SUBURBAN RAIL LOOP EAST

SRL East Draft Structure Plan | Clayton

Economic Profile Technical Report

More Homes For Victorians

VICTORIA State Government

Suburban Rail Loop

SUBURBAN RAIL LOOP AUTHORITY

SRL EAST DRAFT STRUCTURE PLAN - ECONOMIC PROFILE TECHNICAL REPORT - CLAYTON

FEBRUARY 2025

REVISION 01

AJM
Joint Venture

Document Control Record

Joint Venture

222 Exhibition Street, Melbourne VIC 3000

PO Box 23061, Docklands VIC 8012 Australia

DOCUMENT CONTROL			
Project Title	**Suburban Rail Loop East**		
Document Title	**SRL East Draft Structure Plan – Economic Profile Technical Report - Clayton**		
Document ID	**Technical Report G.2**		
Rev	**Date**	**Revision details/status**	**Author**
01	February 2025	For Exhibition	R. Quick
Current revision	01		

© Copyright 2025 AJM Joint Venture. The concepts, data and information contained in this document are the property of AJM Joint Venture. No part of this document may be reproduced, used, copied, published or adapted for use except in accordance with the provisions of the *Copyright Act 1968* or with the consent of AJM Joint Venture.

This document has been prepared for Suburban Rail Loop Authority (SRLA) in its role as a planning authority to inform the development of Structure Plans for each of the declared Suburban Rail Loop planning areas, as defined by Section 65 of the *Suburban Rail Loop Act 2021*. AJM Joint Venture accepts no liability or responsibility whatsoever for, or in respect of, any use of, or reliance upon, this document by any third party. Any third party using and/or relying upon this document accepts sole responsibility and all risk for using and/or relying on this document for any purpose.

This document is based on the information available, and the assumptions made, as at the date of the document. For further information, please refer to the assumptions, limitations and uncertainties set out in the methodology section of this document.

This document should be read in full and no excerpts are to be taken as representative of the findings.

Contents

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 Clayton.

PURPOSE OF CLAYTON'S ECONOMIC PROFILE

Understanding how Clayton'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.

CLAYTON'S ECONOMY TODAY

In 2021 Clayton Structure Plan Area supported 12,700 workers. This is slightly below the number of local residents at 14,200. Clayton's workforce contributes $52.7 billion to the Victorian economy annually. Over the past decade, job growth has been solid at 2.9% or 560 new workers per annum. There are fifteen large businesses with over 200 employees, and new business formation has been strong in the last decade.

ECONOMIC SNAPSHOT OF CLAYTON, 2021

Source: 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 CLAYTON, 2021

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

FINDINGS

Clayton’s economic base is built around the designated major Health Priority Area centred around Clayton’s Health Priority Area. A vibrant retail and dining strip south of the existing train line provides amenity to the region’s residents and other visitors.

In 2021, the Clayton Structure Plan Area had approximately 12,700 workers along with 14,200 residents. Almost 7 in every 10 workers were in the health sector.

Clayton's economy has experienced solid growth over the past decade, although almost exclusively driven by significant worker growth in the health sector which added around 3400 workers from 2011-2021. This sector remains a clear specialisation for Clayton and is likely to continue defining its future growth. Other industries have seen minimal growth, with the previously significant industrial sector declining dramatically as industrial land has been converted for residential or other uses.

Clayton's identity will remain anchored in its Health Priority Area, further solidifying its regional and metropolitan importance. A growing Health Priority Area will see the continued transformation of Clayton Road through the growth of a range of supporting services and amenities, including an increase in office space. Clayton's current activity centre will expand to support the growing resident and worker population. The significance of Clayton’s industrial activities is expected to diminish. Nevertheless, the industrial areas will continue to play a role in providing local business services.

CLAYTON 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	353,300	601,400	248,100
Industrial	118,800	152,200	33,400
Retail	58,600	81,200	22,600
Public Use	23,300	30,800	7500
Education	11,200	26,600	15,400
Office	10,800	96,400	85,600
Entertainment / Recreation	8100	20,200	12,100
Accommodation	600	8200	7600
Total	**584,700**	**1,017,000**	**432,300**

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

Source: AJM JV

RECOMMENDATIONS

The recommendations derived from this report area summarised below. The map at the end of this Executive Summary shows the locations referred to, with the numbers on the map referring to the number of the recommendations below.

Office floorspace

1. **Plan for around an additional 86,000 sq.m GBA of office space around Clayton's Health Priority Area and Clayton Activity Centre**. Additional office floorspace needed to support projected employment should be focussed on Clayton's Health Priority Area (when aligned with health activities) and a smaller provision in the core of the Clayton activity centre, within mixed use buildings (e.g. second level space above shops), supported by a high level of worker amenity. Industrial areas should continue to transition towards mixed employment uses including offices.

Health floorspace

2. **Support the significant growth of health floorspace in and around Clayton's Health Priority Area.** Structure planning should accommodate almost all the almost 250,000sq.m of the forecast health floorspace growth within Clayton's Health Priority Area. This may require extending the precinct to areas surrounding the hospital and along Clayton Road. A nominal amount of health floorspace further in the Clayton Activity Centre for smaller scale health users.
3. **Define a Health Priority Area boundary and consider the mix of uses supported within it.** Clearly defining the boundaries of the Health Priority Area to mitigate any potential encroachment from unaligned uses and help manage expectations of health space expansion.

Education floorspace

4. **Locate future school education floorspace on existing school sites, but also through smaller facilities around the Activity Centre**. The modelling indicates that this will be an additional 15,000sq.m GBA by 2041.

Retail and entertainment floorspace

5. **Consolidate retail floorspace within the existing Activity Centre core, with some provision around the Health Priority Area**. There is an estimated need for almost 20,000-23,000 sq.m GBA of additional retail floorspace. Most of which should be located in the Activity Centre, with a small provision to other locations such as the Health Priority Area and other existing local centres.
6. **Support entertainment and recreation uses in and around the existing Activity Centre.** In line with the retail and food and beverages (F&B) offer, complementary recreation and entertainment uses should be supported within the Clayton Activity Centre.

Industrial floorspace

7. **Support continued transition of industrial floorspace towards higher density employment uses, particularly around the northern part of the Audsley Street Employment Area.** The Audsley Street Industrial Area should remain an employment area, with an emphasis on intensifying employment activities particularly around the northern part of the Industrial Area.

Other employment floorspace

8. **Plan to support additional accommodation facilities around the Health Priority Area and Clayton Activity Centre**. The modelled floorspace indicates 1-2 small hotels or serviced apartment facilities could be supported.
9. **Support public use floorspace close to the core of the Clayton Activity Centre, potentially building on the existing civic precinct**. The requirement for new public facilities will increase in line with the growing population.
10. **Identify the employment role and mix for the redeveloped PMP Printing site**. The site is somewhat removed from existing employment areas and therefore is not an obvious employment location now that the previous industrial use has closed.

11. **Provide a high amenity environment for workers**. Ensure the Clayton Activity Centre and Health Priority Area have a high level of worker amenity to help attract a range of businesses

OTHER OPPORTUNITIES

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

- **Opportunity 1 - Health Priority Area Strategy -** Create a long-term strategy for the Health Priority Area to support the long-term growth of the precinct and activate the cluster with a wide range of complementary health, research, education and supporting uses. The Strategy should also define and leverage, Monash Health's role in the larger Monash NEIC and new opportunities to other complementary health and education hubs along the SRL Corridor.
- **Opportunity 2 - Clearly define role and focus for key employment precincts -** Realising Clayton's employment vision will require clear articulation of the role and priorities of key employment precincts through further economic development strategies. Aside from Clayton's Health Priority Area, discussed above, the key precincts are the Clayton Activity Centre, the Centre Road corridor and the Audsley Street Industrial Area. The potential economic roles for these precincts are described in this report.

School education on existing education sites inside Structure Plan and around the Activity Centre

4

Consolidate retail to existing core, south of railway line. Some retail provision north of railway line to support offices and health uses

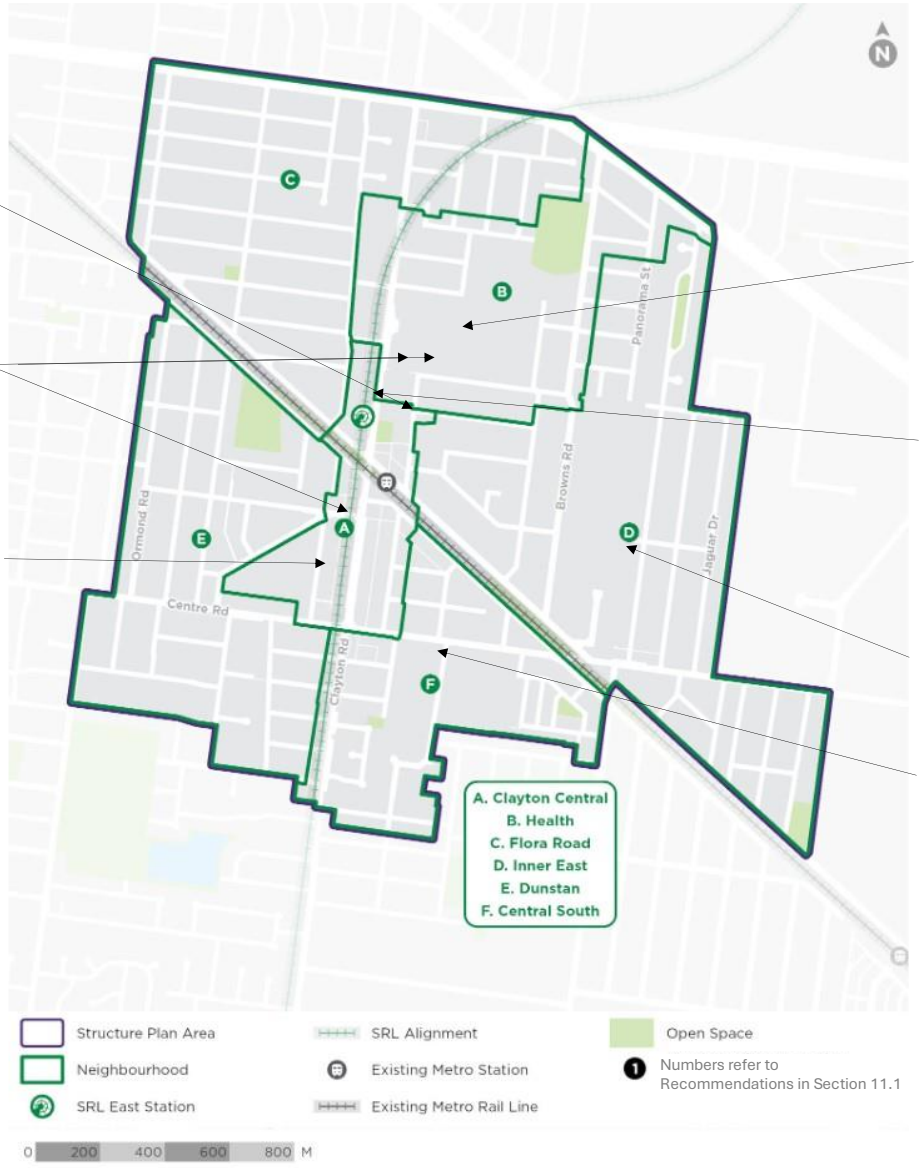
5

Increase the provision of retail, entertainment, accommodation, and public uses to support increased resident and worker growth

5 6 9

Provide a high amenity environment for workers

11



Health Precinct and Clayton road corridor towards SRL East Station focus for future health and related floorspace. Define boundary of the Precinct to accommodate long term growth

2 3 5 8

Focus future office floorspace between Clayton activity centre and the Health Precinct , close to the SRL East Station

1

Identify the employment role and mix for the redeveloped PMP Printing site

10

Transition industrial uses around Audsley Street to higher density employment uses, particularly the northern part along Centre Road

7

ES1 LOCATION RECOMMENDATIONS FOR FUTURE EMPLOYMENT FLOORSPACE IN THE CLAYTON 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 southeast. 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 Clayton 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 at 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 Clayton 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.

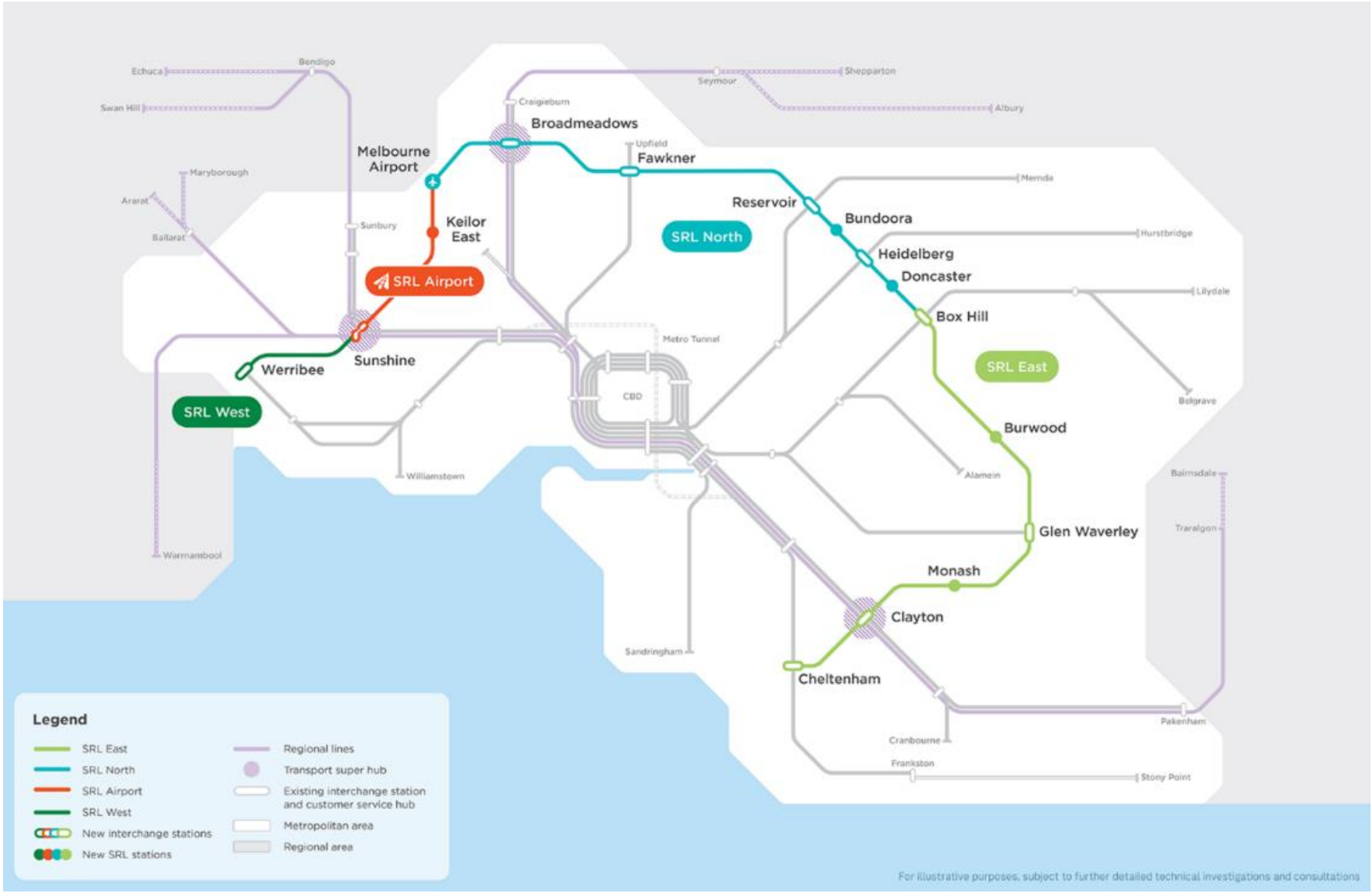


FIGURE 1.1 SUBURBAN RAIL LOOP

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 Clayton 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.

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 summarises the findings of the assessment and provides recommendations to consider when developing the Structure Plan.

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 – Clayton* 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 – Clayton* report informs, or is informed by other reports prepared to guide the development of SRL East Structure Plans:

- *SRL East Housing Needs Assessment – Clayton*: 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 – Clayton:* 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 - Clayton:* 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 - Precinct Parking Plans - Clayton:* 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.
- *SRL East Structure Plan – Transport Technical Report - Clayton:* 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.

1.8 Structure Plan Area

1.8.1 CLAYTON STRUCTURE PLAN AREA

The Clayton Structure Plan Area surrounds the SRL station at Clayton in the cities of Monash and Kingston.

The Structure Plan Area is generally bordered by North Road / Wellington Road to the north, Ormond Road to the west, residential lots between Alward Avenue and Murdock Street, and parts of the Dandenong Line to the south, and Kombi Road and Buckland Street to the east.

Dandenong Road is a major road, running in a northwest to southeast alignment through the edge of the Structure Plan Area. The existing Cranbourne / Pakenham Line intersects the Structure Plan Area in a north-south alignment.

The Clayton 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, CLAYTON STRUCTURE PLAN AREA

POPULATION TYPE	2021	2041
Workers	12,700	29,600
Residents	14,200	26,900

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

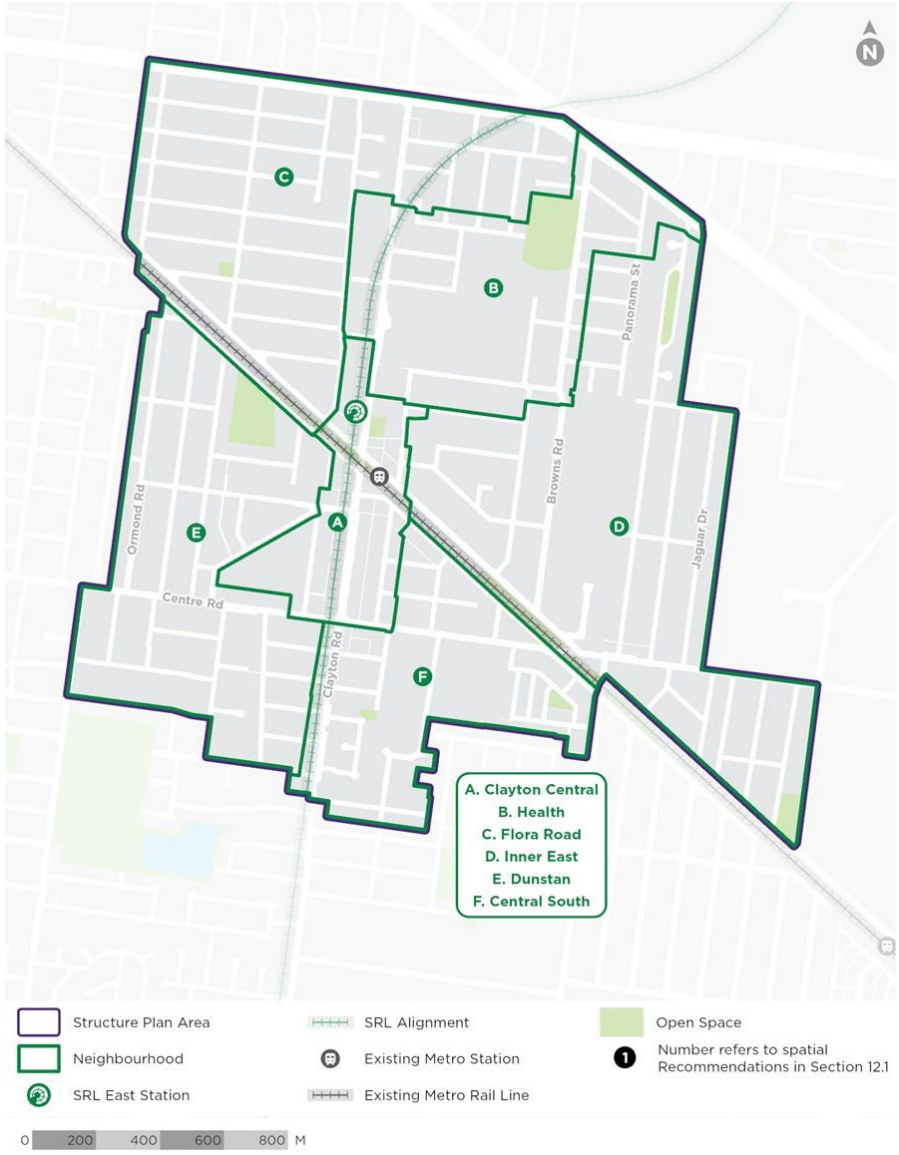


FIGURE 1.2 CLAYTON STRUCTURE PLAN AREA

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 .

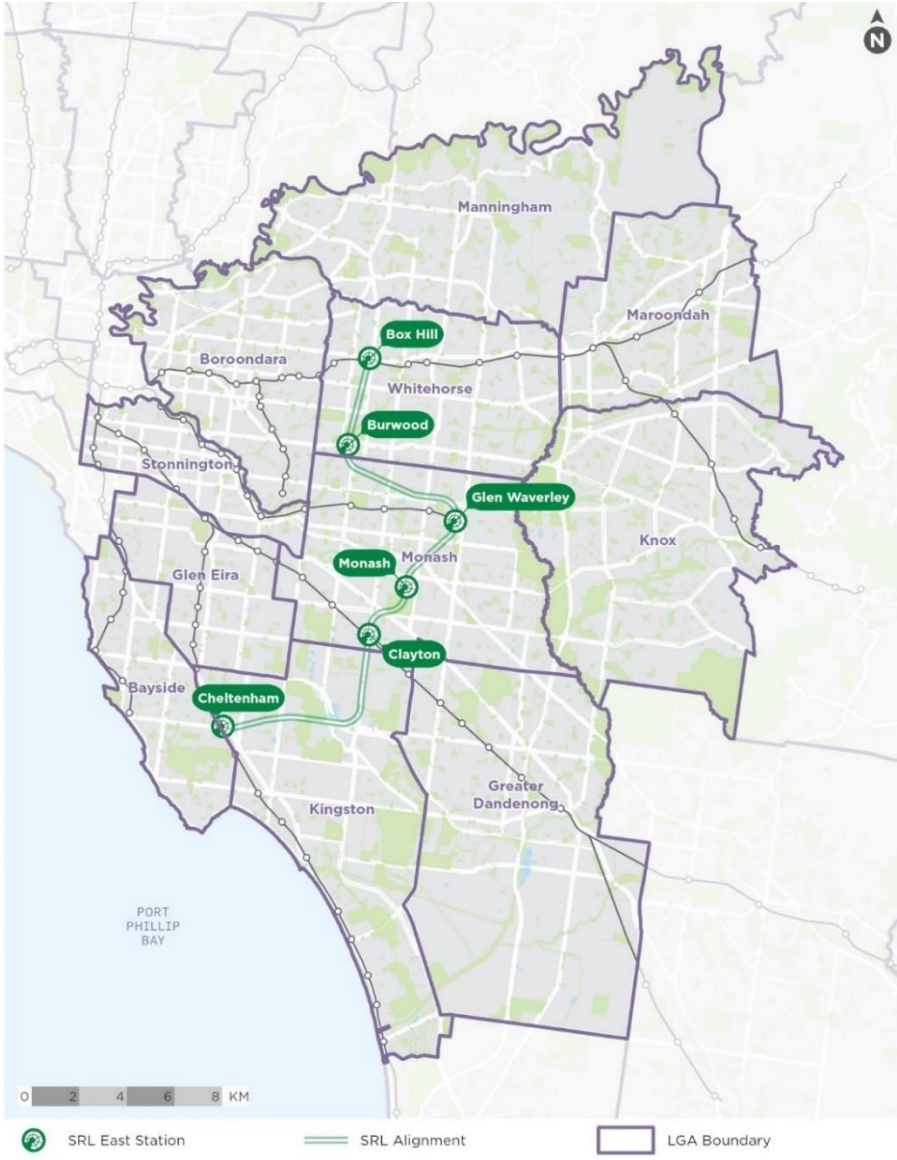


FIGURE 1.3 SOUTH EAST REGION

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 National Employment and Innovation Clusters (NEIC)

Plan Melbourne provides the following general description of NEICs:

> *Designated concentrations of employment distinguished by a strong core of nationally significant knowledge sector businesses and institutions that make a major contribution to the national economy and Melbourne's positioning in the global economy.*[2]

The Victorian Government acknowledges that the concentration of linked businesses and institutions within each NEIC across Melbourne, make a crucial contribution to the Victorian economy. There are strengthened by strong public transport, and capacity to facilitate future growth in jobs and housing.

Clayton forms part of the southern half of the Monash NEIC in Plan Melbourne and is home to institutions such as the Monash Medical Centre and Children's Hospital, Clayton Major Activity Centre, and some industrial land.

2.1.1.2 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.*[3]

[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

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

Recognised as primary hubs catering to regional catchments, MACs are envisioned to serve as focal points for public transport services and play a major service delivery role with a range of major health, retail, community, government, entertainment and cultural facilities.

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

The area centred around the existing train station and the Clayton Road retail strip is designated as a Major Activity Centre within Plan Melbourne. Plan Melbourne defines major activity centres as important suburban centres outside of the city centre that provide access to a wide range of goods and services. They are diverse in their function, and in some cases serve larger sub regional catchments.

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 support local economies and the development of 20-minute neighbourhoods.*[4]

2.1.1.3 Health and/or education precincts

Plan Melbourne also 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'*.[5]

Clayton is identified as a Health Priority Area owing to the presence of the Monash Medical Centre and Children's Hospital which forms part of the Monash NEIC. This is distinct from the Monash Health & Education Precinct which includes Monash University to the north of Clayton.

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

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

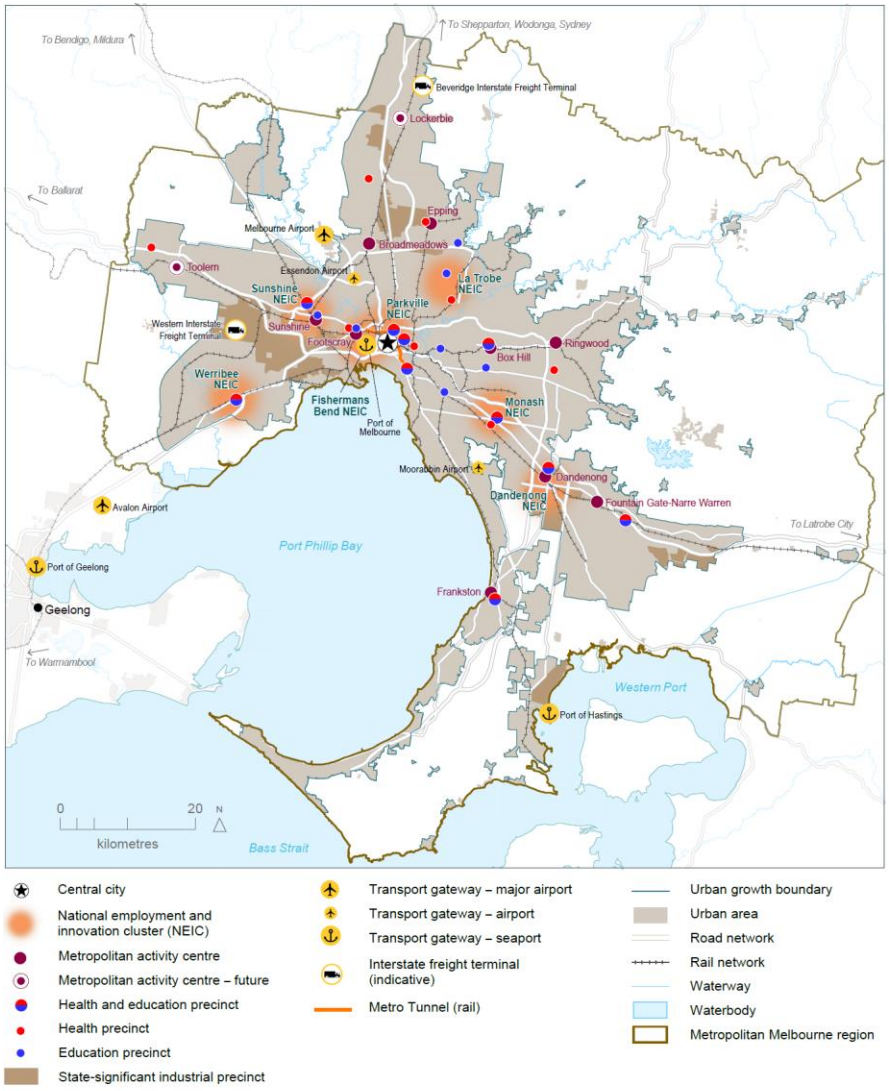


FIGURE 2.1 JOBS AND INVESTMENT ACROSS MELBOURNE

Source: Department of Transport and Planning

2.1.1.4 The 20-minute neighbourhood

To create a healthier and more inclusive city, Plan Melbourne adopts the principle of 20-minute neighbourhoods. The 20-rminute 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'.*[6] 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

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

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:

1. Identifying and setting aside adequate long-term industrial and commercial land supply to support future industry and business growth
2. 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
3. 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
4. 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, with **the Clayton Road strip designated at a regionally significant commercial area.**

The PMP site and the Audsley Street industrial areas are identified as locally significant precincts, with the regionally significant areas just outside the Structure Plan Area.

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 metro region of most relevance to Clayton is the Eastern Metro region, although the southern part of the Structure Plan Area does fall in the Southern 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.

It 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.*

The framework 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 underutilised land and surplus state and local government land.

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

As a designated Health Priority Area, Clayton contributes to the Eastern Metro region's strength in health and medical technology. Further development of the Clayton Activity Centre and Clayton Business Park will continue to contribute to economic activity in the coming decades. The framework identifies the **following economic opportunities for Clayton:**

- 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 Priority Area and attract allied sectors.

The following strategies relate to employment outcomes in Clayton:

- **Strategy 1:** Strengthen Monash NEIC as a pre-eminent healthcare, education, technology, advanced manufacturing and health research provider and activity cluster in the Eastern Metro Region
- **Strategy 2:** Facilitate land use and economic intensification of the Monash NEIC to leverage transport infrastructure investment and improved public transport connectivity, including SRL
- **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 6:** Improve transport connections between health and/or education precincts in the Eastern Metro Region, particularly north-south connectivity
- **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
- **Strategy 15:** Maximise investment opportunities for start-ups and/or creative industries in the Bayswater Business Precinct, Scoresby-Rowville Industrial Area and Clayton-Mulgrave Industrial Precinct (within Monash NEIC) and across the activity centre network to support innovation and collaboration.

2.1.3.2 Draft Southern Metro Land Use Framework Plan

The Eastern Metro region comprises the municipalities of Kingston, Greater Dandenong, Casey, Frankston, Mornington Peninsula and Cardinia.

It is a diverse area, covering established and growth residential areas, green wedge land, and major employment areas such as the **Dandenong National Employment and Innovation Cluster (NEIC), part of the Monash NEIC, and the Port of Hastings.**

This framework identifies the impact SRL East can have in the Southern Metro Region with Clayton as a transport super hub & interchange station:

> *Clayton will be both a leading health cluster and 'transport super hub' for Melbourne's southern metropolitan and Gippsland region. Home to world-standard healthcare and leading-edge commercialised research and development innovations, it will also be a hub for local living services and maintain a high amenity environment.*[7]

Relevant to Clayton, the Plan states that:

> *Further development of Clayton Major Activity Centre as part of an SRL precinct would also increase residential density, and Clayton Business Park and the regionally-significant industrial precincts will provide a range of complementary uses and enable more workers to live closer to where jobs are located*[8]*.*

[7] Draft Southern Metro Land Use Framework Summary (2021) Chapter 4 Page 30

[8] Draft Southern Metro Land Use Framework (2021) Chapter 4, Page 26

The **Key Directions for the Monash NEIC[9] in the Plan relevant to Clayton are:**

- Improve north-south permeability including improving opportunities for pedestrian and cycling connections to Monash University
- Support the expansion of the medical precinct centred around Monash Medical Centre Clayton and Clayton Road as a main employment area
- Encourage the co-location of health-related land uses around Monash Medical Centre Clayton and Monash University.

2.2 Local government policy

The Monash City Council has produced some key policy documents to guide development in the municipality and Clayton specifically, these being:

- Monash Council Plan 2021-2025
- Monash Economic Development Strategy & Action Plan 2018
- Clayton Activity Centre Precinct Plan 2020
- Monash Planning Scheme.

Given the Audsley Street Industrial Area forms part of the Clayton Industrial Area, the following City of Kingston documents are also of relevance to the Clayton Structure Plan Area:

- Kingston Planning Scheme
- Kingston Industrial Development Strategy 1999
- Kingston Council Plan 2021-2025
- Prosperous Kingston.

2.2.1 CITY OF MONASH COUNCIL PLAN

The Monash Council Plan articulates the strategic priorities for the council area over the medium term and encompasses four key pillars designed to ensure that Monash is a place that is sustainable, inclusive, an enhanced experience and has good governance.

With respect to how the Council anticipates improving the employment and economic diversity of the area, **the Plan states that it will support businesses and investment to drive jobs growth to create a sustainable economy for the future**. Other priorities include improvements to public spaces and local employment through revitalising employment hubs, activity centres and neighbourhood shops.

2.2.2 MONASH ECONOMIC DEVELOPMENT STRATEGY & ACTION PLAN

Aligned with the Council Plan the Monash Economic Development Strategy & Action Plan 2018 constructs a framework that consolidates Monash's economic role as an integral location for research, health, education, and innovation within Victoria. **Key strategic areas include:**

- Support for new businesses, allowing industries to grow and prosper
- The creation of diverse employment precincts that are connected and integrated to other activity centres in Melbourne, offering a range of opportunities
- Facilitating economic growth and prosperity through diversity of collaboration and innovation
- Building initiatives that will attract investment, industry leaders, innovators, and emerging talent.

Each of these key areas are underpinned by various objectives to maximise the City of Monash's contribution to Victoria, particularly in knowledge intensive industries.

The Monash NEIC is discussed as part of strategic area two which seeks to create attractive areas for business:

> *Objective 2.1 - Support the development of the Monash National Employment and Innovation Cluster to be globally recognised as a premier*

[9] Draft Southern Metro Land Use Framework (2021) Chapter 4, Figure 9

business location with highly skilled jobs, and internationally recognised education, research, ideation and entrepreneurship in a high quality, accessible urban environment.[10]

The Council committed to work collaboratively with state government to plan for and promote the NEIC, and to advocate for high quality transport to serve the cluster.

Another objective relates to planning for attractive and vibrant employment precincts. The Clayton Activity Centre is identified in this regard:

- Set out a clear transformative vision for the future growth and development of the Huntingdale and Clayton Activity Centre Precincts as a key component of the Clayton Health Education and Research Precinct (CHERP) and Monash NEIC.
- Prepare Precinct Plans for Clayton and Huntingdale to guide the long-term planning and development of these areas.[11]

2.2.3 CLAYTON ACTIVITY CENTRE PRECINCT PLAN

The Clayton Activity Centre Precinct Plan 2020 was released as an action from Objective 2.2 in the Monash Economic Development Strategy & Action Plan: *prepare Precinct Plans for Clayton and Huntingdale to guide the long term planning and development of these areas.*

The Precinct Plan recognises the role Clayton plays in supporting the Monash NEIC and articulates that **it has an opportunity to contribute significantly to the employment targets, specifically through providing employment in health**. An important contributing factor to the strength of Clayton is its proximate access to key transport corridors, which will likely improve as the precinct becomes a transport super hub in the coming decades.

The plan envisions that **Clayton will become a major health, employment and innovation hub**, while also providing a thriving commercial precinct:

Centrally located within the Monash NEIC, Clayton is a vibrant and diverse centre offering a range of learning, employment and lifestyle opportunities. It is a convenient centre where people can access major health, education and transport destinations along people focused streets.[12]

Consistent with state and regional policy, strategies that will enable Clayton to achieve the vision set out in the Precinct Plan involve enhancing the connection key employing assets have with transport infrastructure. In Clayton, this means improving accessibility between the Monash Medical Centre and new and existing train lines.

The Precinct Plan provides significant detail around the Council's vision for the Activity Centre through a series of nested objectives, strategies and actions. **The objectives under the heading of activities and land use are as follows:**

- To support future retail and hospitality growth within the Clayton Activity Centre
- To strengthen Clayton as the focus for health and medical uses within the Monash National Employment and Innovation Cluster
- To provide a diverse range of business services and employment opportunities within the Activity Centre
- To provide community, civic and cultural facilities and services that cater to the needs of existing and future populations
- To provide a diverse range of housing types within the Activity Centre that caters to the needs of existing and future residents and meets expected population growth.

[10] Economic Development Strategy & Action Plan (2018) Page 20
[11] Economic Development Strategy & Action Plan (2018) Page 21
[12] Clayton Activity Centre Precinct Plan (2020) Page

2.2.4 MONASH PLANNING SCHEME

The Monash Planning Scheme reinforces the role that Clayton plays in driving economic activity in Melbourne's South East, particularly with its employment in the health sector. Importantly, it recognises the flow on effects that employment in knowledge-intensive industries can create for the wider community, and in attracting further businesses to the area. Clayton is identified as important activity centre that will continue to grow in the coming decades and along with Glen Waverley and Oakleigh.

2.2.5 KINGSTON PLANNING SCHEME

The clause of most relevance to the Clayton Structure Plan Area within the City of Kingston Planning Scheme is that relating to industrial land supply.

Clause 17.03-1L – Industrial land supply in Kingston

This policy applies to all land identified on the industrial plan at Clause 02.04. Various strategies are included for industrial land development and subdivision.

The strategies are:

- Avoid retail and office uses locating in industrial zones, except where such uses form part of an integrated *development plan for industrial estates*
- *Support the establishment of office uses and the continuation of existing restricted retail uses in the Garden Industrial estates*
- *Retain undeveloped land in large holdings located in industrial zones until it is required for industrial development*
- *Avoid the development and subdivision of small industrial units, particularly in areas where there is already a high concentration of smaller units*
- *Limit retail, restricted retail and ancillary uses such as wholesale outlets in industrial areas*
- *Protect industrial land from encroachment of uses that are incompatible with 24 hours industrial operation*
- *Support the redevelopment and consolidation of land in older industrial areas to better accommodate the needs of modern industry*
- *Discourage the expansion of existing extractive industries, land filling operations, materials recycling facilities or transfer stations on land north of Kingston and Heatherton Roads*
- *Encouraging the provision of a variety of lot sizes, with an emphasis on larger lots, when subdividing industrial land.*

2.2.6 KINGSTON INDUSTRIAL DEVELOPMENT STRATEGY, 1999

This Strategy provides an assessment of industrial precincts within the Kingston municipality. The Audsley Street Industrial Area forms part of Precinct 08: Clayton Industrial Area, Clayton, which comprises small intensive manufacturing and service industries, is identified as an area for revitalisation. **It is recommended that the Audsley Street Industrial Area retains smaller industries with a broad range of large and small manufacturing and service industries across the wider precinct**.

It is noted that Prosperous Kingston, which provides a framework for economic sustainability for the municipality, indicates the future development of an updated Industrial Precincts Employment Strategy.

2.3 Implications for Clayton Structure Plan

SRL East 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. Clayton is a Major Activity Centre and also forms the southern part of the Monash NEIC. Structure planning can support Clayton to deliver more employment opportunities.
- Local and regional policy documents consistently support increasing local employment opportunities around Clayton. Employment growth should leverage Clayton's role in the Monash NEIC and support the expansion of the medical precinct centred around Monash Medical Centre Clayton and Clayton Road as a main employment area. Important to this will improving accessibility between the Monash Medical Centre and new and existing train lines.
- The existing Clayton Road retail and food and beverages (F&B) strip is of regional significance and will continue to provide a range of services and amenities to support the growth of the Clayton. The PMP site and the Audsley Street industrial areas are identified as locally significant precincts.

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

Clayton Structure Plan Area includes the retail and commercial areas along Clayton Road, the existing railway station, Monash Medical Centre and various uses along Clayton Road towards Monash University and Monash Precinct. Clayton forms the southern part of the Monash National Employment and Innovation Cluster (NEIC).

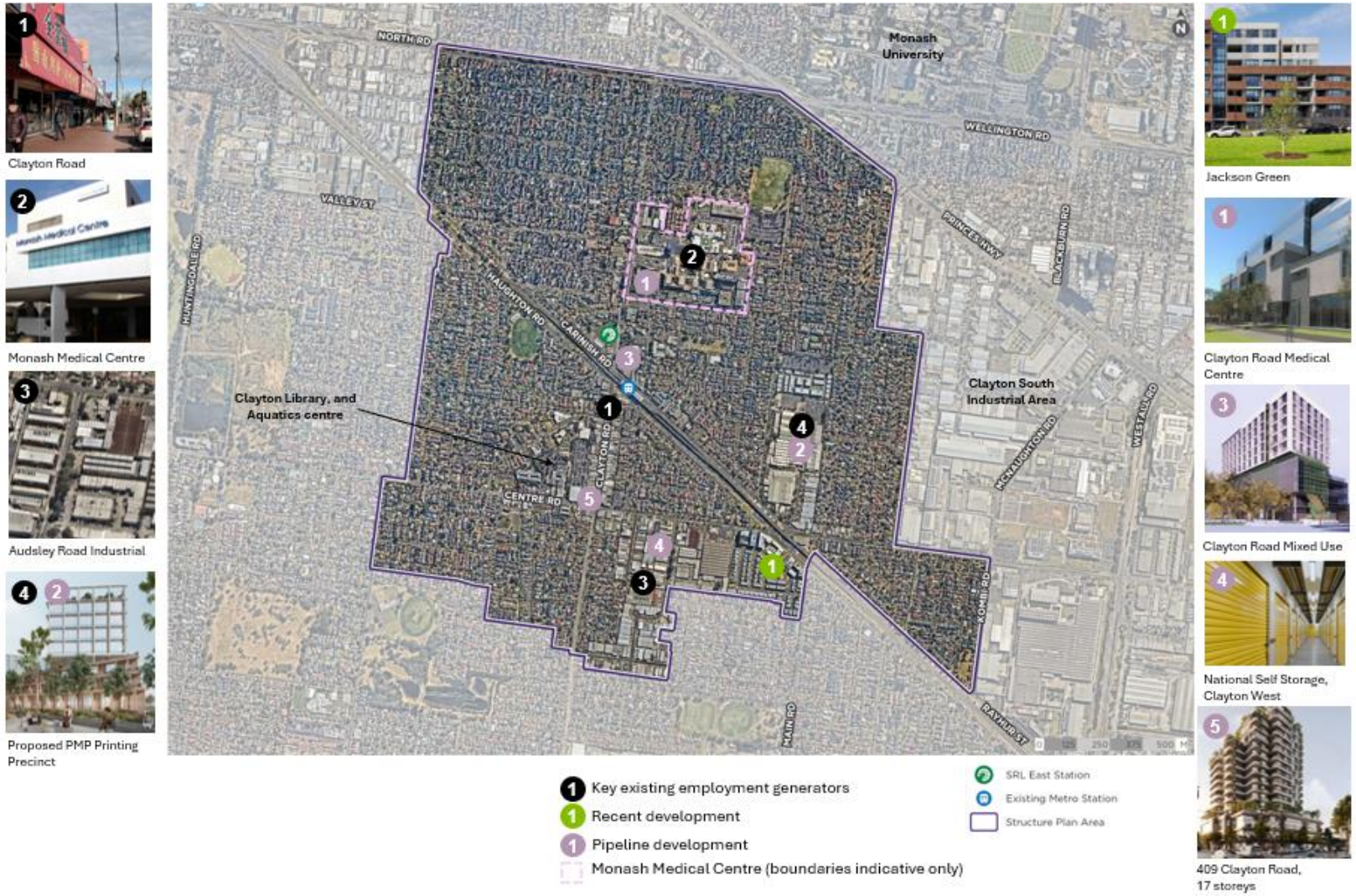
The key employment generators within the Structure Plan Area are shown on the map adjacent and include:

- Clayton Road, south of the existing railway line, is a vibrant street-based activity centre of retail and F&B. There is a large community/recreation space to the west. North of the existing railway line Clayton Road contains a wide mix of uses including health clinics, small offices and retail.
- Monash Medical Centre is a tertiary teaching and research hospital with 640 beds. It provides specialist care to Melbourne's south-east. It is collocated with the Monash Children's Hospital. A range of smaller health and allied health uses are situated around the hospitals in surrounding streets and along parts of Clayton Road. Victoria's largest public health service provider, Monash Health, operates many of the health uses here. This area is referred to as Clayton's Health Priority Area.
- The industrial precinct south of Centre Road in the Audsley Street area contains a range of medium-large scale industrial lots used by for a range of activities. As discussed in Section 2, this area is designated a locally significant industrial area. The eastern part of this precinct was redeveloped over the last decade for residential uses as part of the Jackson Green development.
- PMP Printing Precinct is a 10ha former industrial renewal site with approved plans for mixed use development including 1180 dwellings and 1000 jobs13.

There are substantial industrial areas which are located just outside the Structure Plan Area. These include the industrial areas to the east of the boundary which are part of the regionally significant industrial areas of the Monash NEIC.

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.

[13] Amendment C156mona, VPA, Available at: https://vpa.vic.gov.au/project/pmp-printing-precinct/



Source: Urbis

FIGURE 3.1 EXISTING EMPLOYMENT LOCATIONS AND FUTURE SUPPLY, CLAYTON STRUCTURE PLAN AREA[14]

Source: AJM JV

[14] Note: Numbering for existing employment refers to numbers used on previous page (eg. Monash Medical buildings are marked '2' 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

Below is an economic snapshot of Clayton Structure Plan Area. In 2021, Clayton supported 12,700 workers which is slightly below the number of local residents at 14,200. Clayton's workforce contributes approximately around $52.7 billion to the Victorian economy annually. Over the past decade, job growth has been solid at 2.9% per year annum, which is around 560 new workers per annum. There are fifteen large businesses with over 200 employees, and new business formation has been strong in the last decade. Further details are provided in Appendix B.

FIGURE 3.2 ECONOMIC SNAPSHOT CLAYTON STRUCTURE PLAN AREA

Source: 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 Clayton industry profile is summarised in Figure 3.3 and Figure 3.4. The Clayton Structure Plan Area comprised of 12,700 workers in 2021, compared to 9500 in 2011. Overwhelmingly the predominant industry in Clayton is Health Care and Social Assistance, tied to the Health Priority Area. Retail Trade and Accommodation and Food Services employment is also strong, attached to the Clayton Road strip. The decline in industrial sector employment has been significant. More details are provided in Appendix B.

Top Industries by Volume of Workers, 2021

1	Health Care and Social Assistance
2	Retail Trade
3	Accommodation and Food Services

Top Industries by Jobs Growth, 2011-2021

1	Health Care and Social Assistance
2	Accommodation and Food Services
3	Retail Trade

Bottom Industries by Jobs Growth, 2011-2021

1	Manufacturing
2	Wholesale Trade
3	Electricity, Gas and Waste Services

Top Industry Specialisations, LQ 2021*

1	Health Care and Social Assistance
2	Transport, Postal and Warehousing
3	Accommodation and Food Services

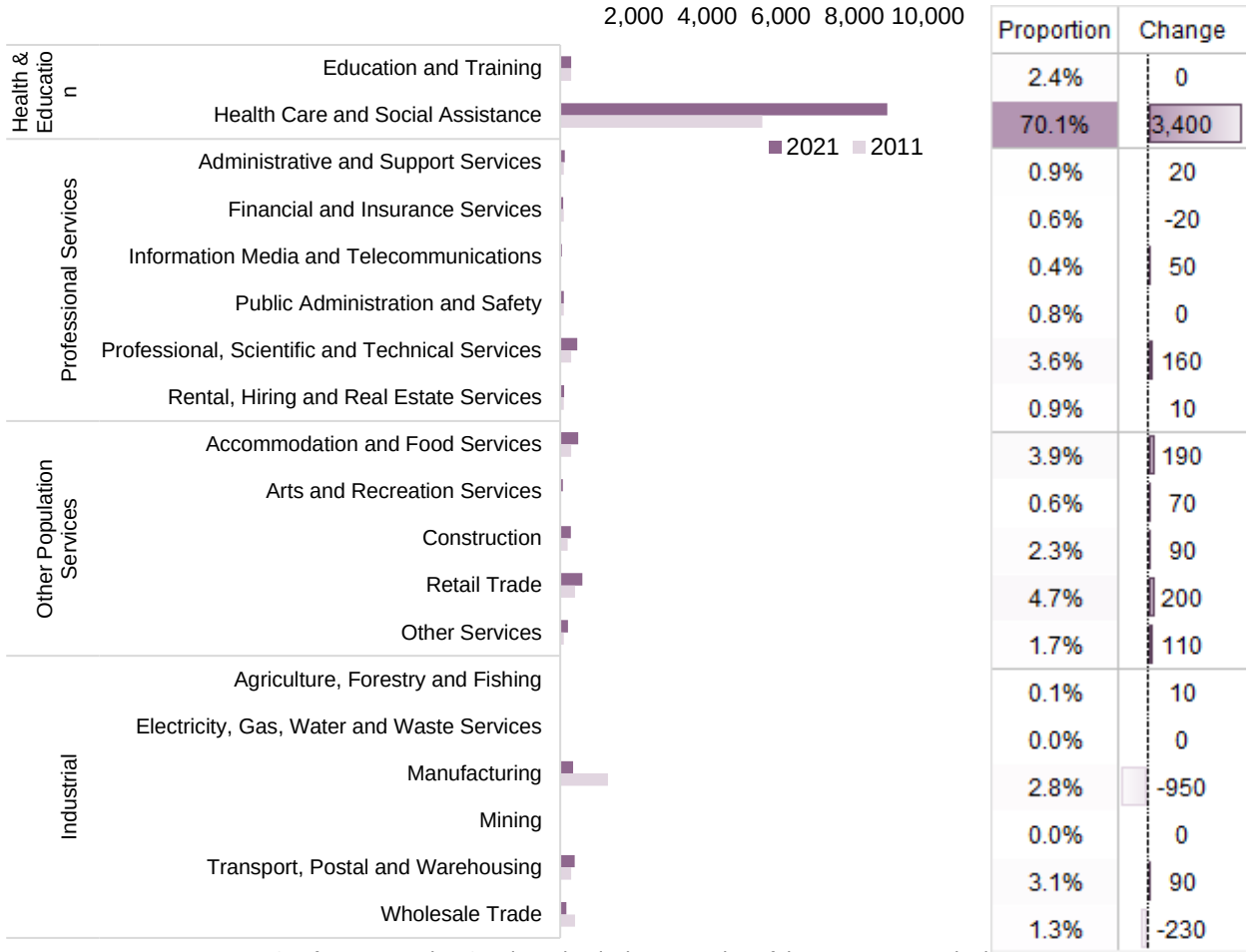


FIGURE 3.3 CLAYTON INDUSTRY SUMMARY, 2011 – 2021 (LEFT SIDE OF PAGE)

FIGURE 3.4 CLAYTON INDUSTRY PROFILE, 2011 – 2021 (RIGHT SIDE OF PAGE)

**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 Clayton Structure Plan Area and compares them to Greater Melbourne. Clayton has a highly-skilled workforce, with 64% having a bachelor degree or above and 85% working in white-collar jobs. Despite this, average incomes are only slightly higher than Greater Melbourne, highlighting the high proportion of part-time and casual workers in health and retail. More detail is provided in Appendix B.

STATISTIC TYPE	STATISTIC	CLAYTON STRUCTURE PLAN AREA (NO.)	CLAYTON STRUCTURE PLAN AREA (%)	GREATER MELBOURNE	VARIANCE TO GREATER MELBOURNE
Workers	Total workers	12,700	-	2,376,700	-
	Full-time workers	6600	52%	61%	-8.7%pt
	Part-time workers	5200	41%	33%	8.0%pt
Age	Aged 15-24 years	1500	11%	13%	-1.6%pt
	Aged 25-39 years	5400	42%	38%	4.7%pt
	Aged 40-54 years	3700	29%	31%	-1.9%pt
	Aged 55+ years	2200	17%	18%	-0.5%pt
Education & ***Income***	Bachelor's degree or higher	8100	64%	44%	19.2%pt
	Diploma and above	1200	9%	12%	-2.4%pt
	Certificate or Year 10 and above	3000	23%	39%	-15.1 %pt
	Average income	$78,000		$76,200	2.4%
Broad Occupation	White collar	10,800	85%	75%	9.8%pt
	Blue collar	1900	15%	25%	-9.9%pt
Top ***Occupations***	1. Professionals	6600	52%	28%	24.0%pt
	2. Clerical & administrative	1500	12%	14%	-1.4%pt
	3. Managers	1000	8%	11%	-2.4%pt
Broad ***Industry***	Education	300	3%	11%	-8.2%pt
	Health	9000	71%	16%	53.5%pt
	Professional services	900	7%	21%	-13.5%pt
	Other population services	1600	13%	32%	-19.1%pt
	Industrial	900	7%	20%	-12.6%pt

FIGURE 3.5 CLAYTON WORKER CHARACTERISTICS, 2021
Source: ABC Census of Population Aged 15+ [2021]

3.5 Industrial areas snapshot

Clayton's industrial employment is largely concentrated within the industrial zoned land south-east of the corner of Clayton and Centre Roads (excluding adjoining Commercial 1 and Mixed-Use zones but including a small area of Commercial 2 to the east). This area is referred to here as the Audsley Street Industrial Area.

3.5.1 POLICY INTENT TO DATE

The Audsley Street Industrial Area is designated by MICLUP as a locally significant industrial area. Kingston Council's Industrial Development Strategy (1999) recognises that the area contains a mix small intensive manufacturing and servicing industries, which play some role supporting industries across Kingston's expansive industrial areas to the west of the Structure Plan area. These areas are also part of the broader Monash NEIC.

The Kingston Planning Scheme's Industrial Policy, which also applies to Kingston's much larger and intensive industrial areas, seeks to retain industrial land for industrial based activity, seeking to limit retail and office-based activity outside planned industrial estates. It is notable that the Audsley Street Industrial Area is a relatively small and isolated industrial pocket in the context of the surrounding Clayton, Mulgrave and Clayton South industrial areas.

3.5.2 CURRENT LAND USE

A summary of the Audsley Street Industrial Area is shown on the page below.

The area hosts a mix of local uses, with a large provision of automotive related businesses. Whilst it used to be a more significant area with over 1300 jobs in 2011, it has undergone significant change in the past decade loosing over 860 jobs, mostly in the industrial sector. This loss is likely attributed to the replacement of industrial space with other employment uses, and the conversion of industrial land to mixed use and residential zones.

Land directly east of the Audsley Street Industrial Area, fronting Centre Road, has been rezoned from Industry to Mixed Use. This will likely see additional mixed use or residential development on former industrial land, as occurred on the adjacent Jackson Green.

This transition of land east of Audsley Street has left the Audsley Street Industrial Area as the last remaining industrial area in the Structure Plan Area. It is noted that there are significant industrial areas outside the Structure Plan Area suitable for a range of local and regional activities.

3.5.3 EMERGING LAND USE

In recent years there has been limited development activity in the Audsley Street Industrial Area, primarily contained to the northern half of the area towards Centre Road. Development activity includes 1-3 Audsley Street which was redeveloped for modern warehouses with ancillary office, and currently, the National Storage site's upgrade for modern storage facilities.

As noted previously, the area directly east of Audsley Street along Centre Road is likely to be redeveloped to mixed use and residential uses in the short to medium term, consistent with the zoning of this land.

3.5.4 NATURAL EVOLUTION IN THE ABSENCE OF SRL EAST

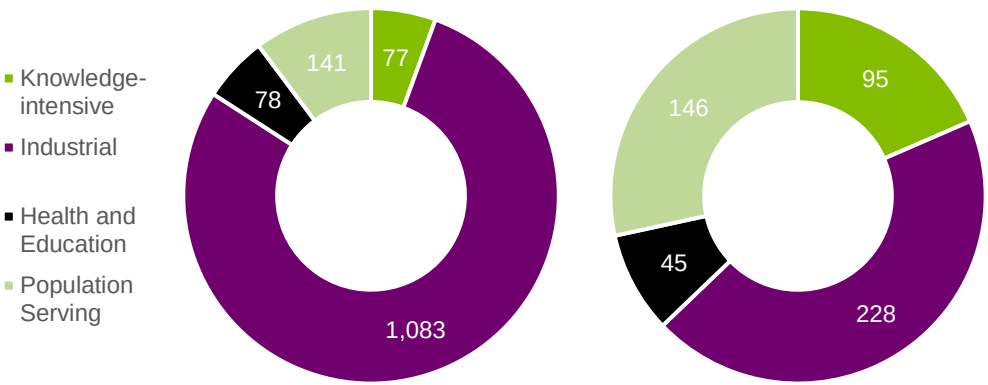
In absence of SRL East, it is likely the Audsley Street Industrial Area would remain largely in its current form. Any redevelopment will likely see older facilities replaced in time but will not substantially change employment outcomes. It will remain as a local service business location.

~4%

Share of workers in Structure Plan Area in industrial areas

-860

Loss of workers between 2011 and 2021



Top 3 business types in 2024:	
1	Other automotive repair and maintenance
2	Automotive body, paint and interior repair
3	Car retailing

Top 3 occupations in 2021:	
1	Machinery operators and drivers
2	Clerical and administrative workers
3	Managers

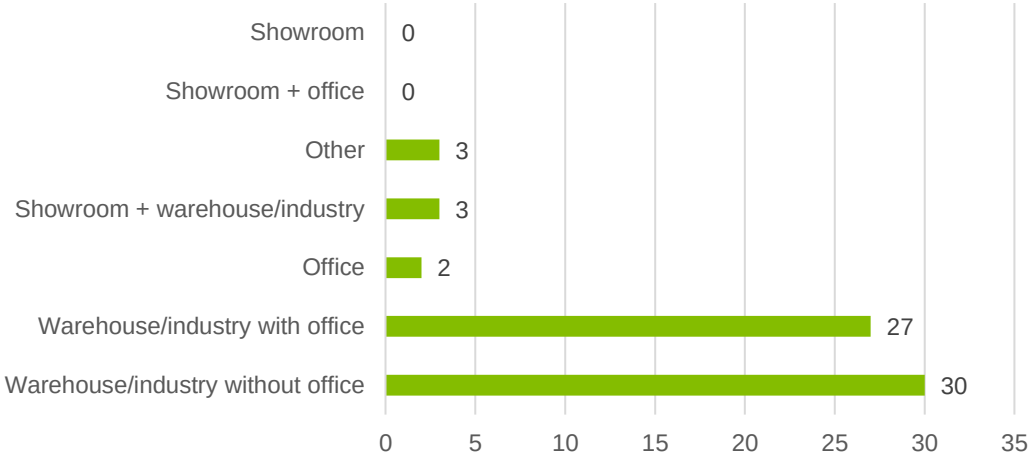


FIGURE 3.6 CLAYTON INDUSTRIAL AREAS NUMBER OF WORKERS BY INDUSTRY, 2011 AND 2021 (TOP LEFT)

FIGURE 3.7 CLAYTON INDUSTRIAL AREAS BUSINESS SUMMARY, 2024 AUDIT AND 2021 CENSUS (BOTTOM LEFT)

FIGURE 3.8 CLAYTON INDUSTRIAL AREAS NUMBER OF WORKERS BY INDUSTRY, 2011 AND 2021 (TOP RIGHT)

FIGURE 3.9 CLAYTON INDUSTRIAL SITES BY TYPE OF STRUCTURE (NO.), 2011 – 2021 (BOTTOM RIGHT)

Source: AJM JV audit of industrial land using manual check of sites by cadastral parcel and Arealytics data on business details such as ANZSIC Industry Level 4

3.6 Existing employment floorspace

The floorspace in the Clayton 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 584,700 sq.m of employment floorspace in the Clayton Structure Plan Area. This is broadly equivalent to the gross building area of residential floorspace in the Structure Plan Area.

Figure 3.10 shows the distribution of employment floorspace by type in the Structure Plan Area. It highlights the dominance of health floorspace, and to a lesser extent, industrial 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 existing education facilities and industrial areas.

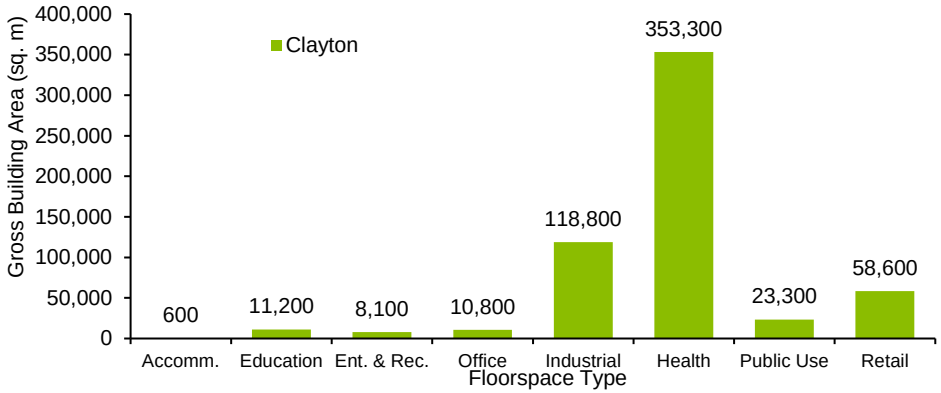


FIGURE 3.10 CLAYTON STRUCTURE PLAN AREA, EXISTING FLOORSPACE BY TYPE (SQ.M GBA) 2023

Source: DEECA, PSMA, Space Syntax; AJM JV

3.7 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 Clayton Structure Plan Area are summarised in Table 3.2 and Table 3.3 (also shown in Figure 3.1 above).

The following proposals are examples of large-scale employment-related developments currently planned or under construction within the Clayton Structure Plan Area. These provide an indication of the diversity of employment-related uses proposed in the precinct - which include health, accommodation and office uses. The scale is generally not above 10-storeys. The numbers next to each development correspond with their location in Figure 3.1. For Clayton to meet its targets for resident and employment growth, there will need to be densification of the existing, low-density built form. Below are examples of recently completed or proposed sites where conversion from industrial space has or is expected to occur.

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

	LAND USE	ESTIMATED SHORT-TERM DEVELOPMENT PIPELINE (GFA)	KEY DEVELOPMENTS
Health	30,200 sq.m	1. National Centre for Inflammation Research 2. Clayton Road Medical Centre	
Office	9600 sq.m	3. 270 Clayton Road Mixed Use Development 4. PMP Printing Precinct Carnish Road 5. 409 Clayton Road Mixed Use Development	
Industrial	16,800 sq.m	6. National Self Storage Clayton West	
Retail	700 sq.m	7. 409 Clayton Road Mixed Use Development	

Source: Cordell, AJM JV Note: Based on publicly available information, Urbis estimates 33% of planned mixed use developments will be office floorspace.

TABLE 3.2 RECENT EMPLOYMENT-RELATED DEVELOPMENT, CLAYTON STRUCTURE PLAN AREA

1. JACKSON GREEN

- Jackson Green is a 6.5 hectare conversion of land from industrial to residential in Clayton South. Although not currently an employment related development, it illustrates the transition of some industrial land in the area towards residential uses.
- Yield: 151 townhouses and 430 apartments
- Development Stage: Complete.

TABLE 3.3 PIPELINE EMPLOYMENT-RELATED DEVELOPMENT, CLAYTON STRUCTURE PLAN AREA

1. 186-192 CLAYTON ROAD MEDICAL CENTRE

- Five-storey mixed use development comprising a medical centre, pharmacy and café. The site sits to the north of Clayton Station and is accessible by bus.
- GFA: 10,200 sqm
- Planned Completion: 2027
- Development Stage: Approved.

2. PMP PRINTING PRECINCT CARNISH ROAD

- PMP Printing Precinct is an approved, 10-hectare strategic development precinct within the Clayton Structure Plan Area. It has approved plans for mixed use development including 1180 dwellings and 1000 jobs.
- Yield: Unknown
- Planned Completion: Unconfirmed
- Development Stage: Approval, awaiting outcome of structure planning process.

3. 270 CLAYTON ROAD MIXED USE DEVELOPMENT

- 10-Storey mixed used development including proposed 104 room hotel, 4 levels of office tenancies and ground floor retail. The site sits adjacent to the SRL East Clayton station.
- GFA: 8700 sqm
- Planned Completion: 2024+
- Development Stage: Development Approval.

4. NATIONAL SELF STORAGE CLAYTON WEST 	• Re-construction of large self-storage facility located on Centre Road, east of Clayton Road. • GFA: 16,800 sqm • Planned Completion: 2024+ • Development Stage: Development Approval.
5. 409 CLAYTON ROAD MIXED USE DEVELOPMENT 	• 12 to 17-storey mixed use development comprising of retail, offices and residential apartments. Currently has approval for 144 residential apartments. • GFA: 700 sqm (retail) and 1600 sq.m (office) • Planned Completion: 2025+ • Development Stage: Development Approval.
6. NATIONAL CENTRE FOR INFLAMMATION RESEARCH 	• A facility to enable scientists to study the inflammatory response to life-threatening hospital or community-acquired infections such as multi-drug resistant bacteria & infectious disease outbreaks. Scientists will investigate cell & gene therapies, immunotherapies & the microbiome to treat chronic and dangerous inflammation during infection, cancer or chronic inflammatory diseases. The Centre will include facilities to manufacture therapeutics & increased capacity for clinical trials. • GFA: 20,000 sq.m (estimate based on jobs) • Planned Completion: ~2028 • Development Stage: Feasibility.

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

3.8 Implications for Clayton Structure Plan

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

- Clayton's economy has experienced relatively strong growth over the past decade, driven almost entirely by the health sector. This sector added around 3400 workers, and now 70% of workers in the Structure Plan Area are employed in health. Clearly, this sector remains a specialisation for Clayton and will continue to drive future growth.
- Other industries are likely to continue playing a supporting role in Clayton. Professional services and other population services saw modest growth, while the industrial sector experienced significant declines due to closure at the PMP Printing site, which is now planned as a large mixed-use development site, along with conversion of other industrial land to primarily residential uses.
- There are several pipeline developments in Clayton including several around Clayton's Health Priority Area north of the train station along Clayton Road. The PMP site is also approved as a major mixed-use site. These should continue to be areas of focus for development as demand orients itself around the hospital and within older industrial sites that can host larger scale development.

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 Clayton 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.

SRL East will enhance connectivity to Clayton and drive employment growth. This analysis provides a framework to evaluate whether Clayton can support an increasingly high concentration of jobs around the main attractors of Clayton's Health Priority Area and Clayton Road.

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 shows 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, have 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).

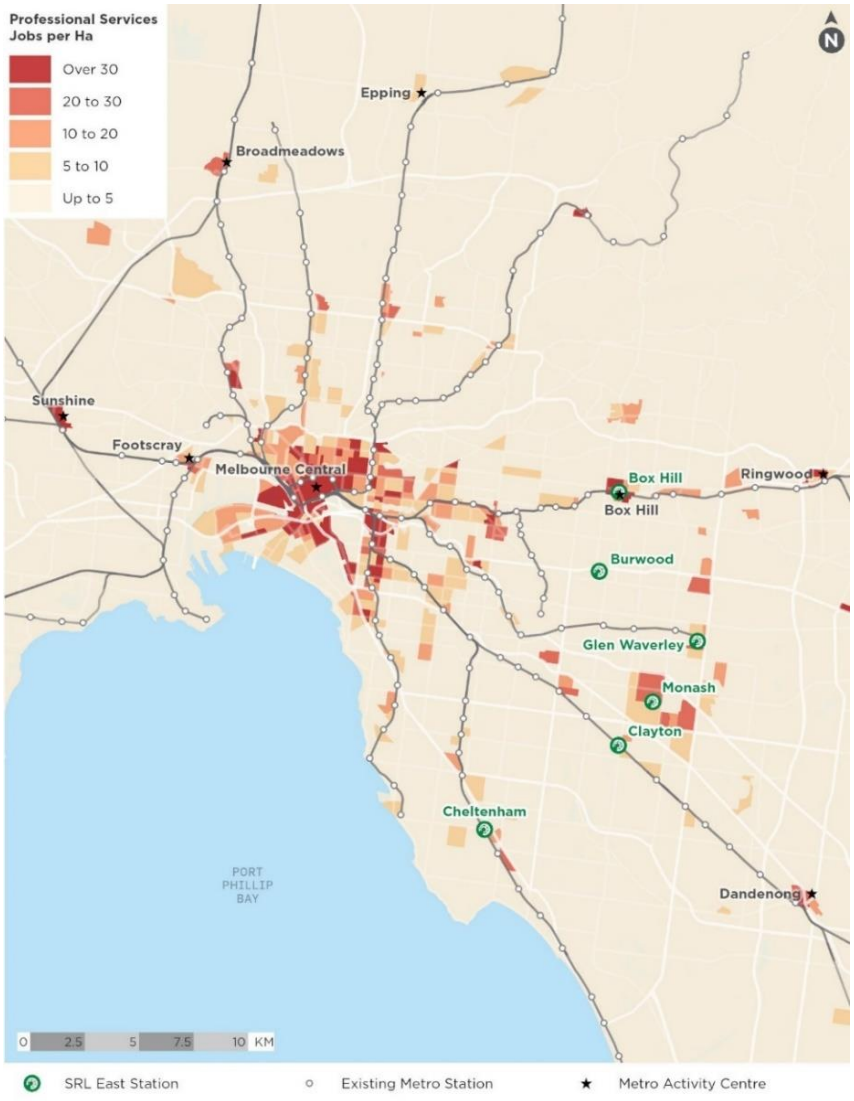


FIGURE 4.1 DISTRIBUTION OF PROFESSIONAL SERVICES EMPLOYMENT DENSITY ACROSS MELBOURNE, 2021

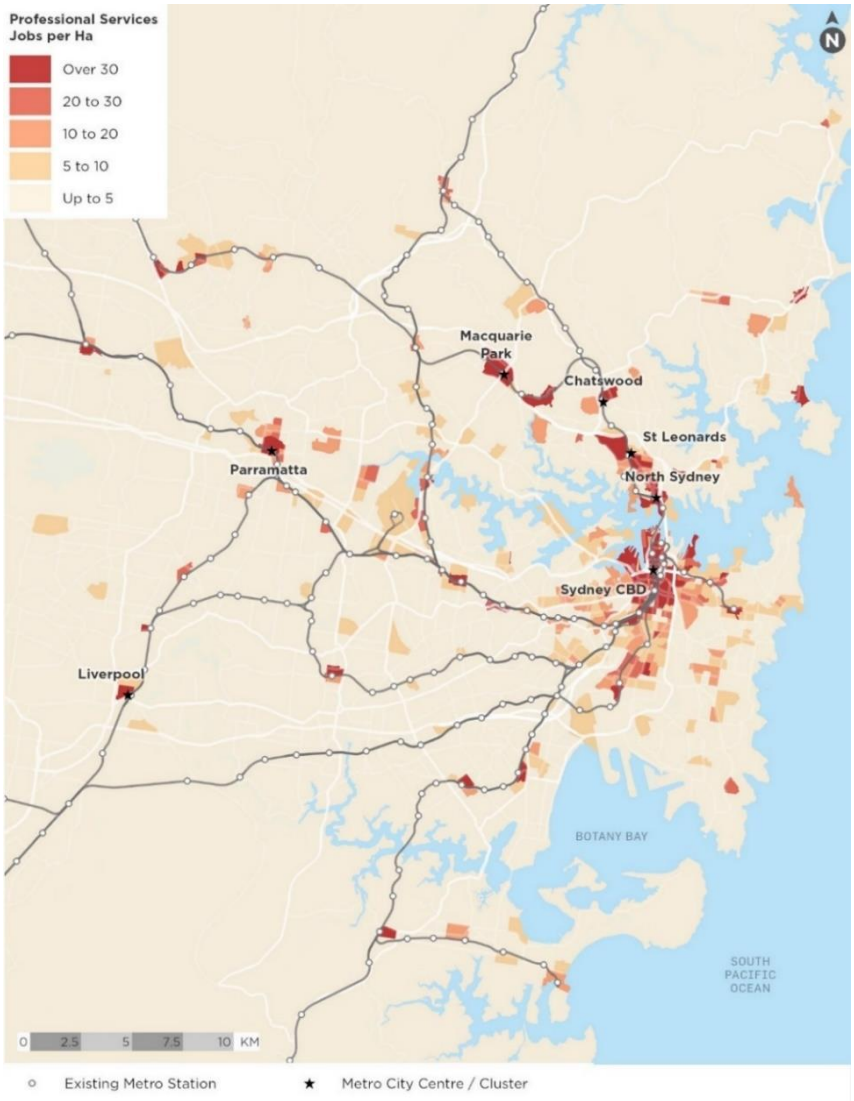


FIGURE 4.2 DISTRIBUTION OF PROFESSIONAL SERVICES EMPLOYMENT DENSITY ACROSS SYDNEY, 2021

Source: AJM JV, ABS Census 2021

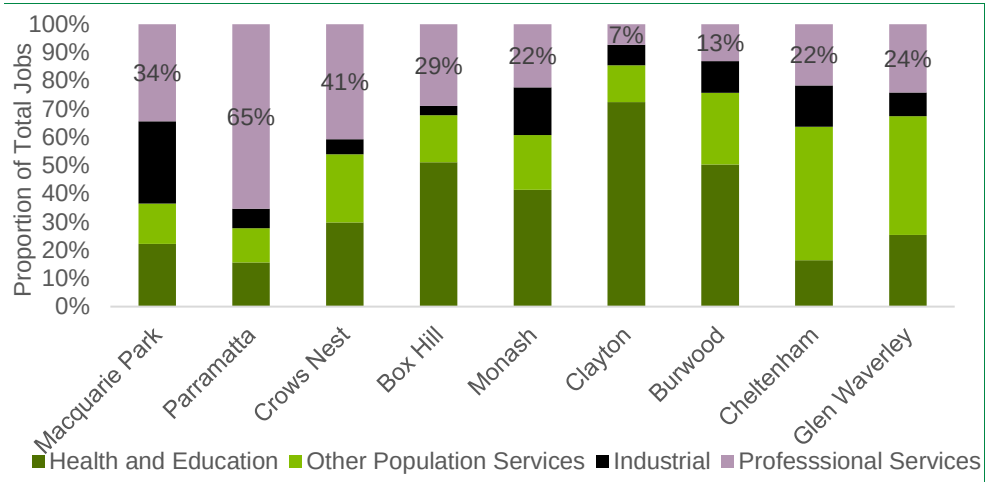
In Sydney, while the CBD remains significant, professional services jobs are also located outside the CBD, particularly in the corridor extending from the CBD towards Macquarie Park. Only around 35 % of professional services jobs across Greater Sydney are in the CBD (defined as the Sydney [North] – Millers Point and Sydney [South] – Haymarket) SA2s). 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 SRL East 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 SRL East 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.

Over the past decade in Sydney, more office floorspace was delivered outside the non-CBD office markets.[15] 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 SYDNEY SUBURBAN EMPLOYMENT HUBS AND SRL EAST 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.

[15] 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.

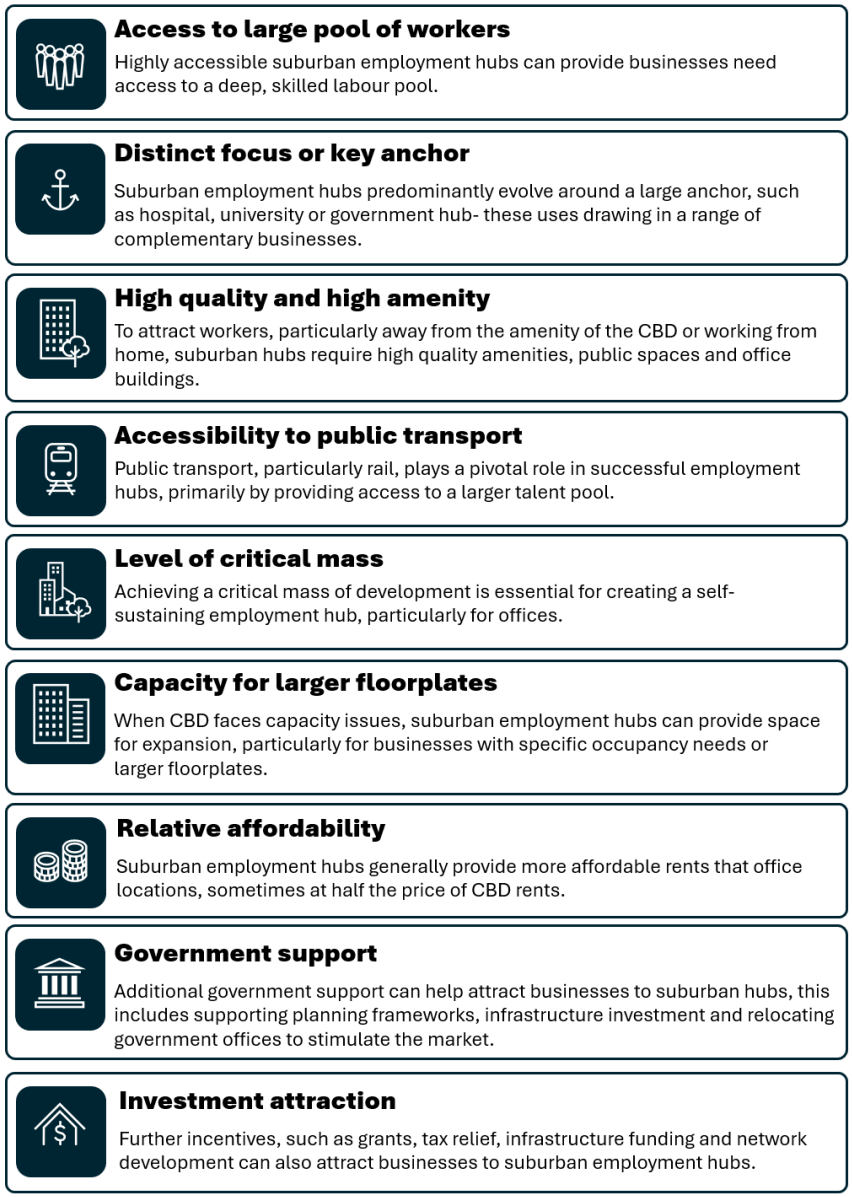


FIGURE 4.4 KEY ELEMENTS OF SUBURBAN OFFICE HUBS

Figure 4.5 assesses Clayton against these factors, highlighting the propensity for Clayton to support a larger suburban office hub driven by professional services.

With key anchors such as the Monash Medical Centre and, to a lesser extent, the Monash NEIC located to the north of the Area, Clayton has the potential to expand its current office market. A range of health-related businesses could cluster linearly along the Clayton Road corridor, extending south towards the shopping strip and towards North Road. Some office-based activity could also be located within existing industrial areas.

Given the extensive built-up residential areas, office development is likely to be constrained to the Clayton Road corridor. This will limit the amount of office space that can be delivered in Clayton and naturally focus office development on health and related activities. The potential for a broader professional services hub attracting businesses unrelated to health is expected to be more limited.

The PMP Printing site is approved for some commercial uses, including offices, along its southern boundary although the final mix of office uses for this site has yet to be determined.

The close proximity of Clayton to the more significant office base existing and proposed to exist in the Monash Structure Plan Area will also limit the potential of the location as a major office hub beyond health.

Element		Opportunity in Clayton
Access to a large pool of workers	Medium	Large surrounding population, but more weighted to blue collar workforce than some SRL East locations.
Distinct focus or key anchor	High	Monash Health cluster and proximity to Monash University and NEIC.
High quality, high amenity	Medium	Established activity centre with a strong F&B focus.
Access to public transport	High	SRL East plus existing MTM/V Line train line and bus interchange.
Critical mass	Low	Very limited office market, primarily located above fine grain shops along Clayton Road.
Capacity for large floorplates	Low	Limited sites available, primarily smaller sites along Clayton Road.
Relative affordability	High	Rents compare favourably with CBD and inner Melbourne.
Government support	Medium	Limited policy support for Clayton as a significant office hub.
Investment attraction	Low	Limited given low policy support for significant office hub at this location.
CLAYTON OVERALL		**Limited potential for growth as a major office hub, but will support office development related to the expanding health offer**

FIGURE 4.5 ASSESSMENT OF CLAYTON AGAINST KEY FACTORS OF SUBURBAN OFFICE HUBS

Source: AJM JV

4.4 Role of residential in employment hubs

Residential elements are becoming increasingly important in many new employment hubs both in Australia and internationally. This shift reflects an appreciation that residential uses can create a mixed-use environment, yielding numerous benefits for employment precincts. These benefits range from increased activation to providing essential housing and enhancing development viability. These advantages are summarised in Figure 4.7.

International evidence shows that successful innovation districts require mixed land uses and are socially, culturally, and economically diverse, offering a variety of housing types, tenures, and prices. Examples include Kings Cross Innovation District in London, Brooklyn Tech Triangle in New York, and Boston Waterfront Innovation District in Massachusetts[16].

Closer to home, residential areas are increasingly becoming part of major employment precincts. For example, Macquarie Park's new master plan incorporates residential developments to enhance vibrancy and activity. The most recent Place Strategy aims to add over 7650 homes to the precinct. Refer to Appendix C for further detail.

Similarly, the Tonsley Innovation District in Adelaide, a high-value manufacturing hub, intends to provide housing for a diverse mix of residents, supporting approximately 1600 people[17]. Including residential uses enhances vibrancy, leverages the benefits of mixed-use development, and financially supports the delivery of other uses and developments in the master plan.

This does not imply that all employment precincts require housing. Areas with a range of industrial uses need appropriate separation from sensitive uses like residential. Case studies show that employment precincts can include discrete residential or mixed-use areas, supporting the development of active, vibrant, and sustainable employment hubs.

This approach aligns with the Victorian Government's publication 'Unlocking enterprise in a changing economy' which recognises the value of residential uses in the enterprise and innovation precincts. They highlight how recent changes to the Commercial 3 Zone, designed to realise 'enterprise precincts' allow for 'complementary yet limited retail and residential uses where these uses are considered appropriate to support enterprises to flourish'18. Figure 4.7 illustrates what DELWP (now Department of Planning and Transport) considers to be the key factors driving the success of enterprise precincts which includes factors such as quality of place, diversity and inclusion, and accessibility, each which can be positively influenced by residential development.

In the Clayton context, consideration could be given to the role of residential uses in the Health Priority Area, given that there is already a mix of residential activity in and around the large health facilities. Providing additional housing around the Health Priority Area could support housing for workers, while also activating the area and providing support for vibrant mixed-use amenity. This needs to be balanced with the expansion of health space identified in this report.

Continued residential development of existing mixed use zoned land east of Audsley Street could also help stimulate further renewal of the Audsley Street Industrial Area for more intensive employment uses.

[16] AHURI (2020) Affordable housing in innovation-led employment strategies. Report 133, DOI 10.18408/ahuri-7320401

[17] Tonsley Innovation District (2024), https://tonsley.com.au/vision/,

[18] Department of Planning and Transport (2018) 'Unlocking enterprise in a changing economy' page 3

Creating vibrancy and amenity

Residential areas enhance office hub vibrancy by maintaining activity beyond regular working hours, creating a dynamic and appealing environment for businesses and employees alike.

Drive demand for a local services

Residents contribute to the local economy by spending on goods and services, which supports retail, dining, and other businesses in the office hub.

Accommodate key workers & young professionals

Housing in office hubs can target key workers, young professionals, and students with limited housing options, thereby enhancing employment outcomes by ensuring access to a suitable workforce.

Support development feasibility

Integrating residential components can support development feasibility, especially in emerging employment precincts. It can also cross-subsidize other uses and developments within the precinct.

Stimulate further investment

The presence of residential areas can enhance property values and attract investment in the office hub, benefiting overall development.

Result in net employment increases

Certain industrial uses exhibit low worker density. Developing mixed-use areas combining employment and residential spaces can lead to a net increase in employment on these sites.

Sustainability outcomes

Residential areas near office hubs promote walkability, reduce car dependence, and support environmental sustainability by mitigating traffic congestion.

Community building

Residential areas enhance community cohesion in office hubs, making them more attractive places to live and work. This can boost business retention rates and foster local engagement.

FIGURE 4.6 BENEFITS OF RESIDENTIAL DEVELOPMENT IN EMPLOYMENT HUBS

Source: AJM JV

FIGURE 4.7 FACTORS DRIVING THE SUCCESS OF ENTERPRISE PRECINCTS

Source: DELWP (2018) Unlocking enterprise in a changing economy

4.5 Implications for Clayton Structure Plan

The key findings and implications derived from this section influencing the development of the Clayton 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.
- Based on an assessment of suburban office hub attributes, Clayton does not present a strong opportunity for a broad professional services employment base. However, there is opportunity for some office floorspace development in and around Clayton's Heath Precinct supporting health-aligned activity. Leveraging the hospitals and other activity, health-related businesses could cluster along the Clayton Road corridor, extending south to the shopping strip and towards North Road. Some office development could be located in existing industrial areas.
- Due to extensive residential areas, office development will likely be constrained to the Clayton Road corridor, focusing primarily on health-related activities.

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 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 RBA19, 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 upskilling20. 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.

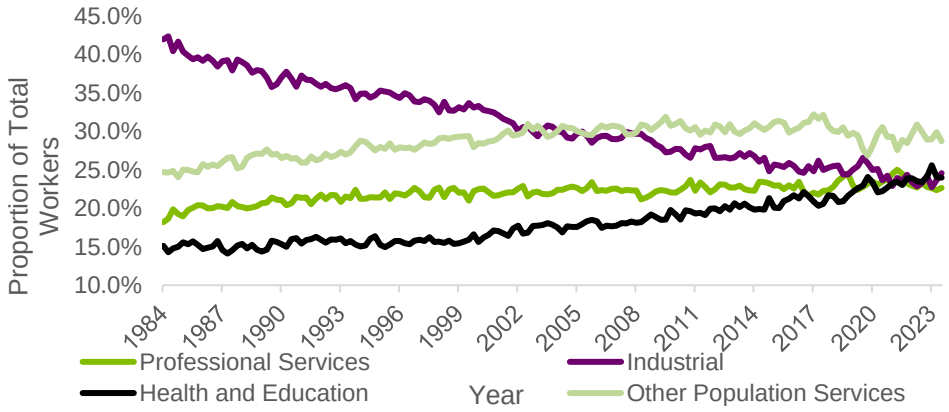


FIGURE 5.1 SHARE OF WORKERS BY BROAD INDUSTRY, VICTORIA

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

[19] Heath, A. (2020). Skills Technology and the Future of Work (Speech). Reserve Bank of Australia. *https://www.rba.gov.au/speeches/2020/sp-so-2020-03-16.html*

[20] Heath, A (2016) The Changing Nature of the Australian Workforce (Speech). Reserve Bank of Australia *https://www.rba.gov.au/speeches/2016/sp-so-2016-09-21.htm*

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 Clayton 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, Figure C.1 to Figure C.6.

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.

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.

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.

FIGURE 5.2 WORKPLACE TYPES BY INDUSTRY GROUP

Source: AJM JV

5.4 Implications for Clayton Structure Plan

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

- Clayton is well positioned to benefit from broader industry shifts, particularly the growth of skilled workers in health services. The Structure Plan should support the expansion of Clayton's current health offerings and aim to increase jobs in health-related professional services by creating opportunities for these sectors to cluster around the Monash Medical Centre.
- To achieve this, structure planning should aim to accommodate highly flexible buildings that can support a wide range of health and office-related activities. Spaces for industry collaboration will be essential. The development of health facilities should build on existing health networks and support a 24-hour Health Priority Area around the Monash Medical Centre.
- Worker amenities, including access to public transport, retail, gyms, and childcare, remain crucial across most sectors. Continuing the revitalisation of the Clayton Road corridor will be important, strengthening the linkages between the Monash Medical Centre and new SRL East Station. Additionally, enhancing the amenities in industrial areas will make them more attractive to workers and visitors and support a broader mix of businesses.

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 Clayton 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 considered when defining the competitive strengths of the Clayton Structure Plan Area.

6.2 Strengths, weaknesses, opportunities and challenges of local industries

Table 6.1 to Table 6.6 assess the economic competitiveness for employment and economic growth in the Clayton 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.

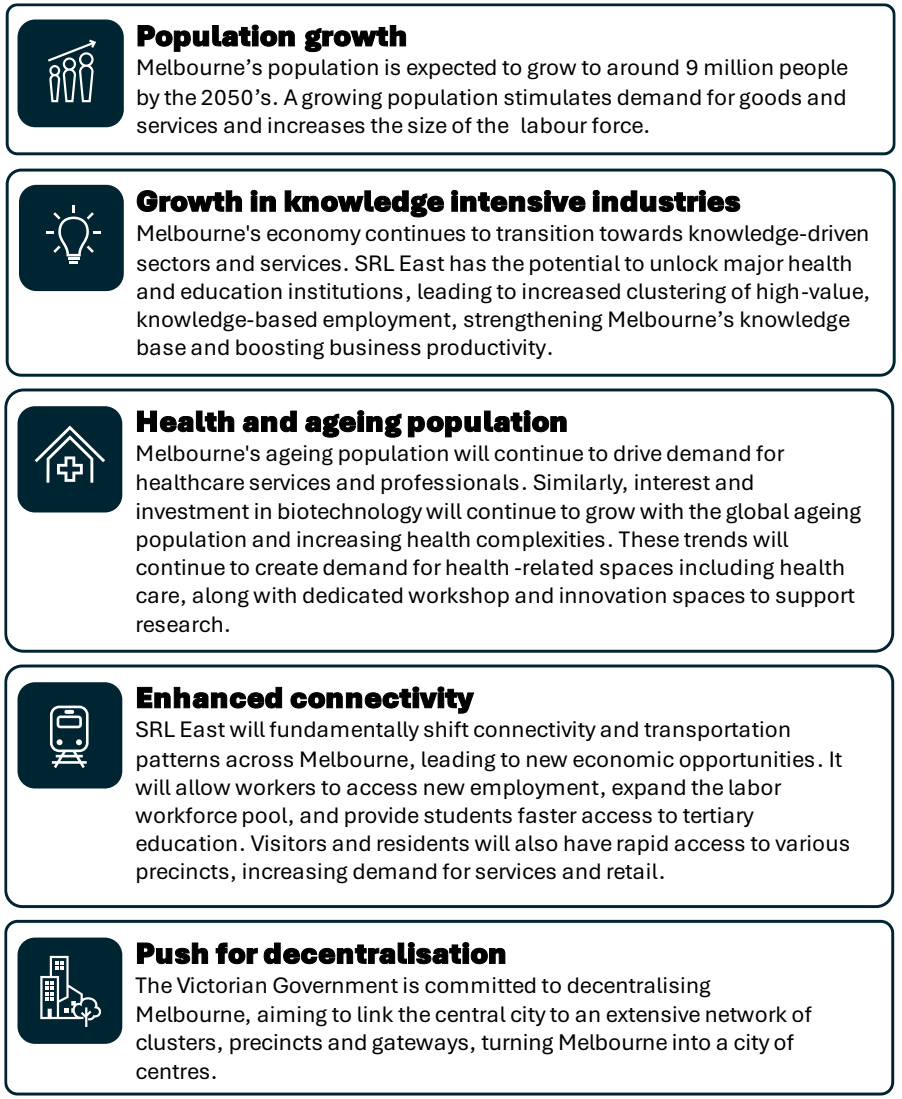


FIGURE 6.1 GENERAL MARKET DRIVERS OF ECONOMIC GROWTH

Source: AJM JV

TABLE 6.1 CLAYTON GENERAL ECONOMIC SWOC ASSESSMENT

STRENGTHS	WEAKNESSES
• V**ibrant amenity:** Clayton Structure Plan Area has excellent amenity for workers, including accessibility via the MTM, V-Line, key arterial roads, and a lively F&B and retail strip along Clayton Road. • **Monash NEIC:** Currently, Clayton Structure Plan Area forms the southern segment of the Monash NEIC, acknowledging the regional significance of Health Priority Area and its role as a specialist medical hub in the broader NEIC. To date, this has provided policy support for the Clayton area to grow in line with the intentions of the NEIC, targeted investment opportunities (i.e. from Invest Victoria) and opportunity to leverage the proximity to the range of medical, education and R&D facilities in the northern half of the NEIC, around the Monash Precinct.	• **Limited office market:** Clayton lacks a diverse commercial base. While it offers a vibrant dining and fresh food retail offer, it is heavily dependent on the contribution of the health sector to its economic growth. Should health employment be constrained (whether due to land capacity or other factors), then job growth may generally be limited.
OPPORTUNITIES	**CHALLENGES**
• **Rail super hub:** Clayton Structure Plan Area has excellent accessibility to MTM, V-Line and in future, SRL rail networks. Along with established road networks, this will enable future businesses and workers to access workers and customers from a broad metropolitan and regional catchment. This could be important for industries with a highly niche or specialist workforce such as health related or professional services. • **PMP Printing site redevelopment:** The PMP Printing Site, with approved plans for mixed use development, including an indicative 1000 jobs. If these jobs are delivered, the site could play an important role diversifying Clayton's employment mix in Clayton and provide a smaller, secondary hub around a new community. The reality of the job outcome in this location should be tested to ensure this is the case.	• **Distance from NEIC:** Whilst part of the Monash NEIC, accessibility between Clayton Structure Plan Area and the Monash Precinct is limited. The Princes Highway forms a considerable barrier. Overcoming this barrier, could enable greater integration with Monash and increase flow of workers and students between the precincts, enabling long term growth and opportunity for the Clayton Structure Plan Area. The area between the southern and northern parts of NEIC are also low density residential, which will be challenging to change towards more intensive uses.

TABLE 6.2 CLAYTON PROFESSIONAL SERVICES SWOC ASSESSMENT

STRENGTHS	WEAKNESSES
• **Emerging sector:** Over the last decade, there has been growth in professional, scientific, and technology services subsector, albeit starting from a modest base. The appeal of Clayton's Health Priority Area and the strategic location within the broader NEIC are significant attractions for the Precinct. These factors are expected to continue attracting businesses and services into the Precinct.	• **Low specialisation:** Currently, Clayton Structure Plan Area has no distinct specialisation in knowledge-intensive industries. Growing professional services jobs will face competition from other precincts, notably the high value business services and R&D jobs in the adjacent Monash Precinct.
OPPORTUNITIES	**CHALLENGES**
• **Health related professional services:** There may be an opportunity for Clayton to provide a supplementary professional services role supporting the health-related activity in the Structure Plan Area, and potentially the neighbouring Monash precinct. This could include office space for services such as accountants, other financial advisors, legal businesses, and health-related businesses. • **Worker amenity:** Clayton Road has an emerging higher density typology, which is suitable for professional services. The shopping strip south of the existing railway line provides a wide range of worker amenities.	• **Attracting tenants:** Clayton is not understood as a location for office tenants to pursue. It also sits just outside the Monash Structure Plan Area where there is expected to be a large inflow of new office-based business out to 2041. The challenge will be identifying the niche in the market that Clayton can fill and target those sectors. Servicing the health sector will be important in this regard.
Overall, professional services in Clayton are likely to continue to play a supporting role. However, Clayton has potential to expand its health-related professional services, leveraging the Monash Medical Centre and to a lesser extent, the Monash NEIC.	

TABLE 6.3 CLAYTON SWOC HEALTH ASSESSMENT

STRENGTHS	WEAKNESSES
• **Monash Hospitals:** The Monash Medical Centre and Children's Hospital act as the cornerstones of the Clayton Structure Plan Area, establishing a regionally significant cluster of health-related facilities around the hospitals. In the last ten years, the health sector within this precinct has demonstrated robust growth, averaging nearly 8% annually. • **Health related pipeline:** The development pipeline signifies the keen interest of businesses in establishing a presence near the Health Priority Area. This interest spans from private medical rooms to a new hotel.	• **Capacity for expansion:** The Monash hospitals, and the Health Priority Area in general, have limited space for expansion. It is highly probable that expansion will be necessary into neighbouring residential areas or along key road links to meet long-term growth forecasts.
OPPORTUNITIES	**CHALLENGES**
• **High growth sector:** Health is a key sector for Victoria and likely to continue to grow, driven by population growth. At the state level, there is strong forecast growth in health-related jobs, leveraging the Health Priority Area's crucial regional role. This growth is supported by the broader population increase in the sector and overall industry expansion anticipated over the next 20-30 years. Growth of the hospitals is also likely to organically attract allied health uses and other supporting activity to the area. • **Cluster opportunity:** There is significant opportunity to develop a larger cluster of allied and complementary health functions around the Monash Medical Centre and Children's hospital. This cluster is already emerging, and the continued growth of the hospitals, combined with a clear planning strategy to support complementary uses in the surrounding area, will serve as a catalyst for future expansion. SRL East will also create greater connectivity between Clayton and the northern part of the Monash NEIC, creating further opportunities for collaboration and growth.	• **Accommodating growth:** Support the significant jobs growth in the health sector will be a significant challenge given Clayton's Health Priority Area has limited space for expansion on the current hospitals site and is generally surrounded by residential areas. • **Competition:** There is a potential for competition in health-related uses as the health sector expands in other precincts, notably in the Monash Precinct, and to a lesser extent, in the Box Hill precinct and the Arden/Parkville precinct near the CBD.
Overall, Clayton's health sector has the potential for significant job growth, leveraging the continued expansion of the Monash Medical Centre and the opportunity to develop a large, dynamic health cluster around the Hospital.	

TABLE 6.4 CLAYTON EDUCATION SWOC ASSESSMENT

STRENGTHS	WEAKNESSES
• **Small sector:** Clayton has a limited education offer, with small independent primary school located east of Clayton Road and some childcare facilities.	• **Limited schools:** There are no secondary schools or tertiary facilities located in the Structure Plan Area. • **Stagnant growth:** Clayton's education sector had limited growth between 2011 and 2021.
OPPORTUNITIES	**CHALLENGES**
• **Future demand:** Continued population growth of Clayton will increase demand for pre-school, primary and secondary school. • Activity centre education: Some education employment growth could come within the existing activity centres or Clayton Road corridor in office-like spaces (e.g. adult education, tutoring services). • **Health education:** Opportunity to leverage Clayton's Health Priority Area for health-related education activities and training. This would also benefit from the proximity of Monash University to the north of the Structure Plan Area.	• **Lack of sites for education expansion:** Continued population growth will increase demand for education, particularly schools. This will need to be met primarily by existing schools located outside the Structure Plan Area, unless new sites for schools can be identified within the area.

Overall, the education sector is set to remain a minor sector in Clayton and met by a range of small education spaces (i.e. primary schools, kindergartens, childcare) around the Structure Plan Area. Some of the future school education demand created by residents is most likely to be met by existing schools located outside the Structure Plan Area. There may be some opportunity for tertiary level health-related education around the sites in the Health Priority Area.

TABLE 6.5 CLAYTON OTHER POPULATION SERVICES SWOC ASSESSMENT

STRENGTHS	WEAKNESSES
• **Vibrant F&B strip**: The retail strip along Clayton Road is a lively precinct with a strong focus on food and dining, with a strong Asian-based influence. The current offer draws visitors from the surrounding region. • **Recent growth**: This sector grew strongly over the last decade, adding 65 workers per annum. Growth was mainly in retail, and accommodation and food services.	None identified.
OPPORTUNITIES	**CHALLENGES**
• **Continued demand**: Ongoing population expansion in the Clayton Structure Plan Area and its surrounding areas will continue to drive demand for various population-based industries in Clayton. This, in turn, will support the growth (number and trading performance) of the F&B and retail offerings along Clayton Road. • **Area for expansion**: The existing car parks east of Clayton Road's retail strip will allow for a natural long-term expansion of the activity centre. • **University students**: There is an opportunity to tap into the sizable and expanding student population from the University, serving both as a source of labor (supply) and patrons (demand). • **Emerging community hub**: The emerging cluster of community focused uses to the west of Clayton Road have opportunity and physical capacity to expand through the surrounding car parks to meet the ongoing needs of the community.	• **Protect character**: Ensure that future expansion of retail, as well as other population-serving industries, builds upon the existing vibrancy and character of the retail area around Clayton Road.
Overall, the other population services sector is expected to grow to accommodate a larger population of workers, residents, and students. Future population services should be concentrated around the existing activity centre and shopping strip. Development in this area should preserve the vibrant, fine-grain character of Clayton Road.	

TABLE 6.6 CLAYTON INDUSTRIAL SWOC ASSESSMENT

STRENGTHS	WEAKNESSES
• **Audsley Street Industrial Area:** The Audsley Street Industrial Area accommodates a large share of the Structure Plan's industrial jobs and plays an important role serving local residents in businesses. However, in the past decade the number of industrial jobs in Clayton has rapidly declined by over 1,000 jobs. Notably, other sectors have not significantly increased over time, indicating only a small shift towards mixed employment activity. • **Local service role:** Clayton's industrial area plays a local service role, with a concentration of car repair and maintenance businesses. It is noted that there are significant industrial areas outside the Structure Plan Area suitable for a range of local and regional activities.	• **Job losses at sector level:** Clayton's industrial sector has significantly declined over the past decade, losing more than 1000 jobs, primarily in manufacturing. These may be due to the closures of two large facilities the SIGMA manufacturing plant and PMP Printing Site, along with declining industrial jobs in the Audsley Street industrial area. • **Limited development activity in Audsley Street Industrial Area:** The remaining industrial land around Audsley Street has had very limited development in recent years, except for limited modern warehouses with ancillary office added and more recently a large storage facility.
OPPORTUNITIES	**CHALLENGES**
• **Employment intensification in the northern half of the Audsley Industrial Area:** Further population growth and transformation of the surrounding area may stimulate the transition of the northern part of the Audsley Street Industrial Area towards mixed employment activities. This area is most likely to be influenced by intensification along the Clayton Road corridor and new mixed uses further east along Centre Road. Future development in this area is likely to be a mix of offices, showrooms and other higher amenity employment uses. This area could also be considered for some health-related uses, complementing Clayton's Health Priority Area. Increased employment density would need to be supported by enhanced worker amenities while maintaining the area's ability to provide a range of local services. • **Continued local service role for southern half of Audsley Industrial Area.** Given the distance, the southern half of the Audsley Industrial Area is less likely to be influenced by further growth in and around the Structure Plan area. As such, this area is likely to continue to play a primarily local industrial role, meeting the needs of local residents and businesses.	• **Distance from SRL East:** The Audsley Street Industrial Area is somewhat removed from the proposed SRL station (noting there is already a station in the vicinity). Without more substantial urban design improvements or more regular public transport connections, it is unlikely the project in isolation will shift the focus of the employment precinct greatly, particularly in the southern half of the Industrial Area. • **Continued mixed use redevelopment:** The reduction in industrial employment has largely been the result of conversion of under-utilised industrial land to a mix of uses, primarily residential. The demand for this to continue across remaining industrial areas may challenge achieving any employment growth.

Overall, the industrial sector, primarily located in the Audsley Street Industrial Area, is expected to continue stagnating. New growth and development across the Structure Plan Area could facilitate the transition of the northern part of the Audsley Street Industrial Area towards mixed employment uses. This transition would complement the residential development along Centre Road, support employment growth and still enable the remainder of the Audsley Street Industrial Area to continue to play an important local services role.

6.3 Implications for Clayton Structure Plan

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

TABLE 6.7 CLAYTON STRUCTURE PLAN AREA ROLE IN 2041

	ROLE IN 2041
Regional employment role	*Clayton's identity will remain anchored in its Health Priority Area, further solidifying its regional and metropolitan importance. A growing Health Priority Area will see the continued transformation of Clayton Road through the growth of a range of supporting services and amenities, including an increase in office space. Clayton's current activity centre will expand to support the growing resident and worker population. The significance of Clayton's industrial activities is expected to diminish. Nevertheless, the industrial areas will continue to play a role in providing local business services.*
Competitive strengths of Clayton	**Large, skilled local workforce:** The potential workforce size of the Clayton precinct 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 Priority Area:** Clayton's established Health Priority Area is anchored by the Monash Medical Centre, a tertiary teaching and research hospital with 640 beds. It provides specialist care to Melbourne's south-east and is supported by the adjoining Monash Children's Hospital. The hospitals have attracted a cluster of smaller health and allied health uses located surrounding, including along Clayton Road. Growth of the hospitals will continue to attract supporting and allied health uses. **Enhanced connection to Monash NEIC:** SRL East will enhance the connection between Clayton in the southern half of the Monash NEIC, and the northern half, across the Princes Highway. It will provide a rapid rail link between the two precincts, potentially increasing opportunities for collaboration and partnership between businesses and institutions across the NEIC. **Connectivity to metropolitan and regional areas:** Clayton currently benefits from excellent connectivity to the CBD and south east corridor generally via the existing train line (30mins to CBD) which is also an important regional connection towards Gippsland. Road access is also strong with Dandenong Road passing nearby and a network of arterial roads. With SRL East in place, Clayton workers will also have rapid access to other SRL East precincts, including major universities, business hubs and educational precincts, all of which have strong potential synergies with the Health Priority Area. Future businesses in Clayton will be able to leverage Clayton's high degree accessibility and ability to draw workers and customers from a broad metropolitan and regional catchment. **SRL East policy support:** A robust planning framework which encourages and incentivizes new employment developments, will further Clayton's competitiveness against the other activity centres across Melbourne and can help attract new business and investment to this precinct. As the southern part of the Monash NEIC, development of the general appeal of this knowledge cluster will bring agglomeration-related benefits to Clayton.
Sector roles (Industries listed in order of future economic opportunity)	**Health**: Defined by the Monash Medical Centre, Clayton will continue to operate as one of Melbourne's leading Health Priority Areas. Growth of a health-related cluster and expansion of the Hospitals could result in significant job growth. **Other Population Services**: This sector is expected to grow to accommodate a larger population of workers, residents, and students. Future population services should be concentrated around the existing activity centre and shopping strip. Development in this area should preserve the vibrant, fine-grain character of Clayton Road. **Professional Services**: In Clayton, professional services are likely to continue to play a supporting role. However, Clayton has potential to expand its health related professional services, leveraging Clayton's Health Priority Area, and to a lesser extent, the Monash NEIC. **Industrial**: Industrial jobs are likely to continue to decline as new growth and development across the Structure Plan Area should facilitate the transition of Audsley Street industrial area towards mixed employment uses. **Education**: This sector is set to remain a minor sector in Clayton and met by a range of small education spaces (i.e. primary schools, kindergartens, childcare) around the Activity Centre. There may be some opportunity for tertiary level, health-related education around Clayton's Health Priority Area.

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.

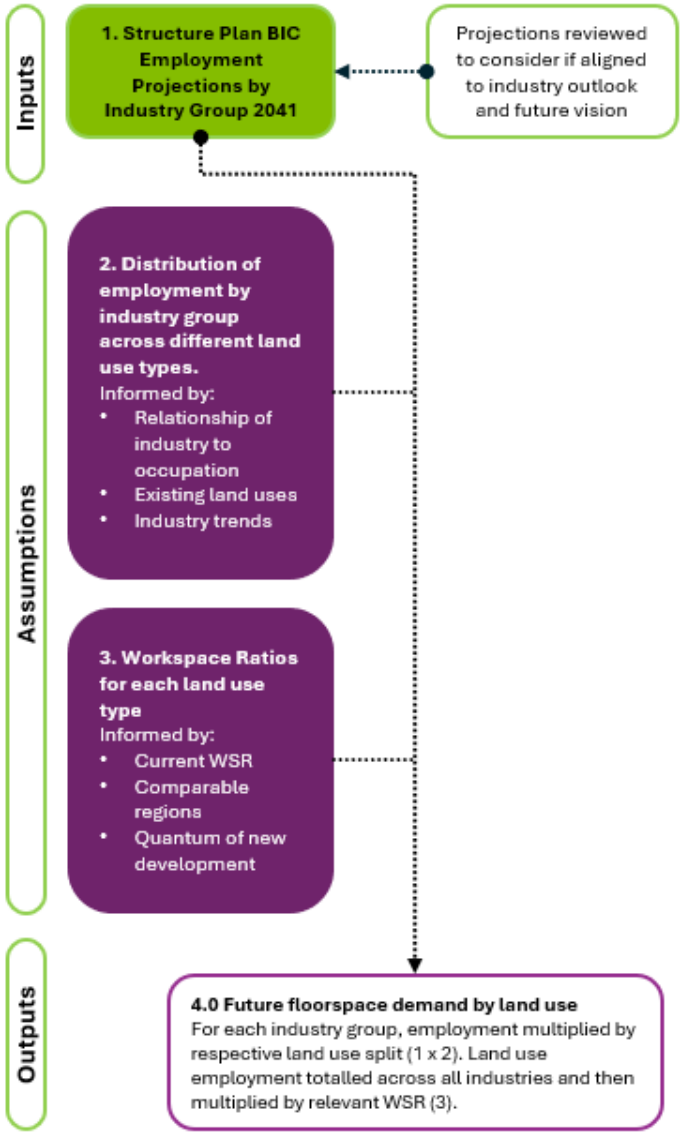


FIGURE 7.1 OVERVIEW OF FLOORSPACE DEMAND METHODOLOGY

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 areas 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 presents the employment projections for the Structure Plan Area and at a high-level, assesses how appropriate these projections are in terms of their alignment with the anticipated future role of the Structure Plan Area.

8.1 Clayton Structure Plan Area employment projections

Figure 8.1 shows the employment projections to 2041 for the Clayton Structure Plan Area. Comparable numbers sourced from the 2011 and 2021 Censuses provide context to the projected growth.

Compared to recent trends, it appears the baseline BIC projections represent an elevated shift upwards in trajectory for the Clayton 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. All sectors are forecast to grow strongly in the Clayton Structure Plan Area to 2041:

- Education and training jobs are projected to increase from historically low growth to 50 jobs per annum between 2021 and 2041.
- Health care and social assistance is forecast to continue to grow strongly, with an uplift from 350 to 390 additional workers per year.
- Forecasts predict significant growth in professional services employment within the Structure Plan Area, necessitating a substantial turnaround from the stagnant growth observed over the past decade.
- Other Population Services is forecast to grow strongly, to serve a growing number of residents, workers and students. Growth is comparable to historical figures.
- Industrial employment would have to reverse the historical trend from -110 over 2011-21, to +110 per annum through to 2041.
- The proportion of employment within a 1600m radius of the Clayton SRL station that will be within the Structure Plan Area will remain constant at around 71% between 2021 to 2041 with neighbouring Monash Structure Plan driving further expansion within the 1600m radius.

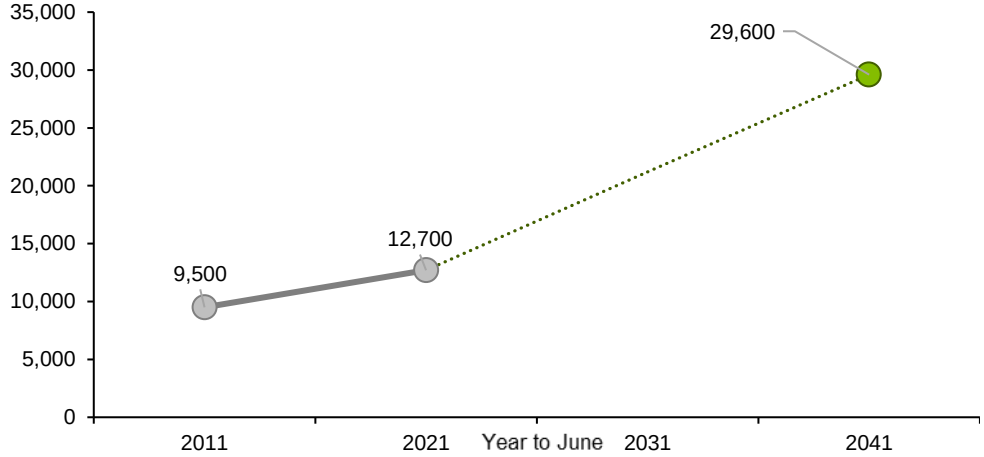


FIGURE 8.1 HISTORICAL AND FORECAST EMPLOYMENT IN THE CLAYTON STRUCTURE PLAN AREA, 2011–2041

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

TABLE 8.1 CLAYTON 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 and Training	300	300	1300	0	50	0.0%	7.6%
Health Care and Social Assistance	5500	9000	16800	350	390	5.0%	3.2%
Professional Services	700	900	4400	20	175	2.5%	8.3%
Other Population Services	1000	1600	3900	60	115	4.8%	4.6%
Industrial	2000	900	3100	-110	110	-7.7%	6.4%
Structure Plan Total	**9500**	**12,700**	**29,600**	**320**	**845**	**2.9%**	**4.3%**
1600m Total	**13,800**	**18,500**	**41,500**	**470**	**1150**	**3.0%**	**4.1%**

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 Structure Plan Area 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, suited to 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 is 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 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. More detail about the assessment of the employment projections is provided in Appendix D.

TABLE 8.2 CLAYTON 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	-	Employment is projected to double through to 2041, from 12,700 to 26,900 workers. This will require a shift in growth from 2.9% per annum to 4.3% per annum. However, this level of growth is considered feasible given Clayton's strength as a health cluster, location with the broader Monash NEIC and increased accessibility and amenity delivered by SRL East.	Structure planning should plan for 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	7%	Achieving the employment forecast for professional services will require a substantial shift from low to high growth. Although some professional services may be supported by alignment to activity in the health sector and workers (e.g. accountants, financial advice, legal), and there could be a potential secondary role in support of the broader NEIC, the magnitude of growth in professional services (+3400 jobs to 2041, 7.7% per annum) appears to be unlikely to be achieved without further support.	Structure planning should aim to accommodate the projected floorspace demand for professional services. Although, this shift in employment mix may still require additional actions beyond structure planning, such as economic development or business attraction strategies.
	Health	71%	The employment projection is very strong for health and social assistance employment. This does not represent a significant step change from what was observed historically, and high growth would be expected at Victoria's largest health service. The constraint may be more around the intentions and capacity of the Hospital and surrounding area to expand to support the growth projected. Structure planning should seek to create the opportunity for the growth to be delivered should it materialise.	Structure planning should account for projected floorspace demand, with a significant level of growth expected. This is aligned to leveraging Monash Medical Centre, the largest public health service in Victoria.
	Education	3%	Forecast education and training jobs growth is high relative to historical volumes but is not a level of growth that would be unfeasible in most contexts. Filling this level of growth will rely on expansion of facilities at the primary school and sufficient demand arising in the early learning sector to facilitate expansion of more services. Opportunities may exist for education linked to the health services.	Education space growth should be allowed for, however, any planning for future schools should be considered with the Department of Education and Training.
	Other population services	13%	Broadly, the industry level employment projections are a reasonable representation of likely growth in other population services, given the scale of the existing offer and the scale of expected population growth in Clayton out to 2041. Growth is slightly higher than what has been achieved in the past though, while the growth in retail jobs which underpins this may be challenged as the Clayton Retail Report found only a modest need for more floorspace.	Planning for retail floorspace should be guided by SRL East Retail Needs Assessment – Clayton. 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	7%	The industrial employment projections indicate there to be growth of just over 1000 industrial workers per year out to 2041. This would represent a complete reversal of the historical numbers where 1000 workers left Clayton with large redevelopments of sites such as the PMP Printing Site and Sigma Healthcare. Achieving the employment projections appears difficult in this historical context, compounded by expectations for Audsley Street industrial area to continue to transition into non-industrial floorspace typologies.	Likely there will not be as great a need to accommodate the projected industrial floorspace demand considering historical trends and recent rezoning of industrial land for other purposes. This job growth is likely to occur in other industries in the Structure Plan Area, creating demand for other building typologies (e.g. office).There will continue to be industrial employment supported within the Audsley Street Industrial Area, but there is no need to expand the extent of this area to support significant floorspace expansion implied by employment projections.

Source: AJM JV

8.3 Implications for the Clayton Structure Plan

The implications of the employment projections for the development of the Clayton 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 seek to support the total additional projected floorspace through to 2041.
- At an industry level, forecasts indicate very strong growth expectations for the health sector. This reflects the significant role of the sector in the local economy and is consistent with recent trends. The challenge to achieving growth relates more to the physical capacity for expansion in Clayton's Health Priority Area, which structure planning needs to address.
- Similarly, forecasts for other population services are reasonable and support the continued growth of the Activity Centre in Clayton to serve growing numbers of residents and workers. Structure planning should consider the projected demand for floorspace, but also consider the detailed recommendations of the Clayton Retail Report. The Retail Report found the increase in retail floorspace may be more limited than the job growth suggests.
- The employment growth in education, professional services and the industrial sectors may be challenging to achieve. These projections may be unlikely to be achieved without substantial additional actions to complement the Structure Plan, for example, business attraction activity to help establish a professional services-based office market. Industrial projections are likely overstated given the past decline in the Structure Plan Area, with job growth likely in other sectors.

9. Future employment floorspace needs

This section presents the anticipated employment floorspace necessary to support the projected employment figures in the Clayton 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 Clayton 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.

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

The area is expected to see a ninefold increase in office floorspace even though the industries serviced by offices will only see significant change in health (0% to 15%) and industrial (3% to 34%).

Whilst health industry jobs are forecast to increase by 82%, health workers share of total health floorspace is estimated to drop as a result of the transition into other floorspace types. This is due to development expanding non-traditional health roles working in the sector, such as researchers, educators and supporting professional service workers.

Other than the transition of some employment to health land, there is little to no expected change in the composition of education, retail, industrial or other land uses. Trends into the future have been assessed with reference to Section 5 and iteratively adjusted through reviewing future developments outlined in Section 3.7.

TABLE 9.1 CLAYTON 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	23%	23%	0%	15%	1%	1%	0%	0%	3%	34%
Health	38%	54%	97%	84%	56%	66%	8%	12%	26%	10%
Education	0%	0%	0%	0%	36%	28%	0%	0%	2%	1%
Retail	9%	8%	1%	0%	2%	3%	67%	70%	26%	16%
Industrial	12%	3%	1%	0%	3%	0%	16%	11%	38%	38%
Public Use	16%	11%	0%	0%	1%	1%	6%	3%	1%	0%
Accommodation	0%	0%	0%	0%	0%	0%	0%	1%	0%	0%
Entertainment / Recreation	2%	1%	0%	0%	0%	0%	2%	3%	3%	2%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: ABS, CLUE, AJM JV. Yellow highlights significant upward shifts and grey shows significant downward shifts, between 2021 and 2041.

The figure adjacent translates into an employment projection by floorspace type. Note the total number of jobs is still fixed at the 2041 employment forecast for the Structure Plan Area. Health will continue be the largest employing floorspace type by a significant margin, followed by industrial, retail and public use. This aligns with the key businesses and institutions in the area.

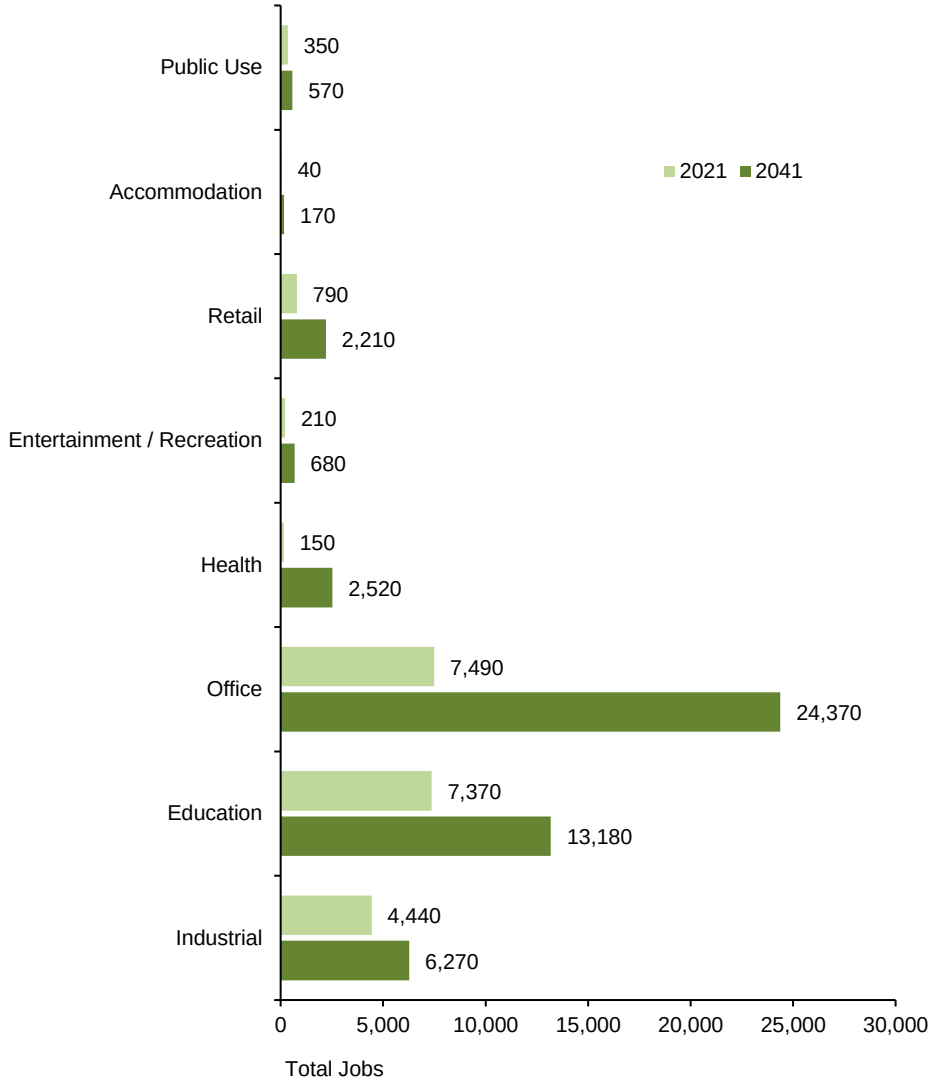


FIGURE 9.1 CLAYTON STRUCTURE PLAN, NUMBER OF WORKERS BY FLOORSPACE USE, 2021 - 2041

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 Clayton 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 Clayton 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 Retail report 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.

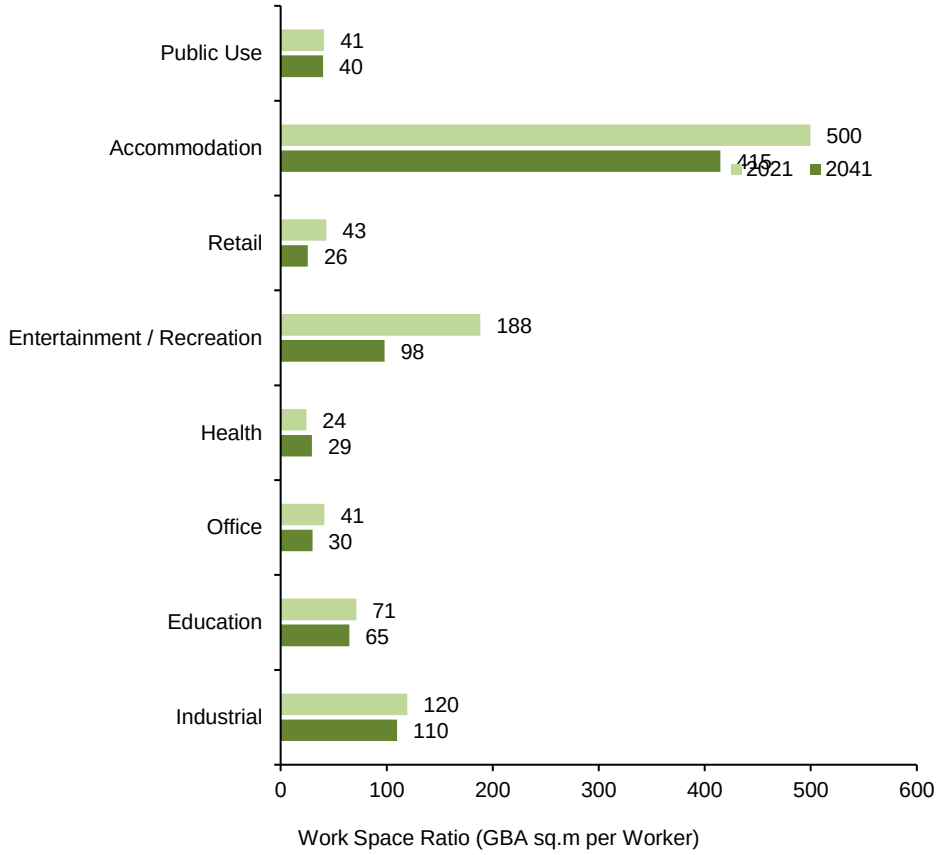


FIGURE 9.2 ESTIMATED WORKSPACE RATIO BY TYPE, GBA, CLAYTON STRUCTURE PLAN AREA 2021-2041

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 projections for 2041 for the Clayton Structure Plan Area would require just over 1 million sq.m of employment floorspace.

In total, this is an additional 432,300 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 around 4000 sq.m of office space will be removed to facilitate growth, meaning that total new development is in fact around 89,600 sq.m, rather than 85,600 sq.m.

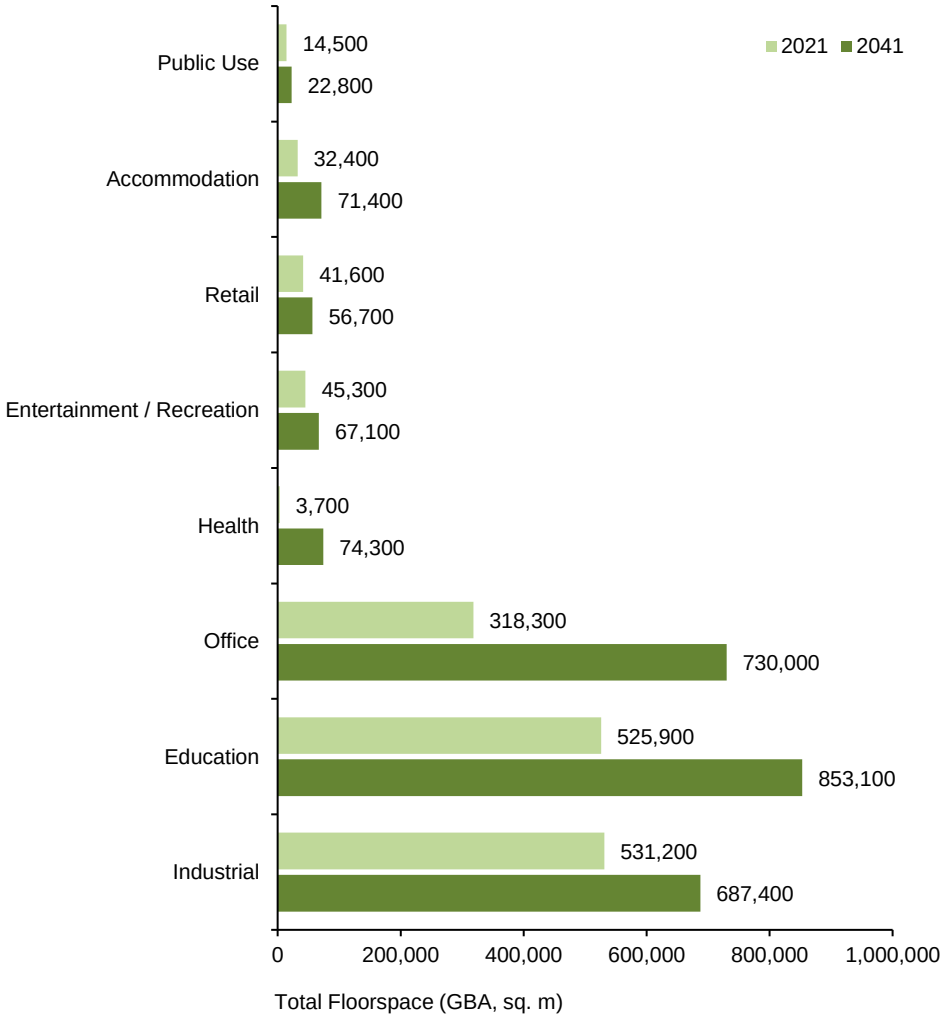


FIGURE 9.3 ESTIMATED EMPLOYMENT FLOORSPACE BY TYPE, GBA CLAYTON STRUCTURE PLAN AREA 2021-2041

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 CLAYTON STRUCTURE PLAN 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	18,200	33	353,300	601,400	248,100
Industrial	1700	88	118,800	152,200	33,400
Retail	3600	22	58,600	81,200	22,600
Public Use	700	47	23,300	30,800	7500
Education	400	65	11,200	26,600	15,400
Office	4600	21	10,800	96,400	85,600
Entertainment / Recreation	200	86	8100	20,200	12,100
Accommodation	0	214	600	8200	7600
Total	**29,600***	**-**	**584,700**	**1,017,000**	**432,300**

**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 employment floorspace demand estimated. This is informed by assessing historical growth and development, as well as the current development pipeline, as detailed in 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 9.3 CLAYTON 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	Limited change.	**Minimal.** Some office space will likely be introduced with the planned mixed-use developments on Clayton Road and Carnish Road.		**Potentially.** Clayton's existing office market is limited, with no significant pipeline for office developments. Additionally, since offices in Clayton will be primarily driven by the presence of the hospital, the future of this sector will be closely linked to the ongoing expansion and development of Clayton's Health Priority Area. Consequently, a more detailed understanding of the Health Priority Area's intentions and a specific assessment of the health ecosystem to identify market for health-related office spaces would help confirm the opportunity. Such analysis could also determine whether incentives will be needed to stimulate demand. Ensure future planning supports office uses in and around Clayton's Health Priority Area and along Clayton Road and the precinct is provided with a high level of worker amenity to suited to office-based businesses and workers.
Health	Limited change.	**Around 15% of future demand.** Clayton Road Medical Centre will introduce roughly 10,000 sq.m of health floorspace.		**Potentially.** The amount of future floorspace growth is very high, forecast to be growing at about the volume of Parkville between 2009 – 2019. The provision of future health floorspace largely relies on the long-term intentions and strategies of Monash Health to expand the health offer. Secondary to that, a key challenge will be understanding the spatial capacity to deliver the forecast growth within a heavily built-up area in and around the hospitals. Although underlying health demand likely exists, physical capacity may challenge the full delivery of floorspace needed to support that.
Education	Limited change.	**Nil.** No major education development proposals identified.		**Highly Likely.** Growth in education likely due to population driven demand for primary and secondary schools, as well as other uses such as childcare or kindergartens. Schools will likely need to intensify, while a broader mix of other education facilities could be supported through the Activity Centre (e.g. adult education, TAFE etc).
Retail	Limited change.	**Nil.** No major retail development proposals identified.		**Highly Likely.** The 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 in and around the existing activity centre core and at the ground level of mixed use developments, subject to the potential to accommodate retail floorspace in appropriate locations.
Entertainment & recreation	Limited change.	**Nil.** No major entertainment and recreation development proposal identified.		**Highly Likely.** Entertainment and recreation concepts (i.e. hotels, mini golf, bars etc) are increasingly popular within retail precincts. Continued growth of the retail offer in Clayton is likely to include a small entertainment and retail component. This will be supported by the student population living in Clayton.

	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	Limited change.	**A high proportion of future accommodation demand.** A 104-room hotel will be constructed as part of the 270 Clayton Road mixed-use development.		**Highly Likely.** The presence of Monash Medical Centre and its continued growth is likely to drive demand for some hotel space. The pipeline for accommodation already covers a significant proportion of future expected demand. Market forces may push actual commercial accommodation floorspace beyond expected demand.
Public use	Limited change.	**Nil.** No major public use development proposals identified.		**Highly likely.** Minor increase expected and this should be able to be delivered as demand arises in line with population growth.
Industrial	Jackson Green is a residential development which converted 6.5 hectares of industrial land to residential.	**Around 50% of the future demand is in the pipeline.** National Self Storage in Clayton West will introduce 16,800 sq.m of industrial floorspace.		**Likely.** Current supply already covers the majority of expected industrial floorspace demand and growth is not expected to meet the demand from the BIC projections. Beyond that though, material increases in industrial floorspace in net terms are unlikely, given industrial uses are being replaced by other employment forms.

Source: AJM JV. Notes: 1. Refer to Section 3.7 for further details on pipeline development.

9.5 Location and form of future employment floorspace

Based on the general land use and industry locational preferences, and respective built-form typologies identified previously in Section 5 and detailed further in Appendix C. The table below summarises the location and built-form preferences for the land uses assessed within the Structure Plan Area.

TABLE 9.4 CLAYTON STRUCTURE PLAN EMPLOYMENT FLOORSPACE LOCATION AND FORM

	LOCATIONAL PREFERENCES	BUILT FORM TYPOLOGIES	EXAMPLE TYPOLOGIES *Refer to Appendix C- Figures C1 to C5*
OFFICE	Close to the stations. Clayton Road corridor north of SRL station	Mid-rise office or mixed-use office buildings along Clayton Road. Health-based office space integrated within or adjacent to Clayton's Health Priority Area.	 *Mixed use offices at Walk Up Village Collingwood, office in education buildings at Melbourne Connect. CSL HQ in Parkville.*
HEALTH	Clayton's Health Priority Area and surrounds Clayton Road north of the SRL station	Modern hospital buildings Research laboratories Specialist health facilities Medical centre and allied health space (Clayton Road)	 *Mixed tenure consulting rooms at Clayton Medical Centre, or as currently proposed Highbury Road Community Development (see Section 3.6), Peter MacCallum Cancer Centre*
EDUCATION	Early learning and kindergarten spaces just off of Clayton Road and as part of new commercial office developments. Primary school space within current facility. Other spaces within the Activity Centre (e.g. TAFE campus)	Higher density primary school buildings Dedicated early learning centre space Mixed commercial spaces.	 *Noriter Bilingual Early Learning Centre (Clayton) and the vertical school campus at the Gasworks redevelopment in Fitzroy*
ACCOMM'N	Along Clayton Road, particularly north of the SRL station. Within or alongside expansion to Clayton's Health Priority Area.	Accommodation within a mixed-use building, i.e. education, health, office, or retail. Medium rise hotels or serviced apartments.	

	LOCATIONAL PREFERENCES	BUILT FORM TYPOLOGIES	EXAMPLE TYPOLOGIES *Refer to Appendix C- Figures C1 to C5*
			Nestuo Curtin Hotel Perth, accommodation integrated with education uses on a University, accommodation mixed with other uses in town centre setting as shown in the Veriu Collingwood
RETAIL	Expansion around the edges of the existing retail core along Clayton Road. Retail F&B oriented to workers within and around Clayton's Health Priority Area.	Fine grain retail in existing commercial areas. Ground floor retail in mixed-use and commercial office developments.	  *Fine grain retail streetscape at Central Market, Adelaide and street/centre based retail in Highett Activity Centre*
ENTERTAIN MENT & REC.	Attached to the same areas as retail along and around Clayton Road. Some industrial space used for low-rent recreation needs (e.g. gyms, dance studios)	Within the street-based retail environment, potentially in upper-level space. Some peripheral activity in commercial/industrial areas outside the strip.	  *Social Quarter Chadstone, for Clayton this concept would be within a town centre rather than shopping centre & Bridge Road Brewery, Brunswick East*
PUBLIC USE	Periphery of Clayton retail core, particularly near existing community facilities on Cooke Street. Health related public uses in and around the Health Priority Area.	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, Melbourne and Clayton Library with community facilities*
INDUSTRIAL	Audsley Street industrial area.	Potentially more modern mixed commercial environment in time, with more office space supporting industrial users.	   *Modern industrial/office at Work Belrose or Cheltenham Quarter. Modern business park at Caribbean Business Park,*

Source: AJM JV

9.6 Implications for Clayton Structure Plan

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

- According to floorspace modelling through to 2041, Clayton is projected to need an additional 432,300 sq.m of floorspace beyond what is currently developed. Health care and social assistance will drive this expansion with almost 250,000 sq.m of dedicated health floorspace, plus around another 50,000 sq.m of health care and social assistance jobs within other floorspace types.
- Meeting significant projected growth in professional services, along with supporting the health sector, will require a significant increase in office floorspace. Bolstering the already high-quality, high-amenity town centre in Clayton around the SRL East Station will be important in supporting a share of the office space growth needed to meet employment projections. Further actions may include engaging with the Hospital to foster partnerships and collaboration opportunities that can drive demand for office floorspace close to the Hospital.
- Beyond health and office floorspace, the increases projected across other land uses are generally seen as being capable of being accommodated within and around the Clayton Activity Centre as the surrounding resident and worker population expands.

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 floorspace in the Clayton Structure Plan Area and the driving factors behind it. These provide the basis for the recommendations to inform the development of the Clayton Structure Plan.

10.1 Employment policy expectations and goals

Victorian and local government priorities that should guide Clayton'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, Monash City Council and City of Kingston. Clayton is a designated Health Priority Area and forms part of the Monash NEIC, in the state's planning strategy, Plan Melbourne. SRL East will enhance accessibility to this important Health Priority Area and provide the foundation for future growth in the NEIC. Structure planning should support an increase of employment in appropriate locations within the Structure Plan Area.
- As an important **Health Priority Area** identified by Plan Melbourne, structure planning should ensure sure that Clayton's activities are optimised to serve this purpose. The Structure Plan should advocate for close engagement with key health providers in the Structure Plan Area to help maximise potential collaboration and ensure needs are met.
- Plan Melbourne designates Clayton as a major activity centre. Continued growth in population, workers and other visitors will drive demand for an expanding mix of services and activities. This will also create a need to increase employment opportunities close to home.

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.

Based on an assessment of suburban office hub attributes, Clayton does not present a strong opportunity for a broad professional services employment base. Most expansion of the office market will occur in health-aligned areas. Leveraging the hospitals and other activity, health-related businesses could cluster along the Clayton Road corridor, extending south to the shopping strip and towards North Road. Some office development could be located in existing industrial areas.

Due to extensive residential areas, office development will likely be constrained to the Clayton Road corridor, focusing primarily on health-related activities.

10.3 Future economic role of Clayton Structure Plan Area

Clayton's economy has experienced solid growth over the past decade, although almost exclusive driven by significant worker growth in the health sector. This sector remains a clear specialisation for Clayton and is likely to continue defining its future growth. Other industries have seen minimal growth, with the previously significant industrial sector declining dramatically as industrial land has been converted for residential or other uses.

A review of the Clayton local economy, its competitive positioning, and the outlook for key sectors undertaken for this assessment has identified Clayton's elevated economic role as a key Health Priority Area in Melbourne, supported by greater mix of employment activity.

Clayton's identity will remain anchored in its Health Priority Area, further solidifying its regional and metropolitan importance. A growing Health Priority Area will see the continued transformation of Clayton Road through the growth of a range of supporting services and amenities, including an increase in office space. Clayton's current activity centre will expand to support the growing resident and worker population. The significance of Clayton's industrial activities is expected to diminish. Nevertheless, the industrial areas will continue to play a role in providing local business services.

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

- **Health:** Defined by Clayton's Health Priority Area, Clayton will continue to operate as one of Melbourne's leading Health Priority Areas. Growth of a health-related cluster and expansion of the Hospitals could result in significant job growth.
- **Other Population Services:** This sector is expected to grow to accommodate a larger population of workers, residents, and students. Future population services should be concentrated around the existing activity centre and shopping strip. Development in this area should preserve the vibrant, fine-grain character of Clayton Road.
- **Professional Services:** In Clayton, professional services are likely to continue to play a supporting role. However, Clayton has potential to expand its health-related professional services, leveraging its Health Priority Area, and to a lesser extent, the Monash NEIC.
- **Industrial:** Industrial jobs are likely to continue to decline. New growth and development across the Structure Plan Area should facilitate the transition of Audsley Street industrial area towards mixed employment uses.
- **Education:** This sector is set to remain a minor sector in Clayton and met by a range of small education spaces (i.e. primary schools, kindergartens, childcare) around the Activity Centre. There may be some opportunity for tertiary level, health-related education around the Health Priority Area.

10.4 Employment forecasts to 2041

Figure 10.1 shows the forecast growth for employment in the Clayton 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 29,600 workers in the Structure Plan Area forecast by 2041 relative to 2021.

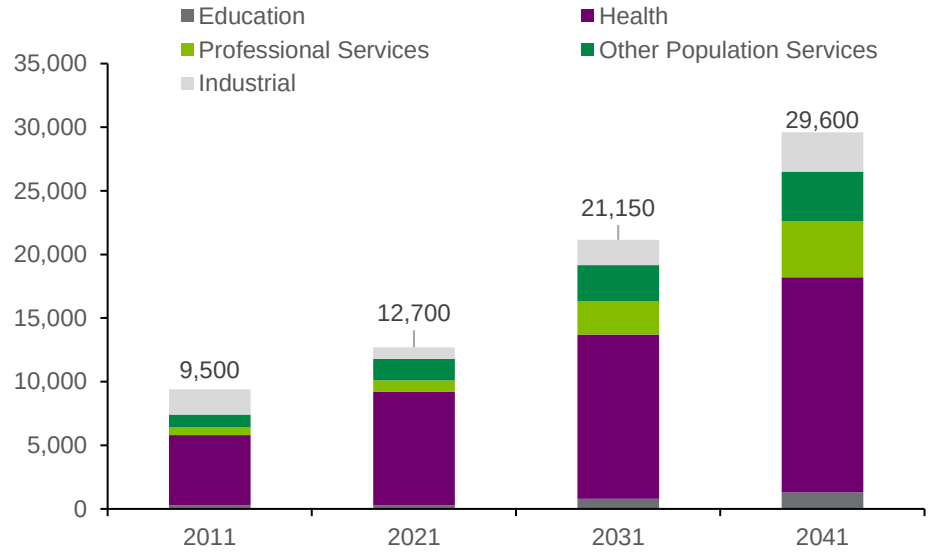


FIGURE 10.1 HISTORICAL AND FORECAST EMPLOYMENT IN THE CLAYTON STRUCTURE PLAN AREA, 2011–2041

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.

At an industry level, the employment projections indicate very strong growth expectations for the health sector. This reflects the significant role of the sector in the local economy and is consistent with recent trends. The challenge to achieving

growth relates more to the physical capacity for expansion in the Health Priority Area, which structure planning needs to address.

Similarly, forecasts for other population services are reasonable and support the continued growth of the Activity Centre in Clayton to serve growing numbers of residents and workers. These projections may be tempered by the Retail Report findings indicating the increase in retail floorspace may be more limited than the job growth suggests.

The employment growth in education, professional services and the industrial sectors may be challenging to achieve. These projections may be unlikely to be achieved without additional actions beyond structure planning, for example, to help establish a professional services-based office market. Industrial projections appear overstated given the past decline in the Structure Plan Area.

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 Clayton Structure Plan Area, taking account the existing density of workers and future workplace trends.

The modelling indicates the Clayton Structure Plan Area will need to accommodate 432,300 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 shows current floorspace according to use in the Structure Plan Area, and the additional forecast floorspace required by 2041.

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

LAND USE	FLOORSPACE 2021, (GBA)	FLOORSPACE 2041, (GBA)	ADDITIONAL FLOORSPACE 2021-2041 (GBA)
Health	353,300	601,400	248,100
Industrial	118,800	152,200	33,400
Retail	58,600	81,200	22,600
Public Use	23,300	30,800	7500
Education	11,200	26,600	15,400
Office	10,800	96,400	85,600
Entertainment / Recreation	8100	20,200	12,100
Accommodation	600	8200	7600
Total	**584,700**	**1,017,000**	**432,300**

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

Source: 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 Clayton Structure Plan Area. This is informed by assessing historical growth and development, as well as the current development pipeline. 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**	**Education:** Growth in education likely due to population driven demand for primary and secondary schools, as well as other uses such as childcare or kindergartens. Schools will likely need to intensify, while a broader mix of other education facilities could be supported through the Activity Centre (e.g. adult education, TAFE). b. **Retail:** The 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 in and around the existing activity centre core and at the ground level of mixed-use developments, subject to the potential to accommodate retail floorspace in appropriate locations. c. **Entertainment and Recreation**: Entertainment and recreation concepts (i.e. hotels, mini golf, bars etc) are increasingly popular within retail precincts. Continued growth of the retail offer in Clayton is likely to include a small entertainment and retail component. This will be supported by the student population living in Clayton. d. **Accommodation**: The presence of Monash Medical Centre and its continued growth is likely to drive demand for some hotel space. The pipeline for accommodation already covers a significant proportion of future expected demand. Market forces may push actual commercial accommodation floorspace beyond expected demand. e. **Public Use**: Minor increase expected and this should be able to be delivered as demand arises in line with population growth.
 **Moderate potential to be delivered by market**	• **Office**: Clayton's existing office market is limited, with no significant pipeline for office developments. Additionally, since offices in Clayton will be primarily driven by the presence of the hospital, a more detailed understanding of Monash Health's intentions and a specific assessment of the health ecosystem to identify market for health-related office spaces would help confirm the opportunity. Such analysis could also determine whether incentives will be needed to stimulate demand. Ensure future planning supports office uses in and around the Health Priority Area and along Clayton Road given the high amenity environment. • **Health**: The amount of future floorspace growth is very high, forecast to be growing at about the volume of Parkville between 2009 – 2019.The provision of future health floorspace largely relies on the long-term intentions and strategies of Monash Health to expand the health offer. Secondary to that, a key challenge will be understanding the spatial capacity to deliver the forecast growth within a heavily built-up area in and around the hospitals. Although underlying health demand likely exists, physical capacity may challenge the full delivery of the floorspace needed to support that. • **Industrial:** Current supply already covers the majority of expected industrial floorspace demand and growth is not expected to meet the demand from the BIC projections. Beyond that though, material increases in industrial floorspace in net terms are unlikely, given industrial uses are being replaced by other employment forms.
 **Low potential to be delivered by market without intervention**	**None**

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 Clayton 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 for structure planning

11.1.1 OFFICE FLOORSPACE

Recommendation 1: Plan for an additional 85,600 sq.m GBA of office space around the Health Priority Area and Clayton Activity Centre Core

The additional office floorspace needed to support projected employment should be focussed on the Health Priority Area (when aligned with health activities) and a smaller provision in the core of the Clayton activity centre, within mixed use buildings (e.g. second level space above shops).

Areas identified for office floorspace will require a high level of worker amenity including the quality of the urban realm and in locations with excellent access to public transport. This should be achieved if office space is located just north of the existing retail areas which will be consolidated and enhanced over time. There may be a need for small retail offers at the ground floor of office space that is slightly removed from the retail core.

11.1.2 HEALTH FLOORSPACE

Recommendation 2: Support the significant growth of health floorspace in and around the Health Priority Area

The Monash Medical Centre and surrounding area should be the priority location for future health floorspace. Structure planning should accommodate almost all the almost 250,000sq.m of forecast health floorspace growth within Clayton's Health Priority Area. This may require extending the precinct to areas surrounding the hospital and along Clayton Road.

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

Structure planning can also allow for a nominal amount of health floorspace further south along Clayton Road and in the Clayton Activity Centre for smaller scale health users which are suited to an activity centre (i.e. GPs, local health services, cosmetic etc). These users can occupy shopfront and other commercial premises in highly accessible areas.

Recommendation 3: Define a Health Priority Area boundary and consider the mix of uses supported within it

Clearly defining the boundaries of the Health Priority Area to mitigate any potential encroachment from unaligned uses and help manage expectations of health space expansion. This precinct is currently thought of as the Monash Medical Centre site, plus a range of smaller health uses along Clayton Road and Dixon Street. This area may need to be expanded to accommodate the additional health floorspace plus a range of complementary uses required to support the long-term growth of the health cluster.

- Health uses should be the primary use supported centrally in this precinct, but with aligned uses such as office space, key worker housing, accommodation, and complementary retail and education part of the mix.
- Balancing this with the existing residential land within and surrounding the precinct needs to be managed. Although low density residential uses are likely to be replaced over time, some medium density residential (typically under strata title) will remain, while potentially more could be supported subject to capacity through mixed-use projects.
- It will be necessary to ensure the precinct allows the creation of large, contiguous land parcels to accommodate a significant expansion of health facilities and preferably in locations which maintain a functional connection with the major health providers.

11.1.3 EDUCATION FLOORSPACE

Recommendation 4: Locate future school education floorspace on existing school sites, but also through smaller facilities around the Activity Centre

The modelling indicates that this will be an additional 15,400 sq.m GBA by 2041.

Some of this new floorspace should be accommodated on the existing primary school sites. Schools within and around the Structure Plan Area are expected to play a crucial role in supporting the increased population growth. We note that future school floorspace will primarily be determined by the Department of Education and Training in alignment with population growth.

Other education facilities could be delivered in line with the recommendations of the Community Infrastructure Report, including childcare and kindergartens. Education uses such as potentially TAFE-style facilities, language schools and tutoring services could be accommodated through the Activity Centre.

11.1.4 RETAIL AND ENTERTAINMENT FLOORSPACE

Recommendation 5: Consolidate retail floorspace within existing activity centre core, with some provision around the Health Priority Area

Clayton will require an increase in retail and F&B to serve a growing resident and worker catchment. As detailed in the Clayton Retail report, this is estimated to be between 20,000-23,000 sq.m GBA of additional retail floorspace.

Future uses should be consolidated in the existing core activity centre, south of the existing rail line. Retail in this area should maintain the vibrant, fine grain character of Clayton Road, with redevelopment of sites fronting Clayton Road, and to the rear (e.g. the Cooke Street car park). This could involve redevelopment and expansion of existing supermarkets.

A small provision of retail will be required to support growing worker base in the Health Priority Area and the adjoining Clayton Road corridor. Ground floor retail can help activate this area and provide a range of day-to-day amenities to workers, without undermining the core retail areas to the south. Some additional retail could also be allocated to other existing local centres. Again, refer to the detailed recommendations of the Clayton Retail Report for further details.

Recommendation 6: Support entertainment and recreation uses in and around the existing activity centre

A range entertainment uses (i.e. cinemas, pubs, bars, theatres, and other leisure activities etc) will continue to play a modest role in Clayton, tailored to the specific needs of the area. Modelling suggests just over 12,000sq.m of entertainment and recreation floorspace may be required.

Future planning should allow for entertainment floorspace within the core of the Clayton Activity Centre, near retail activity. Broader community-focused entertainment facilities, such as swimming pools and sporting facilities, should be guided by the recommendations in the Clayton Community Infrastructure Report.

11.1.5 INDUSTRIAL FLOORSPACE

Recommendation 7: Support continued transition of industrial floorspace towards higher density employment uses, particularly around the northern part of the Audsley Street Industrial Area

The Audsley Street Industrial Area should remain an employment area, with an emphasis on intensifying employment activities particularly around the northern part of the Industrial Area. This can be accomplished by increasing the office mix, supporting mixed employment typologies (e.g., office/industrial spaces), and further enhancing the office mix. The southern part of the Industrial Area is located at a distance from the centre of the Structure Plan Area and does not benefit from main road frontage. It is likely to remain an industrial area supporting local residents and businesses.

11.1.6 OTHER EMPLOYMENT FLOORSPACE

Recommendation 8: Plan for an additional 7600sq.m of accommodation floorspace around the Health Priority Area and Clayton activity centre core

Accommodation facilities focused around the Health Priority Area or the Clayton Activity Centre will have readily access a range of activity generators, amenities, and public transport. This could support 1-2 small hotels or serviced apartment facilities. Accommodation floorspace within the Health Priority Area could cater to medi-hotels and the like.

Recommendation 9: Support public use floorspace close to the core of the Clayton Activity Centre, potentially building on the existing civic precinct

Public use floorspace will support the expansion of non-office-based public services, such as public libraries, courts, community centres, churches, non-office government buildings, police, fire, and ambulance facilities. Future planning for other community uses will be guided by the Community Infrastructure Report or relevant public organisations.

Where possible, future public uses should be situated near the core of the Clayton Activity Centre. Additionally, there may be opportunities for public uses that complement the health services along Clayton Road and near the hospitals.

Modelling indicates that the Structure Plan will need to provide an additional 7500sq.m GBA of public use floorspace by 2041.

11.1.7 OTHER RECOMMENDATIONS TO SUPPORT EMPLOYMENT GROWTH

Recommendation 10: Identify the employment role and mix for the redeveloped PMP Printing site

Engage further in relation to the PMP Printing Precinct to determine the role of employment floorspace on that site and how it can help meet long term floorspace needs. The site is somewhat removed from existing employment areas and therefore is not an obvious employment location now that the previous industrial use has closed. Some retail and limited office space may be suitable.

Recommendation 11: Provide a high amenity environment for workers

Ensure the Clayton Activity Centre and Health Priority Area have a high level of worker amenity to help attract a range of businesses. This should include a high-quality public realm, quality building design, broad mix of amenities, including F&B and access to public transport for future workers. Some of this is within the remit of the Structure Plan, while others may need further actions.

11.2 Other opportunities

Although potentially beyond the scope of the Structure Plan development and supporting Planning Scheme Amendments, other opportunities to support the necessary employment development in Clayton include the following:

Opportunity 1: Health Priority Area Strategy

Create a strategy for the Health Priority Area to support the long-term growth of the precinct and activate the cluster with a wide range of complementary health, research, education and supporting uses. A strategy should also define and leverage Monash Health's role in the larger Monash NEIC and new opportunities to other complementary health and education hubs along the SRL Corridor. Any strategy should also focus on attracting businesses, encourage collaboration and innovation and delivering a high level of worker amenity.

Development of a strategy would require detailed input from the key health providers operating in the precinct currently, along with engagement of other stakeholders in the broader NEIC.

Opportunity 2: Clearly define role and focus for key employment precincts

Realising Clayton's employment vision will require clear articulation of the role and priorities of key employment precincts through further economic development strategies. Aside from Clayton's Health Priority Area, discussed above, the key precincts are the Clayton Activity Centre, the Centre Road corridor and the Audsley Street Industrial Area. Based on the analysis presented in this the Economic Profile, the potential economic roles for these precincts are as follows:

a. **Clayton Activity Centre** should continue to be the heart of the Clayton, providing a high amenity and vibrant shopping strip along Clayton Road. Surrounding areas can be intensified to provide a greater mix of population-based services, retailing and some complementary office developments. Retaining the fine grain nature and distinct F&B and other retail offer will be important.

b. **Centre Road Corridor**, east of Clayton Road, presents a logical future expansion for the current Activity Centre. It holds the potential to host a variety of employment opportunities such as offices, showrooms, and similar uses. This could be incorporated into mixed-use developments located east of Audsley Street or could intensify the existing industrial zones in the northern section of the Audsley Street Industrial Area. Given its close proximity to Clayton's Health Priority Area, this area could also support some health-related services.

c. **Audsley Street Industrial Area**, away from Centre Road, should support a greater density of employment activity, but continue to play its important local services role.

School education on existing education sites inside Structure Plan and around the Activity Centre

4

Consolidate retail to existing core, south of railway line. Some retail provision north of railway line to support offices and health uses

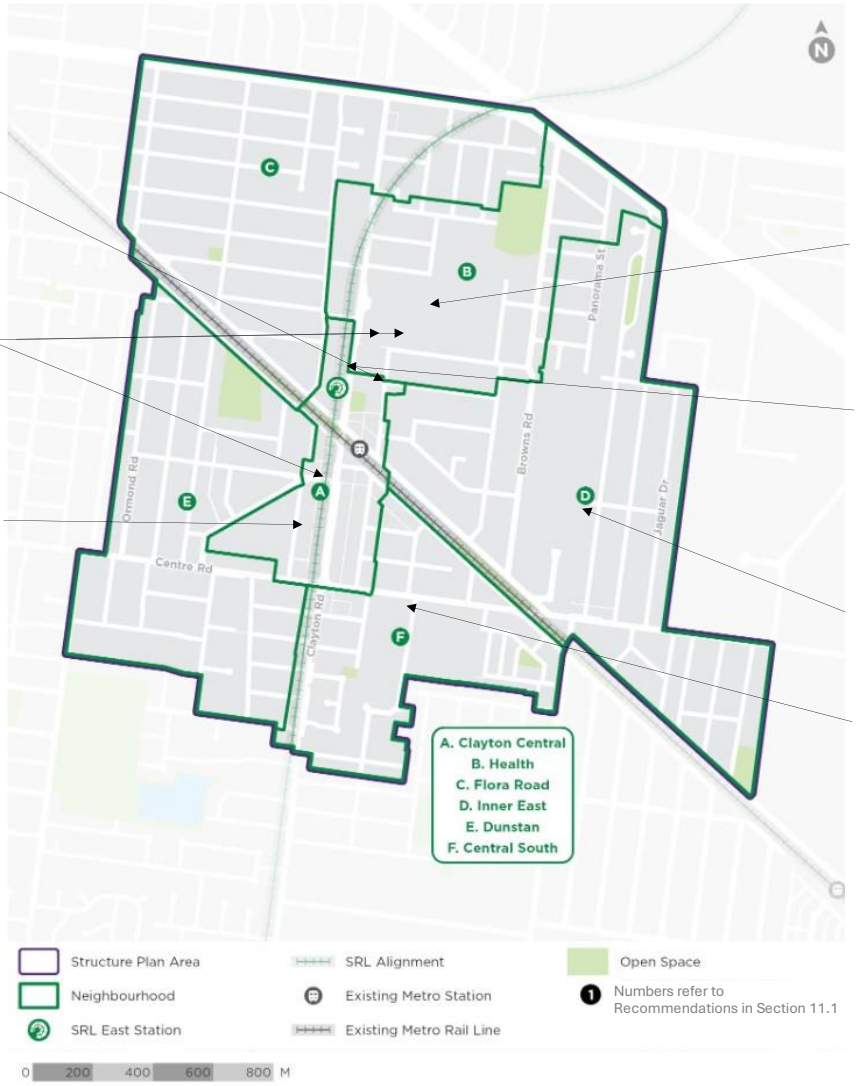
5

Increase the provision of retail, entertainment, accommodation, and public uses to support increased resident and worker growth

5 6 9

Provide a high amenity environment for workers

11



Health Precinct and Clayton road corridor towards SRL East Station focus for future health and related floorspace. Define boundary of the Precinct to accommodate long term growth

2 3 5 8

Focus future office floorspace between Clayton activity centre and the Health Precinct , close to the SRL East Station

1

Identify the employment role and mix for the redeveloped PMP Printing site

10

Transition industrial uses around Audsley Street to higher density employment uses, particularly the northern part along Centre Road

7

FIGURE 11.1 LOCATION RECOMMENDATIONS FOR FUTURE EMPLOYMENT FLOORSPACE IN THE CLAYTON STRUCTURE PLAN AREA

AJM
Joint Venture

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
DELWP	Department of Environment, Land, Water and Planning – Note that DELWP's functions were split into DEECA and DTP in January 2023
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]
SP	Structure Plan
SRL	Suburban Rail Loop
SRLA	Suburban Rail Loop Authority
SWOC	Strengths, Weaknesses, Opportunities, Challenges
TAFE	Technical and Further Education
VET	Vocational Education and Training
VIF	Victoria in Future
VITM	Victorian Integrated Transport Mode
WSR	Workspace ratio

KEY 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).
- 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.

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. We note that 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.

AJM
Joint Venture

Appendix B

Structure Plan employment profile

TABLE B.1 WORKER CHARACTERISTICS, CLAYTON, 2021 CENSUS

	Clayton		Greater Melbourne
	2011	2021	2021
Industry:			
Education and Training	300	300	224,400
Health Care and Social Assistance	5500	9000	337,200
Professional Services	700	900	666,500
Other Population Services	1000	1600	725,500
Industrial	2000	900	423,200
Total	**9500**	**12,700**	**2,376,700**
Full-Time / Part-Time			
Full-Time	6000	6600	1,441,600
Part-Time	2900	5200	781,600
Away from work	600	900	153,500
Total	**9500**	**12,700**	**2,376,700**
Gender:			
Male	3700	4300	1,219,800
Female	5800	8400	1,156,900
Total	**9500**	**12,700**	**2,376,700**
Age:			
15-24 years	900	1500	319,400
25-39 years	3700	5400	897,900
40-54 years	3300	3700	736,200
55-64 years	1300	1700	326,000
65 years and over	200	300	97,400
Working Age (15-64 years)	**9300**	**12,400**	**2,279,300**
Total	**9500**	**12,700**	**2,376,700**
Education:			
Bachelor or Above	*Irregularities in Comparison*	8200	1,057,200
Diploma or Above		1100	281,500
Certificate or Year 10 and above		2900	921,100
Year 9 and below		500	107,800
No educational attainment		0	9000
Total		**12,700**	**2,376,700**

	CLAYTON		GREATER MELBOURNE
	2011	2021	2021
Income:			
Negative income	0	0	2300
Nil income	100	0	11,000
$1-$149 ($1-$7799)	300	200	59,800
$150-$299 ($7800-$15,599)	200	200	68,300
$300-$399 ($15,600-$20,799)	400	300	71,500
$400-$499 ($20,800-$25,999)	900	400	86,400
$500-$649 ($26,000-$33,799)	1400	700	140,100
$650-$799 ($33,800-$41,599)	1500	900	182,400
$800-$999 ($41,600-$51,999)	1600	1400	259,800
$1000-$1249 ($52,000-$64,999)	1200	1900	314,100
$1250-$1499 ($65,000-$77,999)	1100	1500	255,000
$1500-$1749 ($78,000-$90,999)	900	1500	230,800
$1750-$1999 ($91,000-$103,999)	*Ranges Altered Between Census Periods*	1100	171,200
$2000-$2999 ($104,000-$155,999)		1500	310,700
$3000-$3499 ($156,000-$181,999)		300	76,000
$3500 or more ($182,000 or more)		800	137,300
Average Income	**$59,614**	**$78,470**	**$76,198**
Total	**9500**	**12,700**	**2,376,700**
Method to Work:			
Worked at home	*No Data*	1400	799,500
Private Vehicle		10,000	1,346,700
Active Transport		400	73,400
Other Public Transport		900	147,100
Other Mode		0	10,100
Total		**12,700**	**2,376,700**
Occupation:			
Managers & Professionals	5200	7600	1,007,200
White Collar	7400	10,900	1,785,400
Blue Collar	2100	1800	591,300
Total	**9500**	**12,700**	**2,376,700**

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

TABLE B.2 INDUSTRY PROFILE, CLAYTON, 2011 & 2021

	2011	2021	PROPORTION 2021	G.MELB PROPORTION	LOCATION QUOTIENT	2011-21 GROWTH (NO.)	GROWTH RANK
Education and Training	300	300	3%	11%	0.2	1	13
Health Care and Social Assistance	5500	9000	70%	16%	4.3	335	1
Administrative and Support Services	110	120	1%	3%	0.3	1	13
Financial and Insurance Services	70	80	1%	3%	0.2	1	13
Information Media and Telecommunications	40	50	0%	1%	0.3	1	13
Public Administration and Safety	60	100	1%	4%	0.2	4	9.5
Professional, Scientific and Technical Services	280	460	4%	8%	0.4	18	4
Rental, Hiring and Real Estate Services	70	110	1%	2%	0.5	4	9.5
Professional Services	700	900	7%	21%	0.3	29	
Accommodation and Food Services	280	490	4%	6%	0.6	21	2
Arts and Recreation Services	10	70	1%	1%	0.4	6	8
Construction	180	300	2%	9%	0.3	12	5
Retail Trade	410	600	5%	12%	0.4	19	3
Other Services	140	210	2%	4%	0.4	7	7
Other Population Services	1000	1600	13%	32%	0.4	65	
Agriculture, Forestry and Fishing	0	10	0%	0%	0.3	1	13
Electricity, Gas, Water and Waste Services	10	0	0%	1%	0.0	-1	17
Manufacturing	1350	360	3%	10%	0.3	-99	19
Mining	0	0	0%	0%	0.0	0	16
Transport, Postal and Warehousing	280	390	3%	4%	0.8	11	6
Wholesale Trade	380	170	1%	5%	0.3	-21	18
Industrial	2000	900	7%	20%	0.4	-109	
Total	9500	12,700	100%	100%	1.0	320	

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

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

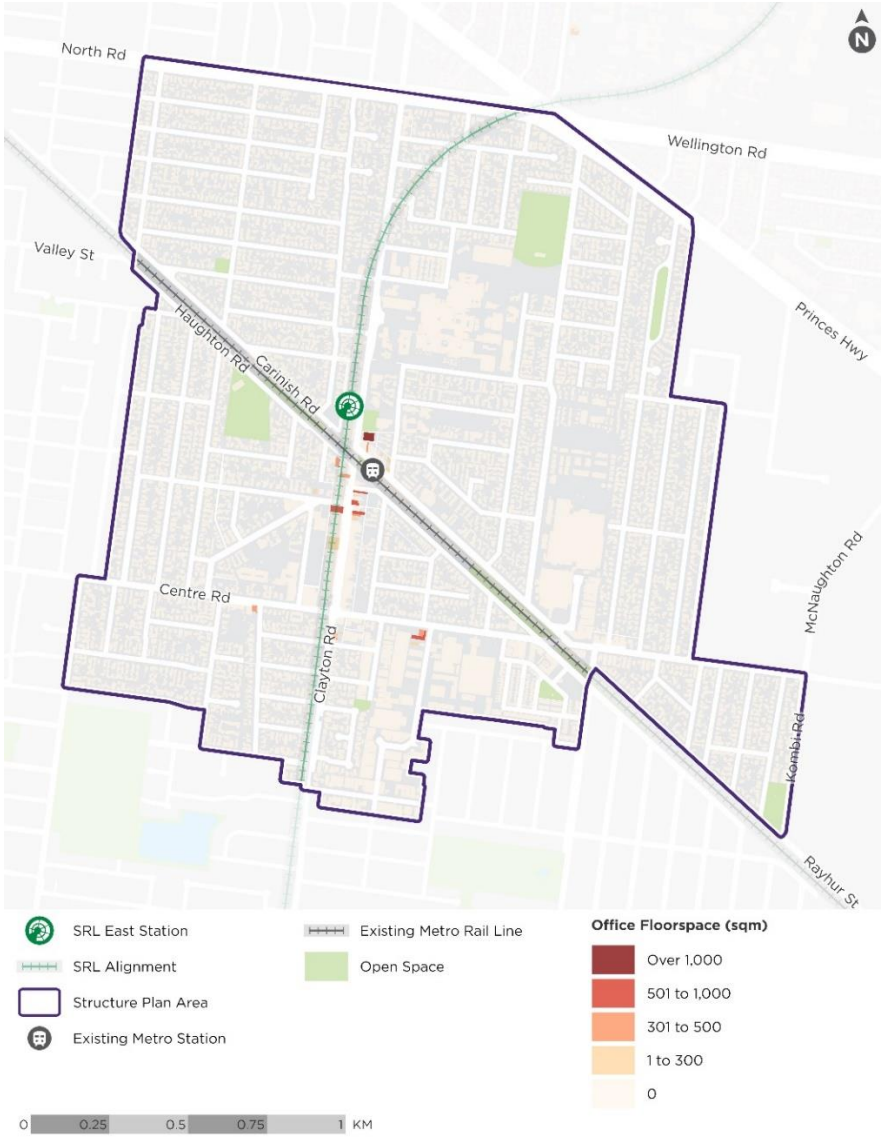


FIGURE B.1 CLAYTON OFFICE FLOORSPACE, 2024

Source: DEECA, PSMA, Space Syntax, Urbis

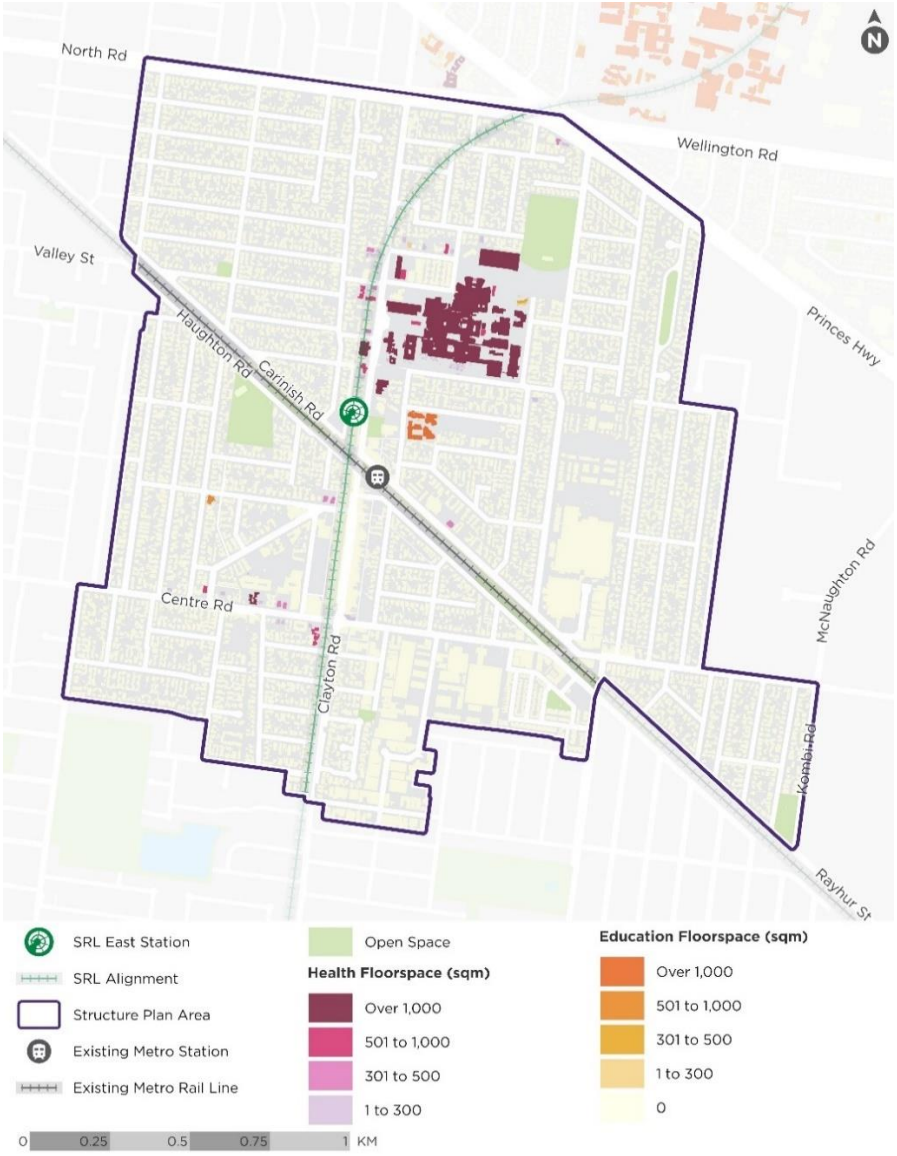


FIGURE B.2 CLAYTON HEALTH AND EDUCATION FLOORSPACE, 2024

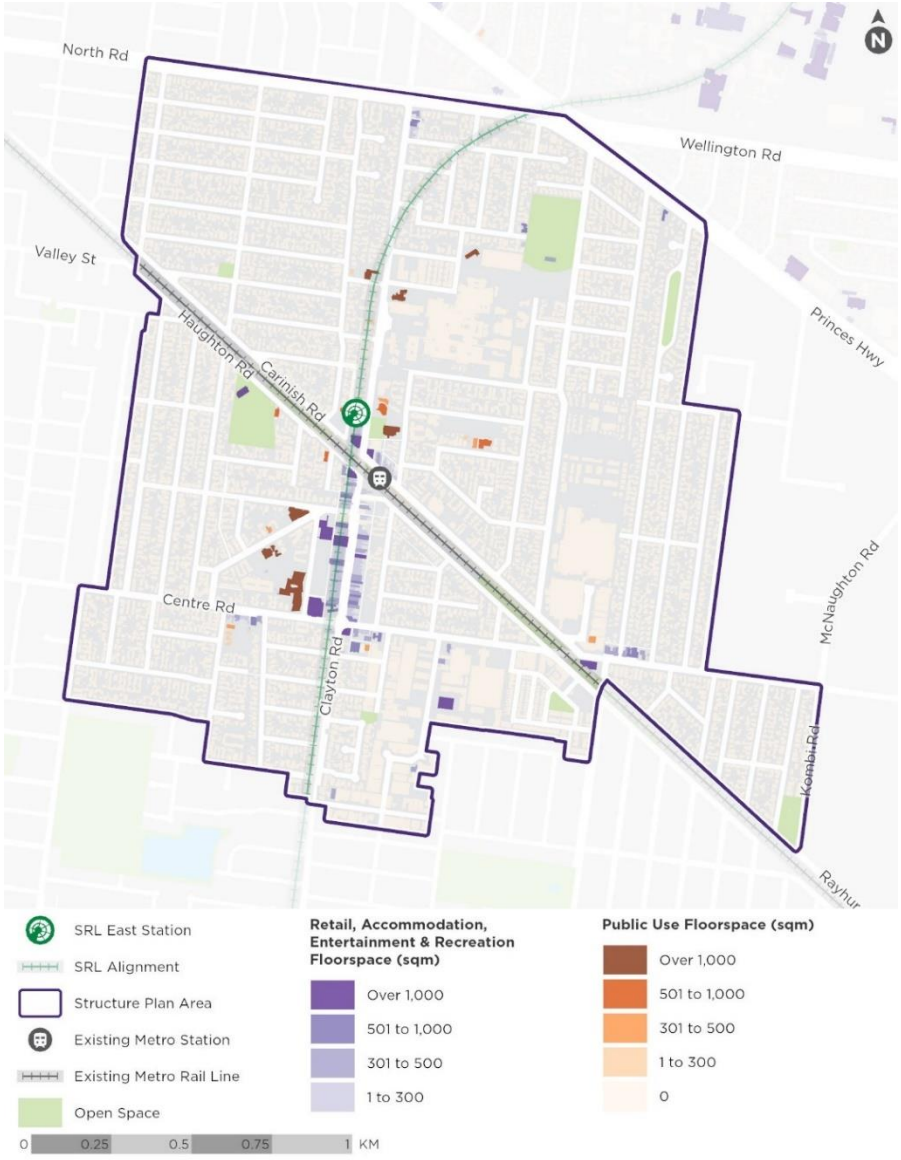


FIGURE B.3 CLAYTON RETAIL, ACCOMODATON, ENTERTAINMENT, RECREATION AND PUBLIC USE FLOORSPACE, 2024

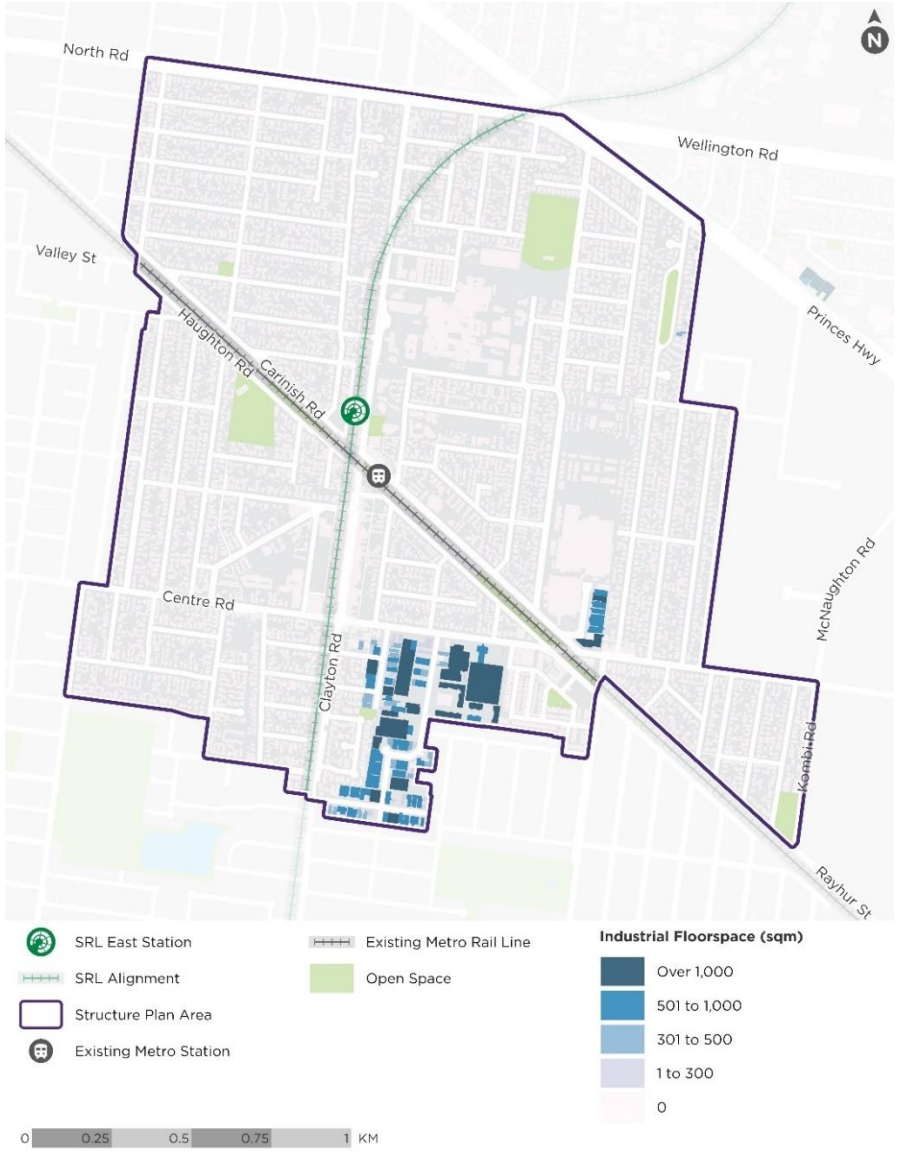


FIGURE B.4 CLAYTON INDUSTRIAL FLOORSPACE, 2024

AJM
Joint Venture

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;	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)	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	Public Space Town Hall Retail Waterfront Education Museums & Galleries

	PARRAMATTA	MACQUARIE PARK	NORTH SYDNEY	ST LEONARDS/ CROWS NEST	CHATSWOOD	SYDNEY CBD BENCHMARK
	Secondary Education Tertiary Education & Western Sydney University	Education & childcare Early Education Secondary Education			Secondary Education Library	Sydney Opera House Community Centres
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].
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.	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.

ELEMENT	DESCRIPTION	EXAMPLE OF BEST PRACTICE
	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.	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

Source:

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

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.

Source: 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

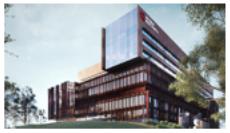
Implications for building typologies:

- 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)

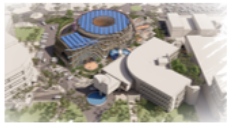
Location requirements:

- 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 CLAYTON STRUCTURE PLAN AREA EMPLOYMENT FORECASTS

	CLA			CLA Annual Change (no.)		CLA Annual Change (%)	
	2011	2021	2041	2011-21	2021-41	2011-21	2021-41
Industry:							
Education and Training	300	300	1300	0	50	0.0%	7.6%
Health Care and Social Assistance	5500	9000	16800	350	390	5.0%	3.2%
Professional Services	700	900	4400	20	175	2.5%	8.3%
Other Population Services	1000	1600	3900	60	115	4.8%	4.6%
Industrial	2000	900	3100	-110	110	-7.7%	6.4%
Total	**9500**	**12,700**	**29,600**	**320**	**845**	**2.9%**	**4.3%**

	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. BIC 2021 for the forecasted values, summarised by broad industry.

TABLE D.2 REVIEW OF PROFESSIONAL SERVICES AND HEALTH FORECASTS FOR CLAYTON STRUCTURE PLAN AREA

	PROFESSIONAL SERVICES	HEALTH
Is the industry employment projection Consistent with historical growth?	**No**, future growth at 7.7 % annually (170 jobs per year) is significantly higher than historical growth which was closer to 3.6% per annum, or an additional 30 jobs per year. Growth was negligible over the past decade.	**Yes**, Health sector grew rapidly over the past decade, with a rate of almost 5% per annum, adding almost 3400 jobs. This growth was faster than the comparator regions. Looking forward, the employment forecasts anticipate that this level of growth will be sustained through to 2041.
Does the industry employment projection align with either broader industry or regional trends?	**No**, forecast rate of growth professional services in Clayton surpasses that projected for the benchmark locations. 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 support and a clear strategy to grow professional services in Clayton rather than other activity centres in the region.	**Broadly,** Health in Clayton is forecast to grow at 3.4% per annum which is comparable to the benchmark regions and it is also comparable to Australian Government forecasts that nationally this sector will grow slightly faster at 3% through to 2026[21]. It is likely that Clayton as a specialised health cluster will continue to attract a large share of regional health growth.
Does the industry employment projection align with the competitive strengths of the Structure Plan Area?	**Broadly,** a small but growing role for professional sector aligns with the competitive strengths of Clayton, given the limited existing office provision. The continued growth of the Health Priority Area is likely to further bolster the knowledge-intensive industry, particularly the professional, scientific, and technical services subsector. This industry will continue to serve in a supporting role within Clayton, mostly catering to the requirements of the health sector (i.e. aligned health business location), but also as a service location for residents and other businesses (e.g. financial or legal services). Large businesses not aligned with the health industry are likely not inclined to establish themselves in the Structure Plan Area. This is not a location that is competing for larger businesses that don't have a nature alignment to the area. The exception may be industrial businesses who have nearby industrial operations.	**Yes**, Health care and social assistance is a clear competitive strength of Clayton. It is also a clear specialisation of Clayton, both in a regional and Greater Melbourne context. The Structure Plan Area has a high number of workers in this sector and a large catchment with access to a highly skilled workforce. The established health cluster provides a wide range of both public and private sector operations, along with an emerging cluster of private health development along Clayton Road. Looking forward, the future economic role outlined in Chapter 6 identifies that Clayton's health care offer will continue to be of regional significance into the future and continue to serve a growing region.
Does the industry employment projection align with the future economic role of the Structure Plan Area, considering the transformative effect of SRL East?	**Potentially,** professional services are likely to be a smaller sector in Clayton, complementing the large health offer. This is reflected in the employment forecasts. The ability to deliver this level of professional services jobs will rely on the ability to leverage the potential service needs of the health sector, as well as the growing services to meet the needs of the expanding population.	**Ye**s, a large and growing health sector is consistent with the economic role of Clayton. However, the ability to accommodate a larger health offer will remain a key challenge for the long-term growth of Clayton's Health Priority Area. The existing Monash Medical Centre is highly constrained, occupying most of its site (with the exception of car parks to the north-east) and is surrounded by established housing and other privately held uses. Physical expansion of the health uses will need to be balanced against long term housing needs. In addition, further discussions with Monash Health are highly recommended to ensure future planning aligns with their long term planning.
Overall, is the industry employment projection appropriate for the Structure Plan Area?	**Potentially high.** Realising the significant shift from stagnant to high growth in professional services are likely to require a number of interventions beyond structure planning, including incentives to create a critical mass from a low base. The nearby Monash Structure Plan Area will be the focus for higher order professional services. The physical capacity to accommodate these workers in office environments, while at the same time, increasing the health offer, may be challenging. It is considered the projections are potentially on the high side.	**Broadly**, the employment projection is broadly appropriate for the health sector in Clayton. However, the ability to accommodate a larger health offer will remain a key challenge for the long-term growth of Clayton's Health Priority Area.

[21] *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 REVIEW OF EDUCATION, OTHER POPULATION AND INDUSTRIAL FORECASTS FOR CLAYTON STRUCTURE PLAN AREA

	EDUCATION	OTHER POPULATION SERVICES	INDUSTRIAL
Is the industry employment projection Consistent with historical growth?	**No.** There has been negligible growth in education in Clayton over the past decade, largely attributed to the lack of large schools or education providers in the Structure Plan Area. Forecast estimated turnaround from 0 new workers per annum to 50 per annum.	**Broadly**, future growth rate of other population services at is still strong, broadly consistent with historic trends.	**No**, industrial sector have decreased at a rate of 100 jobs per annum due to the closure of several large industrial operations and rezoning of land. The BIC forecasts anticipate this shifting to positive growth of around 6% annually, creating an additional 105 industrial jobs in the Structure Plan Area annually.
Does the industry employment projection align with either broader industry or regional trends?	**Broadly**, education and training is set to continue to grow strongly at the Greater Melbourne level, at around 3.1% annually. Clayton is forecast to go at a faster rate, albeit from a smaller base and will align with strong population growth anticipated in the Structure Plan Area.	**Broadly.** Other population services in Clayton are forecast to grow faster than the comparable benchmarks, but this also reflects a larger resident and worker base which will drive demand for a broad range of services. The Clayton Retail Report specifically considers the demand generated for retail and F&B stemming from growth in resident, workers and students.	**No,** the forecasts do not reflect that industrial jobs in Clayton's industrial precincts have been declining in recent years as these areas slowly transition towards higher value jobs. Preserving industrial land for employment uses is a clear policy intent, but the policies recognise transition towards higher density employment uses, typically away from the industrial sector.
Does the industry employment projection align with the competitive strengths of the Structure Plan Area?	**Broadly,** general population growth in Clayton will drive demand for the education sector at all levels from pre-school, school, tertiary and a range of complementary education services such as tutoring. The Structure Plan Area only has one primary school, but the growth projected can be supported in other education facilities.	**Broadly.** For all subsectors except retail and accommodation and food services, the forecasts reflect the increased population and worker growth in the area. The *SRL East Retail Needs Assessment –Clayton* examines in detail the future growth opportunities of this subsector.	**No,** with increased local residents, employment and the SRL East connectivity, Clayton's remaining Audsley Street industrial area is likely to slowly transition towards mixed employment uses. At the northern end of this industrial area, towards Centre Road, some sites may transition towards Mixed Uses which has already occurred further east in Jackson Green. Mixed uses should be supported if they result in a net gain in employment.
Does the industry employment projection align with the future economic role of the Structure Plan Area, considering the transformative effect of SRL East?	**Yes**, maintaining a small role for education in Clayton is appropriate given there are mainly small pre-school facilities (i.e. kindergarten, childcare etc) and one primary school in the Structure Plan Area.	**Broadly**, the other population services forecasts align with the future economic role and support growth of the Clayton activity centre as a hub of F&B and retail activity. Other sectors such as arts and recreation and other services are also likely to align with population growth.	**No,** as discussed above Audsley Street can continue to transition towards an employment precinct which provides a wide range of uses and activities to meet the needs of the local population. Some local industrial services (i.e. automotive services) are likely to remain a part of this mix.
Overall, is the industry employment projection appropriate for the Structure Plan Area?	**Yes,** the employment projection appears broadly appropriate for Clayton's education sector. Future employment growth will need to be accommodated in an expansion of the existing small school, but more so other educational facilities (e.g. childcare, kinder, adult education).	**Broadly**, the employment projections are a reasonable representation of likely growth in other population services, except retail, and accommodation and food services which are likely overstated given capacity for expansion and should follow the recommendations of the Clayton Retail Report.	**No**, over the past decade industrial jobs in Clayton have declined and its industrial areas are showing early signs of transitioning towards mixed employment uses. Therefore the projections appear to overstated and structure planning may not need to plan for the total industrial floorspace estimate.

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.

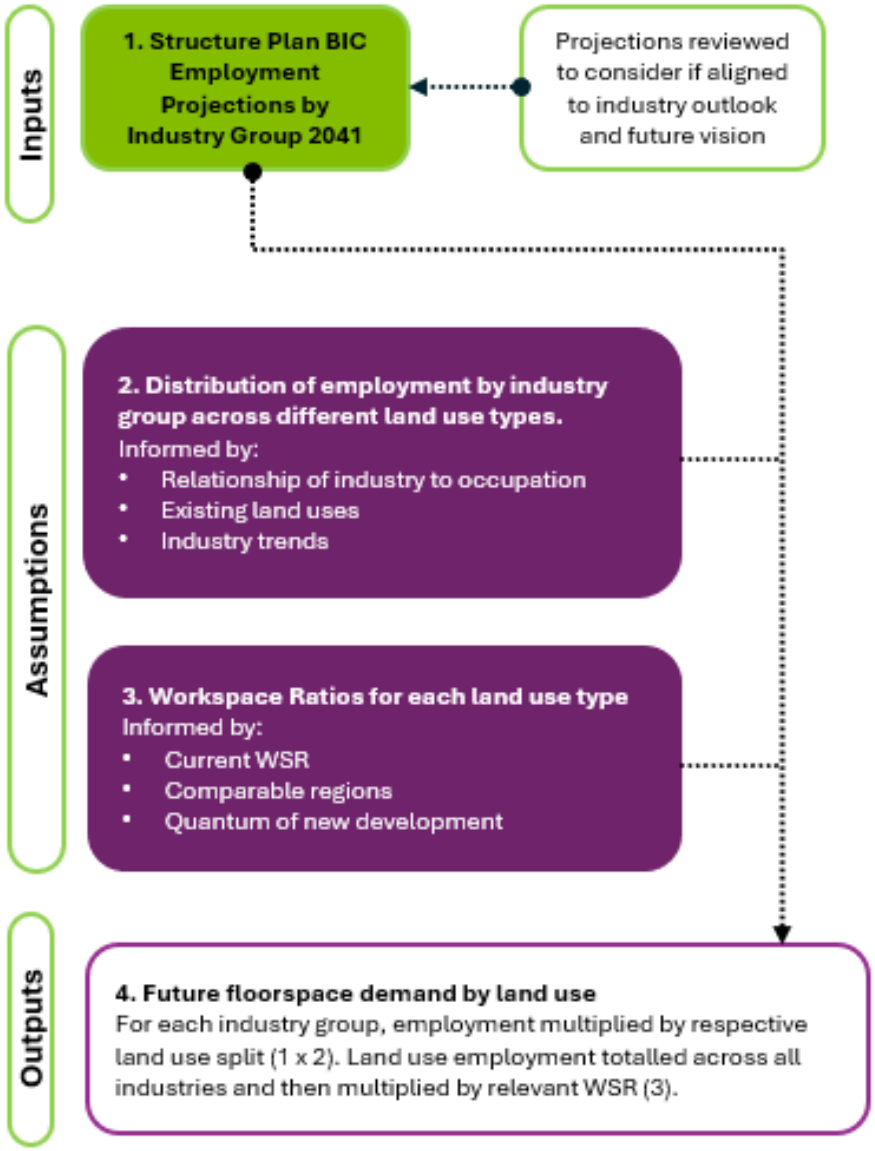


FIGURE E.1 OVERVIEW OF FLOORSPACE DEMAND ESTIMATION APPROACH

Employment land use shares in Clayton

Below are the data inputs used to understand the distribution of workers by employment land use type in the Clayton 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 Clayton 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 Clayton Structure Plan Area, it is noted:

- Most workers work in health-related industries. Health care and social assistance supports the predominant industry occupations requiring traditional health floorspace such as registered nurses, GP and medical offices and midwives.
- Occupations like receptionists and medical laboratory scientists are spread across several industries and highlight the importance of cross-tabulating occupation and industry to understand floorspace type. For example, a medical scientist in professional services might be in specialised office space but in health care and social assistance could be in dedicated hospital space.

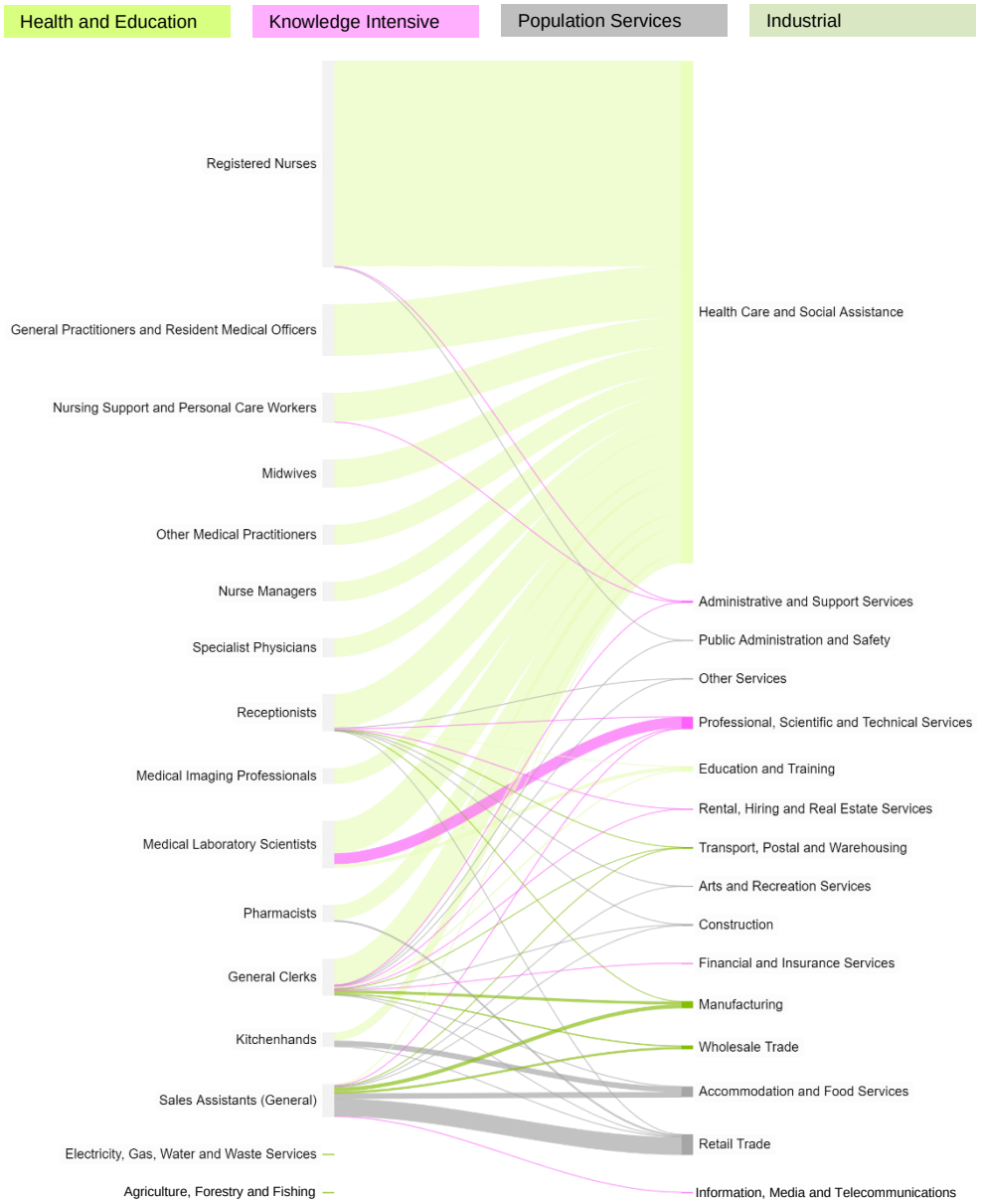


FIGURE E.2 EMPLOYMENT BY OCCUPATION BY INDUSTRY, CLAYTON STRUCTURE PLAN AREA 2021

Source: ABS Census 2021

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.

Table E.1 also shows the change projected to 2041 in the proportion of industry jobs in each land use. These shifts are based on observed trends in the typologies of floorspace (such as health workers using office space at a higher intensity) outlined in Section 11.1. City of Melbourne CLUE data was also considered to estimate the shift in workers by industry toward different floorspace types as well as applying iterative adjustments with future developments outlined in Section 5.

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

For Clayton, this analysis shows:

1. The area is expected to see a ninefold increase in office floorspace, however the industries serviced by offices will only see significant change in health (0% to 15%) and industrial (3% to 34%).
2. Whilst health industry jobs are forecast to increase by 82%, health workers share of total health floorspace is estimated to drop as a result of the transition into other floorspace types. This is due to development expanding non-traditional health roles working in the sector, such as researchers, educators and supporting professional service workers.
3. Other than the transition of some employment to health land, there is little to no expected change in the composition of education, retail, industrial or other land uses.

TABLE E.1 CLAYTON 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	23%	23%	0%	15%	1%	1%	0%	0%	3%	34%
Health	38%	54%	97%	84%	56%	66%	8%	12%	26%	10%
Education	0%	0%	0%	0%	36%	28%	0%	0%	2%	1%
Retail	9%	8%	1%	0%	2%	3%	67%	70%	26%	16%
Industrial	12%	3%	1%	0%	3%	0%	16%	11%	38%	38%
Public Use	16%	11%	0%	0%	1%	1%	6%	3%	1%	0%
Accommod'n	0%	0%	0%	0%	0%	0%	0%	1%	0%	0%
Entertainment / Recreation	2%	1%	0%	0%	0%	0%	2%	3%	3%	2%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

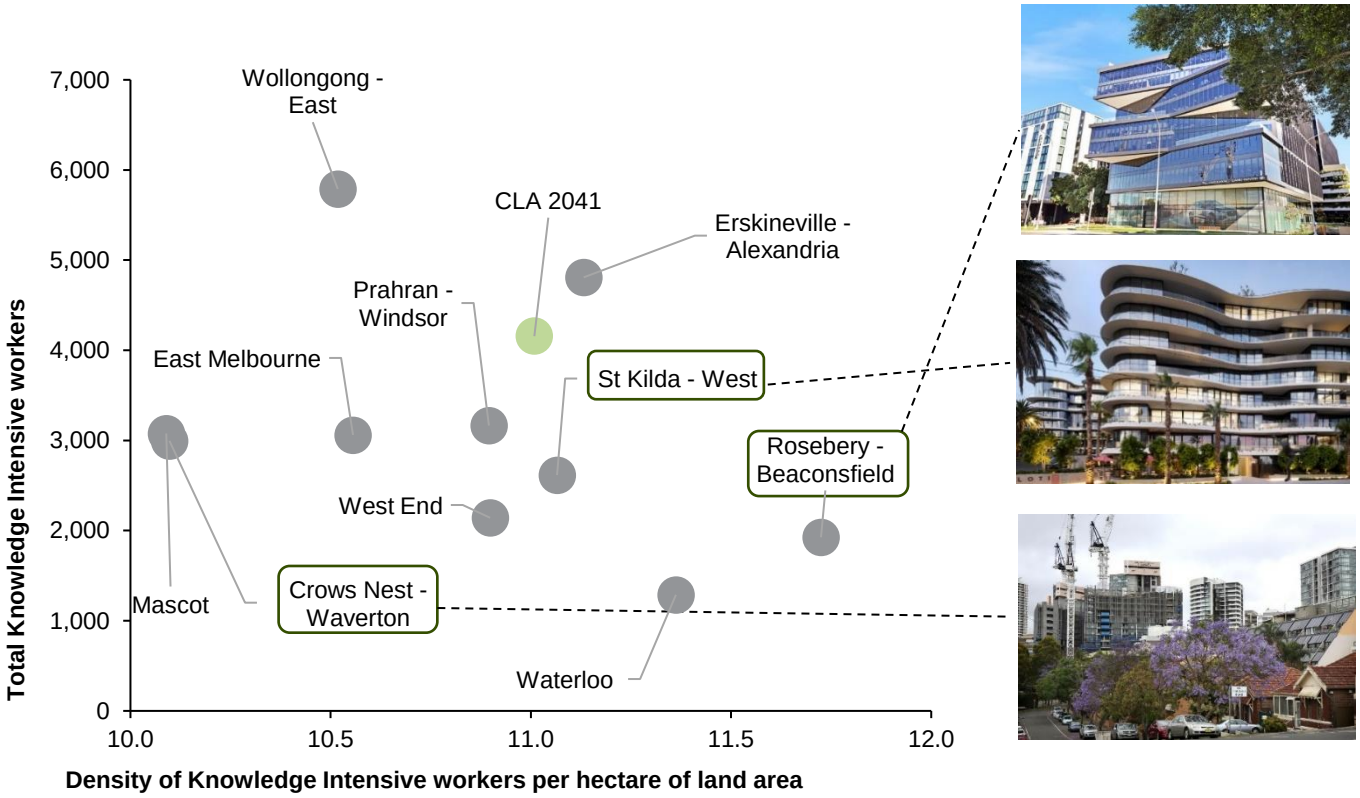
Source: ABS, CLUE, VPA, AJM JV

Workspace ratio approach for Clayton

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 Area and where is this comparable? This will help identify areas around Australia that are currently holding the density of workers that the Structure Plan Area 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 are typically low to medium density, campus style office developments.

FIGURE E.3 CLAYTON 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.

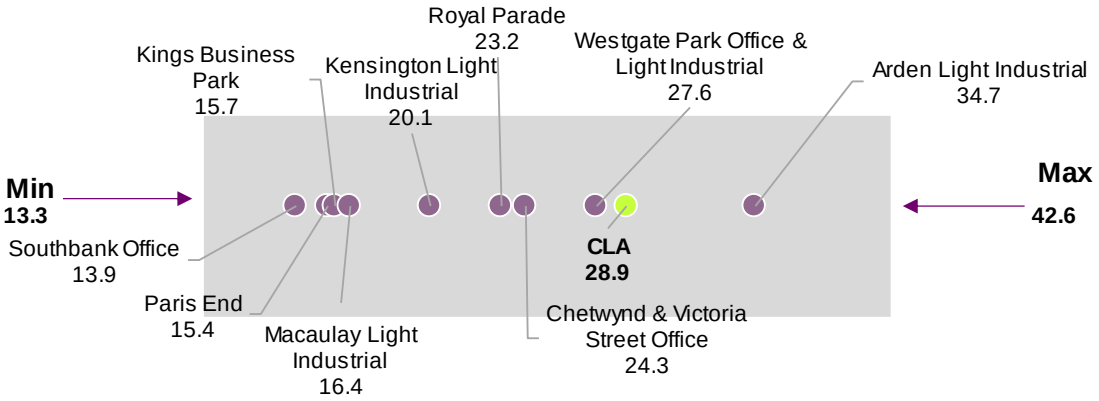
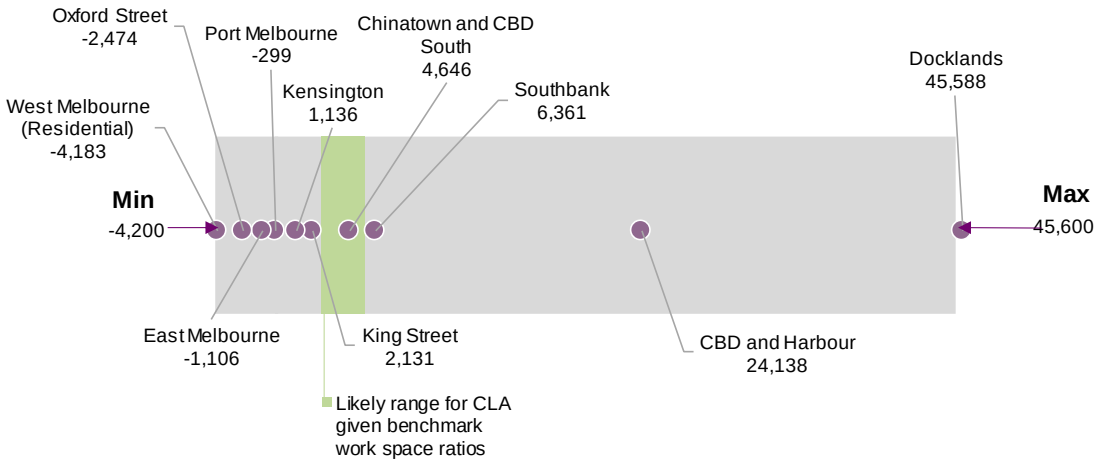


FIGURE E.4 CLAYTON OFFICE WSR IN COMPARISON TO BENCHMARKS

Clayton has a workspace ratio in the higher end of the range for commercial office with a lot of older stock within the retail strip and industrial areas.

There is expected to be a large inflow of office-based employment out to 2041. This will require new development at lower workspace ratios.

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 Clayton would grow at between 2900 and 5800 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 Clayton's 2041 office jobs estimate.



Future growth in Clayton is likely to be between what was observed in King Street (Sydney) up to Southbank (Melbourne).

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 Clayton)

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 CLAYTON 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	31.5 [GLA], 37.1 [GBA]	17.9 - 101.8 [GLA]	Fitzroy, South Yarra - West, Melbourne CBD - East	Health is Clayton's largest employment floorspace type with over 350,000 sq.m of floorspace housing 9400 jobs. Future jobs growth is also expected to be significant with almost a 200% increase up to 18,00 jobs. On a land area basis this would put its' job density in line with the densely packed Fitzroy (St Vincent's Hospital area) and South Yarra – West (Alfred Hospital area). The largest occupant Monash Health is Victoria's largest public health service and is expected to deliver the majority of the future floorspace for these jobs. It is also the largest current occupier of health floorspace in Clayton. Given this, the workspace ratio is only expected to tighten slightly from 37.7 sq.m to 33 sq.m per worker. This will allow growth that is in line with what was observed in Parkville between 2009 – 2019 at around 10,300 sq.m GLA per annum.	28.0 [GLA], 33.0 [GBA]
Industrial	137.2 [GLA], 150.5 [GBA]	54.7 - 481.1 [GLA]	Murarrie, Braeside, Geebung, Bibra Industrial, Richmond (South) - Cremorne	Industrial floorspace is the second largest use by total floorspace in Clayton. Industrial space has recently been converted into other uses, namely residential at Jackson Green and the PMP site. This is expected to continue to occur to some degree. New floorspace will also be different, with greater land values emerging, sites will be forced to be more efficient with their space. Workspace ratios have been reduced to 87.8 sq.m per worker, pushing below the mid-point of benchmark areas. It is noted that this still allows for growth in industrial floorspace. This points to a contention with the BIC projections that allow for expansion of industrial industry jobs despite there being a high likelihood of no growth to a reduction in space.	80.0 [GLA], 87.8 [GBA]
Retail	32.4 [GLA], 38.5 [GBA]	20.8 - 48.6 [GLA]	South Yarra - South, Glebe - Forest Lodge, Abbotsford, Hornsby - East, Rosebery - Beaconsfield	Retail floorspace is discussed in detail in the Retail report. Retail based jobs are expected to increase by 1400 up to 3200 jobs between 2021 – 2041. This will primarily be along Clayton Road and Centre Road where there will be a higher weighting towards low WSR retail uses like café's, restaurants and specialty goods. *Whilst this should allow for a decline in the work space ratio, the decline from 38.5 to 22.4 sq.m per worker is considered significant. This suggests that the BIC employment going into retail floorspace is potentially over stated and should be reviewed as per section 8.2.*	21.2 [GLA], 22.4 [GBA]
Public Use	56.9 [GLA], 75.9 [GBA]	24.9 - 428.8 [GLA]	Hobart, Canberra Airport, Greenway	There will only be around 330 more public use jobs in Clayton out to 2041. Current public use space has a very high average workspace ratio. This is because of a high weighting of low employing community and religious spaces. The future workspace ratio is expected to decline significantly as a result.	35.0 [GLA], 46.7 [GBA]
Education	64.8 [GLA], 76.3 [GBA]	30.4 - 110.6 [GLA]	Darlinghurst, Southbank - East, South Yarra - West, Surry Hills, North Sydney - Lavender Bay	The mix of education-based employment should stay similar to the current breakdown out to 2041. New employment will be concentrated in densifying and verticalizing school structures bring the overall workspace ratio down over time.	55.0 [GLA], 64.7 [GBA]
Office	28.9 [GLA], 37.6 [GBA]	14.5 - 27.0 [GLA]	Newstead - Bowen Hills, Barton, Richmond (South) - Cremorne	Based on the combined BIC and AJM JV estimates office-based employment in Clayton is expected to increase almost 16 times on current levels from almost 290 to 4600 jobs. A large amount of this growth will come from office-based health and health research employment but there will also be an uptick in other more traditional office-based employment industries. Most of the floorspace should therefore be new stock and the workspace ratio will decline significantly.	16.0 [GLA], 20.8 [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
Entertainment / Recreation	73.2 [GLA], 89.6 [GBA]	25.4 - 265.6 [GLA]	Parramatta - North, Albert Park, Randwick - South, Bondi Junction - Waverley, Paddington - Milton	Entertainment and recreation floorspace in the Structure Plan Area in future will be oriented towards indoor entertainment for the future workers, residents, and students. This includes gyms, bars and arts workshops. These spaces are more comparable with retail floorspace on a workspace ratio basis. As a result, future workspace ratios should reduce although the current mix is already weighted heavily towards this typology of entertainment, so the reduction will not be drastic.	70.0 [GLA], 85.7 [GBA]
Accommodation	108.1 [GLA], 149.4 [GBA]	165.6 - 610.1 [GLA]	Melbourne CBD - North, Brisbane City	Accommodation floorspace ratios have been increased to better match the benchmark areas and allow for expansion of one or two commercial accommodation buildings that will accommodate worker, student and resident growth.	155.0 [GLA], 214.3 [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

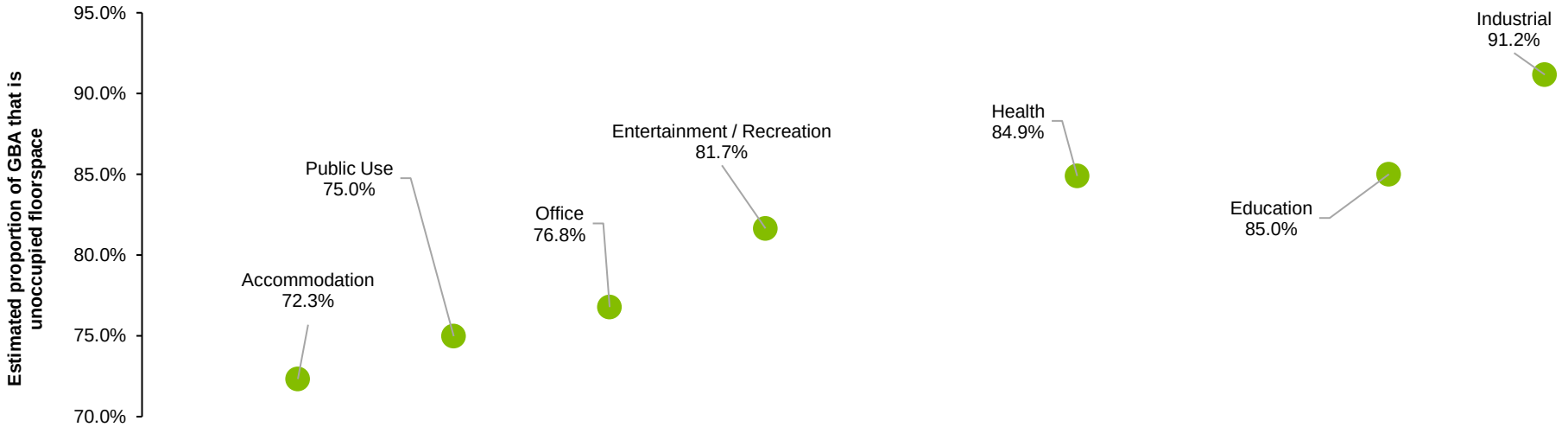


FIGURE E.6 CLAYTON STRUCTURE PLAN AREA GLA AS A SHARE OF GBA

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 Clayton 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 Clayton Economic Profile Report (Technical Report) for the purpose of informing the Structure Plan (SP) and draft planning scheme amendment (PSA) for the Clayton 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 Clayton 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 Clayton 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 Clayton 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 Clayton SPA specifically.
- Part D provides recommendations specific to Clayton 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 Clayton 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 69 per cent of the 1600m catchment employment. For Clayton, the SPA captures 73 per cent of net employment growth, which sees the overall share of employment increase to 71 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 catchments employment and combined they are estimated to capture 84 per cent of the 1600m catchment employment growth by 2041.

This sees the SPA share of the wider 1600 metre catchment remain largely stable. Given mix of uses in the surrounding area, I believe this is reasonable and suitable for the SP process.

Table 1: Employment change by geography, 2021-2041

	Projected employment (no.)		Change (no.)
	2021	2041	2021-2041
Structure Plan Area	12,700	29,600	16,900
SPA as share of 1600m Catchment	*69%*	*71%*	*73%*
1600m Radius Area	18,500	41,500	23,000
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.

Overall, the analysis indicates Clayton will need to plan for 29,600 jobs (16,900 additional) that will require an additional 432,300 square metres of floorspace to be provided. This results in an average workspace ratio across all land use types of 34 square metres per worker, which appropriately reflects the more intensive health and intensive employment role of the SPA economy as a whole.

The following table summarises the results from Table 9.2 of the Technical Report as a share of the SPA total. This highlights the majority of additional employment floorspace will be Health related (57 per cent), this reflects the dominance of this land use type in the precinct currently and broader macro economic trends which will see health being a significant growth score. The importance of protecting the health precincts core function to enable this is clearly in the report, along with the risks associated with growing the office floorspace market.

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	1%	65	2%	3%	4%
Health	61%	33	60%	59%	57%
Office	16%	21	2%	9%	20%
Public use	2%	47	4%	3%	2%
Retail	12%	22	10%	8%	5%
Accommodation	0%	214	0%	1%	2%
Ent / Rec	1%	86	1%	2%	3%
Industrial	6%	88	20%	15%	8%
Total	100%	34	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 believe this combined analysis and market assessment should provide sufficient guidance for the SP process.

Recommendations

Section 11 of the Technical Report includes 11 Recommendations and 2 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, Industrial and other employment. They highlight the scale and form of growth that should be planned 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 strong focus on the importance of the hospital and health precinct, the clayton activity centre core and Audsley industrial area. In general, these locational recommendations are appropriate and will need to be balanced alongside other technical reports as part of the SP process.

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 Clayton SP and draft PSA.

CANBERRA / NGAMBRI /
NGUNNAWAL / NGARIGO

Level 2, 28-36 Ainslie Place
Canberra ACT 2601
+61 2 6257 4525
sgsact@sgsep.com.au

HOBART / NIPALUNA

PO Box 123
Franklin TAS 7113
+61 421 372 940
sgstas@sgsep.com.au

MELBOURNE / NAARM

Level 14, 222 Exhibition Street
Melbourne VIC 3000
+61 3 8616 0331
sgsvic@sgsep.com.au

SYDNEY / WARRANG

Suite 201/50 Holt Street
Surry Hills NSW 2010
+61 2 8307 0121
sgsnsw@sgsep.com.au

© SGS Economics and Planning Pty Ltd 2025

This proposal is provided on a commercial in confidence basis. The ideas, methods and sources cited in this proposal are copyright and remain the property of SGS Economics & Planning Pty Ltd. They may not be copied or distributed beyond the requirements of the current commercial transaction without the prior written agreement of SGS.

SGS Economics and Planning Pty Ltd | ACN 007 437 729 | www.sgsep.com.au

OFFICES IN CANBERRA, HOBART, MELBOURNE, AND SYDNEY ON THE COUNTRY OF THE NGAMBRI/NGUNNAWAL/NGARIGO, MUWININA/PALAWA, WURUNDJERI, AND GADIGAL PEOPLES.

AJM
Joint Venture

222 Exhibition Street
Melbourne VIC 3000

PO Box 23061 Docklands
VIC 8012 Australia

contact@srla.vic.gov.au | 1800 105 105 (call anytime)
suburbanrailloop.vic.gov.au

Please contact us if you would like this information in an accessible format.
If you need assistance due to a hearing or speech impairment, please visit **relayservice.gov.au**

VICTORIA'S BIG BUILD

SUBURBAN RAIL LOOP AUTHORITY