes. Workspace ratio should decline somewhat, but in order for older stock to remain consistent and not decline or increase too drastically, the workspace ratio will need to remain around 75 – 85. A workspace ratio of 80 allows for increase in occupied space and growth just above the 50th percentile of growth within the sample of benchmark areas.	80.0 [GLA], 94.1 [GBA]
Retail	41.7 [GLA], 49.5 [GBA]	20.8 - 48.6 [GLA]	South Yarra - South, Glebe - Forest Lodge, Abbotsford, Hornsby - East, Rosebery - Beaconsfield	Floorspace modelled in the SRL East Structure Plan - Retail Assessment – Box Hill, Workspace ratios reduced to allow for more occupied space and a greater share of the retail market over time.	30.1 [GLA], 32.1 [GBA]
Public Use	31.1 [GLA], 41.5 [GBA]	24.9 - 428.8 [GLA]	Hobart, Canberra Airport, Greenway	Most of the future public administration and safety jobs, the primary industry for public use, are expected to move into office space over time due to overall trends and the presence of the ATO building. Workspace ratios moved towards the bottom of the benchmark range to limit expansion of public use floorspace.	28.0 [GLA], 37.3 [GBA]
Entertainment / Recreation	75.8 [GLA], 92.8 [GBA]	25.4 - 265.6 [GLA]	Parramatta - North, Albert Park, Randwick - South, Bondi Junction - Waverley, Paddington - Milton	Entertainment / recreation floorspace has a wide variance in workspace ratios across its' uses. Theatres and cinemas have high workspace ratios while whilst gyms are lower and pubs / bars are lower still. Growth in Box Hill's Entertainment / recreation will lean err towards the latter with the expansion of night time economies and fitness centres to service the growing population. Workspace ratios have been reduced to reflect this.	70.0 [GLA], 85.7 [GBA]

LAND USE	EXISTING WORKSPACE RATIO 2021	WORKSPACE RATIOS IN KNOWN BENCHMARK AREAS[1]	FUTURE PRECINCT COMPARABLE LOCATIONS[2]	TESTING WSR AGAINST PROJECTED EMPLOYMENT FLOORSPACE GROWTH	RECOMMENDED WORKSPACE RATIO FOR STRUCTURE PLAN 2041
	216.0 [GLA], 298.6 [GBA]	153.7 - 604.6 [GLA]	Melbourne CBD - North, Brisbane City	Commercial accommodation in Box Hill is expected to expand in line with high resident and business growth. Accommodation space that is currently missing from Box Hill is higher intensive, tourist oriented offers as well as larger business related offering. These should reduce the overall workspace ratio down towards the lower ranges of the benchmark areas.	200.0 [GLA], 276.5 [GBA]
	45.8 [GLA], 50.3 [GBA]	54.7 - 481.1 [GLA]	Murarrie, Braeside, Geebung, Bibra Industrial, Richmond (South) - Cremorne	There is currently very limited, small box industrial floorspace in Box Hill. Workspace ratios have been kept constant with limited jobs growth.	45.0 [GLA], 49.4 [GBA]

Note: Retail floorspace figure in this table is the mid-point of the GBA range outlined in the Retail Needs Report.

Source: AJM JV. Notes (1) The 10th to 90th percentile of workspace ratios were selected from the selected benchmark locations to remove outliers (2) Comparable locations were selected based on a review of employment density and development and building typologies across major Australian cities, similar to the anticipated outcomes in the Structure Plan Area

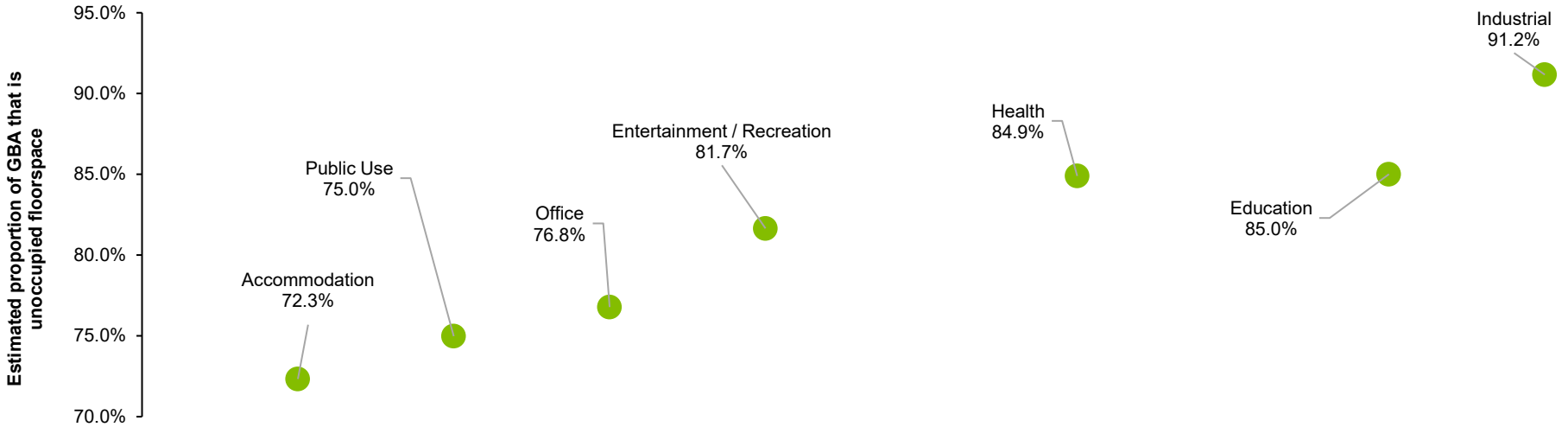


FIGURE E.6 BOX HILL STRUCTURE PLAN AREA GLA AS A SHARE OF GBA

Source: City of Melbourne building level CLUE data, obtained in 2017 for the calendar year 2016

Appendix F

Peer review report

Suburban Rail Loop East Precinct Planning Peer Review of Economic Technical Report Box Hill Station Precinct

14/02/2025

1.1 Scope of Peer Review

SGS Economics and Planning (SGS), led by Julian Szafraniec, have been engaged by White & Case together with Clayton Utz acting on behalf of the Suburban Rail Loop Authority (SRLA) to provide a peer review of the Box Hill Economic Profile Report (Technical Report) for the purpose of informing the Structure Plan (SP) and draft planning scheme amendment (PSA) for the Box Hill structure plan area (SPA).

SGS was first engaged in relation to this matter in early 2024, and through an iterative approach, has reviewed the housing and economic technical reports for all six SRL East precincts, along with the land use scenario and capacity assessment (LUSCA) report. This peer review report documents SGS' findings as they relate to the Technical Report (dated February 2025).

The peer review advice addresses:

- The appropriateness of the methodology used to translate employment projections (developed as part of the Business and Investment Case (BIC)) into various employment floorspace needs for the Box Hill SPA, specifically for the purposes of informing the SP and draft PSA.
- Understanding if the results of the analysis have then been appropriately presented and suitable precinct recommendations have been developed to inform the SP and draft PSA.

The peer review does not consider:

- Broader macro and regional trends, alternative employment growth forecasts for the SRL corridor or station precincts, or the appropriateness of earlier studies, such as the BIC.
- Other technical reports or matters, such as urban design, traffic and community infrastructure.
- The extent to which the recommendations from the Technical Report were ultimately used and implemented in the Box Hill SP and draft PSA.

1.2 Summary of peer review

The remainder of this peer review document is structured as follows:

- Section 1.3 provides a summary and peer review of the appropriateness of the method used in the Technical Report for the purposes of informing the SP and draft PSA. This is consistent across all six precinct peer review reports as a consistent method was applied.
- Section 1.4 provides a peer review of the results and recommendations for Box Hill SPA specifically.
- Section 1.5 provides final concluding remarks from the peer review of the Technical Report.

1.3 Appropriateness of methodology, assumptions and limitations

The Technical Report is split into four Parts, along with an Executive Summary and a set of Appendices. The same overall structure, and method, for determining employment needs within the SPA has been used consistently across all six SRL East precinct reports. In summary the structure is as follows:

- Executive Summary provides an overview of the analysis and recommendations in the report.
- Introduction (Section 1) details the scope, key definitions, key assumptions, limitations and how the report relates to other technical reports and the SP process.
- Parts A and B provide a summary of key regional and local policy and employment trends.
- Part C contains the core analysis work and details how employment projections were reviewed and translated into various employment floorspace needs for the Box Hill SPA specifically.
- Part D provides recommendations specific to Box Hill to inform the SP and draft PSA.

The advice contained within this section of the peer review report focuses on the appropriateness of the methodology used (primarily documented in Part C) along with key definitions, assumptions and limitations (largely summarised in Section 1 and the Appendices of the Technical Report). It also provides some commentary related to the appropriateness of the contextual research contained in Parts A and B.

Key inputs and interactions with other background technical reports

Given the scale of SRL, the evidence base to inform the SP process includes many technical and background reports which investigate specific issues and combine into an overall package.

A key input into the Technical Report is the 1600m catchment precinct employment projections which were derived using CityPlan as part of the BIC (August 2021). This is documented in Section 1.6 and in Appendix A of the Technical Report. How they have been used, limitations and uncertainty associated with those inputs are also clearly noted. This includes noting that these projections are strategic and should be considered indicative and that material events (i.e. COVID, 2021 Census) have occurred since their development. A key feature of the analysis method, discussed later, is also a review of these projections against the latest market trends and drivers to identify where risk and interventions might be considered as part of the SP process.

Another key input for the Technical Report is the 2021 ABS Census. The Technical Report appropriately notes that this data was collected during COVID-19 restrictions and that caution should be applied when using place of work employment data from that Census period. To mitigate this, the report also utilises 2011 and 2016 ABS Census and other datasets as part of the analysis to provide additional context, which is an appropriate response.

The Technical Report also interacts with other technical reports, including directly inputting to LUSCA (which SGS has separately completed a peer review of) and the SP. The scope and interactions with these other technical reports and the SP has informed the approach taken in the Technical Report. These interactions and broader body of work are clearly documented at Section 1.7 of the Technical Report and have been considered as part of the peer review - rather than considering the Technical Report purely in isolation.

Appropriate specification and application of definitions

For the Technical Report to appropriately inform a SP process, it is critical that any analysis directly relates to the SPA and planning horizon in question. Further, any definitions should be clearly defined and consistently applied to ensure results can be interrogated and correctly used in subsequent work.

These definitional aspects are primarily documented in Section 1 and Appendix A.

- Geography: the Technical Report results and recommendations specifically relate to the whole SPA (as summarised in Section 1.8 of the Technical Report). Various inputs consider alternative geographies, including a '1600m catchment' definition, travel zones and Local Government Areas. The Technical Report does not fully clarify the fact that the 1600m catchments were originally used for BIC employment projections, with assumptions made in the Technical Report analysis to apportion this down to the SPA. In Appendix A there is some commentary on spatial misalignment limitations generally, which are common in this type of analysis, but the specific method is not clarified. However, review of the results for each SRL precinct (further discussed in Section 1.4) indicate the apportionment is within plausible ranges and further analysis of the resulting SPA employment results as part of the method process has determined their suitability for informing the SP process. While the link to the BIC and clarification of approach appears to be lacking, I believe it has not actually materially impacted the results and recommendations used to inform the SP.

  In addition, the Technical Report includes no sub-precinct results, beyond high-level locational recommendations and opportunities in Section 11. While more spatially detailed analysis could often be contained within a Technical Report such as this, that analysis has been completed in the LUSCA and with input from other technical reports, such as Urban Design. When considered as a package of technical reports which inform the SP process, I believe this is an appropriate approach, but increases the importance of having clear definitions that are consistently applied across all technical reports.
- Time horizon: the Technical Report analysis considers employment needs out to 2041 (20 years from 2021 or 17 years from 2024). I believe this an appropriate planning horizon for SP purposes and is consistent with the planning horizon for housing.

  Employment and floorspace: how a job, or worker, is defined, and counted, can heavily influence how the results should be interpreted and used in other work. The definition of a job has been defined in Section 1.5, with the definition also consistent with the standard ABS definition. Job classifications by industry, based on standard ANZSIC definitions and a custom land use classification has also been documented. Various floorspace ratios have also been defined in Section 1.5 and used consistently throughout this report and in other technical reports. I believe these definitions are all clear and appropriately applied throughout the Technical Report.

Suitability of background policy and economic potential

Given the SRL precincts exist within an established urban context, it is critical that there is some analysis of the broader context and current state of the precinct and the economy. This contextual analysis helps establish the baseline trends and informs the economic and employment potential and plausibility of projections, key assumptions and the recommendations.

Part A and B of the Technical Report includes this contextual analysis:

- Part A details the relevant strategic context at state and local government level as well as providing a baseline understanding of the current economic outcomes for the precinct which provides the relevant

economic and employment data. Most data has been sourced from the ABS Census, but more recent data sources provide up to date context and additional information to inform the future outlook.

- Part B details the role of suburban employment hubs and the potential growth trajectory for professional jobs in the SPA. The report details key factors to support development in the precinct as well as case studies for other similar locations. This section also considers trends in specific industries, the changing nature of work and how this will influence future needs for the SRL precincts, as well as an analysis of strengths, weaknesses, opportunities and constraints for the SRL precinct.

Analysis of economic context is comprehensive, and the assessment of the SRL precinct policy status and potential seems reasonable. Part B further details the relevant trends and drivers influencing the SRL precinct and provides comprehensive and appropriate employment implications that should be considered when assessing the suitability of the employment projections and their alignment with established market conditions. The structure and use of consistent industry categories also enables this contextual analysis to be easily tracked and translated into the subsequent work around review of the forecasts and recommendations.

Identifying future employment floorspace needs

The core purpose of the Technical Report is to estimate the economic and employment floorspace potential of the SPA, to inform subsequent technical reports and the SP and draft PSA process.

Part C and Appendix D and E of the Technical Report details the method used to review and estimate the employment floorspace requirements. The broad steps are provided in Section 7.2, as follows:

- Review of employment projections (from the BIC) by industry group.
- Determine the distribution of employment across different land use types.
- Establish workspace ratios for each land use type.
- Calculate future floorspace demand.

These steps are discussed in further detail below:

- The first step involves a review of employment projections for the SPA from the BIC. As noted earlier, it is unclear from the Technical Report how employment projections for the SPA have been derived from the 1600m catchment data contained in the BIC. Despite this, they do seem broadly reasonable and consistent with BIC projections.

  It is clearly stated that projections have not been refined and only one future scenario (from the BIC) is considered. Instead, the focus of the review is to clearly highlight where growth is supported by the market/ trends or where risk exists or intervention is required. There are a range of suitable ways this aspect of the analysis could have been completed. Alternative or adjusted employment projections could have been developed as a result of the review. However, this would have required much broader (metropolitan wide) analysis (given the scale of SRL) to determine the plausibility of redistributions from/to other locations across Melbourne, which would have significantly expanded the scope of the Technical Report and potentially duplicated previous work. While updated projections and additional scenarios would be helpful, and might have addressed some limitations in the current projections, for the purpose of informing the development of the SP, reviewing the existing projection set, with clear commentary on risks, areas of flexibility, key opportunities and interventions required, is still an appropriate and efficient approach. This approach accepts that projections are inherently uncertain and places more focus on the general guidance and implications around the employment

projections for the SP to consider, rather than additional analysis that seeks to refine a single employment projection outlook which the SP should plan to.

- The translation of employment by industry to land uses is an effective approach that recognises the differences between employment industries and the spaces that different businesses within an industry occupy. This is important when seeking to convert the employment into floorspace requirements for the SP. The translation matrix has been derived based on local employment industry and occupation data, a comprehensive synthesised local land use audit and consideration of planning policy and economic trends. This method is clearly documented, and I believe results in a robust translation matrix which is specific to the SRL precinct and potential economic change in its future.
- Workspace ratios for each land use type and specific to the SRL precinct are derived from the City of Melbourne – Census of Land Use and Employment (CLUE) data and the local floorspace audit. It is also noted that the workspace ratios have been adjusted to reflect changes in built form attributes of new versus old floorspace as well as changes due to flexible working arrangements. This is all clearly documented and further evidenced with benchmarks in Appendix E. These ratios are all within typical industry standard ranges and the detailed approach ensures a more robust estimate of floorspace is calculated, as it reflects differences unique to each SRL precinct.
- Workspace ratios are then applied to employment by land use to determine floorspace requirements. This estimated demand is then thoroughly tested against a range of market criteria and case studies by land use type to determine how likely it is to be delivered by the market and what interventions and other consideration should be considered by the SP. I believe this is a robust assessment of the employment floorspace requirements within the SPA which clearly demonstrates some key opportunities and challenges or risks for certain employment sectors across the SRL precinct and which the SP will need to consider.

1.4 Station precinct analysis findings and recommendations

The following section considers how the method was applied to Box Hill SPA specifically and provides a review of the results and recommendations that have been developed.

Employment projection and spatial allocation

Table 1 below shows how employment growth is allocated to the SPA, relative to the wider 1600m catchment definition using data in Table 8.1 of the Technical Report. The second row, presenting the *SPA as share of 1600m Catchment* has been separately calculated to help with the peer review process. As of 2021 the SPA represents 88 per cent of the 1600m catchment for employment. For Box Hill, the SPA captures 99 per cent of net employment growth, which sees the share of all employment increase to 93 per cent by 2041.

For comparison, as of 2021 the SPA for all six SRL East precincts combined represents 73 per cent of their respective 1600m catchment's employment and combined they are estimated to capture 84 per cent of the 1600m catchment employment growth by 2041.

While there might still be industry and business regeneration outside the SPA area, in net terms essentially all additional employment will be directed into the SPA area. Given the established economic function of Box Hill (as noted in the Technical Report) and the residential nature of areas outside the SPA, I do believe, while a high proportion, this is still a possible outcome and would be consistent with recent market trends and policy planning for the precinct.

Some of the risks in achieving this growth are noted in the Technical Report, particularly around industrial employment growth, which if not realised would not materially detract from broader economic outcomes. There are also challenges in realising the education and professional services employment growth, which will need to be supported through the SP process. These challenges are identified in the Technical Report, with Recommendations 1, 2,3 and 4 focusing on realising office floorspace (key to professional services) and 7 and 8 focused on realising education growth outcomes.

Table 1: Employment change by geography, 2021-2041

	Projected employment (no.)		Change (no.)
	2021	2041	2021-2041
Structure Plan Area	18,500	38,700	20,200
SPA as share of 1600m Catchment	*88%*	*93%*	*99%*
1600m Radius Area	21,100	41,500	20,400
South East Region	753,500	1,211,900	458,400
Greater Melbourne	2,376,700	4,049,500	1,672,800

Source: Derived from Table 8.1 of the Economic Profile Assessment, AJM, Feb 2025

Employment and floorspace requirements by land use type.

The analysis indicates Box Hill will need to plan for 38,700 jobs (20,200 additional) that will require an additional 532,400 square metres of floorspace to be provided. This results in an average workspace ratio across all land use types of 36 square metres per worker, which appropriately reflects the more intensive economic and employment role of the SPA economy as a whole.

The following table summarises the results from Table 9.2 of the Technical Report where results have been presented as a share of the SPA total, to help with the peer review process. This highlights that the majority of additional employment floorspace will be Office and Health related (71 per cent combined), which is broadly consistent with the dominance of these land use types in the precinct currently and broader macro economic trends. The Technical Report recognises the importance of protecting the Box Hill health precinct's core function, along with the risks associated with the education and office floorspace growth. There is modest growth in industrial floorspace which is not a key feature of the Box Hill precinct and the Technical Report identifies this accordingly.

Table 2: Share of SPA employment and floorspace by land use, 2021-2041

	Total jobs % of SPA	Average WSR (GBA per worker)	Floorspace 2021, (GBA) % of SPA	Floorspace 2041, (GBA) % of SPA	Add' Floorspace 2021-2041 (GBA) % of SPA
Education	5%	94	16%	14%	9%
Health	36%	33	33%	33%	33%
Office	39%	27	23%	29%	38%
Public use	4%	37	6%	4%	2%
Retail	13%	32	13%	11%	9%
Accommodation	1%	277	3%	4%	4%
Ent / Rec	2%	86	4%	4%	4%
Industrial	1%	49	1%	1%	0%
Total	**100%**	**36**	**100%**	**100%**	**100%**

Source: Derived from Table 9.2 of the Economic Profile Assessment, AJM, Feb 2025

I believe the analysis appropriately translates the employment projections into relevant floorspace requirements for the SPA, to inform the SP process. The detailed assessment in the Technical Report then highlights a number of risks, challenges and opportunities in realising this outcome for the SP to consider and address. The assessment also clearly highlights that the employment projections are not fundamentally unrealistic, while they will still require some considerable shifts in existing market trends, other supportive interventions or flexibility in how some outcomes are achieved (i.e. industrial floorspace). I believe this combined analysis and market assessment should provide sufficient guidance for the SP process.

Recommendations

Section 11 of the Technical Report includes 13 Recommendations and 4 Opportunities to inform the development of the SP and draft PSA. These recommendations cover various aspects of different employment sectors including Office, Health, Education, Retail and Entertainment and other employment. They highlight the scale and form of growth that should be planned for and identify potential conflicts or barriers that should be addressed via the SP process.

In addition, the recommendations consider the preferred location for various employment uses within the SPA. There is a lot of focus on central Box Hill with supporting development around the core, which is consistent with the existing Box Hill urban structure. It also highlights key precincts (i.e. health and education) that should be protected. In general, these locational recommendations are appropriate and will need to be balanced alongside other technical reports as part of the SP process.

Opportunities are identified for developing a long term strategy for the health and education precincts to review the tertiary education offer while clearly defining what the role and purpose will be for each employment precinct with Box Hill.

1.5 Concluding comments of peer review

Overall, I believe, the final Technical Report's approach, findings and recommendations are an appropriate evidence base to inform the Box Hill SP and draft PSA.

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