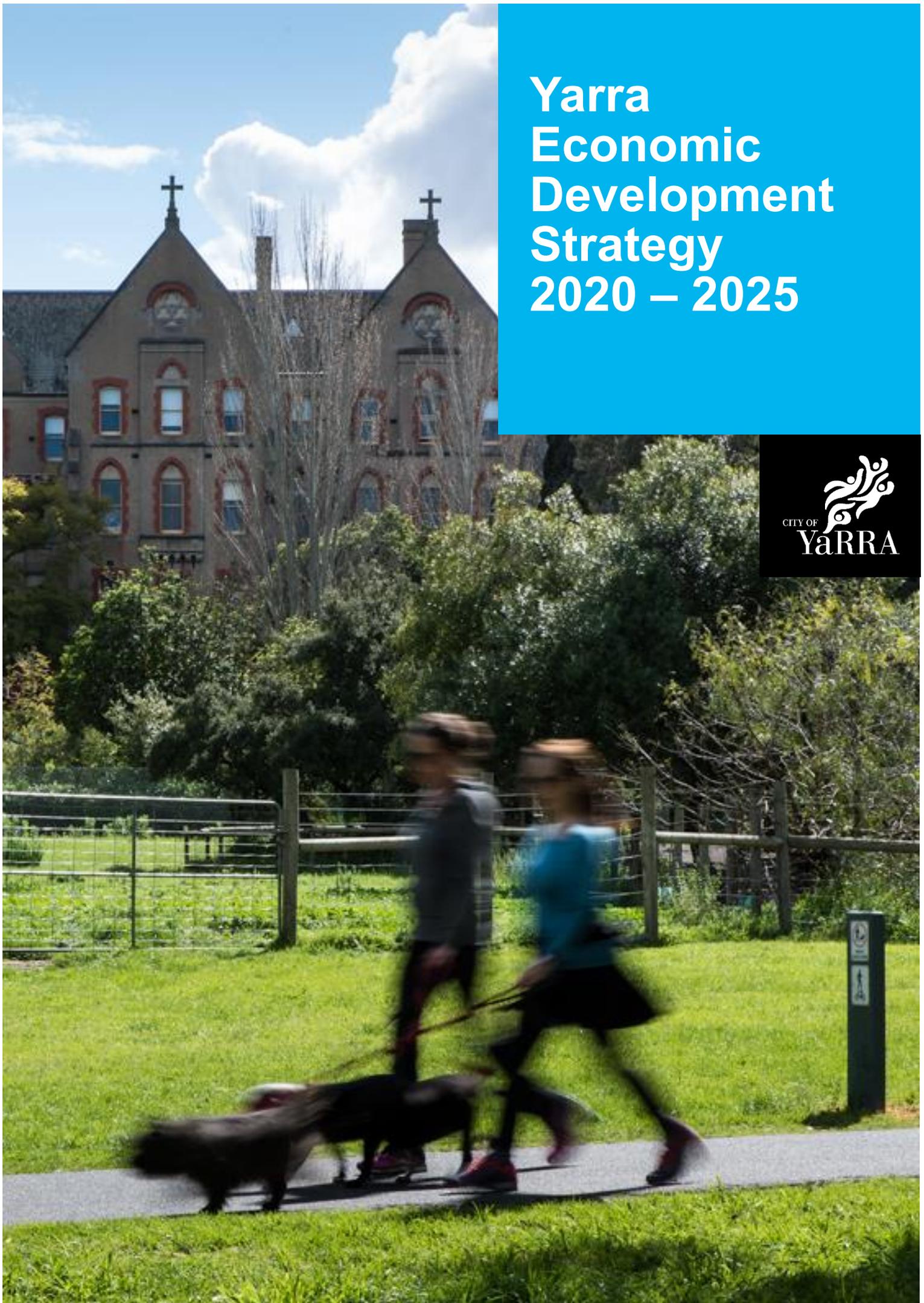


Yarra Economic Development Strategy 2020 – 2025



Acknowledgements

Yarra City Council acknowledges the Wurundjeri Woi Wurrung people as the Traditional Owners and true sovereigns of the land now known as Yarra. We also acknowledge the significant contributions made by other Aboriginal and Torres Strait Islander people to life in Yarra. We pay our respects to Elders from all nations and to their Elders past, present and future.

Council gratefully acknowledges the contribution made by stakeholders who contributed to the consultation phase by attending workshops and meetings, and completing surveys, including:

- Community members;
- Local businesses; and
- Yarra City Council.

Introduction

The City of Yarra is planning for the municipality's economic future by preparing an Economic Development Strategy for 2020 to 2025.

Overview

Business and residential growth has been exceptionally strong in Yarra over the last two decades with its central inner-city location. Attractors have been Yarra's proximity to CBD business activity, cultural and sporting centres, fed by Melbourne's radial transport links through Yarra including rail and tram systems. Yarra has benefitted from the CBD focus for investment with new businesses seeking more diverse locations close to, but beyond, the inner core. As Melbourne's population has doubled, generating increased congestion, the demand for housing and business locations in Yarra has escalated, creating infrastructure, property and liveability pressures.

This Economic Development Strategy (Strategy) presents a vision and action plan for Yarra's continued economic development balanced with supporting its existing business community, protecting and enhancing areas of competitive advantage and improving the liveability characteristics of the municipality.

This Strategy considers economic and demographic trends and macroeconomic influences impacting the local and regional economy. The information presented highlights issues that should be addressed and opportunities that could be unlocked to achieve positive outcomes for Yarra's economy and community. This is particularly important in light of the economic challenges coronavirus (COVID-19) restrictions have had on the operation of businesses, especially in hospitality and arts sectors, discussed further below. COVID-19, with its restrictions on travel, together with the use of technology to support working from home, has shifted economic focus away from the CBD towards localities.

This Economic Development Strategy is informed by independent research and analysis, as well as consultation with representatives of community groups, organisations, businesses and government stakeholders. Detailed research and analysis (including definitions of key terms) can be found in the accompanying Background Report.

The Strategy builds on Yarra's Economic Development Strategy 2015-2020 and Council Plan 2017-2021, which see the continued development of knowledge-intensive and creative sectors as key drivers of Yarra's future economy. Key strategic priorities will leverage off the ongoing transformation of the inner Melbourne economic structure.

The Strategy is intended to complement the directions recommended for the management of Yarra's employment land outlined in Yarra's Spatial Economic and Employment Strategy (SEES).

Council's Economic Development Strategy, Council Plan and SEES have established a strong framework for building on Yarra's economic attributes. Many objectives remain relevant and are included in this new Economic Development Strategy (2020 to 2025) to be progressed further.

Providing support and creating opportunities for COVID-19 recovery

On March 11, 2020 the World Health Organization (WHO) declared the novel coronavirus (COVID-19) outbreak a global pandemic.

In response on 18 March 2020, the Prime Minister and Premier of Victoria announced the Governor-General had declared a human biosecurity emergency, resulting in forced closure of any non-essential business, enforced social distancing measures, travel restrictions and required millions to work from home.

The response to the pandemic has had significant impacts on economies across the globe. [1] The International Monetary Fund (IMF) is forecasting the world economy to contract by 3 per cent this year. In contrast, during the GFC in 2009, the global economy shrank by just 0.1 per cent. While the societal and economic impact has yet to be fully realised, it is clear that recovery of the Yarra and broader economy post-pandemic, will require significant ongoing investment from all tiers of government, collaborations and partnerships with the private sector and a clear roadmap with supporting actions, of which many are outlined within this strategy.

Council acknowledges and understands that the research and analysis contained within the Economic Development Strategy and accompanying Background Report were prepared prior to the COVID-19 pandemic. Therefore, some of the data and projections are in contrast to more recent data, in particular employment figures, household expenditure and visitation numbers.

Throughout the Strategy, there are notes alerting the reader that the data is pre-COVID-19 to provide context. However, the strategic framework, strategies and associated action plans remain extremely relevant in guiding Yarra's economic recovery post the COVID-19 pandemic. Inclusion of a dedicated strategy directly responding to COVID-19, aims to address issues facing the Yarra business community.

Federal and state support

The enforced closure of many of Australia's businesses has had a devastating effect on the economy, as many industries came to a halt overnight, and millions were left without work. In response, the Australian Government announced a number of fiscal measures for a six-month period through to September 2020 totalling \$320 billion, representing over 16.4 per cent of annual GDP.

Financial supports offered to business from the federal government at over \$164 billion to date, include cash flow of up to \$100,000 to keep business operations afloat, tax breaks against asset investments, access to low interest rate loans, and increased income support for employers. The \$76.6 billion JobKeeper program aimed at ensuring people remain employed for the duration of the pandemic. This is in conjunction with a \$14 billion injection of funding into the JobSeeker program to assist 1.6 million people actively searching out work from March 2020 to March 2021.

The Victorian state government initially established an economic survival package totalling over \$2 billion dollars for businesses. A few of the support measures implemented included a payroll tax refund, waiving of liquor licenses, a \$500 million business support fund, land tax relief, along with banning evictions for the non-payment of rent in commercial properties. (This has since been extended to the end of 2020 for both residential and business leases).

Due to a significant secondary wave of infections, on August 2 2020, a State of Disaster was declared in Victoria, giving police and emergency services broader powers to enforce new coronavirus restrictions, including a Melbourne-wide curfew. This forced all but essential businesses to close or to significantly scale back production.

By increasing the restrictions to Stage 4 for a period of 6 weeks through to 13 September at the earliest, the duration of the economic impact on Yarra businesses is more prolonged than initially expected with consequent longer term impacts on business recovery and the economy.

In addition to state and federal government initiatives, agencies including Victorian Small Business Commission, Small Business Victoria, the Victorian Chamber of Commerce and the Australian Tax Office offered support in the way of waived memberships, mentoring and crisis support, online webinars and training, mediation services and tax advice.

Yarra support

Yarra City Council also plays a pivotal role in providing local support, in particular to areas where the federal and state funding failed to reach. On 6 April 2020, Yarra Council announced a \$7.46 million package of immediate financial assistance and medium-term support for both community and local businesses. Business support included the refunding of permit costs, waiving of fees, provision of small business grants, tailored training via webinars, and localised marketing campaigns along with the introduction of a hardship policy.

Quick Response Small Business Grants totalling \$410,000 helped over 100 small businesses across all industries and sectors pivot online via e-commerce platforms and website design, digital marketing assistance, minor capital works, adjustments to marketing and business plans as well as training and personal development funding. Additionally, \$60,000 in funding was awarded to 16 creative businesses under the Creative Business COVID-19 Quick Response Grants. These grants helped creative businesses to respond, adapt and undertake development in the social distancing climate.

Funding was also allocated to the recovery phase of COVID-19, where ongoing consultation with the business community, industry partners and neighbouring councils will shape and formulate a strategy that supports the recovery of Yarra's businesses and economy.

Economic recovery – directions

What recovery looks like, and the time that it will take is still largely unknown and is difficult to predict. Leading economist, SGS Economics and Planning have forecast that the coronavirus pandemic will shrink Australia's Gross Domestic Product (GDP) by 6.7 per cent in 2019-20 compared to the 2018-19 fiscal year [2]. This estimate is based on current information available on the combined effects of the summer bushfires and the COVID-19 restrictions and the likely flow-on effect on the economy. The estimated decline accounts for the various stimulus measures announced by all levels of government (as of 24 April 2020). Without these stimulus measures, Australia's 2019-20 GDP would likely decline by over 14 per cent [3].

Locally, SGS have projected that Melbourne CBDs GDP is likely to decline anywhere between 10 - 12.5 per cent, where Yarra fares slightly better with an estimated decline in GDP of between 5 - 7.5 per cent. The projected decline for Melbourne is much higher than the national average of 6.7 per cent due to the loss of tourism spending, the closure of cafes, bars and restaurants which were dependent on office workers and the effective closure of major retail centres. The large cluster of higher education activities and major cultural institutions were also severely impacted by the shutdown. Victoria's second COVID-19 wave will intensify these adverse impacts.

Yarra's night time economy primarily made up of restaurants, pubs, clubs and live music venues are currently under enormous strain. Enforced closures and patron limits, difficulty or inability to change their

business model and operational uncertainty under the social distancing requirements each present unique challenges. Council's advocacy role to state and federal governments for continued financial support and collaboration with industry partners and trader groups, will be integral during the recovery process.

Recovery in Yarra will depend on several factors, including:

- When and the extent that restrictions are eased and businesses are allowed to re-open;
- When social distancing restrictions lift and allow the services sector to return;
- The return of students to schools to enable a return to the places of employment, especially office workers;
- The extent of additional support needed for the community services sector;
- The impact on unemployment and under-employment levels;
- Consumer behaviour and expenditure patterns;
- The impact of international migration restrictions on housing demand and the timing when migration might return; and
- Timing, funding and nature of policy responses by federal and state governments to stimulate the economy after restrictions lift.

Yarra will continue to monitor and adjust its response to the ever-changing situation and seek to understand the impacts on businesses. Our knowledge of Yarra's economy brings an awareness of its vulnerabilities, especially in sectors such as hospitality, retail, arts and culture, as well as opportunities for recovery and for supporting a more sustainable economy.

Yarra is partnering with state government and our neighbouring municipalities to share information and deliver programs, activations and campaigns to support our business community. We will continue to monitor the situation closely and respond as a priority in the first year of implementation.

Conclusion

The COVID-19 pandemic recovery phase will present major challenges, many still unknown. However, the recovery also provides opportunities for innovative policies and economic measures, including creative collaboration between Council and the business and community sectors. Through these collaborations and strong leadership and advocacy from Council, the City of Yarra, with its locational advantages, is well positioned to return to a strong economy.

Source

[1] <https://www.business.vic.gov.au/disputes-disasters-and-succession-planning/coronavirus-covid-19/coronavirus-business-support>

[2] SGS Economics & Planning - COVID-19 and summer bushfires: The economic impact on your suburb and pathways to recovery

[3] SGS Economics & Planning (2019), Economic Performance of Cities & Regions 2018-19.

The process

The process undertaken to prepare the Strategy is summarised in the table.

A number of opportunities and priority projects are presented in this Strategy that directly respond to issues that emerged throughout the research component and were raised during the consultation phase.

Council invites input and feedback from all members of the community on the Strategy.

The process so far

Economic research and analysis

- Key macro-economic trends which will influence economic growth over the next five years
- Strategies and policies which need to be considered in the development of a new Strategy
- Demographic trends which will impact economic development
- The local economic and business profile
- Trends in tourism and visitation
- Key considerations which will need to be addressed

Consultation

Consultation was undertaken with local businesses and key stakeholders to identify issues impacting the local business community.

The consultation process included:

- Workshop with the Yarra Business Advisory Group
- Workshops with internal Council stakeholders
- One-on-one interviews with key businesses
- An online community survey

Background report

Summarises the key trends and considerations which will influence Yarra's economy over the next five years. This is available in the accompanying Background Report

Yarra Economic Development Strategy 2020 - 2025

The role of Council in economic development

At a high-level, the purpose of local government economic development can be described as follows:

“To build up the economic capacity of a local area to improve its economic future and the quality of life for all. It is a process by which public, business and non-government sector partners work collectively to create better conditions for economic growth and employment generation.”

What is Council’s role in Economic Development?

While it is acknowledged that the private sector remains the primary contributor to economic development driven by a desire to develop business, build the economy and accumulate wealth, Council still has an important role to play. Most councils recognise that although they cannot directly deliver business outcomes, they can facilitate and promote economic development within the context of its wider environmental, social and cultural objectives. As such, Council’s role is to influence appropriate investment and business development in line with Council goals and facilitate business through creating an environment conducive to economic activity and investment.

The Economic Development Unit works in partnership with all units across Council to deliver economic development objectives, and is Council’s “ear” to the business community.

Council’s overarching economic development objectives include:

- supporting the existing business base - promoting growth within the existing business community
- attracting new businesses and jobs - promoting growth by attracting new investment and businesses
- monitoring land supply to support key land uses and business/employment growth (e.g. commercial, retail, residential, industrial)
- supporting liveable, sustainable and economic resilient communities.

Council’s primary tools and levers to achieve these objectives include:

- **Civic leadership and vision** – Developing, communicating and implementing a vision for the future of the city.
- **Marketing and promotion** – Taking a proactive approach to marketing the city as a desirable place to invest, work and play.
- **Infrastructure** – Delivering a range of enabling infrastructure and improving the amenity of the city.
- **Planning** – Facilitating an efficient planning system that encourages investment and employment.
- **Business support** – Supporting businesses, especially SMEs, by providing a positive business environment, reducing red tape, and developing a whole-of Council approach to business growth.
- **Monitoring and evaluation** – Utilising data, collected internally and externally, to understand the local economy and anticipate trends and future needs of businesses.

Background

This section summarises the key trends and issues impacting Yarra's economy, including:

- Economic and employment areas;
- Resident and workforce trends;
- Key economic indicators;
- Competitive industry advantages; and
- Key employment clusters.

Detailed research and analysis is provided in the accompanying Background Report.

Economic and employment areas

Yarra is an economically diverse and dynamic municipality, accommodating a range of mixed employment precincts, activity centres, industrial and health precincts. The municipality includes the following key employment areas:

- Mixed employment precincts in Richmond/Cremorne and Collingwood.
- Major activity centres at Swan Street, Richmond; Bridge Road, Richmond; Victoria Street, Richmond; Smith Street, Collingwood/Fitzroy and Brunswick Street, Fitzroy.
- Neighbourhood centres at Johnston Street, Collingwood/Abbotsford; Queens Parade, Fitzroy North/ Clifton Hill; Gertrude Street, Fitzroy Heidelberg Road, Alphington; St Georges Road, Fitzroy North and Nicholson Street, Carlton North and Fitzroy North.
- Industrial precincts in Abbotsford (north of Victoria St), Richmond (north of Bridge Rd) and Burnley (south of Swan St).
- Health precincts in Fitzroy (St Vincent's Hospital) and Richmond (Epworth Hospital).

Yarra's employment precincts and activity centres are critical economic areas that support a broad range of business and employment uses. The availability of areas of employment land in Yarra as shown in the map below is a strength and competitive advantage and will be important in accommodating future business and employment growth. Similarly, Yarra's activity centres can support further residential growth. Therefore, Yarra is in a position whereby further population and employment growth can be accommodated.

An overview of Yarra's employment precincts and activity centres are shown overleaf.

Yarra's employment precincts and activity centres



Source: SEES, SGS 2016

Yarra's economic profile

Yarra is one of five municipalities that form part of the Inner Melbourne Action Plan (IMAP), a collaborative economic partnership between the municipalities of Melbourne, Port Phillip, Stonnington, Yarra and Maribyrnong. The IMAP area is one of metropolitan Melbourne's most significant economic regions in regard to population, businesses, jobs and economic output.

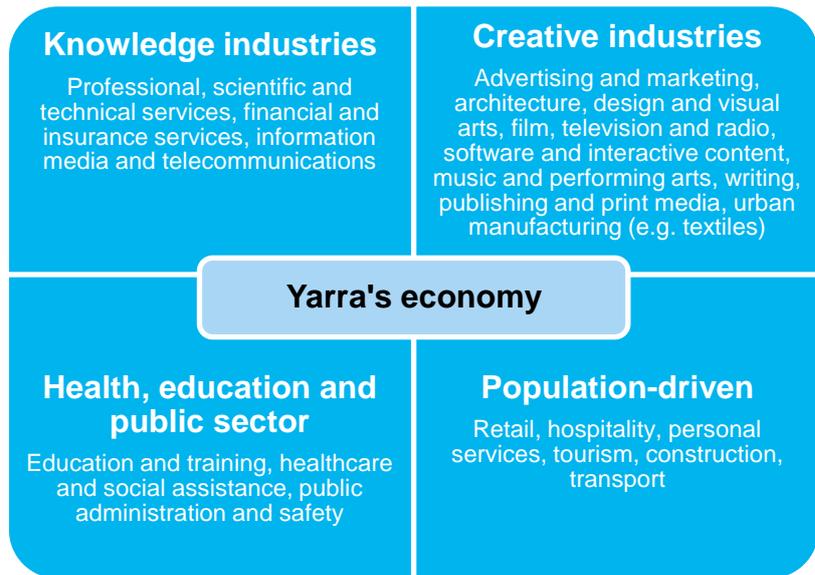
The below table provides a snapshot of Yarra's economy, including population, gross regional product, workers and businesses; and is benchmarked against the IMAP region.

Yarra makes up close to 17% of IMAPs population, 12% of workers, 15% of businesses and generates 10% of Gross Regional Product (GRP).

Economic snapshot – Yarra

		YARRA	IMAP
	Population	98,521	589,319
	Gross Regional Product (GRP)	\$12.3 billion	\$127.9 billion
	Workers	81,101	686,011
	Businesses	15,470	102,488
	Top 3 highest employing sectors (jobs)	<ol style="list-style-type: none"> 1. Healthcare & Social Assistance 2. Professional, Scientific & Technical Services 3. Retail Trade 	<ol style="list-style-type: none"> 1. Professional, Scientific & Technical Services 2. Financial & Insurance Services 3. Healthcare & Social Assistance

Yarra is a diverse and dynamic economy, driven by four key areas: knowledge industries, creative industries, population-driven activities and health, education and public sector.



Yarra’s comparative industry sector advantages in terms of generating economic output and employment include:

- architectural, engineering, design, advertising and computer systems design systems services
- legal, accounting services and management consulting
- hospital, medical, allied health service and pathology
- retail and hospitality
- urban manufacturing (e.g. food products, printing, niche textiles/fashion)
- creative and performing arts activities.



Employment

Note: the following figures were collated in October 2019, prior to COVID-19.

- There are over 81,000 jobs in Yarra (recent avg. 2,700 jobs added annually).
- Healthcare and social assistance is the highest employing sector in Yarra, accounting for 18% of jobs (14,300), followed by professional, scientific and technical services with 12,422 jobs (15%), retail trade with 9,827 jobs (12%) and accommodation and food services with 6,737 (8%).
- Major employment growth has occurred in knowledge and creative based industries.
- 45% of Yarra's employment is concentrated to Richmond, Cremorne and Burnley, supporting almost 37,000 jobs.
- Fitzroy, Collingwood and Abbotsford are the other major employment areas, supporting approximately 35,500 jobs (44%).

There is a clear clustering of employment areas in Yarra, with the majority of jobs concentrated to dedicated employment precincts and activity centres.

Given the ongoing priority to protect strategic employment land, Yarra is well-placed to accommodate future employment growth.

The growing population will place further importance on Yarra's activity centres to support business, employment and visitation, as well as housing, with intensification of residential uses in strategic locations.

Employment by suburb – City of Yarra

Suburbs	Jobs	% of Yarra's jobs	Top 3 employing industries
Richmond/ Cremorne/ Burnley	36,837	45%	<ul style="list-style-type: none"> • Professional, scientific and technical services • Retail trade • Healthcare and social assistance
Fitzroy	14,205	18%	<ul style="list-style-type: none"> • Healthcare and social assistance • Accommodation and food services • Professional, scientific and technical services
Collingwood	11,593	14%	<ul style="list-style-type: none"> • Professional, scientific and technical services • Retail trade • Transport, postal and warehousing
Abbotsford	9,865	12%	<ul style="list-style-type: none"> • Professional, scientific and technical services • Financial and insurance services • Retail trade
Fitzroy North	3,631	5%	<ul style="list-style-type: none"> • Healthcare and social assistance • Professional, scientific and technical services • Accommodation and food services
Clifton Hill/ Alphington	3,211	4%	<ul style="list-style-type: none"> • Healthcare and social assistance • Education and training • Retail Trade
Carlton North/ Princes Hill	2,048	2%	<ul style="list-style-type: none"> • Education and training • Accommodation and food services • Arts and recreation services
Total	81,390	100%	

Source: Industry of Employment, Census of Population and Housing, Australian Bureau of Statistics (ABS), 2011, 2016

Businesses

- In 2018, there were 15,470 businesses registered in the City of Yarra, an increase of 1,148 since 2016.
- Yarra is primarily made up of small businesses but is increasingly attracting larger businesses. Non-employing businesses and small businesses (employing 1-19 people) account for 96% of all registered businesses in the municipality. Between 2016 and 2018, Yarra attracted 9 additional businesses that employ over 200 staff, which was led by information, media, telecommunications (+3), arts and recreation services (+3) and wholesale trade (+3).
- The appeal of Yarra as a CBD fringe employment market, with its locational advantages has strengthened significantly and growth in commercial office floorspace has been unprecedented for the municipality.
- Richmond/Cremorne Precinct is a major creative and tech hub and demand for office space in this Precinct has grown significantly.

Yarra continues to be a popular location for businesses. Favourable attributes include an availability of employment land, close proximity to the CBD and its business activity, cultural and sporting centres, the availability of alternative and unique office and precinct environments, access to a highly-skilled and professional labour force, its heritage character, high-quality amenity and accessible transport options including cycling.



Visitation

Note: the following figures were collated in October 2019, prior to COVID-19.

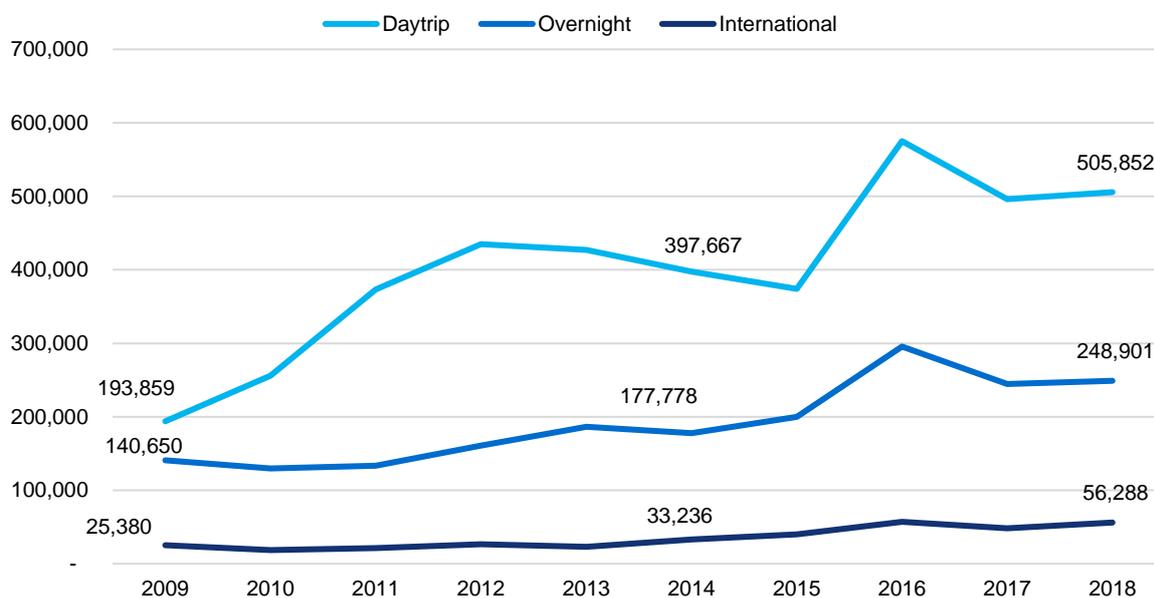
- Over the decade 2009-2019, total visitation to Yarra more than doubled, from 193,859 to 505,852 visitors per annum: an increase of 160% or 450,000 visitors per annum.
- The most significant growth has occurred in the day trip visitor market, attracting an additional 312,000 annual visitors between 2009 and 2018, at an average growth rate of 10% per annum.

Yarra’s appeal as a destination is linked to the municipality’s product strengths in the arts, hospitality, shopping, music, night-life and events. It will be important for the Strategy to build on the attributes that contribute to Yarra’s popularity as a unique place for tourists and non-locals to visit.

Visitation to Yarra by both tourists and non-locals (i.e. from outside of Yarra) is important in attracting additional spending across Yarra’s retail strips (e.g. retail, hospitality). Yarra retailers indicated that 20% of their trade originates from local residents, with the balance (80%) generated from workers, visitors and tourists. Further, overnight and night-time related visitation drives demand for accommodation and leisure venues such as bars, restaurants and entertainment.

An increase in visitation to Yarra by tourists and non-locals will translate to additional expenditure in the municipality and stimulate retail, hospitality, entertainment and accommodation businesses.

Visitation Trends – City of Yarra – 2009 to 2018



Source: National Visitor Survey (NVS) & International Visitors Survey (IVS), Tourism Research Australia (TRA), 2009-2018.

Demographic profile

Yarra's resident population and workforce

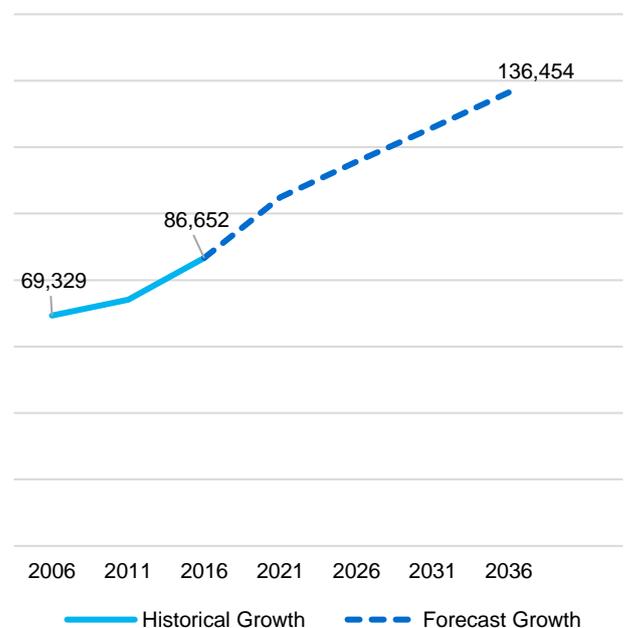
- Yarra's is experiencing strong population growth. The current population is approximately 98,500 persons. Yarra's population is projected to increase by 57%, adding over 50,000 residents by 2036.
- The fastest growing suburbs in Yarra are Richmond, Abbotsford, Collingwood and Fitzroy. Collectively, these areas account for 85% of Yarra's population growth.
- Much of the projected population over the next 15 years is expected to occur in Richmond (+19,000 persons), Alphington (+8,500 persons), Collingwood (+6,000 persons) and Abbotsford (+8,000 persons).
- Yarra has a relatively young population with a median age of 33 years. The municipality has a much higher proportion of residents categorised as 'young workforce' (25 to 34 years) compared with the average for Metropolitan Melbourne.
- Yarra's socio-economic profile has improved, making it the 6th most advantaged municipality in Victoria.
- Whilst the overall socio-economic profile is high relative to the metropolitan Melbourne and Victorian average, pockets of disadvantage still remain within Yarra comprising higher levels of unemployment, underemployment and low income households.
- The unemployment rate in Yarra has been steady since mid-2017 and is currently 5.7% (March 2020).
- The Yarra labour force is highly skilled and highly professional, reflected by the occupations held by employed residents. 43% of occupations are professionals and 17% are managers.
- The job containment rate has increased slightly, meaning that more residents are living and working locally. Whilst a large proportion of jobs are located outside of Yarra, it indicates that more suitable jobs may be available for residents and the proportion of wages and salaries value escaping the municipality is decreasing.

An increase in Yarra's population is expected to generate demand for more housing and a mix of employment needs, and create additional demand for household and personal goods and services including retail, hospitality, health and education, community, open space and civic uses.

The growing resident and worker population will also place further importance on the way people move around, with growing congestion challenges around inner metropolitan areas.

It will be critical to provide for a mix of transport modes (e.g. public, cycling, walking and motor vehicle) in order for workers to efficiently access jobs and for residents and visitors to access activity centres.

Historical and Forecast Population Growth – City of Yarra – 2006 to 2036



Source: Australian Bureau of Statistics 2006, 2011 & 2016 / Victoria in Future 2019

Yarra's housing profile

- Yarra has recorded significant dwelling growth, accommodating an additional 1,400 dwellings per annum.
- Dwelling growth has largely occurred through site specific redevelopments, allowing a significant influx of medium density housing.
- Dwelling growth is forecast to continue in Yarra to 2036. A large proportion of dwelling growth will be accommodated across infill and site specific developments and major urban renewal projects including the former Gasworks site in Collingwood, the former Amcor papermill site in Alphington and the former Richmond Maltings site in Cremorne.
- An increase in medium density housing development has resulted in a shift in the overall dwelling structure across the municipality. The proportion of flats, units and apartments has overtaken semi-detached dwellings as the most common dwelling type, accounting for 47% of dwellings.
- Housing in Yarra is less affordable than metropolitan Melbourne. In 2017, the median house price in the City of Yarra was \$1.4 million, increasing by 92% (+\$670,000) since 2009.
- There are a growing number of residents who are renting in the municipality, which is likely due to a combination of housing affordability challenges across inner metropolitan areas and the increasing number of apartments and units, providing more affordable leasing options for the high number of young and middle aged cohorts.

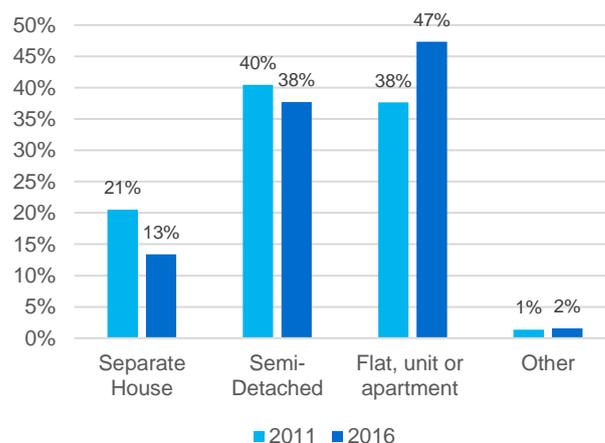
Yarra's housing profile is evolving in certain areas due to the scale of population growth that has occurred in the municipality, resulting in an increase in demand for a range of housing options, including detached and semi-detached dwellings, apartments and units, aged care and retirement housing, rental properties and student accommodation.

Demand for a mix of housing needs is expected to continue over the next 5 years. As per the Housing Strategy, the majority of dwelling growth is expected to be absorbed in urban renewal areas and activity centres.

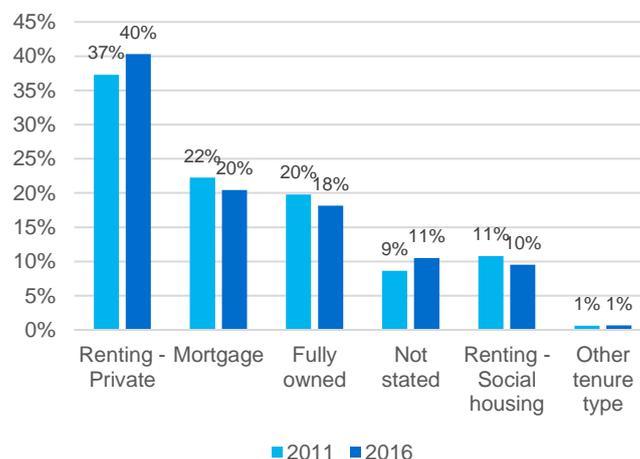
The Housing Strategy acknowledges that Yarra is well-placed to accommodate the projected growth in residents over the next 15 years across suitably zoned land, with no requirement to rezone employment land.

As ongoing population growth materialises in Yarra, housing affordability issues are expected to continue. This may result in a greater need for affordable housing options.

Dwelling structure – City of Yarra - 2011 & 2016



Housing Tenure – City of Yarra - 2011 & 2016



Key trends influencing the economy

There are a number of trends that are influencing the Australian economy, including a transition phase that is occurring across a number of industry sectors due to:

- Structural industry changes led by technological advancements;
- A growing and changing population, both domestically and globally;
- Changing work preferences (i.e. flexibility, collaboration, innovation);
- Environmental challenges (e.g. climate change and sustainable business practices); and
- Macroeconomic conditions.

This section provides an overview of some of the key trends that are impacting the economy and the implications for Yarra.

Please note that the comprehensive assessment of trends is detailed in the accompanying Background Report.

Victoria's economy is diversifying

The Victorian economy is becoming more diversified and service driven. Manufacturing in Victoria accounts for 28% of Australia's manufacturing production and contributes a larger share to the economy relative to other states and territories. However, Victoria is progressively transitioning from an industrial economy that has traditionally been reliant on manufacturing to a more innovative, knowledge and services based economy.

Recent analysis identifies that the sectors forecast to drive future economic growth in Victoria are healthcare, international education, wealth management, agribusiness and tourism. These sectors are well placed to capitalise on growth in Asia. Victoria can also capitalise on its strengths in medical research, ICT, food processing and financial and insurance services.

The rise of the knowledge economy is based on a highly educated labour force, sophisticated technologies and innovative products and services. The industry composition of Victoria's economy will continue to shift toward services in the future. By 2046, it is projected that the most significant employment growth will occur in professional, scientific and technical services, financial and insurance services, healthcare and education.

Given that Yarra is largely a knowledge-based economy with a highly educated and professional workforce and industry composition, Yarra is well placed to respond to the shift in Victoria's economic and industry composition.

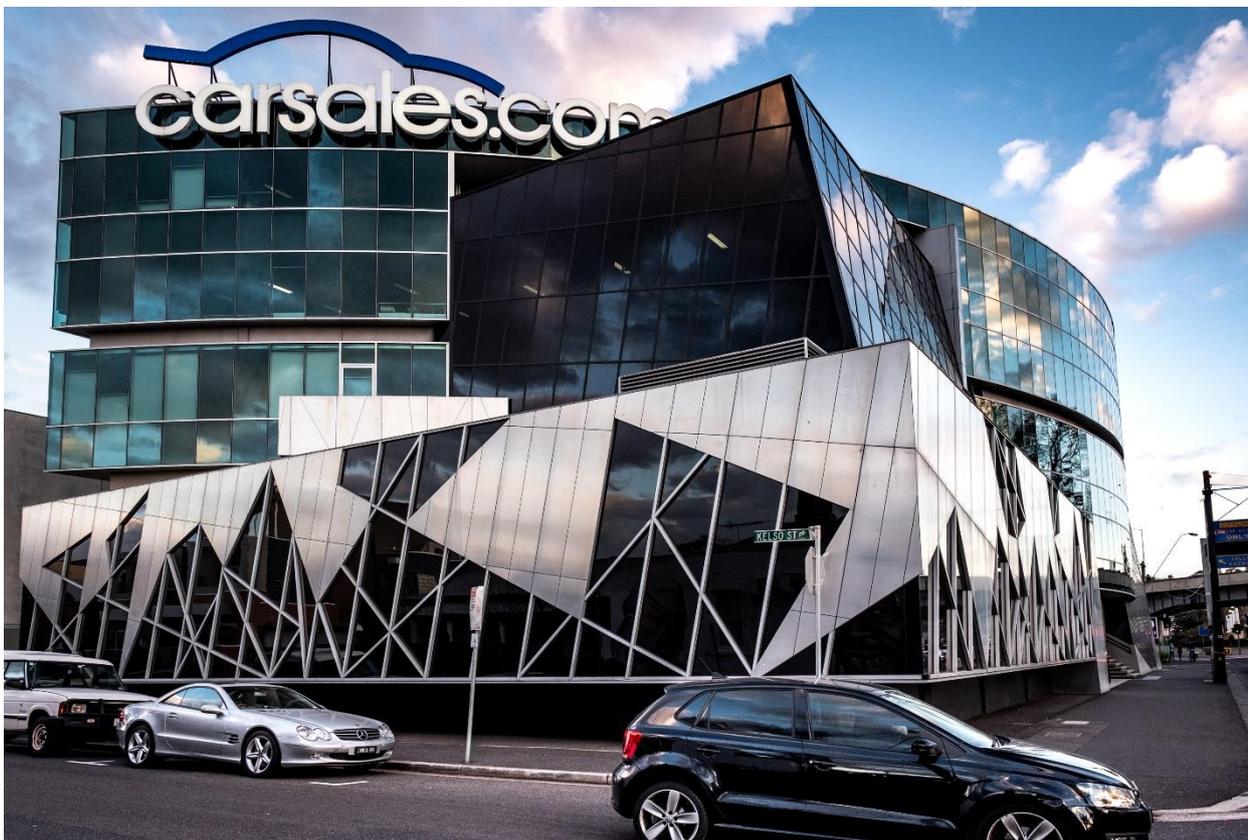
Technology is impacting some industry sectors

Automation, globalisation and collaboration are revolutionising the way we work. Technological advancements and the digitalisation of data analytics are creating a step change in technological capabilities, particularly given the advances in robotics, analytics, Artificial Intelligence (AI) and machine learning.

There is an evident disparity in the way in which business and industry are harnessing these technologies as they disrupt global economies. The industries that are most likely to be significantly impacted by digitalisation include information and communication technology, media, professional services, financial and insurance services, wholesale trade and advanced manufacturing. Industries less likely to be impacted include agriculture, construction, hospitality, healthcare and government agencies.

Approximately 70% of young people are entering the workforce in jobs that will be radically affected by automation and 60% of students are being trained in jobs that will be impacted by automation. The types of occupations that have been impacted by automation are generally cognitive and manual routine jobs, whilst non-routine jobs which require interpersonal skills, problem-solving, critical thinking and creativity are less exposed to automation.

Yarra's workforce largely consists of professionals that work in knowledge-based and service-oriented industries, drawing on a highly skilled, educated and professional workforce. Some of the industries that are being impacted by automation, globalisation and collaboration are considered to be Yarra's industry strengths, including professional services, information, media and communication technology and financial services. Yarra is home to some of Australia's most innovative businesses such as REA Group, Seek, CarSales.com and MYOB Group. These businesses are considered to be at the forefront of harnessing technology and encouraging innovation. Yarra is well-placed to capitalise on emerging technologies and harness digitisation to achieve positive business outcomes.



The gig economy

'The gig economy' refers to contract, temporary and freelance work. The popularity and regularity of people working within the gig economy is on the rise in Australia. Whilst there are clear examples of the gig economy across platforms such as Uber and Airbnb, it is also extending into roles such as administration, hospitality, marketing and graphic design.

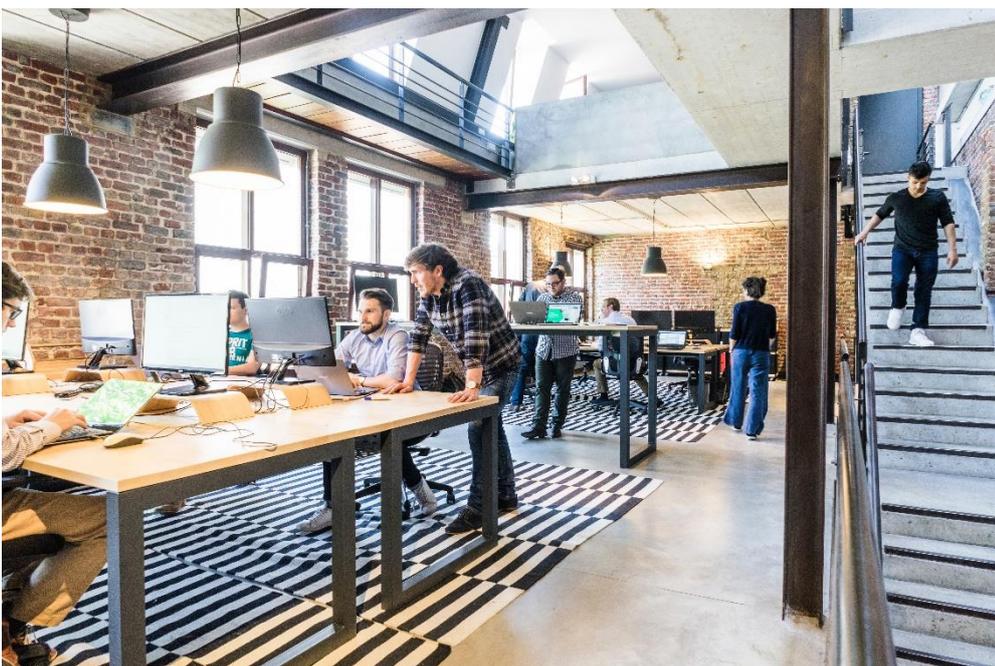
The gig economy is predominantly underpinned by advancements in technology, but is also driven by younger cohorts entering the labour force who seek flexibility, employer preferences, as well as the growing demand for niche skills, particularly across tech and creative industries.

Whilst it is recognised that the gig economy is unlikely to replace permanent working arrangements, there is a need to recognise its growing popularity and understand the work implications, which may extend to a rise in home-based businesses, an increase in co-working spaces, and a lesser requirement for permanent business accommodation due to the ability to work remotely. Further, there may be workforce implications such as an increase in freelance, casual and part-time employment, which may lead to employment insecurity.

The 5G network is the next generation of mobile internet connectivity, offering faster speeds and more reliable connections on smartphones and other devices. As with 4G before it, 5G is focused on mobile data. 5G will provide faster network speeds, lower latency and will allow more devices to connect to the network at the same time.

The 5G network will be rolled out in 2020 and will contribute to a rise in Internet of Things (IoT) technology in Yarra, providing the infrastructure needed to carry significant amounts of data, allowing for a smarter and more connected municipality. This will provide major advantages for businesses in Yarra utilising technologies such as Enterprise Resource Planning (ERP), robotics, drones and 3D printing, as well as supporting growth in the gig economy; providing the infrastructure people require to work remotely.

5G relates specifically to mobile devices and will not replace the fixed infrastructure of the NBN. Whilst 5G is expected to provide a step change for mobile device internet speeds, the planned upgrades for NBN are proposed to match or exceed the capabilities of 5G. Therefore, the NBN remains a critical service for the foreseeable future.



Start-ups and co-working spaces

LaunchVic defines a startup as a 'business with high impact potential that uses innovation and/or addresses scalable markets'. They are businesses in the early stages of formation, developing an idea into a functioning business that meets market needs and has growth capacity.

Start-ups are experiencing a strong growth phase in Melbourne through increased investment from global markets and an alignment of local skills and qualifications that suit the start-up genome. The growth in start-ups is also highlighted by the funding committed by Government (LaunchVic) to build support infrastructure for start-ups, as well as an increase in the supply and growing popularity of co-working spaces.

Melbourne is known as the start-up capital of Australia. There are approximately 1,100 start-ups in Melbourne with strong performance in advertising technology, biotech and life sciences, and healthtech.

Melbourne is also home to over 170 co-working spaces across the metropolitan area. Co-working spaces provide the critical support infrastructure and services often required for businesses in their infancy to grow and mature. The benefits of the co-working model are associated with creating a space which supports collaboration, openness, knowledge sharing, innovation and the user experience, as well as providing a more affordable alternative to a dedicated business premises.

Demand for co-working spaces is predominantly being driven by growth in tech and creative industries, but is also becoming increasingly popular amongst professional and financial service industries.

Yarra has a significant number of co-working/sharing spaces, particularly in Richmond, Abbotsford and Cremorne. Although geographically small, Cremorne has been labelled "Silicon Yarra" because of the number of start-ups attracted to this area. Collingwood and Fitzroy also have a growing number of co-working spaces including some niche spaces that cater to specific industries.

Whilst the proportion of floorspace dedicated to co-sharing is still relatively minor in the inner metropolitan Councils, the popularity of this model is increasing and is suited to the competitive advantages of Yarra as a creative and tech hub.

Melbourne's CBD and CBD fringe office market

Melbourne's CBD office market has experienced strong demand, with the vacancy rate hitting a record low of 3.3% in July 2019. Over the last five years, almost 500,000 sqm of office space was absorbed within Melbourne's CBD, while less than 270,000 sqm was absorbed in Sydney's CBD.

The Property Council of Australia (PCA) indicated that office uses in the CBD are prevailing over residential uses, largely due to the strong demand and higher returns that can be achieved through pre-committed tenants. Whilst there is a notable level of office floorspace supply forecast to materialise in Melbourne's CBD over the next 3 years (approx. 250,000 sqm), it is expected to reduce significantly beyond 2021 due to the growing unavailability of sites and the height and setback controls applied by Amendment C270.

Business are continually looking beyond the Melbourne CBD for office space including East Melbourne, St Kilda Road and Richmond/Cremorne. Anecdotally, the appeal of these areas is attributed to more affordable rents (relative to the CBD), vibrant precincts, industry clusters and access to public transport.

The demand and growth in office floorspace in areas such as Cremorne has been unprecedented. According to CBRE, creative and tech firms are less likely to identify with the corporate culture of the CBD and are seeking alternative and unique office and precinct environments in the CBD fringe.

In terms of office supply, there is a notable pipeline of office developments slated for Yarra including key sites on Swan Street, Church Street and Wellington Street. Given that Yarra has prioritised the protection of strategic employment land, the municipality is well placed to accommodate future office floorspace growth in precincts such as Cremorne.

The importance of Small to Medium Enterprise (SME)

Small to medium enterprise are crucial to the health of the Australian economy as they support approximately 7 million ongoing jobs and contribute 57% of the Gross Domestic Product (GDP).

Since 2005, the barriers to start a business are lower. In particular, costs have fallen 65%, encouraging younger people to start a business. Approximately 50% of SME's have been in business 10 years or less with 56% being either millennials or generation X, indicating strong growth in younger business owners.

There is a notable difference between millennial SME's compared with others. Research shows that millennials are more focussed on business investment to facilitate business growth and are heavily reliant on digital channels as a means to generate revenue.

50% of SME's identify competition as one of the key challenges facing business growth, citing that a significant number of competitors in their industry is stymieing growth. However, many SME's believe the competitive advantage of the sector is the ability and capacity to be adaptable and flexible to change.

Whilst the number of larger businesses has increased in Yarra in recent years (i.e. 200+ employees), 96% of businesses remain small to medium (i.e. less than 20 employees) and account for the majority of the business base in the municipality.

A low carbon economy

In 2016, the Victorian Government committed to legislating a long-term target for Victoria of net zero greenhouse gas emissions by 2050. Victoria's Climate Change Act (2017) aims to achieve net-zero greenhouse gas emissions and a climate-resilient community and economy.

In 2017, the Victorian Government legislated renewable energy generation targets of 25% by 2020 and 40% by 2025. This is estimated to reduce average annual power costs for medium-sized businesses by \$2,500 and for large companies by \$140,000 and reduce Victoria's electricity sector emissions by approximately 16% between 2019/20 and 2034/35.

Environmental leadership is a longstanding value of the City of Yarra. The significant size of Yarra's working population means that business engagement and support for sustainable practices is crucial for the realisation of broader sustainability goals.

Encouraging a sustainable business community will involve strengthening existing renewable energy initiatives and promoting sustainable business practices through the Yarra Sustainability Awards and key Council strategies.

For both public and private sector organisations, implementing environmentally sustainable initiatives may include switching to renewable sources of energy (e.g. solar panels), implications for building design (i.e. energy efficiency), supporting workers to choose sustainable transport options (e.g. active and public transport, ride share) and emphasis on waste reduction.

These initiatives will yield benefits to business in the form of improved employee wellbeing, meeting environmental targets and, most importantly, cost savings particularly in energy and transport.

Growing demand for healthcare

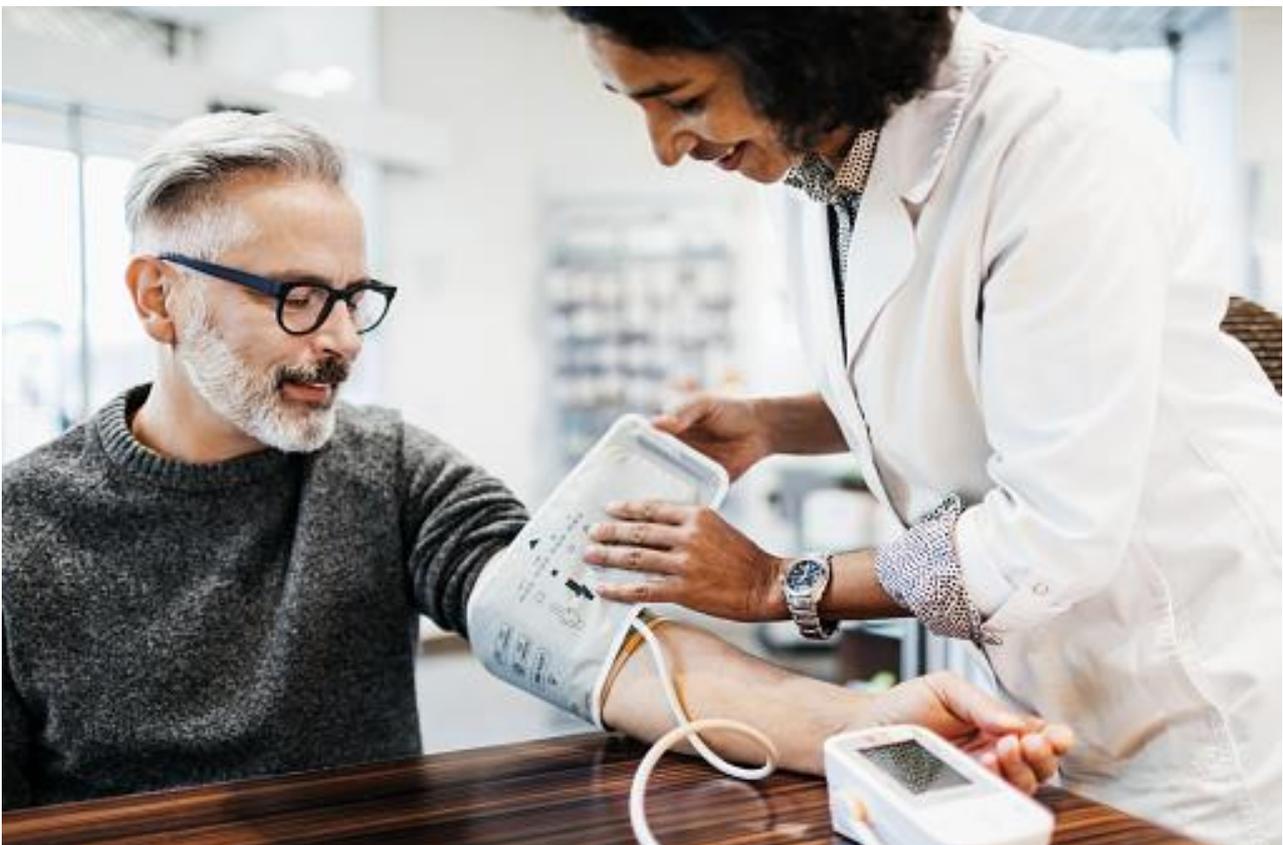
The number of people aged 65 years and over in Victoria is likely to almost triple from 2016 to 2051 as the significant population currently aged between 45 to 65 years moves into 'senior' and 'elderly' age profiles. The forecast ageing of the population is partly attributed to the increase in life expectancies borne from advancements in healthcare and social assistance.

Global healthcare spending is growing rapidly, increasing from \$7 trillion USD in 2015 to a projected \$8.7 trillion USD in 2020. Consistent increases in global healthcare spending is attributed to:

- ageing populations in developed economies, resulting in increased health issues
- higher-income households
- increase in chronic diseases (e.g. diabetes, heart disease)
- unprecedented population growth in developing and developed economies.

Growth in healthcare and social assistance services is forecast to occur nationally, but also locally in Yarra, as the population continues to grow and the age profile gets older, with rising life expectancies and technological advancements. This growth affirms the important role of the health sector in Yarra, for major hospitals and allied health alike.

Two major health precincts are situated within Yarra: around St Vincent's Hospital in Fitzroy and around Epworth Hospital in Richmond. With a growing demand for healthcare and related services, the service role of Yarra's health and medical facilities will strengthen.



Manufacturing

Employment in traditional, larger-scale manufacturing across Victoria is in decline. The loss in jobs is partly a result of the withdrawal from the automotive industry, but also a broader transition away from traditional manufacturing practices to more technical and advanced manufacturing. This is in response to strong international competition, particularly from Asia.

Manufacturing remains an important industry in Victoria in terms of export value and value-added to the economy. Whilst the manufacturing industry faces notable challenges, it is also in the midst of a transformational change through revolutionary technological advancements.

Other trends in manufacturing, particularly in inner metropolitan areas such as Yarra is the presence of urban manufacturing. Urban manufacturers tend to be small (generally employing fewer than 20 people) and provide a highly specialised or niche product.

REMPPLAN data shows that there is a clear clustering of urban manufacturers in and around the Gipps Street Precinct in Collingwood, with activities generally occurring in arts and culture, food and beverage, textiles and fashion, personal services and information media and telecommunications.



Retail

Retail spending is a critical component of the economy, providing economic stimulus through direct expenditure. Despite steady employment growth, household finances have come under pressure from stagnant wages growth and declining wealth, and this has reduced consumer sentiment and households' inclination to spend, particularly on discretionary items such as retail.

Retail turnover growth slowed throughout the second half of 2018 and into 2019. Retail conditions were forecast to decline further in 2020, even before the COVID-19 pandemic and resultant trading restrictions were known. The retail category showing greatest improvement in 2019 was clothing, footwear and accessories; while cafes, restaurants and take away food maintained consistent growth.

In 2018, the number of online purchases in Australia grew by over 20%, indicating that digital retailing is becoming more popular. With the growing prevalence of online retail activity, retailers are increasing their omni-channel retail strategy, enabling people to purchase in-store and online. It was estimated that in 2020, approximately 35% of retail sales would be digitally influenced (even before the COVID-19 pandemic).

Some retail centres and strips are responding to online competition by seeking to improve the shopping "experience". This includes a greater focus on hospitality, entertainment and meeting places co-located with retailers.

Generally, vacancy rates are on the rise in inner metropolitan retail strips. A vacancy rate in the order of 7% to 12% across inner metropolitan retail strips is not uncommon. According to commercial real estate agency Fitzroys' Walk the Strip retail report for 2018/19, well-known retail strips such as Chapel Street (South Yarra and Windsor), Lygon Street (Carlton), Acland Street (St Kilda), Sydney Road (Coburg) and Puckle Street (Moonee Ponds) all recorded a vacancy rate above 8%.

The report also found that retail strips with lower vacancies were those that have evolved from occupying vacancies with food and beverage outlets, and are increasing retail services such as massage, yoga and fitness studios, dentists and medical clinics. More than 85% of surveyed retail strips that recorded an increase in service retail over 2018/19 also recorded a decrease in vacancy.

Retail centres and strips are increasingly adopting a 'place-based' approach to expand the role of strips to include civic and recreational destinations for communities. Traders are working with local councils to improve 'place-making' initiatives to promote a mix of retail and amenities. This aims to better leverage existing community assets such as public open space, recreation and civic spaces, which aims to increase foot traffic and community use, with a view to benefitting retailers and retail strips.

Yarra's retail and service strips share a common economic role and land use mix, with some defining characteristics (e.g. location, built-form, business mix). Whilst some of Yarra's activity centres are experiencing high vacancy rates, this is also common across comparable inner metropolitan retail strips and reflects recent challenges across the sector.

Generally, lower vacancy rates are found in precincts that include a diverse mix of uses including personal services, hospitality, health related services, fashion and some professional services. Healthcare, wellness and fitness related businesses have surged in Yarra's retail and services precincts in recent years, with a growing number of gyms, Pilates/yoga studios and allied health businesses such as osteopaths, chiropractors, remedial massage and natural therapies (e.g. acupuncture).

Strategic framework

This section provides the strategic framework to guide the development of the Yarra Economic Development Strategy 2020 to 2025.

Based on research, analysis and consultation, a vision statement in conjunction with three strategic themes form the framework for the Economic Development Strategy and are guided by three overarching principles.

Vision

The City of Yarra is a place where local businesses prosper, and creative and knowledge industries thrive.

Themes

THEME	1. Thriving and diverse employment precincts	2. Vibrant and evolving retail and services precincts	3. A creative, inclusive and sustainable economy
STRATEGIC GOAL	Yarra's employment precincts are knowledge-based, innovative and diverse. Yarra accommodates and attracts leading businesses, entrepreneurs, professionals and innovators.	Yarra's retail and services precincts are accessible, engaging and connected places. Retail businesses are appropriately equipped to adapt and respond to structural changes in the industry.	Yarra is a destination for artists, creatives and makers to live, work and visit. Yarra continues to be a leader in sustainability and inclusivity.

Thriving and diverse employment precincts

Yarra's employment precincts are knowledge-based, innovative and diverse.

The rise of the knowledge economy in Victoria is based on a highly educated labour force, sophisticated technologies and innovative products and services. By 2046, it is projected that the most significant employment growth will occur in professional, scientific and technical services, financial and insurance services, healthcare and education. This is relevant and applicable to Yarra. The municipality's highest performing sectors in terms of annual economic output and highest employers are knowledge-based.

Yarra's competitive strength as a knowledge economy is based on a clear clustering of areas where research institutions, health and education facilities, high-tech, innovative and creative firms combine to attract leading businesses, entrepreneurs and professionals.

Since the previous Strategy, Council has adopted the Spatial Economic and Employment Strategy (SEES) which identifies the key economic precincts across Yarra and sets strategic directions for their protection and future development to meet their likely growth. The role and function of Yarra's employment precincts have therefore strengthened significantly, including:

- Cremorne Enterprise Precinct;
- Gipps Street/Abbotsford Employment Precinct;
- Burnley Business Park;
- Fitzroy Health and Education Precinct; and
- Richmond Health (Epworth) Precinct.

In addition to these precincts are the existing activity centres and areas zoned for industrial purposes that present further opportunities for additional capacity for commercial development and employment. Yarra has an established and leading role within Victoria's creative arts industry and, while occurring across precincts, is concentrated around the Collingwood Arts Precinct and the Abbotsford Convent.

Key directions:

It will be critical for the Strategy to support the directions in SEES and the sustainable growth in these precincts to protect and enhance the competitive strengths and attractive physical and amenity attributes that are unique to these precincts.

This will need to include managing development within these precincts by ensuring that planning controls are fit for purpose, accommodating future employment growth whilst protecting the precincts' built form characteristics that are attractive to businesses and workers.

Yarra's population and economic growth is increasing the overall travel demands including within these precincts. Council supports reducing the reliance on private vehicles and encouraging the use of sustainable travel modes. Yarra's accessibility to the public transport network and its walkable neighbourhoods can support workers, residents and visitors accessing precincts via public and active transport modes to address the growing travel demands and congestion issues from major population and employment growth.

The growth and development that is occurring also raises issues with the availability of car parking in precincts. This issue can be addressed through the broader precinct planning work by Council and through encouraging alternative transport modes over private vehicles. It needs to be recognised that on-street parking within precincts is generally limited and needs to be considered along with other competing expectations for road space to be used for improved pedestrian spaces and greenery.

Yarra's economic performance and growth highlights the significant role these precincts have in Melbourne's inner-metropolitan economy. Clustering of businesses can bring about specialisations, and this is particularly evident in the knowledge and technology and the creative industries. Working with state and federal

governments to ensure they understand the importance of the role of Yarra's precincts in the innovation and growth of these industries, would help consolidate precincts' positions and attract future government support. Already Yarra has an established network of co-working and co-sharing facilities that are responding to the demand for diverse work preferences. In addition, they are helping to address the wider issue of work space affordability for some types of businesses and for start-ups. Affordability can have an impact on the mix of businesses (types and size) in Yarra's employment precincts. The state government is undertaking work that is starting to consider this issue and response measures that could be used to retain affordable work spaces. There is opportunity for Yarra to work with the Victorian Government on programs that address the issue of how to retain affordable work spaces.

Action plan

Strategy 1 In response to COVID-19 collaborate with industry and government sectors, to provide tailored support and a clear roadmap to recovery.

Action	Lead	Timeframe
Provide COVID-19 specific small business grants, to assist businesses to adapt to new operating conditions.	Economic Development	Immediate
Provide a two-quarter refund (April to September 2020) on footpath trading permits, food registrations and health registrations.	Economic Development	Immediate
Waive application fees for new footpath trading permits, food registrations and health registrations in 2020.	Economic Development	Immediate
Waive business parking permit fees for 12 months, from 1 April 2020 to 1 April 2021.	Economic Development	Immediate
Collaborate with IMAP councils, industry partners and internal advisory groups to identify strategies and campaigns (shop local) to encourage patronage back to Yarra's retail and services precincts.	Economic Development / Communications	Short term
Investigate and implement improved pedestrian space and cycle routes to local activity centres.	Economic Development	Immediate
Undertake a survey inviting all Yarra businesses to provide information on their response to COVID-19, and what future support they are looking for from council to help shape council's response.	Economic Development	Immediate

Strategy 2 Retain and grow Yarra's employment precincts and unlock economic development opportunities through strategic planning processes.

Action	Lead	Timeframe
Monitor the growth and change in Yarra's employment precincts by monitoring changes in commercial office floorspace, employment growth and planning permit activity.	Strategic Planning	Ongoing
Collect detailed business data (e.g. industry, jobs, floorspace) through the Census of Land Use and Employment (CLUE) survey. Undertake a pilot for one employment precinct (e.g. Cremorne) and investigate the potential for wider application across Yarra's employment precincts.	Economic Development	Medium Term
Strengthen the economic role and function of Yarra's activity centres (also known as retail and services precincts) by developing structure plans which build on the unique character of each precinct.	Strategic Planning	Short Term

Action	Lead	Timeframe
Prepare the Cremorne Place Implementation Plan in partnership with the VPA	Strategic Planning	Short Term
Prepare planning controls for guiding development in Yarra's activity centres that support predictable decision making.	Strategic Planning	Short Term
Undertake preparation of precinct plans to guide the development of key education and health/medical institutions in future structure planning (e.g. St Vincents, Epworth, ACU).	Strategic Planning	Medium Term
Represent Yarra's interests in regional economic forums and regional economic strategies. Collaborate with regional bodies on strategic priorities such as investment attraction, infrastructure delivery, workforce development and destination development.	Economic Development	Ongoing
Participate in state government-led projects assessing work space affordability and potential responses to retain and encourage affordable spaces.	Economic Development Strategic Planning Arts and Cultural Services	Short Term

Strategy 3 Support and encourage innovative and entrepreneurial activities across Yarra's employment precincts

Action	Lead	Timeframe
Recognise the growing role and utilisation of co-working spaces in Yarra by supporting existing operators and supporting new spaces to establish.	Economic Development	Ongoing
Encourage micro-businesses and entrepreneurs to establish in Yarra by promoting Yarra's co-sharing spaces.	Economic Development Arts and Cultural Services	Ongoing
Promote Yarra Libraries as a casual workspace for students, sole operators and micro-businesses. Promote the libraries favourable facilities and amenities including access to free WiFi, wireless printing and bookable working spaces/meeting rooms.	Library Services Economic Development	Ongoing

Strategy 4 Encourage a resilient business community through capacity-building and business support programs and initiatives

Action	Lead	Timeframe
Maintain an online economic and demographic profile of Yarra to inform current and prospective businesses and investors. Information should include business, employment, industry and labour force trends.	Economic Development	Ongoing
Promote state and federal government grant programs such as LaunchVic and Invest Victoria to assist local businesses in accessing funding avenues.	Economic Development Arts and Cultural Services	Short Term
Provide support to small business and entrepreneurs looking to open a business, navigate the permit application process with programs such as the Yarra Business Application Support (YBAS) program that supports the streamlining of the permit application process.	Economic Development	Short Term
Partner with the Victorian Red Tape Commissioner to develop a more streamlined approach to planning applications.	Statutory Planning	Short Term
Work in partnership with business groups and traders associations to provide regular communications on council initiatives.	Economic Development	Ongoing

Targets and monitoring

Target	Indicator
Increasing business and employment growth across Yarra's employment precincts.	Annually, using Australian Bureau of Statistics Australian Business Register (ABR) data and/or Census of Employment and Land Use (CLUE) (if available).
Monitor changes in commercial office floorspace across Yarra's employment precincts.	Annually, using Council's permit and building permit data and CLUE (if available).
An increase in the number of co-working spaces/floorspace.	Annually, using Council's permit, building permit and YBAS data.
A reduction in the median number of days taken to provide a planning permit decision in line with adjoining Councils (e.g. Melbourne, Port Philip, Stonnington).	Annually, using data published by Know Your Council.
Develop and maintain an up-to-date business database.	Review and update annually, using the Australian Business Register (ABR) via Monitor CRMS.

Vibrant and evolving retail and services precincts

Yarra is home to a series of vibrant and evolving retail and services precincts. Each centre in Yarra is unique and dynamic, with a business and land use mix that is continually changing.

Each of Yarra's retail strips has a distinct economic role, land use and business mix. Whilst some of Yarra's retail and services precincts are experiencing high vacancy rates of up to 30%, this is common across comparable inner metropolitan areas.

Generally, lower vacancy rates in Yarra and inner Melbourne are found in tightly held retail strips that include a diverse mix of uses including retail services, food and beverage, health and fitness related services, fashion and professional services.

The Strategy should seek to nurture resilience into Yarra's retail strips by addressing some of the issues that retailers and retail centres are experiencing, as well as investigate opportunities that may improve and activate the public realm to create a more attractive environment for residents, workers and visitors.

Key directions:

- Help Yarra's retail strips transition to more mixed use centres that include convenience-based retail (e.g. fresh produce, groceries), food and beverage, entertainment, professional and health related services, personal services (e.g. hairdressers, beauticians, gym/fitness) and community/recreation uses.
- For Yarra's longer (distance) retail strips, consider the business mix of smaller sub-sections.
- Understand the challenges facing the local retail sector, which may extend to onerous lease arrangements, weakening demand and access/connectivity constraints.
- Appropriately equip local retail businesses to respond and adapt to changing retail conditions, pointing to best practice approaches, including store-based improvements, omni-channel retail strategies, adopting social media for marketing and promotion, and improving the shopper experience.
- Identify place-making initiatives/projects that facilitate an improved streetscape environment and public realm to increase the number of people who visit, recreate, live and shop in each centre.
- Reimagine side street and laneways to create engaging and connected places.
- Protect the 'village feel' of Yarra's retail strips, particularly given that residential intensification is occurring in major activity centres.

Action Plan

Strategy 5 Strengthen Yarra’s retail and services precincts through improved streetscapes and amenity, to attract more people to visit, spend time and shop.

Action	Lead	Timeframe
Prepare structure plans for Yarra’s major activity centres. Ensure that the plans consider the current economic role and function, land supply and demand for land use.	Strategic Planning	Ongoing
Develop new, and support implementation of, existing streetscape masterplans for activity centres, to provide a design direction and forward programme for future capital works.	Urban Design	Ongoing
In partnership with state and local governments, facilitate the relevant recommendations of the Victorian Government’s Richmond Retail Revitalisation Project (to revitalise Bridge Road and Victoria Street) and the IMAP commercial vacancy project.	Economic Development	Ongoing

Strategy 6 Nurture resilience in the retail industry and appropriately equip businesses to respond and adapt to structural changes in the industry.

Action	Lead	Timeframe
Develop a retail precinct engagement plan to outline the specific support and resources that are available to businesses, including collaborative marketing initiatives and events.	Economic Development	Medium Term
Continue the Precinct Pulse program of annual audits across Yarra’s retail and services precincts; providing the public with access to trends relating to business mix and vacancy rates.	Economic Development	Ongoing
Investigate the potential to establish a business grants program that supports local retail businesses to undertake collaborative marketing initiatives that contribute to thriving and resilient retail and services precincts.	Economic Development	Medium Term
Minimise the negative impacts of disruptive infrastructure projects on small business by providing support to local businesses in accordance with the Victorian Small Business Engagement Guidelines (SBEG).	Economic Development	Ongoing
Continue to offer and promote business mentoring and counselling support services for local businesses.	Economic Development	Ongoing
Collaborate with CityLab to utilise new and emerging technology to acquire data, for example the installation of pedestrian counters in key retail and services precincts to support capital works bids and inform marketing strategies.	Economic Development	Short Term

Strategy 7 Grow the night-time economy and proactively manage safety and amenity challenges to enhance people’s experience when visiting Yarra’s night-time precincts.

Action	Lead	Timeframe
Continue to promote the Night time economy	Economic Development	Ongoing
Support the Yarra Liquor Forum to develop policy and practices that promote a safe night life and best practice management of licenced premises.	Social Strategy and Community Development	Ongoing
Continue to provide grant opportunities to live music venues to assist with the costs associated with sound proofing.	Arts and Cultural Services	Ongoing

Targets and monitoring

Targets	Indicators
A decrease in vacancy rates across Yarra’s retail and services precincts.	Annually, using Council’s Precinct Pulse Program.
An increase in business and employment growth in the retail and hospitality sectors.	Annually, using the Australian Business Register (ABR) and CLUE (if available).
Track and record the number and frequency of engagements with retail businesses.	Quarterly, using Council’s subscription to Monitor CRMS.
Increase the average number of attendees and participants at training, mentorship and networking events.	Annually, recording attendance for each session.

A creative, inclusive and sustainable economy

Yarra has long been recognised as a creative, inclusive and sustainable municipality. Creative industries generally relate to art and cultural activities across a range of disciplines including visual arts, music, theatre, performance, literature, public art, design, fashion, filmmaking and craft.

The vision for arts and culture in the municipality, identified in Yarra's Arts and Culture Strategy (2016 – 2020) is *“for arts and culture to be integrated into our City so that it can be an everyday experience and be enjoyed by all of our community, whether as makers, audience members or participants.”*

There are many attractive liveability characteristics in Yarra that stem from the burgeoning arts and cultural activities in the municipality, including creative spaces, public/street art, galleries, museums and cultural institutions, as well as music and performing arts venues.

It will be critical for the Strategy to acknowledge and address the growing threat of unaffordability in Yarra, including rising property prices and rents for working artists, creatives and makers to live and occupy spaces and studios. With the creation of a second major creative hub within the Collingwood Creative Precinct, the municipality hosts more creative small to medium sized arts organisations than ever before, organisations who depend on all three levels of government funding to support the provision of creative community services.

Yarra City Council and its community are recognised as leaders in sustainable practices and environmental initiatives. The Climate Emergency Plan 2020 – 2024 aims to achieve zero net emissions across the entire Yarra community by 2030, and ensure that our community is safe and resilient to climate related impacts. The significant size of Yarra's working population means that business engagement and support for sustainable practices is crucial for the realisation of broader sustainability goals.

There are significant business opportunities in addressing the major climate, resource overuse and ecological challenges we face as a society. Shifting towards a low carbon, circular economy has the potential to create jobs, increase competitiveness and generate sustainable business growth.

Considerations:

- Address the affordability issues created by rising property and rental values, which can make it financially unsustainable for working artists and creatives to occupy spaces and studios.
- Yarra as a place to live is unaffordable when compared with the broader metropolitan area, potentially becoming unaffordable for artists and creatives to live in Yarra. This may impact creative 'spill over' that occurs into Yarra's public and community spaces.
- Ensure there are suitable locations to protect and grow the number of niche and specialised urban manufacturers that are clustered in Yarra.
- Protect and enhance Yarra's identity as a destination for artists, creatives and makers to live, work and visit.
- Grow the visitor economy and strengthen Yarra as a destination in its own right, increasing domestic and international visitation.
- Encourage the business community to implement and embed sustainable practices such as solar PV and off site renewable electricity to enhance business competitiveness.
- Improve career pathways for younger cohorts and people who are disadvantaged

Action plan

Strategy 8 Grow and protect local creative industries and strengthen Yarra as a destination for arts and culture.

Action	Lead	Timeframe
Support workspaces for artists and advocate for affordable spaces for artists through the Room to Create program.	Arts and Cultural Services	Ongoing
Develop promotional digital resources that encourage local residents and visitors to explore Yarra's rich street life, public art and cultural institutions.	Arts and Cultural Services Economic Development	Ongoing
Provide support to community arts practitioners and organisations through the annual grants program, networking, brokering partnerships and collaborating on projects.	Arts and Cultural Services	Ongoing
Continue to support arts and cultural festivals and events through grant programs and marketing/promotion.	Arts and Cultural Services	Ongoing
Through strategic planning work, identify opportunities to enhance the creative arts cluster linking Collingwood Yards, Abbotsford Convent, Johnston Street and Gipps Street.	Strategic Planning Economic Development	Medium Term

Strategy 9 Encourage sustainable business practices across Yarra

Action	Lead	Timeframe
Work in partnership with Council's sustainability unit to develop a program that supports local businesses to embed sustainable business practices and transition to a low carbon economy, specifically through improved energy efficiency and 100% renewable power.	Economic Development Sustainability	Short Term
Promote environmentally sustainable practices to businesses having regard to energy, water, resource use, waste and sustainable transport.	Economic Development	Ongoing
Deliver programs and resources that support local businesses to be more resilient to climate-related impacts and extreme weather events (e.g. heatwaves, storms, floods, transport disruptions and power outages)	Economic Development	Ongoing
Continue to support energy and resource efficiency initiatives that help reduce business costs and improve environmental outcomes, including the take up of energy audits, solar energy and buying renewable energy. Facilitate in collaboration with Yarra Energy Foundation (YEF) and other relevant organisations.	Sustainability Economic Development	Ongoing
Promote the Environmental Upgrade Finance program, which provides a preferable finance option to businesses to fund projects relating to renewable energy, water savings and waste reduction.	Sustainability Economic Development	Ongoing

Action	Lead	Timeframe
Encourage residents, visitors and workers to use public and active transport modes by promoting the benefits of sustainable transport through supporting participation in events such as Ride-to-Work and Walk-to-Work Days.	Economic Development Strategic Transport	Ongoing

Strategy 10 Facilitate local partnerships which create and promote a range of learning, employment and other pathway opportunities for businesses, workers and residents.

Action	Lead	Timeframe
Deliver the Future Pathways Program, a weekly program supporting young job seekers to prepare and complete job applications/resumes, and connecting them to local employers.	Youth Services	Short Term
Support the Inner Northern Local Learning and Employment Network (INLLEN) and the Inner North Youth Employment Taskforce through the Jobs for Youth Campaign and Youth Enterprise Hub initiatives.	Youth Services	Short Term
Investigate the potential to establish a Council program that strengthens pathways for young people to gain employment into Yarra City Council.	Youth Services	Medium Term
Continue to support Yarra's Business Advisory Group by facilitating and participating in quarterly meetings. Obtain advice and seek direction in regard to Council's economic development projects and initiatives. Seek input on local issues and trends that are impacting the local business community.	Economic Development	Ongoing

Strategy 11 Support employment pathways and career development opportunities for people who are disadvantaged.

Action	Lead	Timeframe
Promote initiatives/programs that aim to support businesses to improve accessibility (e.g. Design for Dignity Retail Guidelines).	Economic Development	Ongoing
Partner with Neighbourhood Houses to support initiatives around employment pathways for micro business and social enterprises for economically disadvantaged.	Economic Development	Medium Term
Profile businesses in Council's e-bulletin that are industry leaders in providing services and opportunities for people with a disability.	Economic Development	Ongoing

Targets and monitoring

Indicators and Measures	Monitor
Increase the number of creative spaces available for working artists, creatives and musicians.	Annually, via Council's Room to Create Program
Employment and business growth in creative and cultural industries.	Annually, using the Australian Business Register (ABR) and CLUE (if available)
Increase in the number of visitors to Yarra for the purpose of engaging in creative and cultural activities.	Annually, using visitor activity data published by Tourism Research Australia's (TRA) National and International Visitor Survey.
Explore opportunities to increase, and maintain existing annual arts and culture related events.	Annually, monitoring Council's calendar of events.

Implementation

This Economic Development Strategy has been prepared in the context of the municipality's planning framework and Council's broad vision and priorities for the economy and community. The Strategy will be implemented over time in partnership with state and federal government agencies, businesses, trader associations and the community.

Implementation of the Strategy will be guided by the following principles that align with the main policy levers available to Council to influence local economic development. The principles are intended to be adopted across the organisation to embed a whole-of-council approach to economic development:

- **Sustainability** – Continue to be a leader in sustainable practices and environmental initiatives. Embed best practice sustainable approaches in Council's decision-making process.
- **Accessibility** – Ensure that the Strategy prioritises improvements in accessibility for residents, workers and visitors.
- **Liveability** – Maintain and enhance the characteristics that contribute to Yarra's unique and diverse lifestyle.

An indicative timeframe and relevant stakeholders are identified for each action. Timeframes are categorised as follows:

- Immediate
- Short term (1 year);
- Medium term (2 – 3 years);
- Long term (3 – 5 years); and
- Ongoing.

Monitoring and evaluation

The implementation of the Strategy should be regularly monitored and evaluated. High-level indicators and measures are provided under each theme and are in-line with historical growth rates (where applicable). Each target proposes an indicator to monitor in order to track progress at choice intervals.

Learnings also need to be captured to improve future delivery and decision making. The Strategy will be monitored by Council's Economic Development Unit (EDU). The team will work with key stakeholders to undertake an annual review to ensure that the Strategy remains relevant and responsive.

An annual progress report on the strategy's implementation should be considered. Additional information sources that will be used to track progress, include:

- Participant feedback in business and community workshops;
- Business / traders Associations and group meetings;
- Council's open data program and internal information sources;
- The release of ABS Census of Population and Housing; and
- Australian Business Register data.

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