CITY OF YaRRA

Ordinary Meeting of Council Agenda

to be held on Tuesday 23 June 2020 at 7.00pm via TEAMS

Participating in Council meetings during the COVID-19 pandemic

In order to ensure the health and safety of Councillors, staff and the community, Council meetings held during the Victorian State of Emergency are closed to the public. This is in accordance with advice provided by the State Government.

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Making a submission

In order to participate in the meeting, either by asking a question during Public Question Time or making a submission in relation to an item being considered at the meeting, you can lodge a written submission, which will be read in full to the Council by a Council officer on your behalf or you can arrange for a Council officer to telephone you during the meeting, and connect you directly to the Committee so you can make your submission yourself.

To participate in the meeting, you will need to lodge your submission or register to receive a phone call by midday on the day before the meeting. Submissions can be lodged online on the relevant meeting page on Council's website.

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Order of business

1. **Statement of recognition of Wurundjeri Woi-wurrung Land**
2. **Attendance, apologies and requests for leave of absence**
3. **Declarations of conflict of interest (Councillors and staff)**
4. **Confidential business reports**
5. **Confirmation of minutes**
6. **Petitions and joint letters**
7. **Public question time**
8. **Delegates' reports**
9. **General business**
10. **Questions without notice**
11. **Council business reports**
12. **Notices of motion**
13. **Urgent business**

1. Acknowledgment of Country

"Yarra City Council acknowledges the Wurundjeri Woi Wurrung people as the Traditional Owners and true sovereigns of the land now known as Yarra.

We acknowledge their creator spirit Bunjil, their ancestors and their Elders.

We acknowledge the strength and resilience of the Wurundjeri Woi Wurrung, who have never ceded sovereignty and retain their strong connections to family, clan and country despite the impacts of European invasion.

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 here today—and to their Elders past, present and future."

2. Attendance, apologies and requests for leave of absence

Anticipated attendees:

Councillors

- Cr Misha Coleman (Mayor)
- Cr Mi-Lin Chen Yi Mei (Deputy Mayor)
- Cr Danae Bosler
- Cr Jackie Fristacky
- Cr Stephen Jolly
- Cr Daniel Nguyen
- Cr Bridgid O'Brien
- Cr James Searle
- Cr Amanda Stone

Council officers

- Vijaya Vaidyanath (Chief Executive Officer)
- Ivan Gilbert (Group Manager Chief Executive's Office)
- Lucas Gosling (Director Community Wellbeing)
- Gracie Karabinis (Group Manager People and Culture)
- Chris Leivers (Director City Works and Assets)
- Diarmuid McAlary (Director Corporate, Business and Finance)
- Bruce Phillips (Director Planning and Place Making)
- Rhys Thomas (Senior Governance Advisor)
- Mel Nikou (Governance Officer)

3. Declarations of conflict of interest (Councillors and staff)

4. Confidential business reports

Nil

5. Confirmation of minutes

RECOMMENDATION

That the minutes of the Ordinary Council Meeting held on Tuesday 2 June 2020 be confirmed.

6. Petitions and joint letters

7. Public question time

Yarra City Council welcomes questions from members of the community.

Public question time procedure

Ideally, questions should be submitted to Council in writing by midday on the day of the meeting via the form available on our website. Submitting your question in advance helps us to provide a more comprehensive answer. Questions that have been submitted in advance will be answered first.

Public question time is an opportunity to ask questions about issues for which you have not been able to gain a satisfactory response on a matter.

Public submissions procedure

If you wish to raise matters in relation to an item on this meeting agenda, Council will consider submissions on these items in conjunction with and prior to debate on that agenda item.

The public submission period is an opportunity to provide information to Council, not to ask questions.

8. Delegate’s reports

9. General business

10. Questions without notice

11. Council business reports

12. Notices of motion

13. Urgent business

Nil

11.1 Transport, movement and access response to impacts of COVID-19

Executive Summary

Purpose

This report outlines the progress made towards catering for the physical distancing, transport and movement needs of the Yarra community and visitors in response to the impacts of the COVID-19 pandemic (COVID-19).

This report provides a high level summary of the Stage 1 COVID-19 Response Trials proposed by officers.

This report sets out how officers plan to inform, communicate and involve the Yarra community in the transport response to COVID-19 both now and going forward.

This report recognises that further progress will be made between the publication of this report and the Council meeting of 23 June 2020.

A verbal update on this progress will be provided at the Council meeting of 23 June 2020.

Key Issues

The way people work, live, shop and move around has changed to varying extents as a result of the impacts of COVID-19.

This presents a number of key challenges to Council in responding to the physical distancing, movement and access needs of the Yarra community and visitors now, in an immediate post COVID-19 context and into the future.

The need to respond to this challenge was identified by Council in a resolution regarding a General Business Motion on 5 May 2020, and subsequent resolutions and actions.

In response to the resolution of 5 May 2020, Council officers have undertaken a number of small scale trials (See report) and have further developed eight Stage 1 COVID-19 Response Trials as part of Council's transport, movement and access response to COVID-19.

Council officers are also working with the Department of Transport (DoT) and neighbouring Council's to identify and further investigate joint projects.

The Stage 1 COVID-19 Response Trials have been presented to Council in this report for consideration, noting that some of the trials would require formal sign off from DoT and at Ministerial level.

Many of the Stage 1 COVID-19 Response Trials have the potential to make a notable contribution towards providing safer non-car travel options both at a local and a strategic/area-wide context.

It is also anticipated that some members of the community are likely to express concerns about some of the proposed interventions, including the potential for longer travel times for vehicular traffic for some journeys.

It is important that Council understand this, and is prepared to support the implementation and evaluation of trials, even if they do not have universal community support.

Council has already received many ideas provided by the community about possible projects and initiatives to address the physical distancing, transport and movement needs of the community.

It is anticipated that Council will receive many more ideas from the community.

Officers have developed an Assessment Tool to clarify the objectives and consistently review and prioritise ideas provided by the community and propose to continue doing this going forward.

Financial Implications

The costs to deliver the proposed Stage 1 COVID-19 Response Trials is currently estimated to be in the order of $200,000 to $250,000 (excluding the Elizabeth Street separated bicycle lane trial project which is funded under a separate budget allocation within Council's Budget).

The costs to deliver the proposed trials would be determined to some extent by whether Council hires or purchases the required traffic management equipment.

This would be further influenced by Council's ability to store and/or reuse the traffic management equipment for other trials or other Council projects.

A special budget allocation has not been made for the delivery of the proposed Stage 1 COVID-19 Response Trials. Should Council proceed with the trials there would be a need to monitor expenditure throughout 2020/21; and it may be necessary to report back to Council on the proposed source of funding for these projects, if either external funding is not provided, or sufficient savings cannot be identified, to cover these costs.

The cost to deliver the proposed Stage 1 COVID-19 Response Trials would also include installation and maintenance costs – these would need to be absorbed within Council's operational budget.

External funding will also be pursued where there are opportunities.

A further update on the funding of the Stage 1 COVID-19 Response Trials will be verbally provided at the Council meeting on 23 June 2020.

PROPOSAL

1. That Council note the officers report as requested by the Council resolution on 5 May, 2019 regarding opportunities to create improved spaces for cycling and physical distancing, and support for local businesses regarding the current COVID-19 circumstances.
2. That Council note the actions of officers to date and also note the options presented in this report for Council consideration.
3. That Council, having noted the contents of the report and considered the options presented, authorise officers:
   - (a) To proceed with the implementation of the proposed COVID-19 Response Trials, as outlined in Option 1;
   - (b) To initially implement trials currently approved by Council, where DoT approval has already been obtained, or is not required;
   - (c) To obtain any formal approvals required from the Department of Transport (DoT) and advise Council if any of the trials are not be supported by DoT;
   - (d) To inform the community of the upcoming trials and advise why Council is taking this approach and the timing for the implementation of each trial;
   - (e) To deliver the trials on the basis that the trials are:
     - (i) reviewed immediately (at any time) if there is an identified safety issue;
     - (ii) reviewed 3 months post implementation to allow the community time to adjust and adapt to the changes;
     - (iii) fully evaluated 12 months post implementation to identify whether the trials have been a success and whether there is any demand to continue with any trial.
   - (f) To undertake ongoing monitoring to identify any need to adapt or end any trail post the 3 month review, if it is identified that:
     - (i) that the trial is not meeting the objectives; and/or
     - (ii) there is an alternative trial or outcome that better meets the needs of the community; and/or

(iii) the trial is having an unacceptable impact on infrastructure or operations managed by DoT (as determined by DoT and agreed with Council).

(g) To continue to receive submissions from the community and prioritise these submissions using the Assessment Tool and according to available resources;

(h) To continue to work with DoT and neighbouring Council's to identify and further investigate joint projects;

(i) To continue to liaise with the local business community and explore possible options to assist with physical distancing requirements;

(j) To explore external funding opportunities to support these and other initiatives in response to the impacts of COVID-19; and

(k) To investigate and report to Council on any Future Stage COVID-19 Response Trials as part of Council's transport, movement and access response to COVID-19.

11.1 Transport, movement and access response to impacts of COVID-19

Reference: D20/96634
Authoriser: Director Planning and Place Making

Purpose

1. This report outlines the progress made towards catering for the physical distancing, transport and movement needs of the Yarra community and visitors in response to the impacts of the COVID-19 pandemic (COVID-19).
2. This report provides a high level summary of the Stage 1 COVID-19 Response Trials proposed by officers.
3. This report sets out how officers plan to inform, communicate and involve the Yarra community in the transport response to COVID-19 both now and going forward.
4. This report recognises that further progress will also be made between the publication of this report and the Council meeting of 23 June 2020.
5. A verbal update on this progress will be provided at the Council meeting of 23 June 2020.

Background

6. The way people work, live, shop and move around has changed to varying extents as a result of the impacts of COVID-19.
7. This is clearly reflected in the current transport, movement and access context with lower levels of traffic on Yarra's roads and fewer people using public transport.
8. It is possible that these travel patterns will continue to some extent for a period of time, including in an immediate post COVID-19 context and into the future, particularly with continued physical distancing considerations in many aspects of life and while community health concerns are prevalent.
9. Likewise, physical distancing requirements have impacted on the operation of Yarra's local economy and how people access services. It is noted that this is a dynamic situation as businesses start to reopen and/or respond to the progressive easing of some restrictions.
10. This is a universal challenge and many cities around the world have responded by re-examining how road space is used and whether it is possible to provide additional space or safer streets for people in terms of movement (i.e. walking and cycling) and for everyday living (i.e. socialising or meeting at a local business).
11. This is a key challenge for Yarra given:
    (a) its dense urban environment and limited space to safely cater for all transport modes and street activity;
    (b) the high usage of public transport by the community and visitors to move around pre-COVID-19; and
    (c) the struggles faced by local business during COVID-19 and potential uncertainty going forward.
12. The need to respond to this challenge has been identified by Council via:
    (a) a resolution to the General Business Motion on 5 May 2020;
    (b) a Special Bicycle Advisory Committee (BAC) meeting on 29 May 2020;
    (c) a Council resolution on this matter on 2 June 2020;
    (d) a Special Councillor Briefing on 9 June 2020; and

(e) this report to the Council meeting of 23 June 2020.

13. In particular the Council resolution of 5 May 2020 recognised:

(a) there is a need to respond to the transport, movement and access needs of the community through the provision of a range of safe transport options;

(b) there is an opportunity to re-examine how we view and use public spaces especially road space given the reduced levels of traffic using roads in Yarra; and

(c) there is also an opportunity to respond to the emergency situation by fast tracking projects particularly through the use of temporary infrastructure and a mindset of acting now and adapting over time.

Project identification

14. Council has already received many ideas provided by the community, and via the BAC meeting, about possible projects and initiatives to address the physical distancing, transport and movement needs of the community.

15. Council officers have actively engaged with some local businesses (within available resources) to understand the potential needs of businesses at this current time.

16. Council officers are also working with neighbouring Council's to see if there is an opportunity to align or jointly investigate projects.

17. The type and number of projects that have been suggested are wide ranging, and there is a range of different views in the community.

18. However, it is clear that there are some common themes in the feedback provided, including:

(a) a desire to address community health concerns particularly around physical distancing and catering for vulnerable people;

(b) a desire for Council to consider transport projects that provide a greater choice of safe transport options for local and longer journeys;

(c) a desire to help the local economy; and

(d) a desire to act now.

19. Officers have undertaken a systematic approach to the identification of some proposed smaller and larger scale trials and the prioritisation of possible future projects based on community ideas.

20. Key to this is the development of an Assessment Tool which prioritises projects based on the response to COVID-19 and alignment with Council's transport and safety objectives.

21. The Assessment Tool has been developed to manage and assess a large number of projects in a clear, informed and consistent manner to guide decision making on immediate project priorities, and the on-going project delivery pipeline thereafter.

22. This approach enables a balanced view of each project to be taken and for all projects to be directly compared in terms of effectiveness, adaptability, impacts, delivery timeframes, and cost.

23. It also provides a one stop shop for documenting which COVID-19 response projects have been considered and how they perform. In some cases there are multiple strategic options for delivering a project, like a strategic bike corridor.

24. The assessment tool can also be used to assess these particularly where there are competing demands for use of space and a decision needs to be made on how it can be best used in the context of a COVID-19 response.

25. This approach is key to be able to manage the transport, movement and access response to COVID-19 within the resources available to Council.

26. Many of the initially identified Stage 1 COVID-19 Response Trials (discussed later in this report) are resource intensive not only in terms of design and implementation, but also in terms of ongoing monitoring and facilitating and channelling ongoing community input to best learn from community experiences, and if necessary, adapt to concerns especially if there is identified safety issues.

27. The Assessment Tool allows officers to fairly and equitably manage and prioritise community ideas while also managing all other aspects of project delivery and evaluation within resources available.

28. All community ideas received so far have been assessed, along with ideas developed by officers, using the Assessment Tool.

29. Approximately 80 projects have been reviewed using the Assessment Tool so far.

30. Other community ideas yet to be received will also be reviewed and prioritised using the Assessment Tool.

31. From the 80 projects identified so far, some initial trials have been undertaken (see below) and eight larger scale Stage 1 COVID-19 Response Trials have been identified for consideration by Council in this report.

32. Council officers are also in the process of investigating additional projects with neighbouring Councils and the Department of Transport (DoT).

<u>Initial Trials</u>

33. Officers have delivered some initial small scale trials while larger scale trials were being developed.

34. These trials have included:

    (a) the placement of social distancing markers outside Yarra Primary School for parents waiting to collect their children. This trial was undertaken with a view to identifying the cost and installation of suitable products for other schools to follow (if desired) in conjunction with the Department of Education and Training;

    (b) the placement of social distancing stickers at school crossings in Yarra;

    (c) the development and installation of proposed leisure walking circuits that provide alternatives to Yarra's trails and visit various local activity areas, to support physical activity, physical distancing and promote sites of cultural significance and local economic development;

    (d) working with traders on Queens Parade to manage the footpaths outside premises to provide an appropriate balance between street trading activity and the physical distancing requirements of businesses, customers and people passing along Queens Parade;

    (e) removal of some carspaces outside 4 café premises to increase the waiting area (through use of the kerbside area), and

    (f) the provision of additional space to allow pedestrians improved physical distancing outside Piedimonte's Supermarket in Fitzroy North through the removal of some carspaces).

Note: Council officers have also been exploring the reallocation of road space (in particular on-street parking spaces) as a means for some other businesses to meet current and future physical distancing requirements.

35. It is noted that of the 12 businesses that were initially approached, only four were interested in taking up this kerbside option at this time. In these 4 kerbside areas officers have installed some temporary barriers on 6 June 2020 on a one month trial basis.

36. Council officers are engaging further with these businesses regarding the opportunity for them to install furniture and seating (to act as a parklet); this may be able to be extended to other businesses as further trials.

37. This opportunity will however, be subject to identifying and addressing any issues around public safety and local laws, particularly in situations where there is significant passing vehicular traffic.

38. It is noted that any trial of the placement of seating and furniture in parklets (at the current trial sites or subsequently identified locations) will provide ongoing information to Council officers on any next steps, noting that there is unlikely to be a one-sized-fits-all approach.

39. Council officers will explore parklets at other locations where demand exists, noting that there may be a cost to businesses to install and manage the parklets which will be determined and agreed on a case by case basis.

40. A verbal update on the trial will be provided at the Council meeting on 23 June 2020.

<u>Proposed Stage 1 COVID-19 Response Trials</u>

41. The proposed Stage 1 COVID-19 Response Trials have been identified using the Assessment Tool and have also been further informed by the following considerations:

    (a) trials that may become more difficult to deliver as time goes on;

    (b) trials where there are minimal competing objectives (or trials that can facilitate competing objectives). For example, installing a temporary bicycle lane may meet certain transport objectives, but in turn could hamper the recovery of a local economy where there is a demand to use the same road space to service a business (i.e. a parklet or the continued use of on-street parking);

    (c) trials that allow Council to act now and adapt over time primarily through the use of temporary or easily modified infrastructure - or remove the temporary infrastructure, accept and learn from any setback, and move on; and

    (d) trials that address localised community needs and when combined together work towards a regional or strategic objective for Council (see proposed Heidelberg Road to CBD/Church Street safer cycle route).

42. All of the proposed Stage 1 COVID-19 Response Trials closely align with many Council strategies, policies and objectives.

43. It is noted that some of the Stage 1 COVID-19 Response Trials would need approval from DoT.

44. It is also noted that some of the Stage 1 COVID-19 Response Trials may be subject to Ministerial approval.

45. Officers are currently working through the formal approvals process with DoT so this could be actioned in an expedited manner should Council resolve to proceed with the Stage 1 COVID-19 Response Trials.

46. A verbal update on progress regarding DoT approvals will be provided at the Council on 23 June 2020.

47. The Stage 1 COVID-19 Response Trials proposed by officers are summarised in Table 1, with location plans provided in Attachment 1.

Table 1: Proposed Stage1 COVID-19 Response Trials

Stage 1 Trial	**Summary of key considerations**
Addressing local community needs and key missing links in cycle network between Heidelberg Road and CBD/Church Street (see next four projects)	
Closure of Trenerry Crescent, Clifton Hill (under Eastern Freeway overpass) to traffic in both directions (all cyclists and pedestrian	Trial road closed using temporary barriers and signage. Responds to immediate physical distancing issue on adjacent Capital City and Merri Creek trails by providing additional space. Responds to a missing link in strategic cycle network given

movements to be retained)	safety and amenity issues for cyclists sharing this section of the street with road traffic. Responds to safer routes to local schools for non-car traffic. Provides indirect response to other safety issues in surrounding streets due to a reduced level of traffic. No loss of parking. For some journeys, it would require the local community to travel further by car. Travel times on adjacent arterials are much lower in current context. Temporary closure can be easily adapted to one way or removed if there are notable safety issues. Subject to DoT / Ministerial approval.
Reallocation of some road space to cyclists at Johnston Street and Nicholson Street intersection, Abbotsford (eastbound bus lane on Johnston Street and northbound traffic lane on Nicholson St) to form a part protected intersection	Traffic lanes closed using temporary barriers and signage. Responds to immediate physical distancing issue at this location due to narrow footpaths and pre COVID-19 safety issues (cyclist use footpaths). Responds to missing link in strategic cycle network and numerous reported cyclist safety concerns pre-pandemic. Responds to safer routes to local schools for non-car traffic. No loss of parking. Temporary lane closures can be easily adapted or removed if there are notable safety issues. Subject to DoT / Ministerial approval.
Centre median preventing east-west movements across Nicholson Street, between Mollison Street to Langridge Street (all cyclists and pedestrian movements to be retained)	Council adopted Local Area Place Making (LAPM 13) project to be delivered with temporary infrastructure Responds to localised pedestrian and cyclist safety need due to a high number of conflicting traffic movements. Responds to safer routes to local schools for non-car traffic. No loss of parking. For some journeys, it would require residents and visitors to travel further by car. Travel times on adjacent local roads are much lower in current context. Temporary closure can be easily adapted to one way or removed if there are notable safety issues. Subject to normal DoT approvals. As this is an approved Council project, officers will work to an early to mid-July 2020 implementation date.
Elizabeth Street protected bicycle lanes trial (Council approved trial pre Covd-19 to be delivered July 2020)	Council approval is in place (Dec 2019) to undertake the trial at this location. Responds to a missing link in strategic cycle network Connects into City of Melbourne protected bicycle lanes on Albert Street Reduction in parking supported by extensive investigation As this is an approved Council project, officers will work to an early to mid-July 2020 implementation date.

<table>
<tr><th colspan="2">Individual projects that address localised community needs and contribute towards other strategic cycle networks (see next four projects)</th></tr>
<tr><td>Mid-block closure of Wellington Street, Collingwood to traffic in both directions, between Johnston Street and Alexandra Parade (all cyclist and pedestrian movements to be retained)</td><td>Road closed using temporary barriers and signage.

Intention is to reduce through-traffic (but retain local access) similar to Napier Street strategic bicycle route and surrounds.

Responds to a missing link in strategic cycle network given safety and amenity issues for cyclists sharing this section of the street with road a high level of passing traffic.

Responds to safer routes to local schools for non-car traffic.

No loss of parking.

For some journeys, it would require the local community to travel further by car. Travel times on adjacent arterials are much lower in current context.

Temporary closure can be easily adapted to one way or removed if there are notable safety issues.

Subject to DoT / Ministerial approval.</td></tr>
<tr><td>Contra-flow bicycle lane on Park Street, North Carlton</td><td>High priority project identified by Assessment Tool

Responds to immediate physical distancing issue on the Capital City Trail and at the intersection of Nicholson Street and St Georges Road

Provides additional capacity on the strategic cycle network

No loss of parking

Subject to normal DoT approvals. Officers would work to a late June 2020 implementation date.</td></tr>
<tr><td>Closure of Coppin Street on north side of Bridge Road intersection, Richmond, to traffic (all cyclist and pedestrian movements to be retained)</td><td>Trial road closed using temporary barriers and signage.

Particular focus on providing safe cycle routes to Richmond High School and Bridge Road civic areas and activity centre.

Responds to a missing link in the local cycle network given safety and amenity issues for cyclists sharing this section of the street with road traffic.

Responds to safer routes to local schools for non-car traffic.

No loss of parking.

For some journeys, it would require residents and visitors to travel further by car. Travel times on adjacent local roads are much lower in current context.

Temporary closure can be easily relocated or removed if there are notable safety issues.

Subject to DoT / Ministerial approval.</td></tr>
<tr><td>Conversion of left turning lane to cycle only lane on Gipps Street at intersection with Hoddle Street, Abbotsford/Collingwood</td><td>Left turn traffic lane(s) converted to bicycle lanes using temporary infrastructure

Facilitates safer east/west cycle movements on Gipps Street and cyclist currently mix with traffic, or use footpath

Approved project at this location. Officers would work to late June to early July 2020 implementation date.</td></tr>
</table>

48. Many of the trials set out in Table 1 have the potential to make a notable contribution towards providing safer non-car travel options both at a local and a strategic/area-wide context.

49. This is particularly important given the uncertainty around how the Yarra community and visitors will travel in the future, particularly if there less demand to use public transport for community health reasons.

50. Council officers recognise that the proposed Stage 1 COVID-19 Response Trials would result in increased inconvenience for some residents and visitors due to increased travel time for some car journeys.

51. Council officers note that there is likely to be some vocal opposition to the proposed trials, particularly during the early stages of project delivery as the community gets used to the changes.

52. For Yarra to be successful in its transport response to COVID-19, there would be a requirement to ask the community to give the proposed trials a chance, noting that the trials directly try to cater for vulnerable members of the community.

53. This may be a difficult proposition in the early stages of implementation given that there tends to be fewer people walking and cycling in winter months.

54. Importantly, there is potential to work with the community and **adjust and adapt** the trials over time.

55. There is also the ability to remove trials that result in safety issues that cannot be resolved by adapting the trials.

56. Council officers will proactively monitor the installed trials on an ongoing basis.

57. Given the uncertainty around COVID-19, it is proposed that the Stage 1 COVID-19 Response Trials are:

    (a) reviewed immediately (at any time) if there is an identified safety issue;

    (b) reviewed 3 months post implementation to allow the community time to adjust and adapt to the changes; and

    (c) fully evaluated 12 months post implementation to identify whether the trials have been a success and whether there is any demand to continue with any trial.

58. As Council officers will be undertaking ongoing monitoring, there is the opportunity any time post the 3 month review to adapt or end a trial, if it is identified:

    (a) that the trial is not meeting the objectives; and/or

    (b) there is an alternative trial or outcome that better meets the needs of the community; and/or

    (c) the trial is having an unacceptable impact on infrastructure or operations managed by DoT (as determined by DoT and agreed with Council).

59. Council officers would provide periodical project updates on Council's website, particularly in advance of any proposed changes to the installed trials.

60. It is proposed that this would also occur for any future stage COVID-19 Response Trials.

Communications

61. Communications is key to any success in Council's transport, movement and access response to COVID-19.

62. Communications for the Stage 1 COVID-19 Response Trials would aim to inform the community about what changes are happening to their local streets, with an emphasis on why and the expected benefits.

63. As well as notifying people of works and changes, key messaging would focus on how Yarra is addressing the physical distancing and transport needs of the community by creating friendlier, safer, and more sustainable streets.

64. While this is a departure from Yarra's standard consultation process, Council officers would also provide mechanisms for community feedback to help refine these initiatives as the trials progress.

65. Targeted communications, advising the community of the specific projects in their area, would include:

    (a) letterbox drops, DL postcards or fact sheets (as required and where appropriate);

    (b) signage, including corflute posters and potentially footpath decals; and

    (c) targeted social media, where appropriate.

66. The Stage 1 COVID-19 Response Trials would be promoted more holistically to the wider community through Council's existing channels, including Yarra's website, which would include maps, images, and question and answer tools.

67. Information on Council's transport, movement and access response to COVID-19 would be included Yarra News, Yarra Life e-news, and social media, as well as other targeted e-newsletters, including business and environment.

68. Proactive media statements would also be prepared to manage risk.

69. As outlined above, it is anticipated that some members of the community will express concerns about some of the proposed interventions. Undoubtedly, some of the proposals would require changes in behaviour and in some cases this change would entail longer travel times for vehicular traffic for some journeys.

70. It is important that Council understand this, and is prepared to support the implementation and evaluation of trials, even if there is not universal community support.

<u>Prioritisation of Stage 1 COVID-19 Response Trials</u>

71. Should Council resolve to deliver the proposed Stage 1 COVID-19 Response Trials, the proposed next steps and prioritisation of the trials is set out in Table 2.

Table 2: Prioritisation of Stage 1 COVID-19 Response Trials and Timelines

Action / Trial	Timeline
Initial media release on the Stage 1 COVID-19 Response Trials	Day following Council resolution
Initial launch of website and inform community of the project (signage, community notifications)	1 week following Council resolution
Contra-flow bicycle lane on Park Street, North Carlton	Late June 2020
Conversion of left turning lane to cycle lane on Gipps Street at intersection with Hoddle Street, Abbotsford/Collingwood	Late June to early July 2020
Centre median preventing east-west movements across Nicholson Street, from Mollison Street to Langridge Street	Early to mid-July 2020
Closure of Coppin Street on north side of Bridge Road intersection, Richmond	Mid to late July 2020 *subject to Ministerial approval
Closure of Trenerry Crescent, Clifton Hill (under Eastern Freeway overpass) to traffic	Mid to late July 2020 *subject to Ministerial approval

Reallocation of some road space to cyclists at Johnston Street and Nicholson Street intersection, Abbotsford * subject to ministerial approval	Mid to late July 2020 *subject to Ministerial approval
Mid-block closure of Wellington Street, Collingwood between Johnston Street and Alexandra Parade	Mid to late July 2020 *subject to Ministerial approval

NB. It is noted that the Elizabeth Street protected bicycle lanes trial received Council approval in December 2019, and the delivery stage is about to commence. Information to the community regarding this trial installation occurred recently.

Proposals put forward by adjoining Council's and DoT

72. Officers are currently working with counterparts at neighbouring Council's to identify any opportunities for joint projects.

73. This collaboration is occurring concurrently to the design of the Stage 1 COVID-19 Response Trials proposed by officers.

74. Officers are currently in discussions with officers at the City of Banyule and the City of Darebin, to investigate the potential for cycling improvements on Heidelberg Road to form a strategic bicycle route between Banyule and the CBD.

75. This investigation is still at an early stage. A verbal update will be provided at the Council meeting of 23 June 2020.

76. It is understood that the State Government may separately be exploring the implementation of a number of strategic bicycle routes in response to COVID-19.

77. Officers will be working closely with the State Government as and when this project progresses. A verbal update will also be provided at the Council meeting of 23 June 2020.

78. It is noted that these projects may involve the removal of kerbside car parking.

79. At an early stage in these projects, officers would seek direction from Council on the loss of parking, as this would be key to the delivery of these projects.

80. The matters would inform where officers allocate resources in the overall transport response to COVID-19.

Leisure and Walking Circuits

81. Council officers have implemented three leisure and walking circuits in the municipality.

82. The leisure and walking circuits are shown in Attachment 2 and are intended to:

    (a) provide an alternative to Yarra's busy trails for residents and visitors concerned about social distancing;

    (b) promote physical activity; and

    (c) promote sites of cultural significance and local economic development.

83. The leisure and walking circuits are being promoted through the installation of decals and information provided on Yarra's website.

84. The implementation of the leisure and walking circuits do not require external approvals and has been funded via existing budgets.

85. These circuits will be monitored, and if deemed successful, could be extended and/or expanded.

External Consultation

86. Council officers have considered all the community ideas provided so far (including those provided during the Special Bicycle Advisory Committee meeting in late May. These ideas have been assessed and prioritised using an Assessment Tool.

87. As said above, Council officers have actively engaged with some local businesses (within available resources) to understand the potential needs of businesses at this current time.

88. Council officers are working with neighbouring Council's to see if there is an opportunity to align or jointly investigate projects.

89. There has been extensive consultation with Department of Transport (DoT) seniors regarding the approval of the proposed Stage 1 COVID-19 Response Trials.

90. It is noted that some of the proposed Stage 1 COVID-19 Response Trials would need approval from DoT.

91. It is also noted that some of the proposed Stage 1 COVID-19 Response Trials may be subject to Ministerial approval.

92. Officers are currently working through the formal approvals process with DoT so this could be actioned in an expedited manner should Council resolve to proceed with the Stage 1 COVID-19 Response Trials.

93. There has been no formal communication with the public on the proposed Stage 1 COVID-19 Response Trials.

94. Subject to Council resolving to proceed with the proposed Stage 1 COVID-19 Response Trials, officers would then inform the public on the implementation of the trials via various means of communication.

95. It is anticipated that there would be community feedback following the implementation of the proposed Stage 1 COVID-19 Response Trials.

96. Interaction with the community following the implementation of the proposed Stage 1 COVID-19 Response Trials would be undertaken as per a communications plan which would also be updated as required.

97. Importantly, there is potential to work with the community and *adapt* the proposed Stage 1 COVID-19 Response Trials over time.

<u>Advocacy</u>

98. Significant advocacy has been undertaken by the CEO and senior officers in order to explore and promote initiatives to encourage safe and sustainable travel and to mitigate the impacts of COVID-19.

99. This advocacy has included meetings and representations to the Associate Secretary Department of Transport, and his senior staff. Discussions with DoT have focussed on strategic project identification, project approvals (where required) and potential funding of key strategic projects.

100. Project identification and joint advocacy has also occurred with IMAP (Inner Melbourne Action Plan) Councils, with a particular focus on the inner Melbourne cycling network of pathways, and introducing better connections.

Internal Consultation (One Yarra)

101. There has been extensive internal consultation undertaken in the development and implementation of the initial trials and the development of the proposed Stage 1 COVID-19 Response Trials.

102. Internal consultation has been undertaken with Council's City Works, Compliance, Communications, Economic Development, Recreation and Leisure, Strategic Transport and Infrastructure, Traffic and Civil Engineering teams.

103. There is an internal officer support team for the proposed Stage 1 COVID-19 Response Trials.

Financial Implications

104. While temporary infrastructure is noted to be far less expensive than permanent treatments, there are still costs to Council in terms of resourcing and employing specialist contractors, communications (i.e. producing and delivering notices of works) and the purchase, hire and installation of traffic management equipment and signage.

105. The costs to deliver the proposed Stage 1 COVID-19 Response Trials is currently estimated to be in the order of $200,000 to $250,000 (excluding the Elizabeth Street separated bicycle lane trial project which is funded under a separate budget allocation within Council's Budget).

106. The costs to deliver the proposed trials would be determined to some extent whether Council hires or purchases the required traffic management equipment.

107. This would be further influenced by Council's ability to store and/or reuse the traffic management equipment for other trials or other Council projects.

108. A special budget allocation has not been made for the delivery of the proposed Stage 1 COVID-19 Response Trials.

109. There would be a need to monitor expenditure throughout 2020/21 and it may be necessary to report back to Council on the proposed source of funding for these projects, if either external funding is not provided, or sufficient savings cannot be identified, to cover these costs.

110. The cost to deliver the proposed Stage 1 COVID-19 Response Trials also includes installation and maintenance costs which would need to be absorbed within Council's operational budget.

111. External funding would be pursued where there are opportunities for this to occur.

112. A further update on the funding of the Stage 1 COVID-19 Response Trials will be verbally provided at the Council meeting on 23 June 2020.

Economic Implications

113. COVID-19 has had a significant impact on many aspects of the local economy in Yarra.

114. This is a dynamic situation as many businesses start to reopen and/or respond to the progressive easing of some restrictions associated with COVID-19.

115. Facilitating safe travel and movement for people can assist the local economy.

116. Council officers have actively engaged with some local businesses (within available resources) to better understand the potential needs of businesses at this current time.

117. Council officers have installed trial kerbside spaces (to enable improved physical distancing / waiting areas) at four businesses in Yarra (through removal of some carspaces) on a one month trial basis, as means of seeking some activation of what could be achieved elsewhere in the municipality.

118. Council officers are currently exploring whether furniture and seating could be installed within these areas to create them as small parklets and are in discussion with these café operators.

119. Any trial of the placement of seating and furniture in these areas (at the current trial sites or subsequently identified locations) would provide learnings officers on possible next steps, noting that there is unlikely to be a one-sized-fits-all approach.

120. Council officers will also continue to explore parklets at other locations where demand exists, noting that there may be a cost to businesses to install and manage the parklets which will be determined and agreed on a case by case basis.

121. A verbal update will be provided at the Council meeting of 23 June 2020.

122. Seeking to assist businesses is occurring through these trial installations and also the Councils community support package.

123. As noted above, some of the transport trials would change some travel patterns to a degree, which may provide diversions of travel for some customers to some businesses in the municipality. These are considered relatively minor and should not significantly impact on local trade.

Sustainability Implications

124. The proposed Stage1 COVID-19 Response Trials have the potential to make a notable contribution towards providing safer non-car travel options both at a local and a strategic/area-wide context.

125. The delivery of sustainable transport options is a key sustainability objective for Council.

Climate Emergency Implications

126. The proposed Stage1 COVID-19 Response Trials would promote sustainable forms of transport through providing safer non-car travel options both at a local and a strategic/area-wide context.

127. The delivery of these sustainable transport options aligns very closely with the provisions of the recently adopted Climate Emergency Plan by Council.

Social Implications

128. The intended improved physical distancing for community members as outlined by the proposed trials is consistent with health advice.

Human Rights Implications

129. There are no identified human rights implications associated with the recommendations of this report. The proposals would support the improved safety of community members.

Communications with CALD Communities Implications

130. The communication of various trials and initiatives would be critical to the community's understanding and acceptance of Councils intentions.

131. A communications plan would be developed for each initiative to ensure people understand what is being proposed and why. Various methods would be used, and this may differ for each initiative.

132. A language advisory panel would be included in any future correspondence with residents and owner non-occupiers.

133. This would include contact details and a reference number to access Council's interpreter services.

Council Plan, Strategy and Policy Implications

134. All proposed Stage 1 COVID-19 Response Trials strongly align with Council strategies and policies particularly in the area of transport and road safety and seeking to assist local businesses.

Legal Implications

135. Pre COVID-19, many of the proposed Stage 1 COVID-19 Response Trials would be subject to extensive approval, consultation and reporting processes set out in the Local Government Act (1989) and the Road Management Act (2004) which would take a significant amount of time to navigate.

136. As this is considered by Council to be a response to an emergency situation, the proposed Stage 1 COVID-19 Response Trials would be delivered via applicable powers set out in both Schedule 10 of the Local Government Act (1989) and the Road Safety (Traffic Management) Regulations 2019, which allow Council to install obstructions and barriers on a road on a temporary basis (subject to approval by the State Government in some instances).

137. It is noted that DoT (at operational level) are comfortable with this approach given the immediate need to respond to COVID-19, subject the sign-off of trials from DoT, and where required, at a Ministerial level.

Other Issues

138. No other issues are explored in this report.

139. The report provides a response to various Council resolutions.

Options

Option 1 – Proceed with the implementation of proposed Stage 1 COVID-19 Response Trials

140. Council officers have proposed eight Stage 1 COVID-19 Response Trials in response to Council's resolution of 5 May 2020 and also having regard to other more recent Council resolutions.

141. Under Option 1, Council officers would:

(a) initially implement trials currently approved by Council, where DoT approval has already been obtained, or is not required;

(b) obtain any formal approvals required from DoT and advise Council if any of the trials are not be supported by DoT;

(c) inform the community of the upcoming trials and advise why Council is taking this approach and the timing for the implementation of each trial;

(d) deliver the trials on the basis that the trials are:

(i) reviewed immediately (at any time) if there is an identified safety issue;

(ii) reviewed 3 months post implementation to allow the community time to adjust and adapt to the changes;

(iii) fully evaluated 12 months post implementation to identify whether the trials have been a success and whether there is any demand to continue with any trial.

(e) undertake ongoing monitoring to identify any need to adapt or end any trail post the 3 month review, if it is identified that:

(i) that the trial is not meeting the objectives; and/or

(ii) there is an alternative trial or outcome that better meets the needs of the community; and/or

(iii) the trial is having an unacceptable impact on infrastructure or operations managed by DoT (as determined by DoT and agreed with Council).

(f) continue to receive submissions from the community and prioritise these submissions using the Assessment Tool and according to available resources;

(g) continue to work with DoT and neighbouring Council's to identify and further investigate joint projects;

(h) continue to liaise with the local business community and explore possible options to assist with social distancing requirements;

(i) explore external funding opportunities to support these and other initiatives in response to the impacts of COVID-19; and

(j) investigate and report to Council on any Future Stage COVID-19 Response Trials as part of Council's transport, movement and access response to COVID-19.

142. All of the Stage 1 COVID-19 Response Trials closely align with many Council strategies, policies and objectives.

143. All of the Stage 1 COVID-19 Response Trials have been developed with a mindset of acting now and adapting over time, with the opportunity to adapt or end the trial, accept and learn from any actual or perceived setback, and move on.

Option 2 – Proceed with the implementation of (only) some of the proposed Stage 1 COVID-19 Response Trials

144. Council may decide to proceed with some, but not all of the proposed Stage 1 COVID-19 Response Trials.

145. The proposed trials are considered to have equal merit and respond to the physical distancing, movement and access requirements of the community in different ways.

146. It is noted that it may become more difficult to proceed with the proposed trials as time goes on as the community begins to return to some more traditional movements.

147. Under Option 2, Council officers would:

(a) initially implement trials currently approved by Council, where DoT approval has already been obtained, or is not required;

(b) implement trials supported by Council at this stage, subject to DoT approvals as required;

(c) seek direction from Council in terms of next steps to understand what type of trials would likely be supported;

(d) continue to receive submissions from the community and prioritise these submissions using the Assessment Tool, direction provided by Council and according to available resources;

(e) continue to work with DoT and neighbouring Council's to identify and further investigate joint projects;

(f) continue to liaise with the local business community and explore possible options to assist with social distancing requirements; and

(g) explore external funding opportunities to support initiatives in response to the impacts of COVID-19.

Option 3 – Do not proceed with the implementation of the proposed Stage 1 COVID-19 Response Trials

148. Council may decide not to proceed with any of the proposed Stage 1 COVID-19 Response Trials.

149. It is noted that this would result in a delay in Council's response to the impacts of COVID-19.

150. In this option, Council officers would then seek direction from Council in terms of next steps to understand what type of trials would likely be supported.

151. Council officers will, most probably, continue to receive submissions from the community and prioritise these submissions using the Assessment Tool, direction provided by Council and according to available resources.

152. Council officers, will nevertheless, continue to work with DoT and neighbouring Council's to identify and further investigate possible joint projects.

153. Council officers will also continue to liaise with the local business community and explore possible options to assist with social distancing requirements;

154. Council officers will explore external funding opportunities to support initiatives in response to the impacts of COVID-19.

Option 4 – Pursue COVID-19 Response Trials not outlined in this report

155. Council may decide to pursue COVID-19 Response Trials not outlined in this report, whether this is in addition, or as an alternative to the proposed Stage 1 COVID-19 Response Trials.

156. In this option, Council officers would review any additional trials put forward by Council using the Assessment Tool and assess this according to available resources.

157. It is noted is that the proposed Stage 1 COVID-19 Response Trials are resource intensive not only in terms of design and implementation, but also in terms of ongoing monitoring and facilitating and channelling ongoing community input to best learn from community experiences, and if necessary, adapt to concerns especially if there is identified safety issues.

Conclusion

158. Council, through its resolutions, has identified a requirement to address the physical distancing, transport and movement needs of the Yarra community and visitors in response to the COVID-19 pandemic (COVID-19).

159. Council, officers have undertaken a number of initial small scale trials in the form of walking routes, physical distancing stickers and trial kerbside areas for waiting areas for some cafes.

160. Council officers will continue to work on these trials and will look to identify other small scale trials.

161. Council officers have developed an Assessment Tool to clarify the objectives and consistently review and prioritise ideas provided by the community and propose to continue doing this going forward.

162. Council officers are working with DoT and neighbouring Council's to identify and further investigate joint projects.

163. Council officers have proposed eight larger scale Stage1 COVID-19 Response Trials for consideration of Council, noting that some of the trials would require formal sign off from the Department of Transport (DoT) and at Ministerial level.

164. It is recommended that Council instruct with the implementation of the suggested Stage1 COVID-19 Response Trials and monitor and review these projects as per the proposals set out in this report.

RECOMMENDATION

1. That Council note the officers report as requested by the Council resolution on 5 May, 2019 regarding opportunities to create improved spaces for cycling and physical distancing, and support for local businesses regarding the current COVID-19 circumstances.

2. That Council note the actions of officers to date and also note the options presented in this report for Council consideration.

3. That Council. having noted the contents of the report and considered the options presented, authorise officers:

   (a) to proceed with the implementation of the proposed COVID-19 Response Trials, as outlined in Option 1;

   (b) to initially implement trials currently approved by Council, where DoT approval has already been obtained, or is not required;

   (c) to obtain any formal approvals required from the Department of Transport (DoT) and advise Council if any of the trials are not be supported by DoT;

   (d) to inform the community of the upcoming trials and advise why Council is taking this approach and the timing for the implementation of each trial;

   (e) to deliver the trials on the basis that the trials are:

(i) reviewed immediately (at any time) if there is an identified safety issue;

(ii) reviewed 3 months post implementation to allow the community time to adjust and adapt to the changes; and

(iii) fully evaluated 12 months post implementation to identify whether the trials have been a success and whether there is any demand to continue with any trial; and

(f) to undertake ongoing monitoring to identify any need to adapt or end any trail post the 3 month review, if it is identified that:

(i) that the trial is not meeting the objectives; and/or

(ii) there is an alternative trial or outcome that better meets the needs of the community; and/or

(iii) the trial is having an unacceptable impact on infrastructure or operations managed by DoT (as determined by DoT and agreed with Council);

(g) to continue to receive submissions from the community and prioritise these submissions using the Assessment Tool and according to available resources;

(h) to continue to work with DoT and neighbouring Council's to identify and further investigate joint projects;

(i) to continue to liaise with the local business community and explore possible options to assist with physical distancing requirements;

(j) to explore external funding opportunities to support these and other initiatives in response to the impacts of COVID-19; and

(k) to investigate and report to Council on any Future Stage COVID-19 Response Trials as part of Council's transport, movement and access response to COVID-19.

CONTACT OFFICER: Danny Millican
TITLE: Coordinator Civil Engineering
TEL: 9205 5762

Attachments

1⇩ COVID-19 Response Trials (location and concept plans)
2⇩ Leisure and Walking Circuits
3⇩ Attachment 3 - Action Sheet 9.1 Councillor Stone - Physical Distancing and Public Space Opportunities (Council - 5 May 2020) - general business

Attachment 1 - COVID-19 Response Trials (location and concept plans)

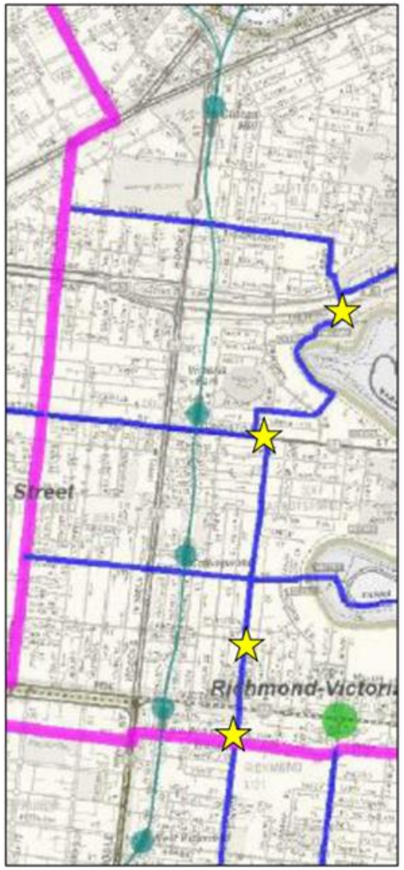
Attachment 1: Proposed COVID-19 Response Trials

Addressing local community needs and key missing links in cycle network between Heidelberg Road and CBD/Church Street

Overview Plan

Left: Trial locations shown on City of Yarra GIS extract

Right: Trial locations shown on draft Strategic Cycling Corridor Map



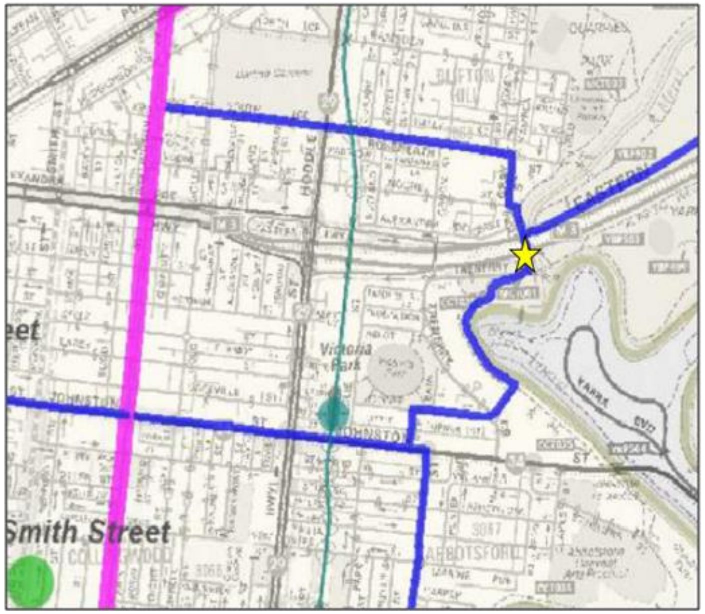
Attachment 1 - COVID-19 Response Trials (location and concept plans)

Attachment 1: Proposed COVID-19 Response Trials

Addressing local community needs and key missing links in cycle network between Heidelberg Road and CBD/Church Street

Closure of Trenerry Crescent, Clifton Hill (under Eastern Freeway overpass) to traffic in both directions

Location and high level concept plans



Attachment 1 - COVID-19 Response Trials (location and concept plans)

Attachment 1: Proposed COVID-19 Response Trials

Addressing local community needs and key missing links in cycle network between Heidelberg Road and CBD/Church Street

Reallocation of some road space to cyclists at Johnston Street and Nicholson Street intersection, Abbotsford (eastbound bus lane on Johnston Street and northbound traffic lane on Nicholson St) to form a part protected intersection

Location and high level concept plans

Attachment 1 - COVID-19 Response Trials (location and concept plans)

Attachment 1: Proposed COVID-19 Response Trials

Addressing local community needs and key missing links in cycle network between Heidelberg Road and CBD/Church Street

Centre median preventing east-west traffic movements across Nicholson Street, between Mollison Street to Langridge Street (all cyclist and pedestrian movements to be retained)

Location and high level concept plans

Attachment 1 - COVID-19 Response Trials (location and concept plans)

Attachment 1: Proposed COVID-19 Response Trials

Addressing local community needs and key missing links in cycle network between Heidelberg Road and CBD/Church Street

Elizabeth Street protected bicycle lanes trial
(Council approved trial pre COVID-19 to be delivered July 2020)

Location and high level concept plan

Attachment 1 - COVID-19 Response Trials (location and concept plans)

Attachment 1: Proposed COVID-19 Response Trials

Individual projects that address localised community needs and contribute towards other strategic cycle networks

Mid-block closure of Wellington Street, Collingwood to traffic in both directions, between Johnston Street and Alexandra Parade (all cyclist and pedestrian movements to be retained)

Location and high level concept plans

Attachment 1 - COVID-19 Response Trials (location and concept plans)

Attachment 1: Proposed COVID-19 Response Trials

Individual projects that address localised community needs and contribute towards other strategic cycle networks

Contra-flow bicycle lane on Park Street, North Carlton

Location and high level concept plan

Attachment 1 - COVID-19 Response Trials (location and concept plans)

Attachment 1: Proposed COVID-19 Response Trials

Individual projects that address localised community needs and contribute towards other strategic cycle networks

Closure of Coppin Street on north side of Bridge Road intersection, Richmond to traffic
(all cyclist and pedestrian movements to be retained)

Location and high level concept plans

Attachment 1 - COVID-19 Response Trials (location and concept plans)

Attachment 1: Proposed COVID-19 Response Trials

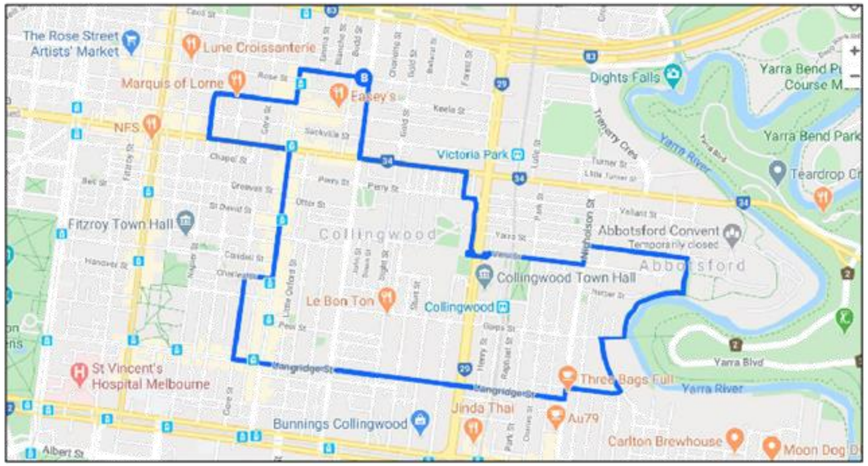
Individual projects that address localised community needs and contribute towards other strategic cycle networks

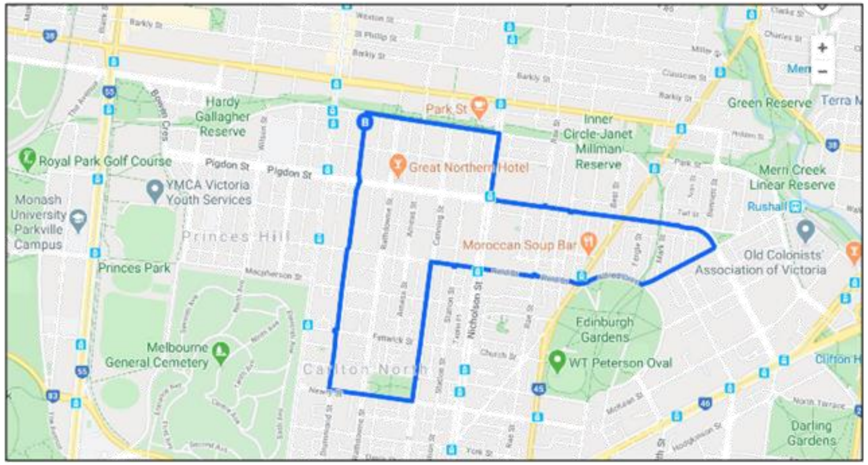
Conversion of left turning lane to cycle only lane on Gipps Street at intersection with Hoddle Street, Abbotsford/Collingwood

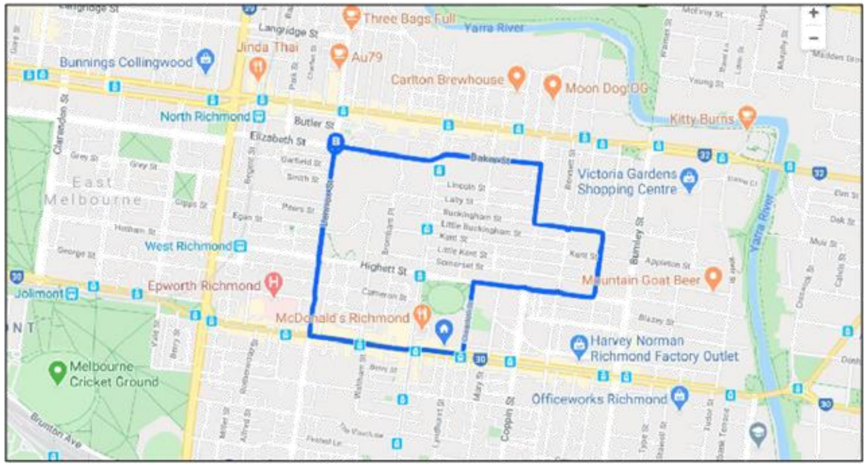
Location and high level concept plans

Attachment 2 - Leisure and Walking Circuits

Attachment 2: Leisure and Walking Circuits







Top left: Langridge Ward Circuit, Abbotsford and Collingwood (approx. 6.5km)

Bottom left: Melba Ward Circuit, Richmond (approx. 3.7km)

Top right: Nicholls Ward Circuit, Carlton North and Fitzroy North (approx. 5 km)

Attachment 3 - Attachment 3 - Action Sheet 9.1 Councillor Stone - Physical Distancing and Public Space Opportunities (Council - 5 May 2020) - general business

COUNCIL **RESOLUTION ITEM 6624**

TO: DIRECTOR CITY WORKS AND ASSETS **FOR ACTION**

9.1 COUNCILLOR STONE - PHYSICAL DISTANCING AND PUBLIC SPACE OPPORTUNITIES – GENERAL BUSINESS

Meeting Date: 5/05/2020
Target Date: 2/06/2020
Notes:
File Number:

9.1 Councillor Stone - Physical Distancing and Public Space Opportunities

Background

The result of the recent restrictions on movement as a result of the COVID-19 pandemic and Victoria's State of Emergency has been an emptying of Yarra's streets to vehicle traffic and an increase in pedestrians and cycling. Whilst this has been most noticeable on shared paths through open space, it is also seen in our shopping strips and commercial precincts. Council has had feedback that this has been welcomed by many in the community.

Whilst some restrictions are likely to be lifted in the near future, there will remain a requirement for physical distancing for some time to come, possibly a year or more.

Physical distancing will be a challenge in some locations in Yarra with narrow footpaths and busy commercial centres. Pedestrians will find separation difficult as they go about their regular activities in a busier environment.

Yarra Council has also received numerous approaches from residents interested in taking this opportunity to re-examine how we view and use public spaces especially road space. There is an opportunity to introduce some short-term measures which both facilitate physical distancing in our busier areas, but also a better use of public space where more space is devoted to people. Some of these measures could become long term if successful.

Yarra Council officers are aware of these community submissions for better use of public spaces and have begun work to identify opportunities and innovative solutions where pressure points and concentrations of pedestrian activity currently exist. This motion builds on that work and ensures a progress report is provided to Council and the community.

COUNCIL RESOLUTION

Moved: Councillor Stone **Seconded:** Councillor Bosler

1. That officers bring a report to the June cycle of Council meetings outlining:
   (a) identified locations in Yarra's public spaces where physical distancing will be hard to achieve once current restrictions are lifted;
   (b) measures which can be taken to increase the opportunities for physical

Attachment 3 - Attachment 3 - Action Sheet 9.1 Councillor Stone - Physical Distancing and Public Space Opportunities (Council - 5 May 2020) - general business

distancing at these locations;

(c) other opportunities to simultaneously achieve Council objectives such as improving pedestrian facilities, improving bike lanes, increased street greening, increased opportunities for connectivity, increased opportunities for passive recreation whilst maintaining physical distancing; and

(d) a selection of such projects which could be implemented quickly and cost effectively by Council and a further selection of such projects proposed for any future state or federal funding opportunities as part of an economic stimulus programme.

CARRIED UNANIMOUSLY

ACTION TAKEN BY OFFICER

Please provide information regarding your work on this action in the notes section of TRIM. Do not update this Word document.

11.2 Option for Glass Only Bin Across Yarra

Reference: D20/101262
Authoriser: Director City Works and Assets

Purpose

1. To provide an update regarding the current status of kerbside recycling, potential risks associated with Yarra's kerbside recycling service and an option for risk mitigation.

2. To present to Council an option to progress part off the Holistic Waste (4 bin) Service endorsed by Council in December 2019, and to address potential risks for kerbside recycling through the introduction of an additional glass only bin.

Background

3. At the Council meeting on the 17 December 2019, Council resolved to roll out a 4 bin kerbside recycling service across Yarra based on the model successfully trialled in the Abbotsford area. Yarra had targeted to roll out a 4 bin service across the municipality in July 2020.

4. The flow on effect of rolling out the 4 bin service would have been that the glass would be separated from the kerbside recycling bin. This would allow the recycling material with no glass to be processed at a lower rate than the current cost due to improved quality. The kerbside recycled glass would also be processed at a lower rate than current costs and would be used as replacement for virgin sand as an interim while a glass processing plant is established.

5. The roll out of the 4 bin service has been delayed due to a gap in the budget created by COVID-19 and the protocols that prevented face to face engagement with the community, which is an essential process for the roll out of the service. As the budget currently stands, the roll out of a 4 bin service across the municipality is not likely to occur until at least February 2021 and possibly not until July 2021 or beyond, and any decision on the timing of implementation will be determined by budget availability.

6. Council's recycling processor almost doubled their gate fees as of the 16 December 2019. The Victorian Government agreed to provide temporary financial support to the nine councils that have current contracts with Polytrade. This funding covered the gap between for the period from the 16 December 2019 to the 31 March 2020.

7. Although the funding agreements provided the State a unilateral right to extend this funding arrangement until 30 June 2020 should the state elect to do so, no announcement has been made to date. Yarra has led advocacy on behalf of the affected Councils, however there remains a degree of uncertainty about funding support for the period between the 1 April 2020 and the 30 June 2020.

8. Regardless of whether the State Government decides to provide funding to cover the gap during this period or not, the fact remains that from the 1 July 2020 the cost for recycling processing for Yarra based on the current model, will be in the order of $1.75 million per annum.

Potential Risk

9. Due to current poor quality kerbside recycling material mixed with glass and limited export markets there is a possibility that the current Victorian kerbside recycling processors will struggle to move material. This brings into question the short to medium term vulnerability and recycling material security of the current kerbside recycling systems with a potential creation of another market glut. Recycling processing fees are already inflated and processors may again seek to increase gate fees.

10. The major risk for Yarra is that should the recycling processors decide to withdraw from the kerbside market this would leave very limited options for the processing of recycling materials and would only leave landfill as an interim option.

The Opportunity

11. The best outcome for Yarra would be to minimise the exposure time for any potential risks. If Yarra is in the position to roll out the 4 bin service in February 2021 the exposure time is approximately 7 months. If the roll out time needs to be extended to July 2021 or beyond, then the exposure time is approximately 13 months and could be greater.

12. There is an opportunity to mitigate the potential risk associated with the current kerbside recycling market and to bring forward part of the endorsed 4 bin service roll out.

13. Rather than wait to roll out a 4 bin service in its entirety (which could be February 2021, July 2021 or some later date), it is possible to target the roll out of a glass-only kerbside bin in October 2020 with a minimal impact on the 2020/21 Budget, whilst mitigating the potential risk and ensuring a better quality material that can be recycled.

14. In summary a roll out of a glass bin across Yarra would be undertaken as outlined below:

    (a) roll out a glass-only bin across the municipality;

    (b) collect the recycling bin (no glass) fortnightly;

    (c) collect the glass-only bin fortnightly;

    (d) this minimises logistics costs;

    (e) take recycling materials such as paper, cardboard, metal containers and selective plastic items to a relevant processor;

    (f) take glass-only to a relevant processor for use in asphalt mix as an interim;

    (g) roll out the glass-only bin in October 2020; and

    (h) roll out FOGO (separating organics from general waste) when the appropriate budget is available.

Transition to Fortnightly Recycling/Glass

15. Experience and learnings from the Abbotsford trial have demonstrated that the community is able to transition to a fortnightly service with the right level of support and information. The support to aid a smooth shift from a weekly recycling collection to a fortnightly recycling without glass and a fortnightly glass collection would include:

    (a) a community engagement program;

    (b) simple and concise information;

    (c) a larger recycling bin (on request; no cost) for people with larger households;

    (d) a larger glass bin (on request; no cost) for people with larger households; and

    (e) a communications program to promote the Clifton Hill Recycling Centre, which is open 7 days per week, where the community can drop off recycling, including glass.

Community Engagement

16. Community engagement is a critical part for the success of new service roll out. The COVID-19 social distancing requirements may impact on the ability to conduct face to face community engagement sessions. Recent announcements by State Government have indicated that potentially by the end of June 2020 gatherings of up to 100 people may be allowed.

17. However, it may be possible to carry out face to face engagement and still observe social distancing requirements. Whether face to face consultation is possible or not, Officers have designed a comprehensive community engagement program to support the roll out of a glass bin (subject to Council approval).

18. In summary the community engagement for the roll out would include:
    (a) information packs with clear simple messaging;
    (b) Face to face engagement observing social distancing (If allowable);
    (c) Yarra news;
    (d) Social Media;
    (e) Yarra Website;
    (f) Yarra Life (E news);
    (g) Environment News Letter;
    (h) displays at key Council locations;
    (i) tap into all available Council media;
    (j) on road education, such as bin stickers regarding contamination; and
    (k) post commencement information.
19. For the purposes of context, Boroondara have recently rolled out a new FOGO service without face to face community engagement. A new roll out is not fully dependent on face to face communication, although this is a preference if possible.

Benefits for rolling out a glass bin

20. The benefits for rolling a glass-only bin out in October 2020 include:
    (a) mitigates the potential risk within the current kerbside recycling market;
    (b) shortens the exposure time for the potential risk;
    (c) can be done with little to no additional funding;
    (d) generates higher quality paper, cardboard, metal containers and selective plastic, and thereby increases resource recovery;
    (e) generates a high quality stream of kerbside recycled glass that will be ultimately suitable for glass to new glass manufacturing and for asphalt mix;
    (f) a less intense data base management process for new bins as it will be one additional bin;
    (g) a first step towards the Circular Economy Policy and a more sustainable kerbside recycling system;
    (h) security for kerbside recycling material processing;
    (i) provides time to consider further options for the garbage bin and FOGO (being the more contentious element of the endorsed Holistic Waste Service);
    (j) minimal impact on logistics costs due to a fortnightly recycling and glass collection frequency;
    (k) able to take advantage of the $400K SV funding to purchase new bins; and
    (l) lower recycling processing fees than the current costs.

Flexible Approach

21. The impacts of COVID-19 and the previous collapse of the kerbside recycling market have created an intensified degree of uncertainty and potential risks. This requires flexible thinking, consistent monitoring and evaluation of the industry and seeking to identify risk mitigation and best possible outcomes for Yarra.

External Consultation

22. External consultation included the kerbside recycling industry, other Councils and relevant State Government Departments. DELWP and SV have both indicated their explicit in principle support for this approach.

Internal Consultation (One Yarra)

23. Internal consultation included the Executive Team and City Works, Access Yarra and Communications Teams.

Financial Implications

Cost for Current Kerbside Services

24. Table 1 below provides a summary of costs per annum for the current kerbside service based on a weekly recycling collection and a weekly garbage collection compared to rolling out a glass bin only and shifting to a fortnightly collection. This includes landfill fees and recycling processing fees. Only totals have been provided to avoid any detailed costings that are confidential. A three year period is used to demonstrate continuity. Please note: No CPI has been applied.

Table 1

ITEMS		2020/21	2021/22	2022/23	COMMENTS
• Logistics • Landfill Gate Fees • Recycling Processing	**TOTAL P/A** **Current Service**	$ 8,140,000	$ 8,572,000	$ 8,882,000	• Logistics costs for a weekly garbage collection and a weekly recycling collection • Takes into account the landfill levy increase in Jan 2021 • Recycling processing fees including the recycling processing gate fee increase
• Community & Engagement & Labour • New Glass Bins Purchase + Rollout • Additional funds for COMMS • Additional Funds for Access Yarra • ORACLE Workflow upgrade • Less SV Grant for bin purchase	**TOTAL P/A** **Roll out of glass bin with a fortnightly service**	$ 8,184,000	$ 8,587,000	$ 8,797,000	• One additional vehicle has been allowed from Oct 2020 to ensure no negative impact on collection schedules • Takes into account the landfill levy increase in Jan 2021. Does not account for any potential increase in the actual landfill fee. • Recycling processing gate fees. Allows for current costs between July – Sep 20 • Community engagement cost + additional labour for roll out period • The purchase of bins is amortised over the term of the logistics contract • Additional resources required in COMMS to support the Community Engagement Program • Additional resources required to cope with additional calls during the new service transition • Upgrade required to implement new workflows • Funding for the purchase of new bin infrastructure
Variance from Current Costs		**-$44,006**	**-$ 15,000**	**$ 85,000**	

Economic Implications

25. The broader economic implications include the stimulation of the local circular economy for kerbside recycled materials and the creation of local employment.

Sustainability Implications

26. This is a stepping stone towards a circular economy and the establishment of a more sustainable kerbside recycling market.

Climate Emergency Implications

27. The proposal aligns with Yarra's Climate Emergency Plan.

Social Implications

28. The proposal would deliver a more sustainable kerbside recycling system and the growth of the local employment market.

Human Rights Implications

29. There are no Human Rights implications for the purposes of this report.

Communications with CALD Communities Implications

30. There are no implications for the purposes of this report. All communications will be cognisant of the diversity of the Yarra community and their communication needs.

Council Plan, Strategy and Policy Implications

31. The proposal aligns with Yarra's Waste Minimisation and Resource Recovery Strategy.

Legal Implications

32. There are no Legal implications for the purposes of this report.

Other Issues

33. The Abbotsford trial area would continue with a 4 bin service to avoid further disruption. The trial area is still a valuable process for assessing and fine tuning the 4 bin service.

Options

34. Table 2 below provides a summary of the option for the purposes of this report.

Table 2

DESCRIPTION	PROS	CONS
Roll out glass-only bin in October 2020	• Mitigates risk exposure from the current kerbside recycling market • Increase recycling quality and material recovery • Stepping Stone towards the Circular Economy Policy • Decreased cost of recycling processing fees • Minimal impact on current kerbside services budget • Delays the introduction of a fortnightly garbage service. This provides additional time to eliminate contamination from the recycling bin prior to introducing fortnightly garbage collection	• Will require a second roll out for FOGO • Potential for some confusion within the community due to 2 stage roll out • Community engagement may be impacted by limitations due to social distancing requirements

DESCRIPTION	PROS	CONS
	• This will be a more straightforward change for the community	

35. Should Council not support the roll out of a separate glass bin as proposed, the current 2 bin waste service would continue and Officers would work towards the roll out of the endorsed 4 bin service once an appropriate budget allocation is made.

Conclusion

36. The current kerbside recycling system which contains glass within the recycling bin results in poor quality material. Given the recent collapse of overseas markets, this has put the current Victorian recycling processors under pressure. There is a potential risk that the industry could be further impacted, which could leave landfill as the only option for recycling material.

37. Yarra has delayed the roll out of the 4 bin service due to budget constraints which extends the risk exposure time to current market dynamics. There is an opportunity to roll out a glass-only bin across the municipality in October 2020 with minimal impact to the 2020/21 budget. This would mitigate the market risks and would allow the first step towards the Circular Economy Policy. The savings from processing gate fees for the new system essentially cover the cost of new bin purchase and community engagement costs.

RECOMMENDATION

1. That:

    (a) Council endorse the roll out of a glass bin only in October 2020;

    (b) Council endorse a fortnightly collection for recycling and a fortnight collection of glass only; and

    (c) appropriate communications commence with the community and relevant stakeholders to prepare for an October 2020 glass bin roll out.

CONTACT OFFICER: Joe Agostino
TITLE: Manager City Works
TEL: 9205 5523

Attachments
There are no attachments for this report.

11.3 LAPM 2 Carlton North

Executive Summary

Purpose

To present the recommended traffic management and place making treatments identified in the Local Area Place Making (LAPM) study of Carlton North precinct (LAPM 2).

To present the recommended proposals for implementation on Princes Street that require advocacy to Department of Transport (DoT).

Key Issues

This report was presented to Council on 19 May 2020, and was deferred to the Council meeting on Tuesday 23 June 2020 to clarify responses to community submissions and other matters raised. The community submissions made at that meeting and subsequently have been considered, and Officers have determined that the report should be amended to reflect this. Further, an addition to the recommendation has been included to include a review mechanism before potential installation of speed humps on Drummond Street, between Park Street and Richardson Street.

The minor error identified relating to treatment 19 (which incorrectly referenced Newry St) in the 19 May report has been corrected in this version of the report and Attachment 2. Some other minor refinements have also been made to the report.

Community engagement was undertaken via online surveys and interactive mapping, pop up sessions at locations throughout Carlton North, three community drop-in sessions and a number of site meetings with residents.

From the feedback received during community consultation, traffic and road safety data, internal Council consultation, independent advice from Consultants GHD, and the Local Area Study Group feedback, a LAPM plan has been proposed.

The proposed LAPM plan includes 21 treatments, such as kerb extensions, speed humps and raised zebra crossings, throughout the precinct that address traffic management/road safety issues and include place making elements where possible.

Three advocacy items for DoT consideration are proposed on Princes Street.

Financial Implications

Implementation of the recommended plan has been estimated to cost $1,647,000+GST over five years.

Council’s operating budget commencing 2021/22 should include an amount of $10,000 + GST for ongoing maintenance costs for new infrastructure associated with these proposals.

Funding allocation of $30,000 for design of LAPM 2 works was proposed as a discretionary funding bid for 2020/21; however officers understand these funds have not been included in the proposed 2020/21 Budget that has been prepared for consultation and adoption in August 2020. Officers would anticipate this would be reconsidered as part of any mid-year Budget review.

Subject to Council approval and allocation of funding in 2020/21, design of the relevant treatments in the recommended LAPM plan for the Carlton North precinct (LAPM 2) could commence in 2020/21, with the intent for implementation in 2021/22.

Opportunities to fund LAPM treatments through other mechanisms will be considered including:

(a) Future capital road works such as road reconstruction;

(b) Future utility service road works such as for water mains;

(c) Future private development contributions or public realm improvements;

(d) Australian Government Black Spot Program; and

(e) Other Victorian or Commonwealth Government funding opportunities.

PROPOSAL

That Council:

(a) endorse the recommended treatments identified in the Local Area Place Making (LAPM) plan for Carlton North precinct (LAPM 2);

(b) endorse that a review be undertaken between 3-6 months before installation of treatments 14 and 15 by way of a speed survey, where installation will only occur if the 85th percentile speed is in excess 44km/h.

(c) endorse officers to undertake advocacy to DOT for the list of treatments proposed for Princes Street and which require DOT approval; and

(d) notes that subject to Council approval and allocation of sufficient funding, implementation of the recommended LAPM plan for the Carlton North precinct (LAPM 2) can commence with design in 2020/21 and delivery commencing 2021/22, and would be expected to be delivered over five years.

11.3 LAPM 2 Carlton North

Reference: D20/87140
Authoriser: Director City Works and Assets

Purpose

1 To present the recommended traffic management and place making treatments identified in the Local Area Place Making (LAPM) study of Carlton North precinct (LAPM 2).

2. To present the recommended proposals for implementation on Princes Street that require advocacy to Department of Transport (DoT).

Background

3. This report was presented to Council on 19 May 2020, and was deferred to the Council Meeting on Tuesday 23 June to clarify responses to community submissions and other matters raised. The community submissions made at that meeting and subsequently have been considered, and Officers have determined that the report should be amended to reflect this. Further, an addition to the recommendation has been included to include a review mechanism before potential installation of speed humps on Drummond Street, between Park Street and Richardson Street.

4. The minor error identified relating to treatment 19 (which incorrectly referenced Newry St) in the 19 May report has been corrected in this version of the report and in Attachment 2. Some other minor refinements have also been made to the report.

<u>LAPM</u>

5. Local Area Place Making (LAPM) is focussed on the planning and management of Council's local road network. It aims to improve local streets for people by managing vehicle traffic and improving conditions for pedestrians and cyclists. In recent years LAPMs have considered other elements that contribute to amenity and place making, particularly through the infrastructure proposed to support traffic management such as trees and WSUD treatments.

6. The study has been undertaken in general accordance with Council's *Local Area Place Making Policy 2017*.

7. The LAPM Policy 2017 supersedes the Local Area Traffic Management (LATM) Policy first adopted in 2014. The change from Traffic Management to Place Making reflects the broader place making approach when undertaking traffic studies in the City of Yarra.

8. Officers are in the process of reviewing the current LAPM Policy and intend to present an updated Policy to Council later in 2020.

<u>Carlton North Precinct 2</u>

9. The study area is bound by Nicholson Street, Park Street, Lygon Street and Princes Street, Carlton North.

10. The study area comprises approximately 5,000 residents and is predominantly residential with the exception of:

(a) Carlton North Primary School, Gowrie Victoria Carlton North childcare centre and the North Carlton Children's Centre;

(b) The Capital City Trail and Curtain Square; and

(c) Retail/commercial uses fronting Rathdowne Street, Lygon Street, Park Street and Nicholson Street.

11. Community engagement is a key component of the LAPM process. The input of the community to assist to identify the issues and needs in their neighbourhood, together with evidence-based analysis, forms the basis for the development of the LAPM plan.

12. Professional service consulting firm GHD was engaged to assist Council's Traffic Engineering unit to investigate, develop and consult on a recommended LAPM plan for the Carlton North precinct in August 2019.

13. Professional consulting firm GHD was engaged to assist Council's Traffic Engineering unit to investigate, develop and consult on a recommended LAPM plan for the Carlton North precinct in August 2019.

External Consultation

14. With the assistance of Council's Communications and Engagement unit, community engagement was undertaken via online surveys and interactive mapping, pop up sessions at locations throughout Carlton North, three community drop-in sessions and a number of site meetings with residents.

<u>Stage One – Identify issues, ideas and priority locations for intervention (August-September 2019)</u>

15. An information postcard titled Word on the streets - Carlton North was sent to all properties in the study area, inviting the community to identify the issues and ideas to improve their neighbourhood streets and the safety of pedestrians and cyclists.

    (a) The study was also advertised through Council publications including its Facebook page, Yarra Life electronic bulletins and Yarra News;

    (b) Your Say Yarra was the primary engagement platform, providing further information on the LAPM study, an invitation to nominate as a community volunteer on the Local Area Study Group, and an online survey and interactive mapping tool for feedback;

    (c) Your Say Yarra attracted 80 visitors with 280 issues and ideas identified on the interactive map;

    (d) 25 emails and phone calls were received;

    (e) 120 visitors attended a drop-in session at the Great Northern Hotel on 28th August 2019, and at three other pop-up consultations in Carlton North; and

    (f) The top concerns raised in the precinct were cyclist and pedestrian safety, driver behaviour, speeding and rat-running (non-local traffic) on local streets. People also stated that they wanted to see more trees and greenery throughout Carlton North.

16. Local Area Study Group Meeting One (30 September 2019):

    (a) A Local Area Study Group comprising 12 community volunteers was selected. The group included residents from all parts of the precinct, a trader representative from Rathdowne Village, parents of children from Carlton North primary and a member of the Yarra Bicycle Advisory Committee;

    (b) Ward Councillors, Council officers and consultants from GHD were also part of the Local Area Study Group; and

    (c) The purpose of the first meeting of the Local Area Study Group was to receive community insights on the issues identified in Stage One, identify priority locations for intervention and inform a draft LAPM plan.

17. Local Area Study Group Meeting Two (13 November 2019):

    (a) The second Local Area Study Group meeting considered the group's response to the draft LAPM plan, discussed recommendations and sought feedback on priority locations and interventions;

    (b) Feedback included a number of overarching comments for consideration. This included:

(i) confirming effectiveness of installing speed humps in mid-block locations rather than intersections;

(ii) use of sawn-cut/flat bluestone treatments;

(iii) consideration of the impacts and implications of the new Nicholson Street tram stops on priority walking routes;

(iv) preference for green infrastructure and trees in all treatments to maximise canopy cover, particularly where green infrastructure is currently minimal; and

(v) considering public health, air quality and mobility measures as a determinant for success;

(c) A primary objection was the view that Park Street required more significant treatments. The group felt that raised zebra crossings at Canning Street and Drummond Street were required and of more priority than Rathdowne Street;

(d) subsequently consulting firm Trafficworks was engaged to undertake a road safety assessment of Park Street in response to the route 96 Nicholson Street tram stop works. Further investigation and the outcome of this assessment is now considered a separate project from this LAPM study. Further, it will help inform Yarra City Council's advocacy regarding the DoT undertaking to review the impact of the Route 96 Tram Stop works on Park Street;

(e) Parklets, which could enable alfresco dining, seating or cycle parking, in parking bays on Rathdowne Street received a mixed response with the overall sentiment undetermined, but considered nice to have rather than a priority; and

(f) additional comments and clarification raised included:

(i) Park Street treatments need to factor in school drop-off area at west end;

(ii) Curtain square, Curtain Street and Canning Street changes dependent on consultation with Gowrie Victoria as these act as drop-off areas;

(iii) consider parking restrictions/enforcement throughout;

(iv) Richardson Street and Drummond Street (north) vehicle volume reduction; and

(v) cross-section examples requiring clarification of potential number of parking bays lost.

<u>Stage Two – Draft LAPM plan (December 2019 and January 2020)</u>

18. An information brochure *Word on the streets– Carlton North* was sent to all properties in the study area inviting feedback on the draft LAPM plan.

19. Further promotion was provided on Council's Facebook page, electronic bulletins and an email to previously registered LAPM participants.

20. Feedback was encouraged through the online interactive mapping platform Social Pinpoint which provided further information on the treatments, a survey and a discussion forum.

21. Feedback was received from 300 users on Social Pinpoint, who collectively provided 800 comments on the discussion forum.

22. 55 emails and phone calls were received.

23. Over 100 visitors attended two drop-in sessions at Carlton Library on the 11 December 2019 and at the Great Northern Hotel on the 22 January.

24. Generally, most proposed treatments were well received with the exception of proposals to simplify the intersection at Drummond Street/Fenwick Street, to reconfigure the central median at Macpherson Street/Canning Street and include kerb outstands adjacent to proposed speed humps. The following table is a summary of the treatments and the draft LAPM plan can be found at **Attachment 1.**

Number	Description
1	Improve signal timing at Rathdowne St.
2	Kerb extension and realignment of bike lane at Rathdowne St and Davis St
3	Calming treatments on Drummond St on either side of Lee Street
4	Calming treatments on Davis St.
5	Kerb outstands at Nicholson St and Newry St intersection
6	Kerb outstands along O'Grady St
7	Kerb outstands at Rathdowne St and Newry St intersection.
8	Kerb Outstands at Newry St and Lygon St
9	Space for alfresco dining on Rathdowne St.
10	Simplify intersection at Drummond St and Fenwick St
11	Raised zebra crossing at Rathdowne St and Fenwick St intersection
12	Kerb outstands on Fenwick St and Nicholson St intersection
13	Kerb outstands at Fenwick St and Macpherson St intersection
14	Kerb extension at Richardson St and Lygon St intersection.
15	Kerb outstands at Drummond Street and Macpherson St.
16	Reconfigure the median strip at Macpherson St and Canning St
17	Kerb outstands at Drummond St and Richardson St.
18	Improve zebra crossing at Rathdowne St and Richardson St intersection
19	Kerb outstand and zebra crossing Canning St and Richardson St intersection
20	Calming treatment at Station St between Richardson St and Pigdon St
21	Improving arrival experience at Nicholson St and Pigdon St intersection
22	Kerb Outstands at Canning St and Pigdon St intersection
23	Calming treatment at Drummond St between Richardson St and Pigdon St
24	Calming treatment at Drummond St between Pigdon St and Park St
25	New raised zebra crossing at Park St and Drummond St intersection
26	Kerb outstands at Park St and Rathdowne St intersection
27	New raised zebra crossing at Park St and Canning St intersection
28	Calming treatment at Station St between Pigdon St and Park St

25. Using the number of properties in the precinct as a base, we get an overall response rate of 6 per cent (noting that some respondents provided feedback on multiple platforms). A low response rate could indicate that the draft plan was reasonable and reflective of the needs and desire of the community. Higher response rates are typical when more controversial projects are proposed. This is evident, in this case, by the higher response for the Drummond Street/Fenwick Street simplified intersection treatment.

26. Community concerns were raised about the removal of parking to implement the proposed speed humps (treatments 3, 4, 20, 23, 24, 28) and parklets on Rathdowne Street (treatment 9).

27. In response to community concerns regarding parking loss at the locations of proposed speed humps (treatments 3, 4, 20, 24, 28), Council officers have recommended removing the kerb outstands. To minimise parking loss, where possible speed humps are now proposed to be located adjacent to existing trees and if this is not feasible due to spacing requirements, a tree is proposed to be planted adjacent.

28. There was general consensus that the majority of the proposed treatments would achieve the objective of the LAPM study to improve the safety and amenity of pedestrians and cyclists, while incorporating place making elements such as greening, where possible.

29. Strong opposition was received for treatment 10 (simplify intersection at Drummond Street and Fenwick Street) and treatment 16 (reconfigure the median strip at Macpherson Street and Canning Street) with many concerns citing perceived safety implications and potential traffic volume increases.

30. These treatments were proposed to reduce conflict between vehicles and vulnerable road users, however given these intersections have experienced minimal crashes in the five-year analysis period and that vehicle speeds are reduced by the existing infrastructure, these treatments have been withdrawn to reflect public sentiment.

Local Area Study Group Meeting Three (5 March 2020)

31. The third Local Area Study Group meeting considered the recent community engagement feedback in response to the draft LAPM plan and sought feedback to further inform the recommended LAPM plan.

32. Feedback included a number of overarching comments for consideration in the final LAPM scheme including:

    (a) trialling a 30km speed limit along Rathdowne Street. This is not possible due to the Council resolution relating to expanding 30km/h speed limits stating this would be considered once the trial area in Collingwood is made permanent by DoT, which is yet to happen. This can be reconsidered if we receive DoT advice of support for the Collingwood trial area becoming 30km/h permanently;

    (b) safe routes to school not identified in the LAPM, with preference to include consideration for these routes. Council Officers consulted directly with schools and child care centres, alongside the strategic transport branch for feedback and input regarding proposed traffic treatments in identified areas along these routes;

    (c) Station Street/Curtain Street intersection regarding motorist non-compliance to stop signs. It is proposed to further assess this intersection outside of the LAPM study due to this issue being raised very late in the study process and crash/traffic data not resulting in it being investigated earlier. Due to adequate consultation not being able to be undertaken on any potential treatment it is considered best dealt with outside of the study process;

    (d) removal of Lee Street school crossing and consideration of a raised crossing at Davis and Canning Street. This was not raised by Carlton North Primary School when direct consultation was carried out with them as part of the LAPM study. It is considered that they need to be consulted further for this to proceed and that this would need to be outside of the LAPM study due to this issue being raised very late in the study process;

(e) resurfacing Drummond Street bike lane in the northern section;

(f) maximising the value of kerb extension treatments with greenery planting, seating and bike parking where possible; and

(g) community members discussed the speed hump treatments proposed for locations 3, 18, 21, 22 and 25 and endorsed the treatments providing kerb outstands are removed and parking loss is minimised.

Drummond Street submissions received after LAPM study

33. Sixteen submissions received for the Council meeting on 19 May 2020 opposed the proposed speed humps on Drummond Street, between Park Street and Richardson Street.

34. Following the Council meeting, a survey submitted by residents of 44 properties on Drummond Street, between Park Street and Pigdon Street, indicated that 39 (89%) of these did not support the installation of speed humps.

35. A representation on behalf of 15 properties on Drummond Street, between Pigdon Street and Richardson Street, indicated their opposition to speed humps in this section of Drummond Street.

36. The predominant theme from residents in opposition to the proposed installation of speed humps in the northern part of Drummond Street is that based on their lived experience they consider them unwarranted due to speeding occurring infrequently.

37. Speed humps were proposed on Drummond Street, between Park Street and Richardson Street, by GHD (Council's independent traffic engineering consultants) based on traffic surveys showing that the 85th percentile speed was 52km/h between Park Street and Pigdon Street (data from 2014) and 50km/h between Pigdon Street and Richardson Street (data from 2014 and 2019). They also carried out site visits and exercised professional judgement regarding the road environment being appropriate for the posted speed limit.

38. Given the level of opposition to these treatments from local residents, that older traffic survey data was used by GHD for the section of Drummond Street, between Park Street and Pigdon Street, and that implementation of the LAPM is likely to occur over at least five years, it is considered that they should be reviewed before installation.

39. It is considered that a speed survey should be undertaken on the relevant sections of Drummond Street 3-6 months before the proposed implementation of the speed humps, to reassess the need for these and that residents of each section of Drummond St be notified of the outcome of this.

40. A typical intervention level for speed reduction measures and as noted in the LAPM Policy 2017, is where the 85th percentile speed exceeds the posted speed limit by more than 10%. Therefore, if the 85th percentile speeds measured are above 44km/h it is proposed the speed humps would be installed.

Stage Three – Recommended LAPM plan (March 2020)

41. From the feedback received during the second phase of community consultation, internal Council consultation, independent advice from GHD, and Local Area Study Group feedback, a revised LAPM plan was proposed.

42. The following table summarises feedback and reasoning for recommending or removing treatments. The recommended LAPM is **Attachment 2.**

No.	Description	Comments	Included in LAPM plan
-	**Princes Street and Rathdowne Street** Improve signal timing at Rathdowne Street, to be calibrated to suit slower pedestrians and provide a head start for cyclists.	Consider priority green light for cyclists in addition to pedestrians	Not as a physical treatment but is included as an advocacy item to pursue with DoT (see page 10)

1	**Rathdowne Street and Davis Street (south-eastern side)** Kerb extension to align with the existing kerb extension on the North side and realignment of the bike lane to suit.	Minimal disruption to car traffic, except for morning peak	Yes
2	**Drummond Street between Princes and Newry Street** Calming treatments with combination of speed humps, road narrowings, integrated with plantings and cycle cut throughs for continuation of cycle lane.	Minimisation of car loss as far as practicable – remove kerb outstands and subject to Australian Standard spacing requirements, locate adjacent to tree.	Yes
3	**Davis Street** Calming treatments with combination of speed humps, road narrowings, and integrated with plantings.	Locate adjacent to tree. If not possible plant tree adjacent to ends of speed hump to minimise parking loss.	Yes
4	**O'Grady Street between Rathdowne and Canning Street** Kerb extensions to reduce size of intersection and provide space for pedestrians and opportunity to introduce greenery, tree planting and passive irrigation.	General agreement	Yes
5	**Rathdowne Street and Newry Street** Kerb extensions to reduce size of intersection and opportunity to introduce greenery, tree planting and passive irrigation. Include kerb extension and raise median strip to improve pedestrian safety.	Not discussed and no comments	Yes
-	**Rathdowne Street between Curtain and Fenwick Street** Footpath extended to increase space for alfresco dining, bike parking or greenery. Location and specific use will be developed in project-specific consultation with traders and community to understand specific treatment and any loss of car parking.	Treatment to be removed from LAPM final plan and to be discussed separately in future as a possible trial treatment of 'parklets' across the municipality.	No
6	**Nicholson Street at Newry Street** Kerb extensions on minor road (Newry Street) to decrease pedestrian crossing distance. Enhance with greenery, seating, bike parking and discuss with other Council department the possibility of integrating artwork.	General agreement to this type of treatment for all identified locations along Nicholson. Concern for conflict with pedestrians crossing following tram stop changes to be considered outside of this LAPM.	Yes
7	**Nicholson Street at Curtain Street** Kerb extensions on minor road (Curtain Street) to decrease pedestrian crossing distance. Enhance with greenery, seating, bike parking and discuss with other Council department the possibility of integrating artwork.	General agreement to this type of treatment for all identified locations along Nicholson. Treatment design will provide suitable turning ability.	Yes

8	**Fenwick Street and Nicholson Street** Kerb extensions on minor road (Fenwick Street) to reduce size of intersection and opportunity to introduce greenery, tree planting and passive irrigation. Incorporate bike parking.	General agreement to this type of treatment for all identified locations along Nicholson.	Yes
9	**Rathdowne Street at Fenwick Street** New raised zebra crossing to promote pedestrian prioritisation.	N/A	Yes
10	**Macpherson Street and Lygon Street** Kerb extensions on minor road (Macpherson Street) to reduce size of intersection and opportunity to introduce greenery, tree planting and passive irrigation.	Not discussed and no comments	Yes
11	**Richardson Street and Lygon Street** Kerb extensions on minor road (Richardson Street) to reduce size of intersection and opportunity to introduce greenery, tree planting and passive irrigation.	Not discussed and no comments	Yes
-	**Drummond Street and Macpherson Street** Kerb extensions to reduce size of intersection and provide space for pedestrians and opportunity to introduce greenery, tree planting and passive irrigation.	As this is a Blackspot project this was included on the LAPM plan for information only and will be excluded from the final version of LAPM.	No
12	**Drummond Street and Richardson Street** Kerb extensions to reduce size of intersection and provide space for pedestrians and opportunity to introduce greenery, tree planting and passive irrigation.	Not discussed and no comments	Yes
13	**Rathdowne Street at Richardson Street** Raise existing zebra crossing to promote pedestrian prioritisation.	Not discussed and no comments	Yes
-	**Canning Street and Richardson Street** Kerb extensions and zebra crossings to improve pedestrian safety (Blackspot planned project).	As this is a Blackspot project and will be delivered this was included on the LAPM plan for information only and will be excluded from the final version of LAPM.	No
14	**Drummond Street between Richardson and Pigdon Street** Calming treatments with combination of speed humps, road narrowings, integrated with plantings and cycle cut throughs for continuation of cycle lane. Replication of speed hump format on southern end of Station Street to ensure there is no loss of parking (i.e. between tree planting).	In agreement to standard speed hump (no kerbs or bike cut-throughs, agree to speed management that does not impact on parking supply) to remove kerb outstands and subject to Australian standard spacing requirements, locating adjacent to tree if possible	Yes, but with a speed survey review before potential installation

		to minimise parking loss.	
15	**Drummond Street between Pigdon and Park Street** Calming treatments with combination of speed humps, mid-block kerb extensions, road narrowings, integrated with plantings and cycle cut throughs for continuation of cycle lane. Replication of speed hump format on southern end of Station Street to ensure there is no loss of parking (i.e. between tree planting).	In agreement to standard speed hump (no kerbs or bike cut-throughs, agree to speed management that does not impact on parking supply) to remove kerb outstands and subject to Australian standard spacing requirements, locating adjacent to tree if possible to minimise parking loss.	Yes, but with a speed survey review before potential installation
16	**Canning Street and Pigdon Street** Kerb extensions to reduce size of intersection and provide space for pedestrians with opportunity to introduce greenery and passive irrigation.	Not discussed and no comments	Yes
17	**Station Street between Richardson Street and Pigdon Street** Calming treatments with combination of speed humps, road narrowings, integrated with plantings. Replication of speed hump format on southern end of Station Street to ensure there is no loss of parking.	In agreement to standard speed hump (no kerbs or bike cut-throughs, agree to speed management that does not impact on parking supply) to remove kerb outstands and subject to Australian standard spacing requirements, locating adjacent to tree if possible to minimise parking loss.	Yes
18	**Station Street between Pigdon Street and Park Street** Calming treatments with combination of speed humps, road narrowings, integrated with plantings. Replication of speed hump format on southern end of Station Street to ensure there is no loss of parking.	In agreement to standard speed hump (no kerbs or bike cut-throughs, agree to speed management that does not impact on parking supply) to remove kerb outstands and subject to Australian standard spacing requirements, locating adjacent to tree if possible to minimise parking loss.	Yes
19	**Nicholson Street at Pigdon Street** Kerb extensions on minor road (Pigdon Street) to decrease pedestrian crossing distance. Enhance with greenery, seating, and bike parking. Treatment would take up parking bay width only in Pigdon Street and will not encroach on bike or traffic lane.	Good idea to include more bike parking. Support for loss of parking if it increases place making opportunities.	Yes – provided no impact on traffic
20	**Park Street at Drummond Street** New raised zebra crossing integrated with speed hump (west side only) to promote pedestrian and cyclist prioritisation, widened to provide separation of use.	Not discussed and no comments	Yes

21	**Park Street and Rathdowne Street** Kerb extension on west side of intersection and raised centre median on Rathdowne Street to reduce crossing widths, improve pedestrian visibility, and opportunity to introduce greenery, tree planting and passive irrigation. Kerb extension on east side not possible due to requirements of bus turning circle.	Not discussed and no comments	Yes

DoT road	Projects to advocate
Princes Street	• Princes Street / Drummond Street - a safe crossing for cyclists and pedestrians • Princes Street / Rathdowne Street - improving the signal timing to suit slower pedestrians and provide a head start for cyclists • Princes Street and Canning Street - improving the signal timing to suit slower pedestrians and provide a head start for cyclists.

Stakeholder Consultation

Department of Transport

43. Details of the LAPM study, including the proposed LAPM plan were sent to DoT in January 2020. No feedback was received.

Moreland City Council

44. Council officers met with Moreland City Council officers on the proposed LAPM plan in November 2019. Moreland City Council officers highlighted identified concerns regarding pedestrian and cyclist safety on the Capital City Trail between Amess Street and Lygon Street.

Ambulance Victoria

45. Ambulance Victoria were notified of the proposed LAPM plan in March 2020. Ambulance Victoria indicated that they have no objections due to access being retained.

Metropolitan Fire Brigade

46. Metropolitan Fire Brigade were notified of the proposed LAPM plan in March 2020. No feedback was received.

Victoria Police

47. Victoria Police were notified of the proposed LAPM plan in March 2020. No feedback was received.

Internal Consultation (One Yarra)

48. The following Council teams were consulted through the study:

(a) Economic Development;

(b) Construction Management;

(c) Waste Management and Cleansing;

(d) City Works;

(e) Engineering Services;

(f) Asset Management;

(g) Open Space Planning and Design;

(h) Parking Management;

(i) Strategic Transport;

(j) Statutory Planning;

(k) Urban Design; and

(l) Urban Agriculture.

49. Feedback was received from:

(a) Strategic Transport regarding advice on the proposed LAPM treatments on Rathdowne Street due to community feedback they have received separately. Notification that they have ambitions for a bi-directional segregated bike lane on Park Street and that any proposed LAPM treatments should not preclude this. They requested that all proposed speed humps must consider ease of negotiation for cyclists;

(b) City Works regarding the buildability of proposed LAPM treatments and their proposed Capital Works Program in Carlton North;

(c) Urban Forestry regarding tree-planting proposals in the precinct that they are implementing on Drummond Street, Canning Street, Newry Street and Hughes Street. They also support the tree planting in proposed LAPM treatments;

(d) Economic Development regarding trader parking loss concerns from Rathdowne Street parklet proposal;

(e) Parking Management raised concerns that some parking may need to be removed at some sensitive street locations such as Drummond Street and that extra costs may be incurred if parking sensors need to be removed in Rathdowne Street and/or Nicholson Street;

(f) Urban Design cautioned against WSUD treatments in locations where trees could be planted as they are not compatible and trees could be planted instead to provide valuable shade. They also updated the study team on their proposals for the Nicholson Street Village; and

(g) Urban Agriculture suggested the potential use of part of Nicholson Street Reserve productively as a community garden. This feedback was passed onto the Open Space Branch.

Financial Implications

50. Implementation of the recommended plan has been estimated to cost $1,647,000+GST over five years. The cost estimate is detailed below. This costing includes an initial allocation of $30,000 for design.

Number	Description	TOTAL
1	**Rathdowne Street and Davis Street (south-eastern side)** Kerb extension to align with the existing kerb extension on the North side and realignment of the bike lane to suit.	**$55,000.00**
2	**Drummond Street between Princes and Newry Street** Speed humps adjacent to existing trees where possible. **Place making –** If existing tree is not adjacent, an additional tree will be planted.	**$37,000.00**
3	**Davis Street** Speed humps adjacent to existing trees where possible. **Place making –** If existing tree is not adjacent, an additional tree will be planted.	**$32,000.00**
4	**O’Grady Street between Rathdowne and Canning Street** Kerb extensions to reduce size of intersection and reduce crossing distance for pedestrians. **Place making –** opportunity to introduce greening and	**$95,000.00**

	passive irrigation into kerb extensions.	
5	**Rathdowne Street and Newry Street** Kerb extensions to reduce size of intersection and raise median strip to improve pedestrian safety. **Place making –** opportunity to introduce greening and passive irrigation into kerb extensions.	**$115,000.00**
6	**Nicholson Street at Newry Street** Kerb extensions on Newry Street to decrease pedestrian crossing distance. **Place making –** opportunity to introduce greenery, passive irrigation, seating, bike parking. Subject to discussion with relevant Council Branch could potentially integrate artwork.	**$65,000.00**
7	**Nicholson Street at Curtain Street** Kerb extensions on Curtain Street to decrease pedestrian crossing distance. **Place making –** opportunity to introduce greenery, passive irrigation, and seating. Subject to discussion with relevant Council Branch could potentially integrate artwork.	**$60,000.00**
8	**Fenwick Street and Nicholson Street** Kerb extensions on Fenwick Street to decrease pedestrian crossing distance. **Place making –** opportunity to introduce greenery, passive irrigation, seating, bike parking. Subject to discussion with relevant Council Branch could potentially integrate artwork.	**$60,000.00**
9	**Rathdowne Street at Fenwick Street** New raised zebra crossing to promote pedestrian safety and accessibility.	**$180,000.00**
10	**Macpherson Street and Lygon Street** Kerb extensions on Macpherson Street to reduce size of intersection. **Place making –** opportunity to introduce greenery, passive irrigation, bike parking.	**$65,000.00**
11	**Richardson Street and Lygon Street** Kerb extensions on Richardson Street to reduce size of intersection. **Place making –** opportunity to introduce greenery, passive irrigation, seating, bike parking.	**$65,000.00**
12	**Drummond Street and Richardson Street** Kerb extensions to reduce size of intersection. **Place making –** opportunity to introduce greening and passive irrigation into kerb extensions.	**$160,000.00**
13	**Rathdowne Street at Richardson Street** Raise existing zebra crossing to promote pedestrian safety and accessibility.	**$120,000.00**

14	**Drummond Street between Richardson and Pigdon Street** Speed humps adjacent to existing trees where possible. **Place making –** If existing tree is not adjacent, an additional tree will be planted.	**$32,000.00**
15	**Drummond Street between Pigdon and Park Street** Speed humps adjacent to existing trees where possible. **Place making –** If existing tree is not adjacent, an additional tree will be planted.	**$37,000.00**
16	**Canning Street and Pigdon Street** Kerb extensions to reduce size of intersection and provide space for pedestrians. **Place making –** opportunity to introduce greening and passive irrigation into kerb extensions.	**$85,000.00**
17	**Station Street between Richardson and Pigdon Street** Speed humps adjacent to existing trees where possible. **Place making –** If existing tree is not adjacent, an additional tree will be planted.	**$22,000.00**
18	**Station Street between Pigdon and Park Street** Speed humps adjacent to existing trees where possible. **Place making –** If existing tree is not adjacent, an additional tree will be planted.	**$22,000.00**
19	**Nicholson Street at Pigdon Street** Kerb extensions on Pigdon Street to decrease pedestrian crossing distance. Treatment would take up parking bay width only in Pigdon Street and will not encroach on bike or traffic lane. **Place making –** opportunity to introduce greenery, passive irrigation, seating, bike parking.	**$65,000.00**
20	**Park Street at Drummond Street** New raised zebra crossing integrated with speed hump to promote pedestrian/cyclist safety and accessibility, widened to provide separation of pedestrians and cyclists.	**$160,000.00**
21	**Park Street and Rathdowne Street** Kerb extension on west side of intersection and raised centre median on Rathdowne Street to reduce crossing widths and improve pedestrian visibility. Kerb extension on east side not possible due to requirements of bus turning circle. **Place making –** opportunity to introduce greening and passive irrigation.	**$85,000.00**

51. Council's operating budget commencing 2021/22 should include an amount of $10,000 + GST for ongoing maintenance costs for new infrastructure associated with these proposals.

52. Funding allocation for design of LAPM 2 works was proposed as a discretionary funding bid for 2020/21 for $30,000 for design; however officers understand these funds will not be included in the proposed 2020/21 Budget that has been prepared for consultation and adoption in August 2020. Officers would anticipate this would be reconsidered as part of any mid-year Budget review.

53. Subject to Council approval and allocation of funding in 2020/21, design of the relevant treatments in the recommended LAPM plan for the Carlton North precinct (LAPM 2) could commence in 2020/21, with the intent for implementation in 2021/22.

54. Opportunities to fund LAPM treatments through other mechanisms will be considered including:

    (a) Future capital road works such as road reconstruction;

    (b) Future utility service road works such as for water mains;

    (c) Future private development contributions or public realm improvements;

    (d) Australian Government Black Spot Program; and

    (e) Other Victorian or Commonwealth Government funding opportunities.

Economic Implications

55. There are no economic implications associated with the recommended plan.

Sustainability Implications

56. The recommended LAPM plan and priority projects for advocacy to DoT improves pedestrian and cyclist safety and connectivity, thus supporting sustainable transport options and usage.

Climate Emergency Implications

57. The recommended LAPM plan will assist in decreasing the impact of severe weather events by increasingly the amount of greenery and minimising surface water run-off through implementing permeable surfaces and increasing tree canopy. The plan will also support a reduction in transport emissions by calming streets and therefore encouraging active transport.

Social Implications

58. A copy of the recommended LAPM plan has been referred to Ambulance Victoria, Metropolitan Fire Brigade and Victoria Police and no response has been received. Due to access being maintained it is not considered that emergency services would have any objections to the plan.

Human Rights Implications

59. There are no identified human rights implications associated with this report.

Communications with CALD Communities Implications

60. A language advisory panel was included in all consultation material including contact details and reference number to access Council's interpreter service.

Council Plan, Strategy and Policy Implications

61. Objective Six of the Council Plan 20117-2021 refers to *A Connected Yarra*, a place where connectivity and travel options are environmentally sustainable, integrated and well-designed. *Strategy 6.1 Manage traffic movement and promote road safety within local roads* specifically identifies the Local Area Place Making program (Initiative 6.1.1).

62. The road materials used will be in line with Council's Infrastructure – Road Materials Policy.

63. Council's Strategic Transport Statement 2012 actions 1.2, 1.5, 1.8 and 1.21 commit to improve pedestrian crossings, facilities and priority projects.

Legal Implications

64. Council has an overall obligation under the *Road Management Act 2004* to manage the local road network in a manner that gives due consideration to community safety.

65. Approval for all Major Traffic Control Items will be sought from DoT.

Other Issues

66. The current funding for LAPM until 2019/2020 comes from a 50-50 grant provided by DoT for the investigation and delivery of projects that improve road safety on local streets.

67. Historically the costs for delivering LAPM/LATM plans has been approximately $300,000 per precinct. Where costs have exceeded this amount, the delivery of the plans have had to be carried out over multiple years through a staged funding approach. This model of funding has not been guaranteed which has led to delays with the delivery of LAPM plans, as well as resourcing issues as projects accumulate.

68. Past LAPM/LATM studies have not fully accounted for the costs associated with detailed design, construction, drainage, street lighting and assessment. The addition of place making puts further pressure on the limited funding currently available.

69. The issues described above highlight the risk to the delivery of current and future LAPM projects and community confidence in Council.

70. Without a recurring budget for delivery of LAPM projects, endorsed treatments are subject to discretionary funding bids each financial year.

71. A LAPM Policy review is currently underway and the intent is to brief Councillors on this before the end of the current financial year.

Options

72. This report outlines a range of proposed traffic treatments, based on an extensive analysis and consultation period. A range of options have been considered, and the recommended options are presented in this report.

Conclusion

73. A recommended LAPM plan has been developed in consultation with the community and through an evidence-based analysis.

74. In addition, a priority list of traffic management treatments on the arterial roads has been formulated to advocate to DoT for implementation.

75. Subject to Council approval and allocation of sufficient funding, implementation of the recommended LAPM plan for the Carlton North precinct (LAPM 2) can commence with design in 2020/21 and delivery commencing 2021/22, and would be expected to be delivered over five years.

RECOMMENDATION

1. That Council:

   (a) endorse the recommended treatments identified in the Local Area Place Making (LAPM) plan for Carlton North precinct (LAPM 2);

   (b) endorse that a review be undertaken between 3-6 months before installation of treatments 14 and 15 by way of a speed survey, where installation will only occur if the 85th percentile speed is in excess 44km/h;

   (c) endorse officers to undertake advocacy to DOT for the list of treatments proposed for Princes Street and which require DOT approval; and

   (d) notes that subject to Council approval and allocation of sufficient funding, implementation of the recommended LAPM plan for the Carlton North precinct (LAPM 2) can commence with design in 2020/21 and delivery commencing 2021/22, and would be expected to be delivered over five years.

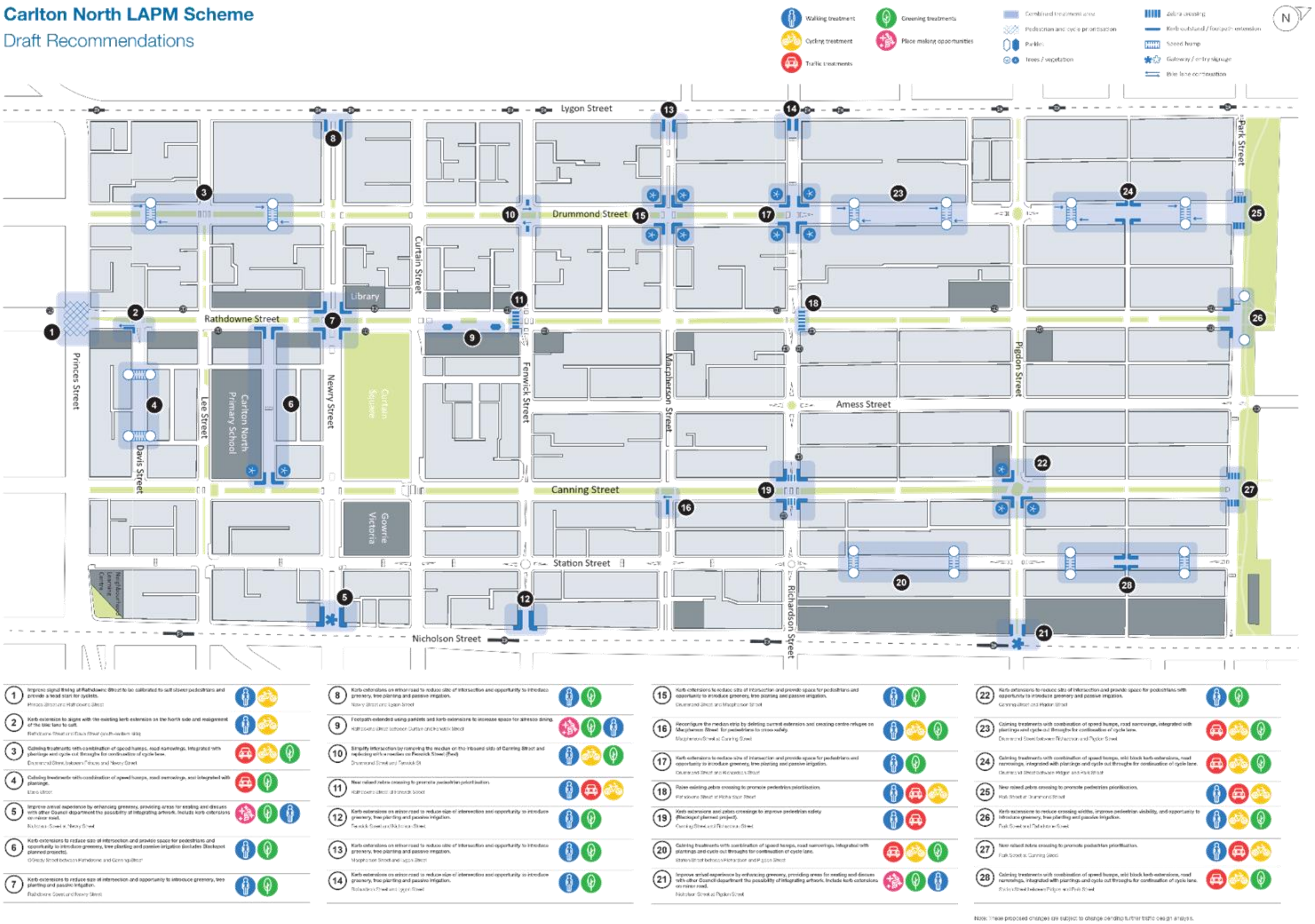
CONTACT OFFICER: **Peter Moran**
TITLE: **Acting Manager City Works**
TEL: **9205 5423**

Attachments

1⇩ CoY Carlton North Draft Local Area Place Making Plan

2⇩ CoY Carlton North Local Area Place Making Plan

Attachment 1 - CoY Carlton North Draft Local Area Place Making Plan



Attachment 2 - CoY Carlton North Local Area Place Making Plan

Attachment 2 - COY Carlton North Local Area Place Making Plan

6.3 Treatment Recommendations Map

This section captures projects that sit within the LAPM scope. The projects have been refined based on community feedback to ensure the intent of projects selection is suitable for the local community. The projects identified are based on:

- Traffic analysis – understanding how the road network is used and by whom, including pedestrian and bike riders, rat-running, and local trips.
- Road safety investigation – improving infrastructure to uplift road safety for the whole community.
- Land use and built form – to support the way people interact with the road space, for example around schools and shops.
- Site inspections – to ensure that treatments identified are appropriate for the nominated sites and fit in with the existing street conditions.
- Support existing works programs – to ensure the treatments align with projects identified through other project teams within City of Yarra.

SUBJECT TO AMENDMENTS AT THE DETAILED DESIGN PHASE ONCE/IF ADOPTED BY COUNCIL

April 2020

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Attachment 2 - COY Carlton North Local Area Place Making Plan

Legend

- Driving treatments
- Walking treatments
- Cycling treatments
- Greening treatments
- Place making treatments

(1) **Kerb extension to aligns with the existing kerb extension on the North side and realignment of the bike lane to suit.**
Rathdowne Street and Davis Street (south-eastern side)

(2) **Speed humps located adjacent to trees (or trees planted where needed) to minimise loss of parking. Subject to Australian Standard spacing requirements.**
Drummond Street between Princes and Newry Street

(3) **Speed humps located adjacent to trees (or trees planted where needed) to minimise loss of parking. Subject to Australian Standard spacing requirements.**
Davis Street

(4) **Kerb extensions to reduce size of intersection and provide space for pedestrians and opportunity to introduce greenery, tree planting and passive irrigation.**
O'Grady Street and Canning Street

(5) **Kerb extensions to reduce size of intersection and opportunity to introduce greenery, tree planting and passive irrigation. Include kerb extension and raise median strip to improve pedestrian safety.**
Rathdowne Street and Newry Street

(6) **Kerb extensions on minor road (Newry Street) to decrease pedestrian crossing distance. Enhance with greenery, seating, bike parking and discuss with other Council department the possibility of integrating artwork.**
Nicholson Street at Newry Street

(7) **Kerb extensions on minor road (Curtain Street) to decrease pedestrian crossing distance. Enhance with greenery, seating, bike parking and discuss with other Council department the possibility of integrating artwork.**
Nicholson Street at Curtain Street

(8) **Kerb extensions on minor road to reduce size of intersection and opportunity to introduce greenery, tree planting and passive irrigation. Incorporate bike parking.**
Nicholson Street at Fenwick Street

(9) **New raised zebra crossing to promote pedestrian prioritisation. Include flashing warning lights it meets the warrants (addressed as part of design process).**
Rathdowne Street at Fenwick Street

(10) **Kerb extensions on minor road to reduce size of intersection and opportunity to introduce greenery, tree planting and passive irrigation.**
Macpherson Street and Lygon Street

(11) **Kerb extensions on minor road to reduce size of intersection and opportunity to introduce greenery, tree planting and passive irrigation.**
Richardson Street and Lygon Street

(12) **Kerb extensions to reduce size of intersection and provide space for pedestrians and opportunity to introduce greenery, tree planting and passive irrigation.**
Drummond Street and Richardson Street

(13) **Raise existing zebra crossing to promote pedestrian prioritisation. Include flashing warning lights it meets the warrants (addressed as part of design process).**
Rathdowne Street at Richardson Street

(14) **Speed humps located adjacent to trees (or trees planted where needed) to minimise loss of parking. Subject to Australian Standard spacing requirements.**
Drummond Street between Richardson and Pigdon Street

(15) **Speed humps located adjacent to trees (or trees planted where needed) to minimise loss of parking. Subject to Australian Standard spacing requirements.**
Drummond Street between Pidgon and Park Street

(16) **Kerb extensions to reduce size of intersection and provide space for pedestrians with opportunity to introduce greenery and passive irrigation.**
Canning Street and Pigdon Street

(17) **Speed humps located adjacent to trees (or trees planted where needed) to minimise loss of parking. Subject to Australian Standard spacing requirements.**
Station Street between Richardson and Pigdon Street

(18) **Speed humps located adjacent to trees (or trees planted where needed) to minimise loss of parking. Subject to Australian Standard spacing requirements.**
Station Street between Pidgon and Park Street

(19) **Kerb extensions on minor road to decrease pedestrian crossing distance. Enhance with greenery, seating, and bike parking. Treatment may take up one parking bay width only in Pigdon and will not encroach on bike or traffic lane.**
Nicholson Street at Pigdon Street

(20) **New raised zebra crossing integrated with speed hump (west side only) to promote pedestrian and cyclist prioritisation, widened to provide separation of use. Include flashing warning lights it meets the warrants (addressed as part of design process).**
Park Street at Drummond Street

(21) **Kerb extension on west side of intersection and raised centre median on Rathdowne Street to reduce crossing widths, improve pedestrian visibility, and opportunity to introduce greenery, tree planting and passive irrigation. Kerb extension on east side not possible due to requirements of bus turning circle.**
Park Street and Rathdowne Street

Attachment 2 - CoY Carlton North Local Area Place Making Plan

Attachment 2 - COY Carlton North Local Area Place Making Plan

6.4 Planned or Potential Projects Map

This section captures projects that sit out of the scope of this LAPM. They include both planned and potential projects. Many of these projects draw on the analysis of traffic data and concerns and opportunities raised during community engagement.

Planned projects refer to Council or State Government capital works projects with existing approval and funding to proceed. A number of these projects are being funded through the Blackspot Program. Potential projects reference treatments that require further advocacy as they sit within Department of Transport jurisdiction, sit within the responsibility of an alternate Council department, or require further detailed engagement and design considerations.

SUBJECT TO AMENDMENTS AT THE DETAILED DESIGN PHASE ONCE/IF ADOPTED BY COUNCIL

April 2020

Attachment 2 - CoY Carlton North Local Area Place Making Plan

Attachment 2 - COY Carlton North Local Area Place Making Plan

Legend
- Driving treatments
- Greening treatments
- Walking treatments
- Place making treatments
- Cycling treatments

(1) Potential Project:
Advocate to Department of Transport (DoT) to create a safe crossing fro cyclists and pedestrians.
Princes Street and Drummond Street

(2) Potential Project:
Advocate to Department of Transport (DoT) to improve signal timing to be calibrated to suit slower pedestrians and provice a head start for cyclists.
Princes Street and Rathdowne Street

(3) Potential Project:
Advocate to Department of Transport (DoT) to improve signal timing to be calibrated to suit slower pedestrians and provice a head start for cyclists.
Princes Street and Canning Street

(4) Potential Project:
Reinstate raised kerbs to protect pedestrians from vehicle movements.
Lee Street at Drummond Street

(5) Blackspot project:
Kerb extensions to reduce size of intersection and provide space for pedestrians to cross safely.
O'Grady Street and Rathdowne Street

(6) Funded project (City West Water reinstatement):
Amenity projects including water fountain, seating and cycle parking.
Canning Street between Gowrie Centre and Curtain Square

(7) Potential project:
Footpath extended to increase space for alfresco dining, bike parking or greenery. Location and specific use will be developed in project-specific consultation with traders and community to understand specific treatment and any loss of carparking.
Rathdowne Street between Curtain and Fenwick Street

(8) Blackspot project:
Kerb extensions to reduce size of intersection and provide space for pedestrians and opportunity to introduce greenery, tree planting and passive irrigation.
Drummond Street and Macpherson Street

(9) Blackspot project:
Roundabout treatment with kerb extensions and zebra crossings to improve pedestrian safety.
Canning Street and Richardson Street

(10) Potential project:
Council exploring safe crossing points across Park Street from the Capital City trail for pedestrians and cyclists. Further detailed considerations to improving Canning Street crossing through kerb extensions and raised zebra.
Park Street and Canning Street

N/A Funded project (Council and City West Water):
Tree planting along central median from Princes Street to Park Street.
Canning Street

N/A Funded project (Council):
Tree planting along central median and footpaths along full length of Newry Street.
Newry Street

N/A Funded project (Council):
Tree planting along central median and footpaths between Princes Street and Pigdon Street.
Drummond Street

April 2020

11.4 Procurement Policy

Reference: D20/102252
Authoriser: Director Corporate, Business and Finance

Purpose

1. To present for endorsement Council's Procurement Policy in accordance with Section 186A (7) of the *Local Government Act 1989* ***(the Act)*** which requires that the Policy is reviewed annually and is available for public inspection via Council's offices and website.

Background

2. The 2020 review includes internal and external consultation which is addressed in paragraphs 3, 4 and 5 of this Report. The following outlines the changes to the 2020 update of the Policy;

   (a) inclusion of further details relating to the manner in which council extends its' capacity to achieve greater competitive advantage through the use of council's electronic tendering portal;

   (b) deletions and rewording of details relating to the use of quotations relative to cumulative spend, price splitting and potential breaching of the relevant tender thresholds;

   (c) the inclusion of categories of expenditures that are exempt from the requirements of "The Act";

   (d) complaints procedure for Contractor Staff;

   (e) recognition of Climate Emergency;

   (f) details relating to the use of State Government Preferred Supplier listings;

   (g) details relating to the use of Agency contracted suppliers;

   (h) update of information relating to Best and Fairest Offer (BAFO);

   (i) inclusion of details relating to the Gender Equality Act;

   (j) update of information relating to Indigenous business;

   (k) protocols relating to Single Use Plastics within Yarra City Council;

   (l) inclusion of details for new tenderer requirements in providing evidence of compliance with the Fair Work Amendment relating to the acquisition of Textiles, Clothing and Footwear; and

   (m) inclusion of Attachment 1 – YCC Ethical Procurement and Investment Commitment.

External Consultation

3. Consultation has been had with representatives from "Electronics Watch", an organisation that has a mission to help public sector organisations work together and collaborate with civil society monitors in production regions to protect the rights of workers in their electronics supply chain.

4. Discussions have been held with "Informed 365", an organisation that develops customised, real-time Corporate Social Responsibility (CSR) platforms that provides predictive capabilities and analytics to provide visibility and transparency that all more informed decisions. Areas covered are modern slavery in chain supply, climate risk and CSR.

5. Attendance at Indigenous business forums and registration for membership with Supply Nation.

Internal Consultation (One Yarra)

6. Discussions were held with council staff in the Sustainability area re waste and sustainability issues relating to Climate Emergency Strategy, Single Use Plastic products and Circular Economy principles.

7. Procurement have participated in Gender Impact Analysis in relation to council's Procurement Policy.

Financial Implications

8. By approving and then enacting this Policy, Council will be endorsing a transparent process for procurement and a consistent approach to achieving best value for money, including optimal financial and social outcomes for the community when procuring goods/services and works.

Economic Implications

9. There are no economic implications.

Sustainability Implications

10. This Policy continues to support councils' commitment to procuring goods/services/works in alignment with its values of environmental, social, economic, cultural and ethical sustainability.

Climate Emergency Implications

11. The Climate Emergency is now referenced and emphasised within this new Procurement Policy.

Social Implications

12. The implications are that Council will further strengthen its commitment to engage social enterprises and indigenous groups more effectively.

Human Rights Implications

13. Further discussion on human rights especially in the electronics industry and modern slavery in supply chains has been arranged. Continued engagement with relevant bodies will provide much needed information which will assist in strengthening procurement processes.

14. Subject to the completion of a Council policy for the governance of Gender Equality, Procurement will review its role in the support and encouragement of the policy within procurement practices.

Communications with CALD Communities Implications

15. The Procurement Policy will be displayed on Council's website and will be presented in languages that are relevant to Yarra's Culturally and Linguistically Diverse (CALD) community.

Council Plan, Strategy and Policy Implications

16. The implications are consistent with Council's Plan and strategic direction 2017-2021 under Section 7 "*Transparency, performance and community participation drive the way we operate.*

Legal Implications

17. This policy fulfils Council's legal obligations in accordance with Section 186(A) of the *Local Government Act 1989* (**the Act**).

Other Issues

18. There are no other issues.

Options

19. There are no other options.

Conclusion

20. Council has met its obligations under the *Local Government Act 1989 (***the Act**) and completed its annual review of Council's Procurement Policy.

21. Yarra City Council consistently strives to be a leader in sustainability in local government. The continued discussions relating to Corporate Social Responsibility, Modern Day Slave labour in Supply Chains and the human rights of workers within the electronics industry will only enhance the Councils' reputation and credibility as a leader in sustainable procurement practices.

22. More explicit detail has been included relating to the use of State Government Suppliers and Agency contracts to ensure that staff comply with the requirements associated with the use of these options, and ensure Value For Money is achieved.

23. The annual review of the Policy has also ensured that, where necessary, some minor changes to wording has occurred for enhanced clarity and presentation of the Policy.

24. This Procurement Policy will maintain the governance of procurement within the organisation until 30th June 2021, at which time a new Procurement Policy, based on the requirements of the *Victorian Local Government Act 2020* will be presented to Council for consideration.

RECOMMENDATION

1. That Council:

   (a) notes the annual review of the Procurement Policy in accordance with Section 186A(7) of the *Local Government Act 1989;*

   (b) notes the inclusions to the Procurement Policy as outlined in the Report at paragraph 2; and

   (c) adopts the 2020 Procurement Policy and makes it available for public inspection via Council's offices and website.

CONTACT OFFICER: Graham Wilsdon
TITLE: Coordinator Strategic Procurement
TEL: 9205 5236

Attachments

1⇩ Procurement Policy 2020 - Clean Copy
2⇩ Procurement Policy - Compare Copy

Yarra City Council

Procurement Policy

June 2020

CITY OF YaRRA

Version	Date	Author	Amendments
0.1	14 July 2015	G.Wilsdon	Original
0.2	August 2016	G.Wilsdon	Sustainability
0.3		G.Wilsdon	Ethical Investment
0.4	June 2018	GWilsdon	Diversity Social Procurement Quotations
0.5	September 2018	GWilsdon	Buy Australian
0.6	September 2018	GWilsdon	Textiles, Clothing & Footwear
0.7	May 2020	GWilsdon	Price Splitting Ethical Procurement & Investment Commitment Notifications for Tenders Quotation compliance Quotation exemptions State Government Contracts Agency Contracts Sole Traders & Local Business Gender Equality Indigenous Business Single Use Plastics Climate Emergency

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1. OVERVIEW

This policy represents the governance, principles, processes and procedures to be applied to the purchase of all goods, services and works by Council. The Policy will apply to all Councillors and council staff undertaking procurement activities on Council's behalf. The aforementioned persons will be responsible and accountable for compliance to all relevant Federal and State Government legislation, regulations and guidelines, this Procurement Policy and any associated Procurement Manual or Guidelines.

This policy is prepared in accordance with Section 186A of the *Local Government Act 1989* (the Act) which also requires that a review of the Policy is conducted annually and is available for public inspection. Council will provide public access to the Policy via;

- Council's offices located at the Richmond and Collingwood Town Halls and Libraries; and
- On Council's website.

2. LEGISLATIVE COMPLIANCE

The key legislative requirements include:

- Section 186 of the Act [Power to enter into Contracts];
- Section 186A of the Act [Procurement Policy];
- Section 3C of the Act [Objectives of a Council];
- Sections 208B of the Act [Best Value Principles];
- Sections 77A, 77B, 78, 78A to 78E, 79, 79B to 79D, 80, 80A to 80C and 95 of the Act [Conflict of Interest];
- Section 98 of the Act [Delegations];
- Section 140 of the Act [Accounts and Records]; and
- The relevant provisions of the *Competition and Consumer Act 2010*.

Council is required to comply with the provisions of the above Acts in all procurement matters.

3. OBJECTIVES

The objectives of this policy are to:

- establish a procurement framework for Yarra City Council to achieve value for money and continuous improvement in the provision of works and services for the community;
- achieve high standards in probity, transparency, accountability and risk management in all procurement activities;
- achieve compliance with relevant legislative requirements;
- respond to the climate emergency in proportionate urgency and scale and give preference to the procurement of environmentally sustainable goods, services or works;
- encourage and promote the use of local business;
- identify social procurement opportunities with local social enterprises and other relevant parties;
- incorporate the requirements of Council's Ethical Procurement and Investment Commitment into all relevant procurement activities;
- ensure that council resources are used efficiently and effectively to improve the overall quality of life of people in the local community;
- achieve Best Practice in accordance with the Victorian Local Government Best Practice Procurement Guidelines; and

- identify opportunities to facilitate or participate in collaborative procurement and shared services alternatives.

4. POLICY PROVISIONS

4.1 Procurement principles

Council will apply the following fundamental best practice principles to each procurement activity irrespective of the value or complexity of that procurement:

- value for money;
- best value principles;
- open and fair competition;
- confidentiality;
- accountability;
- risk management;
- sustainability and the climate emergency response
- social diversity and inclusion;
- probity and transparency; and
- climate change mitigation and adaptation.

Consideration will be given to the impact and cost of an acquisition over its whole life-cycle.

Council is committed to reducing any negative social and environmental impacts and preferential purchasing of products and services that have been produced to ethical standards which have minimal negative impacts on the environment and human health.

These procurement principles align with Yarra City Council's organisational values, including the values of Integrity, Accountability and Sustainability.

4.2 Organisational procurement structure

Yarra City Council will operate a centre-led procurement structure wherein all strategy, policy, processes, technology, best practice, document control, processes and networking in procurement matters will be the responsibility of the Strategic Procurement Branch.

The structure, duties and responsibilities of the Strategic Procurement Branch is detailed in the *Procurement Manual*.

Council shall:

- establish a procurement management structure and appropriate delegations ensuring accountability, transparency and auditability of all procurement decisions made over the lifecycle of all goods, services and works purchased by Council;
- ensure that Council's procurement structure:
    - is flexible enough to purchase in a timely manner the diverse range of material, goods, works and services required by Council;
    - ensures that prospective contractors and suppliers are afforded an equal opportunity to tender/quote;
    - encourages competition between tenderers; and
    - ensures all policies that relate to purchasing practices are communicated and implemented.

4.3 Procurement officers

Council will ensure that all Procurement Officers will have sufficient relevant qualifications and provide and encourage relevant training and networking opportunities to ensure that the delivery of procurement activities within the organisation are conducted in accordance with best practice principles.

5. DELEGATIONS

5.1 Authorisations

Council is responsible for authorising an Instrument of Delegation to the Chief Executive Officer (CEO).

The CEO delegates authorisations to staff relating to procurement matters. These authorisations are facilitated by Council's Governance Branch and are reviewed annually.

Whilst this Policy must be adhered to by all employees engaged in procurement activities for Council, only delegated officers are authorised to approve expenditure relating to contracts, quotations or purchasing cards.

These delegations give relevant officers the power to:

1. procure goods, services or works;
2. expend amounts for the procurement of goods, services or works (this includes expenditure relating to any contract variations in accordance with Council's Variations Policy);
3. approve quotations or tenders;
4. award contracts; and
5. sign contract documentation

Arising out of or connected with any duty imposed, or function or power conferred on Council by or under any Act and as provided for in Council's adopted Budget.

The following table identifies the authorisations and conditions to undertake procurement activity on Council's behalf. All values are inclusive of GST.

Schedule of General Authorisations Approved by the Council

Officer	Amount (GST incl)	Conditions and Limitations
Council	No limit	Subject to compliance with the Local Government Act 1989.
Chief Executive Officer	Up to $750,000	Subject to all conditions set out in the Instrument of Delegation from Council to the CEO.

The Chief Executive Officer delegates expenditure amounts to relevant Council officers based on the positions held within the organisational structure and associated responsibilities. These delegations are contained in Council's Instrument of Sub-Delegation.

The Chief Executive Officer may approve additional delegation to individual officers where operational circumstances require this authority.

5.2 Variations

The terms of a Contract will usually entitle Council to direct a Variation. Variations can involve Council directing the Contractor to make a change to the supply of goods, the provision of services or the execution of works which are the subject matter of the relevant Contract.

Variations can also result from a provision in the Contract which deems a certain event or circumstance to be treated as a 'Variation' even if Council has not issued a direction to the Contractor to change the subject matter of the Contract. Examples in this context include a change arising from the introduction of a new law or ambiguities or inconsistencies within contract documents.

Variations can result in either an increase or in a decrease to the amount which Council is liable to pay to the Contractor under the Contract.

The Variation Policy provides guidance to Delegated Officers for the purposes of:

- identifying a Variation; and
- authorising or obtaining authorisation for expenditure relating to Variations.

6. PROCUREMENT PLANNING

The term 'strategic procurement' is applied to several different concepts including:

- a coordinated approach by an organisation in influencing supply markets to support Council business objectives;
- the purchase of high value, high risk, important and complex goods, services or works, often a multi-faceted project;
- long term plans for ensuring timely supply of goods, services or works that are critical to an organisation's ability to meet its core business objectives; and
- the process used to take a project from its early planning phase through to contract completion.

The essence of strategic procurement is that it should be aligned with and contribute to Council's overall long term strategy. It should be consistent with the Council Plan and include projections of revenue and expenditure in Council's budget.

Strategic procurement places an emphasis on:

- detailed analysis of council's spending pattern;
- ensuring procurement efforts correspond with risk and expected return;
- optimising the procurement process to reflect market conditions;
- aligning procurement with Council's aspirations for social and environmental responsibility (including our climate emergency response);
- including continuous improvement and value for money in contractual arrangements with suppliers;
- developing a strategic procurement program for long term evolution of the procurement functions; and
- exploring collaborative and shared services procurement opportunities.

7. PROCUREMENT MANUAL

A Procurement Manual (*the Manual*) has been developed and details the implementation of all relevant legislative requirements. Council will maintain and periodically review its Procurement Manual to ensure that best practice principles are updated and communicated to its staff. The primary objective of the Manual is to provide guidance to staff on all operational aspects of procurement. Staff will have access to the Manual via Council's Intranet website.

The Manual will conform to the Local Government Best Practice Guidelines and will be reviewed on an annual basis.

8. PROBITY REQUIREMENTS

8.1 Requirement

Council's procurement activities shall be performed with integrity and in accordance with all relevant legislation, policies and processes.

8.2 Conduct of Councillors and Council Staff

Councillors and council staff shall at all times conduct themselves in a manner that is and ethical, of the highest integrity and *will:*

- treat potential and existing suppliers with equality and fairness;
- not seek or receive personal gain;
- maintain confidentiality of Commercial in Confidence information such as contract prices and other sensitive information;
- present the highest standards of professionalism and probity;
- provide all suppliers and tenderers with the same information and equal opportunity; and
- be able to account for all decisions and provide feedback on them.

Council staff with responsibilities for managing or supervising contracts are prohibited from performing any works under the contract they are supervising.

MEMBERS OF PROFESSIONAL BODIES

Councillors and council staff belonging to professional organisations shall, in addition to the obligations detailed in this policy, ensure that they adhere to any code of ethics or professional standards required by that body.

COUNCILLORS

A Councillor must:

- comply with the Primary Principle of Councillor Conduct and avoid conflicts between his or her public duties as a councillor and his or her personal interests and obligations [Section 76BA of the Act]. Councillors and members of audit committees must disclose a conflict of interest in accordance with Section 79 of the Act;
- comply with the Councillor Code of Conduct; and
- not improperly direct or improperly influence a member of council staff in the exercise of any power in the performance of any duty or function.

8.3 Tender Processes

All tender processes shall be conducted in accordance with the requirements of this policy and any associated procedures, relevant legislation, relevant Australian Standards and *the Act*.

8.4 Conflict of Interest

Councillors and Council staff shall at all times avoid situations in which private interest's conflict, or might reasonably be thought to conflict, or have the potential to conflict, with their council duties.

Councillors and Council staff shall not participate in any action or matter associated with the arrangement of a contract (i.e., evaluation, negotiation, recommendation, or approval), where that person or any member of their immediate family has an interest, or holds a position of influence or power in a business undertaking tendering for the work.

The onus is on Councillors and the members of Council staff to promptly declare any actual, potential or perceived conflict of interest to Council.

8.5 Fair and Honest Dealing

All prospective contractors and suppliers must be afforded an equal opportunity to tender or quote for goods, services or works.

Impartiality must be maintained throughout the procurement process.

The commercial interests of existing and potential suppliers must be protected.

Confidentiality of information provided by existing and prospective suppliers must be maintained at all times, particularly commercially sensitive material such as, but not limited to prices, discounts, rebates, profit, manufacturing and product information.

8.6 *Accountability and Transparency*

Accountability in procurement means being able to explain and provide evidence on the process followed. The test of accountability is that an independent third party must be able to see clearly that a process has been followed and that the process is fair and reasonable.

Therefore, the processes by which all procurement activities are conducted will be in accordance with the Council's procurement policies and procedures as set out in this policy and related relevant Council policies and procedures.

Additionally, all Council staff must be accountable for all procurement decisions made over the lifecycle of all goods, services and works purchased by the Council and record and document all performance and other relevant matters to ensure a transparent audit trail for monitoring and reporting purposes.

8.7 *Gifts and Hospitality*

No Councillor or member of Council staff shall, either directly or indirectly solicit or accept gifts or presents from any member of the public involved with any matter that is connected with the duties of the officer, or in which the Council is interested.

Councillors and Council staff are to apply the Councillors and Staff Code of Conduct respectively in dealing with offers of hospitality from contractors or their representatives, or from organisations, firms or individuals with whom they have official dealings. Councillors and Council staff should also avoid the ambiguous situation created by visiting the premises of a contractor, organisation, firm or individual uninvited and/or not on official business.

Offers of bribes, commissions or other irregular approaches from organisations or individuals (no matter how minute the evidence available), must be promptly brought to the attention of the CEO.

8.8 *Disclosure of Information*

Commercial in-confidence information received by the Council must not be disclosed and is to be stored in a secure location.

Councillors and Council staff are to protect, by refusing to release or discuss the following:

- information disclosed by organisations in tenders, quotation or during tender negotiations;
- all information that is Commercial in Confidence information; and
- pre-contract information including but not limited to information provided in quotes and tenders or subsequently provided in pre-contract negotiations.

Councillors and Council staff are to avoid references to current or proposed contracts in discussion with acquaintances or outside interests.

Discussion with potential suppliers during tender evaluations should not go beyond the extent necessary to resolve doubt on what is being offered by that supplier.

At no stage should any discussion be entered into which could have potential contractual implications prior to the contract approval process being finalised other than authorized pre-contract negotiations.

8.9 *Probity Plan Audits*

A Probity Plan must be prepared and a probity auditor is to be appointed to any tender evaluation panel where the value of the required goods, services or works is assessed to exceed a total value of $10 million (inclusive GST) over the life of the contract.

9 RISK MANAGEMENT

9.1 General

Risk Management is to be appropriately applied at all stages of procurement activities which will be properly planned and carried out in a manner that will protect and enhance the Council's capability to prevent, withstand and recover from interruption to the supply of goods, services and works.

Council will manage all aspects of its procurement processes in such a way that all risks, including Occupational Health and Safety, are identified, analysed, evaluated, treated, monitored and communicated to the standard required by the law, in accordance with Australian Standards and Council Policy.

9.2 Supply by Contract

The provision of goods, services and works by contract potentially exposes Council to risk.

Council will minimise its risk exposure by measures such as:

- standardising contracts to include current, relevant clauses;
- requiring security deposits where appropriate;
- referring specifications to relevant experts;
- requiring contractual agreement before allowing the commencement of work;
- use of or reference to relevant Australian Standards (or equivalent); and
- effectively managing the contract including monitoring and enforcing performance.

9.3 Responsible Financial Management

The principle of responsible financial management shall be applied to all procurement activities.

Accordingly, to give effect to this principle, the availability of existing funds within an approved budget, or source of funds, shall be established prior to the commencement of any procurement action for the supply of goods, services or works.

Council staff must not authorise the expenditure of funds in excess of their financial delegations.

Council funds must be used efficiently and effectively to procure goods, services and works and every attempt must be made to contain the costs of the procurement process without compromising any of the procurement principles set out in this Policy.

9.4 Dispute Resolution

All Council Contract Managers must be cognisant of Council's dispute resolution process in order to minimise the change of disputes escalating to possible legal action. In the event that a dispute cannot be resolved amicably, the Council officer is required to contact the Strategic Procurement Branch for assistance.

9.5 Contract Management

The purpose of contract management is to ensure that both parties to an agreement, meet their individual obligations as specified in the contract.

Council contract managers are responsible for the delivery of all specified contractual outcomes that comply with qualitative and quantitative requirements as per the contract by:

- establishing a monitoring system to ensure the responsibilities and obligations of both parties under the contract are met;
- providing a means for the early recognition of issues and performance problems and the identification of solutions;
- Develop and maintain a sound business relationship with relevant suppliers for the duration of any contractual agreement;
- Innovative methodologies to realise potential cost savings through the encouragement and promotion of continuous improvement in service delivery; and
- adhering to Council's Risk Management Framework and including Occupational Health and Safety Contractor compliance procedures.

9.6 Occupational Health and Safety Management Systems (OHSMS)

It will be mandatory for all relevant contractors engaged by Council to provide services or works, to have a documented OHSMS that conforms to the requirements of the OHS Act 2004 and that the system is implemented during the conduct of those services or works.

Contract Managers will be required to ensure that an OHSMS is sighted and assessed for conformance prior to the commencement of any relevant services or works.

9.7 Endorsement of products or services

Council staff must not endorse any external products or services. Individual requests received for endorsement must be referred to Director level or above.

9.8 Fraud and Complaints

Council takes allegations of fraudulent activity and complaints about procurement seriously and is committed to handling such disclosures sensitively and confidentially. Members of the public, suppliers and Council employees are strongly encouraged to report fraudulent allegations or complaints about procurement processes and/or staff taking part in procurement activities to the Chief Financial Officer or Council's Director Corporate Business and Finance.

9.8.1 Protected Disclosure Act 2012

The *Protected Disclosure Act 2012* is an instrument which provides a mechanism for the disclosure of improper conduct by public officers and public bodies and to investigate alleged corruption and misuse of power. The *Act* also provides protection to those that make any disclosures or may suffer reprisals in relation to those disclosures.

Should any Council officer have knowledge of any such fraudulent activities, the matter must be reported to the Group Manager Chief Executives Office or the Local Government Inspectorate.

10 INTERNAL CONTROL

The Council will establish and maintain a framework of internal controls over procurement processes that will ensure:

- more than one person is involved in and responsible for a transaction end-to-end;
- transparency in the procurement process;
- a clearly documented audit trail exists for procurement activities;
- appropriate authorisations are obtained and documented; and

- systems are in place for appropriate monitoring and performance measurement.

10.1 Contract Management System (CMS)

Council's CMS is a central repository for all matters associated with the acquisition of, and the end to end management of goods, services or works.

From the initiation of a Tender or Quotation process, to the award of a contract and the subsequent management of a contract, the CMS accommodates all necessary functionalities necessary for the successful delivery of goods, services or works. The system also allows for regular auditing of contractor performance, financial summaries relating to expenditure, capture of contract variations, documentation storage, reporting, contract compliance issues and supplier relationship management.

To accommodate the requirements of those points listed in clause 10, all council staff involved in the acquisition of, or end to end management of goods, services or works, must utilise the CMS to the fullest.

11 PROCUREMENT METHODS

The acquisition of goods, services or works may be achieved through different methods. These methods are determined by several factors such as overall estimated cost, procurement strategy, the competitive landscape, the term of the contract or period of construction, the scope of the contract and the amount of risk involved in the delivery of the service or works.

Project values are inclusive of GST, provisional sums and all amounts payable under any optional extension periods. The scope of projects must not be split into smaller portions to avoid proper process unless there is significant savings to be realised or there are specialised components required that are not generally a core activity for suppliers/contractors and require separate consideration.

Council procurement methods encompass the following:

- Purchasing Card;
- Quotations – A purchase order following a quotation process from suppliers for goods, services or works that represent value for money under specified quotation thresholds;
- Tenders – A contract following a public tender process;
- External Agents – A contract established by a third party agent where council is eligible to participate;
- State Purchase Contract or a Whole of Victorian Government Contract; and
- A contract entered into under an arrangement approved by the Minister for Local Government.

An Expression of Interest (EOI) may be sought in accordance with Section 186[1] of the Act where:

- There is the potential of receiving many tenders, tendering would be costly, or the procurement is complex and council does not wish to impose the costs of preparing full tenders on all tenderers;
- Uncertainty of the degree of interest of suppliers to offer the proposed goods or services or undertake the works.

The Procurement Manual addresses the requirements for each of these Procurement methods.

12 PROCUREMENT THRESHOLDS AND COMPETITION

12.1 Tenders

The thresholds prescribed by the Local Government Act for the purchase of all goods and services with an estimated expenditure of $150,000 (inclusive GST) or greater, and building and construction works with an estimated expenditure of $200,000 (inclusive GST) or greater for the whole term of the Contract must be undertaken by a public tender process. These thresholds will apply to all tendering processes conducted by Council unless one of the nominated exemptions applies (e.g. Legal Services).

These thresholds will be amended in accordance with any future promulgations that may be initiated by the Victorian State Government. (*A list of all nominated exemptions is available on the Strategic Procurement Intranet Site).*

A public tender process may be used for values less than $150,000 (inclusive GST) for goods or services and less than $200,000 (inclusive GST) for works if deemed of benefit to Council and produce a better outcome in the context of this Policy.

All tender processes must be initiated by an advertisement in a newspaper that has a state-wide distribution. Council currently advertises through "The Age" news media.

Further assistance in capturing a greater competitive advantage is gained through Council's e-tendering system (TenderSearch). The details of any supplier that registers on this system as a user, are archived within the system. At the time of registering, these suppliers must provide information relating to their core business activities. When Council releases a tender to the market, the system automatically sends a notification to every registered supplier that has identified its core business as being relative to the tender.

In the circumstance that a strong focus on local supply is required, an advertisement may also be placed in one of the local news media that is distributed throughout the municipality'

Similarly there may be a requirement for national distribution. In this case the Strategic Procurement Branch will collaborate with the relevant Council Officers to determine the best news media to provide the widest access to the marketplace.

All tenders will remain open to the public for a minimum period of 21 days.

A minimum of three (3) tenders must be received by Council to constitute a competitive process, however if the market being tested is deemed to be of a specialist nature and the relevant industry is limited in suppliers and less than 3 tenders are received, Council may consider that a competitive process has been conducted and accept the submitted tenders.

Under no circumstance will late tenders be accepted by Council.

12.1.1 Tender Process

Council's tendering process will:

- Comply with the procurement principles set out in this Policy;
- Utilise a pre-tender briefing; evaluations will be conducted in accordance with the methodology set out in Council's procurement manual;
- An evaluation panel will be established to evaluate each tender against the selection criteria, the composition of such panels will be determined by the respective Project Manager and Strategic Procurement Branch representative;
- Tender evaluation panels may include external personnel in order to ensure transparency of the process and/or professional knowledge to the panel;
- A tender process will be robust, systematic and unbiased;

- A price preference of 10% may be applied to the purchase of environmentally or socially preferable goods or products – all other considerations being equal;
- Once a preferred tenderer is selected a value management process may be conducted in order to obtain the optimal solution and commercial arrangements, providing they remain within the intent and scope of the tender. Such negotiations must be exhausted with one tenderer before beginning with another tenderer;
- Tender evaluation panels will produce a report of their evaluation using the appropriate prescribed template;
- Minutes of all meetings will be produced by the chairperson of the evaluation panel;
- The chairperson will maintain details records of all commercial-in-confidence negotiations if any occur.

12.1.2 State Purchase Contract or Whole of Victorian Government Contracts

The utilisation **of** State Purchase Contracts (SPC) or Whole of Victoria Government Contracts differ from the utilisation of Agency Contracts. Agencies send out requests for tender, engage in a tender process and subsequently award contracts to either sole suppliers or a panel of suppliers. The State Government does not go through these processes rather they advertise Expressions of Interest for suppliers in different type service or works contracts and have the respondents address a series of questions relating the their business and if successful are accepted as a pre-qualified supplier. **No contracts are awarded**.

When Local Government entities chose to utilise the opportunity to engage suppliers from these pre-qualified businesses, there are certain requirements to be complied with. These are:

Building and Construction works

Where the amount to be expended to undertake works (including GST)

(a) is estimated to be $50,000 or less, at least one written tender which is consistent with current market prices must be obtained;
(b) is estimated to be greater than $50,000 but does not exceed $500,000 at least three to six written tenders must be sought;
(c) is estimated to be greater than $500,000, three to six tenders must be sought:
   - From pre-qualified contractors, in which case at least three tenders must be sought; or
   - By public advertisement

Building and Construction related consultancy services

Where the amount to be expended to undertake works (including GST)

(d) is estimated to be $50,000 or less, at least one written tender which is consistent with current market prices must be obtained;
(e) is estimated to be greater than $50,000 but does not exceed $200,000 at least three written tenders must be sought;
(f) is estimated to be greater than $200,000, at least four tenders must be sought:
   - From pre-qualified consultants, in which casefour tenders must be sought from pre-qualified suppliers ; or
   - By public advertisement

Apart from the Construction Supplier Register there are other services (such as e-services) suppliers available for use by Local Government entities

12.1.3 Agency Contracts

There are two organisations that have been endorsed by the State Government as Agencies. They are:

- Municipal Assocation Victoria (MAV); and
- Procurement Australasia

As stated in 12.1.2, these agencies operate in a different manner to that of the SPC or Whole of Victoria Government Contracts.

The major difference is that each Agency conducts full tender processes for the engagement of supplier and enters into individual contracts with each successful tenderer.

This means that if Council engages a supplier, the services will be provided under the existing conditions of contract between that supplier and the relevant Agency.

To ensure that Council meets it's obligations in relation the Value For Money;

- One quote must be sought for services with a value less than $25,0000; or
- Three quotes must be sought for all services with a value greater than $25,000;

Staff seeking to utilise any of the above arrangements must first generate a detailed Memorandum for consideration by the Director Corporate Business and Finance. Upon approval the staff member may engage with contractors or suppliers to seek the required number of quotes.

To capture all expenditure via these agency arrangements, a contract number will be generated for each service provided to council. The Procurement Branch will assist with this requirement.[1]

12.2 Quotations

The purchase of all goods, services and works with a value of less than the prescribed thresholds ($150,000 (inclusive GST) for Goods and Services or $200,000 (inclusive GST) for Works, may be undertaken using Council's internal quotation procedures.

The Quotation process was introduced into Local Government to allow for a more expedient manner with which to purchase low value goods, services and works that are below the specified thresholds and are a one off acquisition. This process was not intended to be applied to goods, services or works that will be required for extended periods of time.

Where there is a need to have goods, services or works delivered on a recurrent basis over an extended period of time, a tender process must be initiated.

The reason for this is that generally, goods, services or works delivered via a quotation process are not governed by any terms and conditions of contract and there is a possibility that the prescribed thresholds may be realised prior to the completion of the Goods, Services or Works.

[1] Ministerial Direction 2 – Contractual Provisions for Public Construction

The lack of terms and conditions elevates the risk factors associated with a quotation process and can result in difficult negotiations in an attempt to resolve any dispute between the parties.

Measures which intentionally seek to avoid the requirement to give public notice – for example, contract splitting, placing multiple orders, seeking multiple quotations with a single supplier or engaging in effect a single supplier under different guises – will breach the requirement to call public tenders where threshold values would otherwise be reached.[2]

"For example, the requirement for the provision of a particular service is required. It is reasonably foreseeable that looking futuristically, there will be a need for these services and therefore realistic recognition that the potential to exceed the threshold is more than likely".

Should a supplier be engaged to deliver either goods, services or works under a quotation process, and the original expenditure is expended prior to the completion of the delivery of such goods, services or works, an increase in expenditure is permitted, unless, the combined amount of expenditure exceeds the promulgated thresholds. In this instance a second quotation process will not be permitted.

This action would be considered as price splitting and is not permitted and would constitute a breach of Section 186 of the *Local Government Act 1989*..

Should the Procurement Branch consider that a member of staff is attempting to split pricing to avoid the necessity to go to tender, a direction will be given that a tender process must be initiated.

Where there is a requirement for Council to sign a supplier's agreement, such agreements must be forwarded to the Procurement branch for review prior to being signed by any Council Officer.

Staff are strongly urged to consider the expenditure and period that all goods, services or works will be required so that the appropriate process can be adopted. If there is any doubt by staff that the threshold may be breached, a tender process must be initiated.

Within a quotation process, there are certain expenditures that are exempt from the requirements of "The Act". These exemptions include such things as:

- Advertising;
- Allowances;
- Contributions;
- Debits; Emergency;
- Fees & Subscriptions;
- Leasing costs;
- Legal services; etc

A full list of these expemptions are available on the procurement intranet site.

The Strategic Procurement Branch is available to provide any assistance in these matters.

12.2.1 Value $0 to $19,999 (incl GST)

[2] Victorian Best Practice Guidelines 2013

Council officers are required to seek at least one (1) written quote. One (1) Council officer to determine value for money.

Received quotation details must be recorded and uploaded onto Council's quotation purchasing and records management systems.

12.2.2 Value between $20,000 and $49,999 (incl GST)

Council officers are required to receive at least two (2) written quotes to reasonably satisfy themselves that they will achieve value for money.

Received quotation details must be recorded and uploaded onto Council's quotation purchasing and records management systems.

A minimum of two (2) Council officers are required to evaluate quotes within this price range.

12.2.3 Value between $50,000 and $149,999 or $199,999 (incl GST)

Goods, services or works with a value between $50,000 and $149,999 (goods and services) or $199,999 (works) must be procured via a full quotation process. If the brief is of a complex nature or the estimated total value is close to the nominated threshold amounts, consideration must be given to conducting a tender process.

A minimum of three written (3) quotations must be received by Council for assessment.

Should less than the required number of quotations be received, the Council officer must assess and determine whether the quotations(s) received still demonstrate best value outcomes. This may be through comparison with established cost estimates or experience from other similar projects. If value for money outcomes are not achieved, further suppliers must be sought and invited to submit quotes.

A minimum of three (3) Council officers must be involved in the evaluation of quotes within this price range.

13. ACHIEVING VALUE FOR MONEY

13.1 Requirement

Council's procurement activities will be carried out on the basis of obtaining Value for Money. This means minimising the total cost of ownership over the lifetime of the requirement consistent with acceptable quality, reliability and delivery considerations. Lowest price is not the sole determinant of value for money.

In assessing value for money, staff are responsible for giving due consideration to:

- Whole-of-life monetary cost, i.e.
  - procurement price;
  - operating and maintenance costs;
  - cost of environmentally responsible disposal or recycling/re-use/re-sale of the product ;
- Non-monetary impacts (both negative and positive) over the life of the product or service ; including
  - environmental impacts;
  - social impacts – particularly on marginalised or vulnerable people; and
  - impacts on other Council priorities

Council recognises that in some cases environmentally or socially preferable products may be more expensive than less expensive options. Council staff are empowered and required to apply a price preference of 10% to these options (see clause 15.1.3(1)). This means that when weighing up the value for money of different options, staff can and should consider the most environmentally or socially preferable option(s) to be a minimum of 10% less than the purchase price. Note that even after applying this price preference, if the most environmentally or socially preferable option is still more expensive it can and must be selected if it provides the best overall value for money.

13.2 Approach

The process for achieving value for money will be facilitated by:

- Developing, implement and managing procurement strategies that support the co-ordination and streamlining of activities throughout the lifecycle;
- Effective use of competition;
- Using aggregated contracts and Standard Offer Arrangements (SOA) where appropriate;
- Identifying and rectifying inefficiencies in procurement processes;
- Developing cost efficient tender processes including appropriate use of e-solutions;
- Council staff involved in procurement acquisitions or management providing competent advice in terms of available products and services; and
- Working with suppliers to create relationships that are professional and productive, and are appropriate to the value and importance of the goods, services and works being acquired.

13.3 Best and Final Offer (BAFO)

To complement the Value for Money solution Council will include relevant clauses to all tender conditions associated with Construction and Major Service tenders where a Lump Sum price is requested. These tender conditions will provide Council the option to initiate a BAFO with short listed tenderers that may result from the overall tender process.

Primarily, a BAFO process is conducted as a final stage with shortlisted tenderers when the evaluation panel consider it beneficial. It is described as a means to assist selection of a preferred tender when the offerings provided by two or more tenders are of similar weighting or are difficult to distinguish between, or in the event that all tenderers have submitted prices that exceed the budgeted amount.
The panel may also consider the inclusion of a value management process to review possible alternatives to certain nominated items such as materials, fixtures and fittings, appliances or service delivery processes that may realise a reduction in the overall costs submitted.

A set of guidelines associated with the application of a BAFO procedure have been produced for the benefit of council staff engaged in tender evaluation processes and are articulated in the Procurement Manual.

14. PERFORMANCE MEASURES & CONTINUOUS IMPROVEMENT

Wherever possible, Contracts must contain measurable performance criteria and reporting systems to establish the monitoring of contractor performance and compliance.

These criteria must be measurable and relevant to the goods, services or works being provided to accommodate the following requirements:

- Highlights performance trends and exceptions in the areas of specified qualitative and quantitative deliverables;
- Provides high level capabilities in auditing and monitoring service delivery; and
- Encourages continuous improvement in service delivery methodologies.

15. SUSTAINABILITY & SOCIAL PROCUREMENT

Council is committed to procuring products and services in alignment with its values of environmental, social, economic and cultural sustainability. This section details the specific policy and operational implications of such considerations.

Overall, tender documents or Requests for Quotation should contain:

- Clauses and weightings to assess environmental and social costs and benefits;
- Appropriately designed response statements to allow suppliers to clearly articulate how they will address social and environmental impacts; and
- Clauses that are framed as measurable deliverables rather than aspirations with regard to environmental, social, economic and cultural sustainability.

A pre-tender briefing may be necessary to explain the detail of such clauses, particularly if they refer to complex matters with which mainstream suppliers may not be familiar.

15.1 Environmental Sustainability

15.1.1 Sustainable procurement statement

Council is committed to addressing the climate emergency to the strongest degree possible. Council has adopted a Climate Emergency Plan which sets out our role in responding to this unprecedented challenge, and includes the following key objectives:

(a) *achieve zero-net emissions across the entire Yarra community by 2030, and accelerate the removal of excess carbon emissions;*
(b) *activate our community to take effective climate action - pushing for urgent change and changing the way we live and work;*
(c) *ensure our community is safe, healthy and resilient - especially those most vulnerable to severe climate impacts;*
(d) *create a city that continues to adapt to a changing climate and is ecologically healthy for all species; and*
(e) *collaborate and advocate with others in the climate emergency movement to increase our impact.*

Yarra Council was one of the first local governments in the world to declare a climate emergency, acknowledging both the scale and urgency of action needed to avoid the catastrophic impacts of global heating.

Effectively responding to the climate emergency requires transformational societal and economic change. It will require changing our resource intensive and high consuming ways of life, as well as adapting to living on a hotter planet.

Procurement choices which respond proportionately to the climate emergency will contribute to the rapid reduction in carbon emissions in order to restore a safe climate. A key aspect of sustainable procurement is the application of circular economy principles (in which finite resources are valued and kept circulating within it) and lifecycle approaches.

It is Council policy to purchase environmentally preferable products and services whenever they meet Council's needs and are available at a competitive price.

Council's sustainable procurement practices demonstrate to the community that Council is responding to the climate emergency at commensurate urgency and scale Supporting the circular economy stimulating the market for environmentally preferable products;

- taking responsibility for limiting its impact and use of resources;
- enabling improvement of environmental performance of existing providers;
- using financial resources wisely and ethically.

15.1.2 Requirements

When purchasing any goods and services on behalf of Council, staff are responsible for appropriately considering the environmental impact of those goods and services and factoring this into their decision-making. This means that staff are empowered and expected to give priority to environmentally preferable choices, as long those choices meet Council's needs in terms of performance, fit-for-purpose, the other requirements of this policy (e.g. meet the ethical standards outlined at 15.4), and value for money. As outlined at 13.1, value for money includes both the monetary costs and non-monetary impacts over the whole life of the product or service.

Specifically Council officers must seek products, services and providers that

- support the circular economy i.e. reduce the consumption of resources and minimise waste e.g. through re-use and repair, the acquisition of products manufactured from recycled materials and/or minimum inputs, maximise resource recovery and effectively manage waste).
- do not use single use plastic (see 1.5.1.4)
- reduce greenhouse emissions including embodied energy (the sum of all the energy required to produce any goods or services), performance and end-of-life considerations (e.g.throughenergy efficiency, renewable energy, carbon neutrality and offsets, local purchasing, and emissions management);reduce other emissions (e.g. avoid toxic materials; avoid or limit emissions to soil, air or water; seek organic or otherwise sustainably produced options);
- reduce the environment impact of buildings including zero net emissions, through meeting all requirements of the ESD Buildings Policy
- reduce potable water use (e.g. through water conservationWater Sensitive Urban Design e.g. rainwater capture and reuse);
- avoid impacts to habitat and biodiversity (e.g. certified sustainable forestry products, palm-oil free, Water Sensitive Urban Design e.g. rain gardens);
- meet and where possible exceed recognised best practice environmental standards throughout their supply chains (e.g. high Energy andWater Star Rating, ; ISO-accredited;) and demonstrate leading environmental practice (e.g. through effective Environmental Management Plans, accreditation, certification, voluntary memberships, providing examples of good practice in operations such as use of zero emissions vehicles).

A range of tools, training and resources have been developed to assist staff to meet these requirements, and are available in the Procurement Manual.

15.1.3 Special mechanisms

In recognition of the fact that environmentally preferable options sometimes come at a premium, and yet may offer superior value for money, there are also two particular operational mechanisms designed to empower staff and managers to implement the preference of environmentally responsible products and services.

(i) **Price Preference**

Whenever a product or service presents as the most environmentally preferable option, staff must apply at least a minimum of a 10% reduction to the overall price of the tenderers offer.

(ii) **The 10% Sustainability Weighting**

When developing assessment criteria for contracts and tenders, it is expected that Sustainability will be included as one of the criteria and that it's weighting will be at least 10%. If there is a reason why this is not applicable or workable, or does not provide sufficient value for money, this must be detailed in the tender report or Quotation Acceptance Form.

15.1.4 Acquisition of Single Use Plastic products

Eliminating single-use plastic from council facilities aligns with Council's commitment to urgent action on climate change and key actions identified in the City of Yarra's Climate Emergency Plan 2020-2024 and Single-use Plastic Events Policy.

Single use plastic items are defined as any disposable plastic or polystyrene item that is designed to be used only once or for a short period of time before being discarded.

They include, but are not limited to, plastic bags, cups, bowls, plates, cutlery, straws, bottled water, sachets (eg sauces, sunscreen), containers, packaging, balloons, disposable paper cups with plastic linings and/or lids (e.g. disposable coffee cups).

In supporting and promoting the Policy, Procurement will ensure that relevant clauses are included in specifications for the acquisition of all/any goods and services. These clauses will identify all banned single use plastics and provide information relating to acceptable alternatives.

Relevant evaluation criteria will be developed and included in all Tender Conditions associated with goods and services, requesting Tenderers to not only provide details of proposed alternatives to single use plastics but to provide samples. A weighting will be applied to such criteria emphasising Council's intent in the total elimination of single use products within Council's jurisdiction.

15.2 Social Procurement

Council is also committed to supporting social procurement because of the positive social impacts this provides to both Council and the community. Council has developed processes to ensure that social enterprises become part of a diverse and dynamic supplier market.

The decision within Council to engage with social procurement may originate in a number of ways. For example, if:

- Council has scope for the inclusion of social benefits when issuing a tender;
- A current contract is soon to expire, allowing for a revision of service delivery and contracting arrangements; and/or
- When particular social issues in a community are not being addressed using traditional approaches.

Existing contracts may also be varied so that social impacts are incorporated for the delivery of goods and services. In this case Council officers should engage all suppliers in social procurement practices where appropriate and seek their cooperation to explore possibilities for subcontracting to social benefit suppliers.

A list of Social Enterprises registered with Social Traders is available on the Procurement intranet.

Tender documents and Requests for Quotation should clearly identify Council's commitment to social procurement (see Clause 15).

15.3 Diversity

Yarra draws pride and strength from our diverse community and recognises that our procurement practices can have substantial benefit to reducing barriers faced by some people and help to address inequality in our community. This includes people with disability, Aboriginal and Torres Strait Islander people, culturally, religiously and linguistically diverse people, young people, older people, women, and people who identify as gay, lesbian, bisexual, transgender, intersex or queer.

Promoting equality through procurement can improve competition, value for money, the quality of public services, satisfaction among users, and positive community relations. It should be a consideration in every procurement project and reflect corporate commitment to diversity and equal opportunities wherever possible.

Council officers are encouraged to seek products, services and providers that:

- undertake corporate social responsibility activities;
- actively support or employ people who may face employment or other social barriers; and
- are inclusive of the needs of people with disabilities,

15.4 Gender Equality

The Victorian Gender Equality Act 2020 (the "Act") was passed by the State Government in February 2020.

The purpose of the "Act" requires "defined entities" (entities that have 50 or more employees) within the public sector, Councils, and Universities to take positive action towards achieving workplace gender equality, and to promote gender equality in their policies, programs and services.

The "Act" also states that a "defined entity" must, in developing policies and programs and in delivering services that are to be provided to the public, or have a direct and significant impact on the public:

(a) Consider and promote gender equality; and
(b) Take necessary and proportionate action towards achieving gender equality.

In consideration of the "Act", the Procurement section of Council will review its tender evaluation processes to include interested persons on tender panels regardless of origin, age, disability, ethnicity, gender identity, race, religion or sexual orientation.

To complement the requirements of the "Act", criteria relating to Gender Equality will be included in Tender documents seeking information from suppliers as to their commitment to:

(1) Ensuring an integrated and comprehensive approach to the promotion of gender equity;
(2) Supporting respectful relationships by modelling safe, flexible workplace practices;
(3) Driving positive action that safeguards fair treatment to all employees of suppliers regardless of gender in line with Yarra's organisational values and obligations, enforced as per the Equal Opportunity Act 2010 (Vic).

15.5 Support of Local Business and Industry

Council recognises the need to support the local economy. To encourage this, Council will actively seek offers from local suppliers where possible by:

- encouraging participation from local suppliers and
- including evaluation criteria that favours suppliers that support the local economy

To accommodate this support, Council will develop and maintain a registration of interest listing. This listing will comprise of local traders that submit an expression of interest in being notified of any goods, services or works that have been listed by the traders as a core business. This will enable the traders to submit a competitive offer during any open tender or quotation process.

15.6 Support for Indigenous businesses

The community of Yarra consists of a diverse accumulation of both ethnic and Indigenous groups. It is Council's aim to encourage Aboriginal entrepreneurship, business development and employment by providing the Aboriginal community with increased opportunities to participate in the delivery of goods, services and works through Council's Procurement framework to ensure equal opportunity for all suppliers.

Council will wherever possible, commit to explore opportunities for the engagement of Aboriginal businesses. These opportunities may be in the form of contracting, subcontracting or individual engagement. To assist, Council has registered as a member of Supply Nation which will allow Council to have access to the biggest national database containing in excess of 2,100 verified indigenous businesses.

It is envisaged that Council will set performance goals by setting targets based on annual expenditure percentages over a set term.

15.6.1 Social Enterprise

Social Enterprises can be described as organisations that:

(i) Are led by an economic, social, cultural, or environmental mission consistent with public or community benefit;
(ii) Trade to fulfil their mission;
(iii) Derive a substantial proportion of their income from trade; and
(iv) Reinvest the majority of their profits in the fulfilment of their social mission.

Council in its endeavour to maximise its social procurement opportunities will commit to the following actions:

(i) Undertake an opportunity analysis of Council's procurement processes;
(ii) Develop social procurement approaches to 'below threshold spends' of $150,000 for goods and services and $200,000 for works in the municipality;
(iii) Develop tailored lists of social enterprise suppliers and certify these businesses in categories where Council can see opportunities to buy from social enterprises and other benefit suppliers;
(iv) Develop case studies of social procurement occurring within Council to generate increased staff engagement; and
(v) Provide direct advice on effective approaches to engage social enterprises in the supply chain.

To this end, Council will engage with relevant external parties to assist in the development and enhancement of current policies and procedures to realise greater opportunities to expand its interaction with such Social Enterprises.

15.7 Buy Australian

In accordance with Section 186(3) of the Local Government Act, Council will give preference to goods, equipment, material or machinery manufactured in Australia and New Zealand whenever practicable.

When contemplating any such acquisitions, council staff must consider Australian made products over similar products which have been manufactured overseas. Where the price of Australian brand is excessive (greater than 20%) to that of alternative brands, council staff may purchase the alternative brand.

15.7.1 Ethical Procurement and Investment Commitment

Council has an Ethical Procurement and Investment Commitment that is an attachment to this Policy This commitment will act as an overarching statement and approach for Council's key decisions as it relates to procurement and investment, including but not limited to major tenders and cash and share investments.

The commitment is intended to prescribe the avoidance of investment in, and procurement from enterprises whose products or practices cause or perpetuate injustice and suffering, infringe fundamental human rights or cause unacceptable damage to the natural environment.

15.7.2 Ethical Standards for the Acquisition of Textiles, Clothing and Footwear

Council supports the application of ethical standards in the acquisition of textiles, clothing and footwear as espoused by industry associations such as Ethical Clothing Australia. These standards are designed to ensure that businesses are committed to taking practical steps to keep their Australian-based and International supply chains, accountable and transparent to ensure that they and any sub-contractors are compliant with relevant Australian laws.

Reference should be made to The Fair Work Amendment (Textiles, Clothing & Footwear Industry) Act 2012 which promotes and supports the elimination of outworkers in the textile, clothing and footwear (TCF) industry by providing consistent rights and protections to ensure that those outworkers are employed or engaged under secure, safe and fair systems of work.

Prior to the engagement of any suppliers of TCF Tenderers will need to demonstrate their commitment to observing ethical standards in the supply of its products to Council. All tenderers will be required to provide evidence of their compliance with the Fair Work Act specifically in relation to its employees, and supply chain partners .

16. CHARTER OF HUMAN RIGHTS

The *Charter of Human Rights and Responsibilities Act 2006* (the Charter) sets out the basic rights, freedoms and responsibilities of all people in Victoria. It is about the relationship between government and the people it serves.

The Charter requires public authorities, such as Victorian state and local government departments and agencies, and people delivering services on behalf of government, to act consistently with the human rights in the Charter.

The Charter recognises that as human beings all persons have basic rights, including the right to be treated equally, to be safe from violence and abuse, to be part of a family and to have their privacy respected.

In certain circumstances some rights have limitations, however this only applies where necessary with the reasons for the decision being clear, transparent and reasonable.

Council expects all Councillors and staff members to be cognisant of the requirements of this Act and adopt and implement these fundamental rights in their day to day activities.

17. DISABILITY ACT

The Disability Act provides for:

- a stronger whole-of-government, whole-of-community response to the rights and needs of people with a disability, and
- a framework for the provision of high quality services and supports for people with a disability

The Act sets out principles for people with a disability and for disability service providers.

Council officers should be cognisant of the requirements of the Act and incorporate into Council dealings wherever applicable.

18. POLICY OWNER

The Chief Financial Officer is the designated owner of this Policy and is responsible to the Director Corporate, Business and Finance for the maintenance and annual review of this Policy.

19. GLOSSARY OF TERMS

"The Act" means the *Local Government Act 1989*;

"***Commercial-in-Confidence***" means information that if released may prejudice the business dealings of a party e.g. prices, discounts, rebates, profits, methodologies and process information;

"Contract Management" means the process that ensures both parties to an agreement fully meet their obligations and responsibilities in accordance the contract;

"Council Officer" means any full or part time staff member of Council including temporary employees;

"Probity" means uprightness, honesty, proper and ethical conduct and propriety in Council dealings;

"Sustainability" means activities that meet the needs of the present without compromising the ability of future generations to meet their needs;

"Procurement" means the whole process of acquisition of external goods, services or works. This process encapsulates the whole of life cycle from initial concept through to the end of the useful life of an asset (including disposal) or the end of a service or works contract;

"Tender process" means the process from the planning stages to the awarding of a contract. This includes the development of tender documentation, invitation to tender period, evaluation stage and recommendation of a preferred supplier/s;

"Value for Money" means the optimum combination of quantitative and qualitative components of a tender offer.

Attachment 1

Yarra City Council Ethical Procurement and Investment Commitment Endorsed by Council on 23 August 2016

Preamble

As a major provider of services and infrastructure Council procures and contracts a significant number of good and services on an annual basis. Yarra has a long and proud history of being leaders in delivering social, economic, environment and cultural outcomes for our Community. In adopting this ethical investment and procurement commitment Council will put in place a mechanism to ensure that companies that provide goods and services to or on behalf of Yarra City Council, along with any future investments will, as a minimum not have a significant negative impact on the community and wherever possible have a net positive impact on the social, economic and environmental future of the City.
Positively, this will drive Council to, where possible, invest its financial resources in areas which promote human welfare, dignity and respect, and the best interests of the Yarra community.
Negatively, this perspective will proscribe the avoidance of investment in and procurement from enterprises whose products or practices cause or perpetuate injustice and suffering, infringe fundamental human rights or cause unacceptable damage to the natural environment.
This commitment will act as an overarching statement and approach for Council's key decisions as it relates to procurement and investment, including but not limited to major tenders, cash and share investments and be embedded into Council's Investment Policy and Council's Procurement Policy and practices.

Investment and Procurement Process

The investment and procurement process will ensure that all investment and procurement decisions are made having regard to the values expressed in the preamble, the Council plan and relevant policy positions and to Council's requirement to exercise effective financial stewardship. Effective financial stewardship can be achieved by the evaluation of negative and positive screens together with a focus on appropriate economic returns, investment risks and sustainability. Council will, where appropriate, undertake a process of engagement with companies involved in unacceptable activities to attempt to drive improved practices. Council will participate as socially responsible investors and procurers by membership of relevant industry bodies and the utilisation of industry standards to support decision making.

Positive screen

Council seeks to invest in and procure from companies which promote human welfare, dignity and respect, and the general benefit to the community. Examples include companies produce goods or services which enhance the health and welfare of individuals and communities, and companies which produce goods or services which preserve the environment Yarra City Council Ethical Procurement and Investment Commitment Endorsed by Council on 23 August 2016

Negative screen

Council will, wherever possible avoid investing in companies whose products, services or practices cause or perpetuate injustice and suffering, infringe human rights, specifically slave or child labour or cause unacceptable damage to the natural environment. Industries included are:

• Armaments
• Uranium
• Gambling
• Thermal coal
• Offshore and onshore immigration processing
• Unconventional oil and gas production
• Tobacco manufacturing
• Pornography

Companies are also excluded where their practices are unacceptable in areas such as human rights, occupational health and safety, environmental management and wherever companies support oppressive regimes.

Council recognises that there will be occasions when companies inadvertently breach some of the principles and where genuine efforts are made to rectify the breaches. Council will not prohibit investment in a company where a breach of the principles, in relation to its products or services, is immaterial; the breach may also be balanced by other positive actions. The materiality of the breach is determined by reference to its proportion of the company's activities, the proportion of the industry in which the excluded activity operates, and/or whether the activity is clearly of an egregious nature regardless of this proportion.
Council acknowledges that decisions may be complex involving a balance between positive and negative factors and may require expert assistance to make this determination.

Neutral

Some investments and procurement will be from companies which are considered to be neutral in terms of the positive and negative screens. Such investment and procurement will be made on the basis of investment and procurement criteria contained within the assessment processes. This will assist Council to exercise effective financial stewardship and provide a reliable source of income and capital growth to support our growing community with a diverse range of needs. The effective use of resources is, in itself, an ethical outcome.

Adapted with permission: UCA Funds, Ethical Investment Guidelines

Yarra City Council

Procurement Policy

~~1 July 2018 - 30 June 2019~~

CITY OF YaRRA

Yarra City Council

Procurement Policy

June 2020

CITY OF YaRRA

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Version	Date	Author	Amendments
0.1	14 July 2015	G.Wilsdon	Original
0.2	August 2016	G.Wilsdon	Sustainability
0.3		G.Wilsdon	Ethical Investment
~~04~~0.4	June 2018	GWilsdon	Diversity Social Procurement Quotations
~~05~~0.5	September 2018	GWilsdon	Buy Australian
~~06~~0.6	September 2018	GWilsdon	Textiles, Clothing & Footwear
0.7	May 2020	GWilsdon	Price Splitting Ethical Procurement & Investment Commitment Notifications for Tenders Quotation compliance Quotation exemptions State Government Contracts Agency Contracts Sole Traders & Local Business Gender Equality Indigenous Business Single Use Plastics Climate Emergency

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1. OVERVIEW

This policy represents the governance, principles, processes and procedures to be applied to the purchase of all goods, services and works by Council. The Policy will apply to all Councillors and council staff undertaking procurement activities on Council's behalf. The aforementioned persons will be responsible and accountable for compliance to all relevant Federal and State Government legislation, regulations and guidelines, this Procurement Policy and any associated Procurement Manual or Guidelines.

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This policy is prepared in accordance with Section 186A of the *Local Government Act 1989* (the Act) which also requires that a review of the Policy is conducted annually and is available for public inspection. Council will provide public access to the Policy via;

- Council's offices located at the Richmond and Collingwood Town Halls and Libraries; and
- On Council's website.

2. LEGISLATIVE COMPLIANCE

The key legislative requirements include:

- Section 186 of the Act [Power to enter into Contracts];
- Section 186A of the Act [Procurement Policy];
- Section 3C of the Act [Objectives of a Council];
- Sections 208B of the Act [Best Value Principles];
- Sections 77A, 77B, 78, 78A to 78E, 79, 79B to 79D, 80, 80A to 80C and 95 of the Act [Conflict of Interest];
- Section 98 of the Act [Delegations];
- Section 140 of the Act [Accounts and Records]; and
- The relevant provisions of the *Competition and Consumer Act 2010.*

Council is required to comply with the provisions of the above Acts in all procurement matters.

3. OBJECTIVES

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The objectives of this policy are to:

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- establish a procurement framework for Yarra City Council to achieve value for money and continuous improvement in the provision of works and services for the community;
- achieve high standards in probity, transparency, accountability and risk management in all procurement activities;
- achieve compliance with relevant legislative requirements;
- respond to the climate emergency in proportionate urgency and scale and give preference to the procurement of environmentally sustainable goods, services or works;
- encourage and promote the use of local business;
- identify social procurement opportunities with local social enterprises and other relevant parties;
- incorporate the requirements of Council's Ethical Procurement and Investment Commitment into all relevant procurement activities;
- ensure that council resources are used efficiently and effectively to improve the overall quality of life of people in the local community;
- achieve Best Practice in accordance with the Victorian Local Government Best Practice Procurement Guidelines; and

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- identify opportunities to facilitate or participate in collaborative procurement and shared services alternatives.

4. POLICY PROVISIONS

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4.1 Procurement principles

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Council will apply the following fundamental best practice principles to each procurement activity irrespective of the value or complexity of that procurement:

- value for money;
- best value principles;
- open and fair competition;
- confidentiality;
- accountability;
- risk management;
- sustainability; and the climate emergency response
- social diversity and inclusion;
- probity and transparency; and
- climate change mitigation and adaptation.

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Consideration will be given to the impact and cost of an acquisition over its whole life-cycle.

Council is committed to reducing any negative social and environmental impacts and preferential purchasing of products and services that have been produced to ethical standards which have minimal negative impacts on the environment and human health.

These procurement principles align with Yarra City Council's organisational values, including the values of Integrity, Accountability and Sustainability.

4.2 Organisational procurement structure

Yarra City Council will operate a centre-led procurement structure wherein all strategy, policy, processes, technology, best practice, document control, processes and networking in procurement matters will be the responsibility of the Strategic Procurement Branch.

The structure, duties and responsibilities of the Strategic Procurement Branch is detailed in the *Procurement Manual*.

Council shall:

- establish a procurement management structure and appropriate delegations ensuring accountability, transparency and auditability of all procurement decisions made over the lifecycle of all goods, services and works purchased by Council;
- ensure that Council's procurement structure:
    - is flexible enough to purchase in a timely manner the diverse range of material, goods, works and services required by Council;
    - ensures that prospective contractors and suppliers are afforded an equal opportunity to tender/quote;
    - encourages competition between tenderers; and
    - ensures all policies that relate to purchasing practices are communicated and implemented.

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4.3 Procurement officers

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Council will ensure that all Procurement Officers will have sufficient relevant qualifications and provide and encourage relevant training and networking opportunities to ensure that the delivery of procurement activities within the organisation are conducted in accordance with best practice principles.

5. DELEGATIONS

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5.1 Authorisations

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Council is responsible for authorising an Instrument of Delegation to the Chief Executive Officer (CEO).

The CEO delegates authorisations to staff relating to procurement matters. These authorisations are facilitated by Council's Governance Branch and are reviewed annually.

Whilst this Policy must be adhered to by all employees engaged in procurement activities for Council, only delegated officers are authorised to approve expenditure relating to contracts, quotations or purchasing cards.

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These delegations give relevant officers the power to:

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1. procure goods, services or works;
2. expend amounts for the procurement of goods, services or works (this includes expenditure relating to any contract variations in accordance with Council's Variations Policy);
3. approve quotations or tenders;
4. award contracts; and
5. sign contract documentation

~~arising~~Arising out of or connected with any duty imposed, or function or power conferred on Council by or under any Act and as provided for in Council's adopted Budget.

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The following table identifies the authorisations and conditions to undertake procurement activity on Council's behalf. All values are inclusive of GST.

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Schedule of General Authorisations Approved by the Council

Officer	Amount (GST incl)	Conditions and Limitations
Council	No limit	Subject to compliance with the Local Government Act 1989.
Chief Executive Officer	Up to $750,000	Subject to all conditions set out in the Instrument of Delegation from Council to the CEO.

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The Chief Executive Officer delegates expenditure amounts to relevant Council officers based on the positions held within the organisational structure and associated responsibilities. These delegations are contained in Council's Instrument of Sub-Delegation.

The Chief Executive Officer may approve additional delegation to individual officers where operational circumstances require this authority.

5.2 Variations

The terms of a Contract will usually entitle Council to direct a Variation. Variations can involve Council directing the Contractor to make a change to the supply of goods, the provision of services or the execution of works which are the subject matter of the relevant Contract.

Variations can also result from a provision in the Contract which deems a certain event or circumstance to be treated as a 'Variation' even if Council has not issued a direction to the Contractor to change the subject matter of the Contract. Examples in this context include a change arising from the introduction of a new law or ambiguities or inconsistencies within contract documents.

Variations can result in either an increase or in a decrease to the amount which Council is liable to pay to the Contractor under the Contract.

The Variation Policy provides guidance to Delegated Officers for the purposes of:

- identifying a Variation; and
- authorising or obtaining authorisation for expenditure relating to Variations.

6. PROCUREMENT PLANNING

The term 'strategic procurement' is applied to several different concepts including:

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- a coordinated approach by an organisation in influencing supply markets to support Council business objectives;
- the purchase of high value, high risk, important and complex goods, services or works, often a multi-faceted project;
- long term plans for ensuring timely supply of goods, services or works that are critical to an organisation's ability to meet its core business objectives; and
- the process used to take a project from its early planning phase through to contract completion.

Attachment 2 - Procurement Policy - Compare Copy

The essence of strategic procurement is that it should be aligned with and contribute to Council's overall long term strategy. It should be consistent with the Council Plan and include projections of revenue and expenditure in Council's budget.

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Strategic procurement places an emphasis on:

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- detailed analysis of council's spending pattern;
- ensuring procurement efforts correspond with risk and expected return;
- optimising the procurement process to reflect market conditions;
- aligning procurement with Council's aspirations for social and environmental responsibility~~;~~ (including our climate emergency response);
- including continuous improvement and value for money in contractual arrangements with suppliers;
- developing a strategic procurement program for long term evolution of the procurement functions; and
- exploring collaborative and shared services procurement opportunities.

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7. PROCUREMENT MANUAL

A Procurement Manual (*the Manual*) has been developed and details the implementation of all relevant legislative requirements. Council will maintain and periodically review its Procurement Manual to ensure that best practice principles are updated and communicated to its staff. The primary objective of the Manual is to provide guidance to staff on all operational aspects of procurement. Staff will have access to the Manual via Council's Intranet website.

The Manual will conform to the Local Government Best Practice Guidelines and will be reviewed on an annual basis.

8. PROBITY REQUIREMENTS

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8.1 Requirement

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Council's procurement activities shall be performed with integrity and in accordance with all relevant legislation, policies and processes.

8.2 Conduct of Councillors and Council Staff

Councillors and council staff shall at all times conduct themselves in a manner that is and ethical, of the highest integrity and *will:*

- treat potential and existing suppliers with equality and fairness;
- not seek or receive personal gain;
- maintain confidentiality of Commercial in Confidence information such as contract prices and other sensitive information;
- present the highest standards of professionalism and probity;
- provide all suppliers and tenderers with the same information and equal opportunity; and
- be able to account for all decisions and provide feedback on them.

Council staff with responsibilities for managing or supervising contracts are prohibited from performing any works under the contract they are supervising.

MEMBERS OF PROFESSIONAL BODIES

Councillors and council staff belonging to professional organisations shall, in addition to the obligations detailed in this policy, ensure that they adhere to any code of ethics or professional standards required by that body.

COUNCILLORS

A Councillor must:

- comply with the Primary Principle of Councillor Conduct and avoid conflicts between his or her public duties as a councillor and his or her personal interests and obligations [Section 76BA of the Act]. Councillors and members of audit committees must disclose a conflict of interest in accordance with Section 79 of the Act;
- comply with the Councillor Code of Conduct; and
- not improperly direct or improperly influence a member of council staff in the exercise of any power in the performance of any duty or function.

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8.3 *Tender Processes*

All tender processes shall be conducted in accordance with the requirements of this policy and any associated procedures, relevant legislation, relevant Australian Standards and *the Act*.

8.4 *Conflict of Interest*

Councillors and Council staff shall at all times avoid situations in which private interest's conflict, or might reasonably be thought to conflict, or have the potential to conflict, with their council duties.

Councillors and Council staff shall not participate in any action or matter associated with the arrangement of a contract (i.e., evaluation, negotiation, recommendation, or approval), where that person or any member of their immediate family has an interest, or holds a position of influence or power in a business undertaking tendering for the work.

The onus is on Councillors and the members of Council staff to promptly declare any actual, potential or perceived conflict of interest to Council.

8.5 *Fair and Honest Dealing*

All prospective contractors and suppliers must be afforded an equal opportunity to tender or quote for goods, services or works.

Impartiality must be maintained throughout the procurement process.

The commercial interests of existing and potential suppliers must be protected.

Confidentiality of information provided by existing and prospective suppliers must be maintained at all times, particularly commercially sensitive material such as, but not limited to prices, discounts, rebates, profit, manufacturing and product information.

8.6 *Accountability and Transparency*

Accountability in procurement means being able to explain and provide evidence on the process followed. The test of accountability is that an independent third party must be able to see clearly that a process has been followed and that the process is fair and reasonable.

Therefore, the processes by which all procurement activities are conducted will be in accordance with the Council's procurement policies and procedures as set out in this policy and related relevant Council policies and procedures.

Additionally, all Council staff must be accountable for all procurement decisions made over the lifecycle of all goods, services and works purchased by the Council and record and document all performance and other relevant matters to ensure a transparent audit trail for monitoring and reporting purposes.

8.7 *Gifts and Hospitality*

No Councillor or member of Council staff shall, either directly or indirectly solicit or accept gifts or presents from any member of the public involved with any matter that is connected with the duties of the officer, or in which the Council is interested.

Councillors and Council staff are to apply the Councillors and Staff Code of Conduct respectively in dealing with offers of hospitality from contractors or their representatives, or from organisations, firms or individuals with whom they have official dealings. Councillors and Council staff should also avoid the ambiguous situation created by visiting the premises of a contractor, organisation, firm or individual uninvited and/or not on official business.

Offers of bribes, commissions or other irregular approaches from organisations or individuals (no matter how minute the evidence available), must be promptly brought to the attention of the CEO.

8.8 *Disclosure of Information*

Commercial in-confidence information received by the Council must not be disclosed and is to be stored in a secure location.

Councillors and Council staff are to protect, by refusing to release or discuss the following:

- information disclosed by organisations in tenders, quotation or during tender negotiations;
- all information that is Commercial in Confidence information; and
- pre-contract information including but not limited to information provided in quotes and tenders or subsequently provided in pre-contract negotiations.

Councillors and Council staff are to avoid references to current or proposed contracts in discussion with acquaintances or outside interests.

Discussion with potential suppliers during tender evaluations should not go beyond the extent necessary to resolve doubt on what is being offered by that supplier.

At no stage should any discussion be entered into which could have potential contractual implications prior to the contract approval process being finalised other than authorized pre-contract negotiations.

8.9 *Probity Plan Audits*

A Probity Plan must be prepared and a probity auditor is to be appointed to any tender evaluation panel where the value of the required goods, services or works is assessed to exceed a total value of $10 million (inclusive GST) over the life of the contract.

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9 RISK MANAGEMENT

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9.1 General

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Risk Management is to be appropriately applied at all stages of procurement activities which will be properly planned and carried out in a manner that will protect and enhance the Council's capability to prevent, withstand and recover from interruption to the supply of goods, services and works.

Council will manage all aspects of its procurement processes in such a way that all risks, including Occupational Health and Safety, are identified, analysed, evaluated, treated, monitored and communicated to the standard required by the law, in accordance with Australian Standards and Council Policy.

9.2 Supply by Contract

The provision of goods, services and works by contract potentially exposes Council to risk.

Council will minimise its risk exposure by measures such as:

- standardising contracts to include current, relevant clauses;
- requiring security deposits where appropriate;
- referring specifications to relevant experts;
- requiring contractual agreement before allowing the commencement of work;
- use of or reference to relevant Australian Standards (or equivalent); and
- effectively managing the contract including monitoring and enforcing performance.

9.3 Responsible Financial Management

The principle of responsible financial management shall be applied to all procurement activities.

Accordingly, to give effect to this principle, the availability of existing funds within an approved budget, or source of funds, shall be established prior to the commencement of any procurement action for the supply of goods, services or works.

Council staff must not authorise the expenditure of funds in excess of their financial delegations.

Council funds must be used efficiently and effectively to procure goods, services and works and every attempt must be made to contain the costs of the procurement process without compromising any of the procurement principles set out in this Policy.

9.4 Dispute Resolution

All Council Contract Managers must be cognisant of Council's dispute resolution process in order to minimise the change of disputes escalating to possible legal action. In the event that a dispute cannot be resolved amicably, the Council officer is required to contact the Strategic Procurement Branch for assistance.

9.5 Contract Management

The purpose of contract management is to ensure that both parties to an agreement, meet their individual obligations as specified in the contract.

Council contract managers are responsible for the delivery of all specified contractual outcomes that comply with qualitative and quantitative requirements as per the contract by:

Attachment 2 - Procurement Policy - Compare Copy

- establishing a monitoring system to ensure the responsibilities and obligations of both parties under the contract are met;
- providing a means for the early recognition of issues and performance problems and the identification of solutions;
- Develop and maintain a sound business relationship with relevant suppliers for the duration of any contractual agreement;
- Innovative methodologies to realise potential cost savings through the encouragement and promotion of continuous improvement in service delivery; and
- adhering to Council's Risk Management Framework and including Occupational Health and Safety Contractor compliance procedures.

9.6 Occupational Health and Safety Management Systems (OHSMS)

It will be mandatory for all relevant contractors engaged by Council to provide services or works, to have a documented OHSMS that conforms to the requirements of the OHS Act 2004 and that the system is implemented during the conduct of those services or works.

Contract Managers will be required to ensure that an OHSMS is sighted and assessed for conformance prior to the commencement of any relevant services or works.

9.7 Endorsement of products or services

Council staff must not endorse any external products or services. Individual requests received for endorsement must be referred to Director level or above.

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9.8 Fraud and Complaints

Council takes allegations of fraudulent activity and complaints about procurement seriously and is committed to handling such disclosures sensitively and confidentially. Members of the public, suppliers and Council employees are strongly encouraged to report ~~fraud~~fraudulent allegations or complaints about procurement processes and/or staff taking part in procurement ~~activity to~~activities to the Chief Fianacial Officer or Council's Director Corporate Business and Finance.

9.8.1 ~~Whistle Blowers Protection~~Protected Disclosure Act 2012

The *~~Whistle Blowers Protection~~Protected Disclosure Act ~~2001~~2012* is an instrument which provides a mechanism for the disclosure of improper conduct by public officers and public bodies and to investigate alleged corruption and misuse of power. The *Act* also provides protection to those that make any disclosures or may suffer reprisals in relation to those disclosures.

Should any Council officer have knowledge of any such fraudulent activities, the matter must be reported to the Group Manager ~~Governance~~Chief Executives Office or the ~~Ombudsman for~~ Local Government Inspectorate.

10 INTERNAL CONTROL

The Council will establish and maintain a framework of internal controls over procurement processes that will ensure:

- more than one person is involved in and responsible for a transaction end-to-end;
- transparency in the procurement process;
- a clearly documented audit trail exists for procurement activities;
- appropriate authorisations are obtained and documented; and
- systems are in place for appropriate monitoring and performance measurement.

10.1 Contract Management System (CMS)

Council's CMS is a central repository for all matters associated with the acquisition of, and the end to end management of goods, services or works.

From the initiation of a Tender or Quotation process, to the award of a contract and the subsequent management of a contract, the CMS accommodates all necessary functionalities necessary for the successful delivery of goods, services or works. The system also allows for regular auditing of contractor performance, financial summaries relating to expenditure, capture of contract variations, documentation storage, reporting, contract compliance issues and supplier relationship management.

To accommodate the requirements of those points listed in clause 10, all council staff involved in the acquisition of, or end to end management of goods, services or works, ~~are required to~~must utilise the CMS to the fullest.

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11 PROCUREMENT METHODS

The acquisition of goods, services or works may be achieved through different methods. These methods are determined by several factors such as overall estimated cost, procurement strategy, the competitive landscape, the term of the contract or period of construction, the scope of the contract and the amount of risk involved in the delivery of the service or works.

Project values are inclusive of GST, provisional sums and all amounts payable under any optional extension periods. The scope of projects must not be split into smaller portions to avoid proper process unless there is significant savings to be realised or there are specialised components required that are not generally a core activity for suppliers/contractors and require separate consideration.

Council procurement methods encompass the following:

- Purchasing Card;
- Quotations – A purchase order following a quotation process from suppliers for goods, services or works that represent value for money under specified quotation thresholds;
- Tenders – A contract following a public tender process;
- External Agents – A contract established by a third party agent where council is eligible to participate;
- State Purchase Contract or a Whole of Victorian Government Contract; and
- A contract entered into under an arrangement approved by the Minister for Local Government.

An Expression of Interest (EOI) may be sought in accordance with Section 186[1] of the Act where:

- There is the potential of receiving many tenders, tendering would be costly, or the procurement is complex and council does not wish to impose the costs of preparing full tenders on all tenderers;
- Uncertainty of the degree of interest of suppliers to offer the proposed goods or services or undertake the works.

The Procurement Manual addresses the requirements for each of these Procurement methods.

12 PROCUREMENT THRESHOLDS AND COMPETITION

12.1 Tenders

The thresholds prescribed by the Local Government Act for the purchase of all goods and services with an estimated expenditure of $150,000 (inclusive GST) or greater, and building and construction works with an estimated expenditure of $200,000 (inclusive GST) or greater for the whole term of the Contract must be undertaken by a public tender process. These thresholds will apply to all tendering processes conducted by Council unless one of the nominated exemptions applies (e.g. Legal Services).

These thresholds will be amended in accordance with any future promulgations that may be initiated by the Victorian State Government. (*A list of all nominated exemptions is available on the Strategic Procurement Intranet Site).*

A public tender process may be used for values less than $150,000 (inclusive GST) for goods or services and less than $200,000 (inclusive GST) for works if deemed of benefit to Council and produce a better outcome in the context of this Policy.

All tender processes must be initiated by an advertisement in a newspaper that has a state-wide distribution. Council currently advertises through "The Age" news media.

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Further assistance in capturing a greater competitive advantage is gained through Council's e-tendering system (TenderSearch). The details of any supplier that registers on this system as a user, are archived within the system. At the time of registering, these suppliers must provide information relating to their core business activities. When Council releases a tender to the market, the system automatically sends a notification to every registered supplier that has identified its core business as being relative to the tender.

In the circumstance that a strong focus on local supply is required, an advertisement may also be placed in one of the local news media that is distributed throughout the municipality'

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Similarly there may be a requirement for national distribution. In this case the Strategic Procurement Branch will collaborate with the relevant Council Officers to determine the best news media to provide the widest access to the marketplace.

All tenders will remain open to the public for a minimum period of 21 days.

A minimum of three (3) tenders must be received by Council to constitute a competitive process, however if the market being tested is deemed to be of a specialist nature and the relevant industry is limited in suppliers and less than 3 tenders are received, Council may consider that a competitive process has been conducted and accept the submitted tenders.

Under no circumstance will late tenders be accepted by Council.

12.1.1 Tender Process

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Council's tendering process will:

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- Comply with the procurement principles set out in this Policy;
- Utilise a pre-tender briefing; evaluations will be conducted in accordance with the methodology set out in Council's procurement manual;
- An evaluation panel will be established to evaluate each tender against the selection criteria ~~and its~~, the composition of such panels will be determined by the respective Project Manager and Strategic Procurement Branch representative;
- Tender evaluation panels may include external personnel in order to ensure transparency of the process and/or professional knowledge to the panel;
- A tender process will be robust, systematic and unbiased;
- A price preference of 10% may be applied to the purchase of environmentally or socially preferable goods or products – all other considerations being equal;
- Once a preferred tenderer is selected ~~negotiations can~~a value management process may be conducted in order to obtain the optimal solution and commercial arrangements, providing they remain within the intent and scope of the tender. Such negotiations must be exhausted with one tenderer before beginning with another tenderer;
- Tender evaluation panels will produce a report of their evaluation using the appropriate prescribed template;
- Minutes of all meetings will be produced by the chairperson of the evaluation panel;
- The chairperson will maintain details records of all commercial-in-confidence negotiations if any occur.

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12.1.2 State Purchase Contract or Whole of Victorian Government Contracts

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The utilisation **of** State Purchase Contracts (SPC) or Whole of Victoria Government Contracts differ from the utilisation of Agency Contracts. Agencies send out requests for tender, engage in a tender process and subsequently award contracts to either sole suppliers or a panel of suppliers. The State Government does not go through these processes rather they advertise Expressions of Interest for suppliers in different type service or works contracts and have the respondents address a series of questions relating the their business and if successful are accepted as a pre-qualified supplier. **No contracts are awarded**.

When Local Government entities chose to utilise the opportunity to engage suppliers from these pre-qualified businesses, there are certain requirements to be complied with. These are:

Building and Construction works

Where the amount to be expended to undertake works (including GST)

(a) is estimated to be $50,000 or less, at least one written tender which is consistent with current market prices must be obtained;

(b) is estimated to be greater than $50,000 but does not exceed $500,000 at least three to six written tenders must be sought;

(c) is estimated to be greater than $500,000, three to six tenders must be sought:
- From pre-qualified contractors, in which case at least three tenders must be sought; or
- By public advertisement

Building and Construction related consultancy services

Where the amount to be expended to undertake works (including GST)

(d) is estimated to be $50,000 or less, at least one written tender which is consistent with current market prices must be obtained;

(e) is estimated to be greater than $50,000 but does not exceed $200,000 at least three written tenders must be sought;

(f) is estimated to be greater than $200,000, at least four tenders must be sought:
- From pre-qualified consultants, in which casefour tenders must be sought from pre-qualified suppliers ; or
- By public advertisement

Apart from the Construction Supplier Register there are other services (such as e-services) suppliers available for use by Local Government entities

12.1.3 Agency Contracts

There are two organisations that have been endorsed by the State Government as Agencies. They are:

- Municipal Assocation Victoria (MAV); and
- Procurement Australasia

As stated in 12.1.2, these agencies operate in a different manner to that of the SPC or Whole of Victoria Government Contracts.

The major difference is that each Agency conducts full tender processes for the engagement of supplier and enters into individual contracts with each successful tenderer.

This means that if Council engages a supplier, the services will be provided under the existing conditions of contract between that supplier and the relevant Agency.

To ensure that Council meets it's obligations in relation the Value For Money;

- One quote must be sought for services with a value less than $25,0000; or
- Three quotes must be sought for all services with a value greater than $25,000;

Staff seeking to utilise any of the above arrangements must first generate a detailed Memorandum for consideration by the Director Corporate Business and Finance. Upon approval the staff member may engage with contractors or suppliers to seek the required number of quotes.

To capture all expenditure via these agency arrangements, a contract number will be generated for each service provided to council. The Procurement Branch will assist with this requirement.[1]

12.2 Quotations

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The purchase of all goods, services and works with a value of less than the prescribed thresholds ($150,000 (inclusive GST) for Goods and Services or $200,000 (inclusive GST) for Works, may be undertaken using Council's internal quotation procedures.

The Quotation process was introduced into Local Government to allow for a more expedient manner with which to purchase low value goods, services and works that are below the specified thresholds and are a one off acquisition. This process was not intended to be applied to goods, services or works that will be required for extended periods of time.

Where there is a need to have goods, services or works delivered on a recurrent basis over an extended period of time, a tender process must be initiated.

The reason for this is that generally, goods, services or works delivered via a quotation process are not governed by any terms and conditions of contract and there is a possibility that the prescribed thresholds may be realised prior to the completion of the Goods, Services or Works.

The lack of terms and conditions elevates the risk factors associated with a quotation process and can result in difficult negotiations in an attempt to resolve any dispute between the parties.

~~Upon completion of the initial term of a quotation agreement where the expenditure is in excess of $150,000 for Goods and Services or $2000,000 for Works, staff members will not be permitted to initiate a second quotation process so that they may continue to receive the same goods, services or works from the same supplier for a further period if:~~

- ~~The total expenditure will exceed the thresholds;~~
- ~~The total expenditure is within the same financial year.~~

~~These actions will be~~ Measures which intentionally seek to avoid the requirement to give public notice – for example, contract splitting, placing multiple orders, seeking multiple quotations with a single

[1] Ministerial Direction 2 – Contractual Provisions for Public Construction

supplier or engaging in effect a single supplier under different guises – will breach the requirement to call public tenders where threshold values would otherwise be reached.[2]

"For example, the requirement for the provision of a particular service is required. It is reasonably foreseeable that looking futuristically, there will be a need for these services and therefore realistic recognition that the potential to exceed the threshold is more than likely".

Should a supplier be engaged to deliver either goods, services or works under a quotation process, and the original expenditure is expended prior to the completion of the delivery of such goods, services or works, an increase in expenditure is permitted, unless, the combined amount of expenditure exceeds the promulgated thresholds. In this instance a second quotation process will not be permitted.

This action would be considered ~~to be~~as price splitting and is not permitted ~~under this Council Policy~~and would constitute a breach of Section 186 of the *Local Government Act 1989*..

Should the Procurement Branch consider that a member of staff is attempting to split pricing to avoid the necessity to go to tender, a direction will be given that a tender process must be initiated.

Where there is a requirement for Council to sign a supplier's agreement, such agreements must be forwarded to the Procurement branch for review prior to being signed by any Council Officer.

Staff are strongly urged to consider the expenditure and period that all goods, services or works will be required so that the appropriate process can be adopted. If there is any doubt by staff that the threshold may be breached, a tender process must be initiated.

Within a quotation process, there are certain expenditures that are exempt from the requirements of "The Act". These exemptions include such things as:

- Advertising;
- Allowances;
- Contributions;
- Debits; Emergency;
- Fees & Subscriptions;
- Leasing costs;
- Legal services; etc

A full list of these expemptions are available on the procurement intranet site.

The Strategic Procurement Branch is available ~~for~~to provide any assistance in ~~this matter~~these matters.

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[2] Victorian Best Practice Guidelines 2013

Attachment 2 - Procurement Policy - Compare Copy

12.2.1 Value $0 to $19,999 (incl GST)

Council officers are required to seek at least one (1) written quote. One (1) Council officer to determine value for money.

Received quotation details must be recorded and uploaded onto Council's quotation purchasing and records management systems.

12.2.2 Value between $20,000 and $49,999 (incl GST)

Council officers are required to receive at least two (2) written quotes to reasonably satisfy themselves that they will achieve value for money.

Received quotation details must be recorded and uploaded onto Council's quotation purchasing and records management systems.

A minimum of two (2) Council officers are required to evaluate quotes within this price range.

12.2.3 Value between $50,000 and $149,999 or $199,999 (incl GST)

Goods, services or works with a value between $50,000 and $149,999 (goods and services) or $199,999 (works) must be procured via a full quotation process. If the brief is of a complex nature or the estimated total value is close to the nominated threshold amounts, consideration must be given to conducting a tender process.

A minimum of three written (3) quotations must be received by Council for assessment.

Should less than the required number of quotations be received, the Council officer must assess and determine whether the quotations(s) received still demonstrate best value outcomes. This may be through comparison with established cost estimates or experience from other similar projects. If value for money outcomes are not achieved, further suppliers must be sought and invited to submit quotes.

A minimum of three (3) Council officers must be involved in the evaluation of quotes within this price range.

13. ACHIEVING VALUE FOR MONEY

13.1 Requirement

Council's procurement ~~activity~~activities will be carried out on the basis of obtaining Value for Money. This means minimising the total cost of ownership over the lifetime of the requirement consistent with acceptable quality, reliability and delivery considerations. Lowest price is not the sole ~~determinate~~determinant of value for money.

In assessing value for money, staff are responsible for giving due consideration to:

- Whole-of-life monetary cost, i.e.
  - procurement price~~-~~;
  - operating and maintenance costs;
  - cost of environmentally responsible disposal or recycling/re-use/re-sale of the product ;
- Non-monetary impacts (both negative and positive) over the life of the product or service~~-~~; including

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- environmental impacts;
- social impacts – particularly on marginalised or vulnerable people; and
- impacts on other Council priorities

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Council recognises that in some cases environmentally or socially preferable products may be more expensive than less expensive options. Council staff are empowered and ~~expected~~required to apply a price preference of 10% to these options (see ~~Section~~clause 15~~)~~.1.3(1)). This means that when weighing up the value for money of different options, staff can and should consider the most environmentally or socially preferable option(s) to be a minimum of 10% less than the purchase price. Note that even after applying this price preference, if the most environmentally or socially preferable option is still more expensive it can and ~~should~~must be selected if it provides the best overall value for money.

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13.2 *Approach*

The process for achieving value for money will be facilitated by:

- Developing, implement and managing procurement strategies that support the co-ordination and streamlining of activities throughout the lifecycle;
- Effective use of competition;
- Using aggregated contracts and Standard Offer Arrangements (SOA) where appropriate;
- Identifying and rectifying inefficiencies in procurement processes;
- Developing cost efficient tender processes including appropriate use of e-solutions;
- Council staff involved in procurement acquisitions or management providing competent advice in terms of available products and services; and
- Working with suppliers to create relationships that are professional and productive, and are appropriate to the value and importance of the goods, services and works being acquired.

13.3 *Best and Final Offer (BAFO)*

To complement the Value for Money solution Council will include relevant clauses to all tender conditions associated with Construction and Major Service tenders where a Lump Sum price is requested. These tender conditions will provide Council the option to initiate a BAFO with short listed tenderers that may result from the overall tender process.

Primarily, a BAFO process is conducted ~~after the close of the tender process, during~~as a final stage with shortlisted tenderers when the evaluation ~~stage~~panel consider it beneficial. It is described as a means to assist selection of a preferred tender when the offerings provided by two or more tenders are of similar weighting or are difficult to distinguish between, or in the event that all tenderers have submitted prices that exceed the budgeted amount.
The panel may also consider the inclusion of a value management process to review possible alternatives to certain nominated items such as materials, fixtures and fittings, appliances or service delivery processes that may realise a reduction in the overall costs submitted.

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A set of guidelines associated with the application of a BAFO procedure have been produced for the benefit of council staff engaged in tender evaluation processes and are articulated in the Procurement Manual.

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14. PERFORMANCE MEASURES & CONTINUOUS IMPROVEMENT

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Wherever possible, Contracts must contain measurable performance criteria and reporting systems to establish the monitoring of contractor performance and compliance.

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Attachment 2 - Procurement Policy - Compare Copy

These criteria must be measurable and relevant to the goods, services or works being provided to accommodate the following requirements:

- Highlights performance trends and exceptions in the areas of specified qualitative and quantitative deliverables;
- Provides high level capabilities in auditing and monitoring service delivery; and
- Encourages continuous improvement in service delivery methodologies.

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15. SUSTAINABILITY & SOCIAL PROCUREMENT

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Council is committed to procuring products and services in alignment with its values of environmental, social, economic and cultural sustainability. This section details the specific policy and operational implications of such considerations.

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Overall, tender documents or Requests for Quotation should contain:

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- Clauses and weightings to assess environmental and social costs and benefits;
- Appropriately designed response statements to allow suppliers to clearly articulate how they will address social and environmental impacts; and
- Clauses that are framed as measurable deliverables rather than aspirations with regard to environmental, social, economic and cultural sustainability.

A pre-tender briefing may be necessary to explain the detail of such clauses, particularly if they refer to complex matters with which mainstream suppliers may not be familiar.

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15.1 Environmental Sustainability

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15.1.1 Sustainable procurement statement

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Council is committed to addressing the climate emergency to the strongest degree possible. Council has adopted a Climate Emergency Plan which sets out our role in responding to this unprecedented challenge, and includes the following key objectives:

(a) achieve zero-net emissions across the entire Yarra community by 2030, and accelerate the removal of excess carbon emissions;
(b) activate our community to take effective climate action - pushing for urgent change and changing the way we live and work;
(c) ensure our community is safe, healthy and resilient - especially those most vulnerable to severe climate impacts;
(d) create a city that continues to adapt to a changing climate and is ecologically healthy for all species; and
(e) collaborate and advocate with others in the climate emergency movement to increase our impact.

Yarra Council was one of the first local governments in the world to declare a climate emergency, acknowledging both the scale and urgency of action needed to avoid the catastrophic impacts of global heating.

Effectively responding to the climate emergency requires transformational societal and economic change. It will require changing our resource intensive and high consuming ways of life, as well as adapting to living on a hotter planet.

Procurement choices which respond proportionately to the climate emergency will contribute to the rapid reduction in carbon emissions in order to restore a safe climate. A key aspect of sustainable procurement is the application of circular economy principles (in which finite resources are valued and kept circulating within it) and lifecycle approaches.

It is Council policy to purchase environmentally preferable products and services whenever they meet Council's needs and are available at a competitive price.

Council's sustainable procurement practices demonstrate to the community that Council is~~:~~ responding to the climate emergency at commensurate urgency and scale Supporting the circular economy stimulating the market for environmentally preferable products;

- ~~stimulating the market for environmentally preferable products;~~
- taking responsibility for limiting its impact and use of resources;
- enabling improvement of environmental performance of existing providers;
- using financial resources wisely and ethically.

15.1.2 Requirements

When purchasing any goods and services on behalf of Council, staff are responsible for appropriately considering the environmental impact of those goods and services and factoring this into their decision-making. This means that staff are empowered and expected to give priority to environmentally preferable choices, as long those choices meet Council's needs in terms of performance, fit-for-purpose, the other requirements of this policy (e.g. meet the ethical standards outlined at 15.4), and value for money. As outlined at 13.1, value for money includes both the monetary costs and non-monetary impacts over the whole life of the product or service.

Specifically Council officers must seek products, services and providers that

- support the circular economy i.e. reduce the consumption of resources and minimise waste (e.g. through re-use~~, **recycling**~~ and repair, the acquisition of products manufactured from recycled materials and ~~**effective**~~/or minimum inputs, maximise resource recovery and effectively manage waste ~~**avoidance and management);**~~).
- do not use single use plastic (see 1.5.1.4)

reduce greenhouse emissions ~~(e.g. through~~including embodied energy (the sum of all the energy required to produce any goods or services), performance and end-of-life considerations (e.g.throughenergy efficiency, renewable energy, carbon neutrality and offsets, local purchasing, and emissions management);

- reduce other emissions (e.g. avoid toxic materials; avoid or limit emissions to soil, air or water; seek organic or otherwise sustainably produced options);
- ~~reduce~~reduce the environment impact of buildings including zero net emissions, through meeting all requirements of the ESD Buildings Policy
- reduce potable water use (e.g. through water ~~conservation, water quality~~conservationWater Sensitive Urban Design e.g. rainwater capture and ~~emissions management, Water Sensitive Urban Design~~reuse);

~~avoids~~avoid impacts to habitat and biodiversity (e.g. certified sustainable forestry products, palm-oil free~~);~~

- ~~reduce the impact of buildings (e.g. through Environmentally Sustainable Design~~, Water Sensitive Urban Design ~~as identified in the Green Building Green Star Rating tool~~e.g. rain gardens);
- meet and where possible exceed recognised best practice environmental standards throughout their supply chains (e.g. high Energy~~, Water and Green Vehicle~~ andWater Star ~~Ratings; Eco-buy preferred~~Rating, ; ISO-accredited~~; Greenhouse Friendly);~~) and demonstrate ~~good~~leading environmental practice (e.g. through effective Environmental Management Plans, accreditation, certification, voluntary memberships, providing examples of good practice in operations such as use of zero emissions vehicles).

A range of tools, training and resources have been developed to assist staff to meet ~~-~~these requirements, and are available in the Procurement Manual.

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15.1.3 Special mechanisms

In recognition of the fact that environmentally preferable options sometimes come at a premium, and yet may offer superior value for money, there are also two particular operational mechanisms designed to empower staff and managers to implement the preference of environmentally responsible products and services.

(i) **Price Preference**
Whenever a product or service presents as the most environmentally preferable option, staff ~~can and should~~ must apply at least a minimum of a 10~~% to 20~~% reduction to the overall price of the tenderers offer.

(ii) **The 10% Sustainability Weighting**
When developing assessment criteria for contracts and tenders, it is expected that Sustainability will be included as one of the criteria and that it's weighting will be at least 10%. If there is a reason why this is not applicable or workable, or does not provide sufficient value for money, this must be detailed in the tender report or Quotation Acceptance Form.

15.1.4 Acquisition of Single Use Plastic products

Eliminating single-use plastic from council facilities aligns with Council's commitment to urgent action on climate change and key actions identified in the City of Yarra's Climate Emergency Plan 2020-2024 and Single-use Plastic Events Policy.

Single use plastic items are defined as any disposable plastic or polystyrene item that is designed to be used only once or for a short period of time before being discarded.

They include, but are not limited to, plastic bags, cups, bowls, plates, cutlery, straws, bottled water, sachets (eg sauces, sunscreen), containers, packaging, balloons, disposable paper cups with plastic linings and/or lids (e.g. disposable coffee cups).

In supporting and promoting the Policy, Procurement will ensure that relevant clauses are included in specifications for the acquisition of all/any goods and services. These clauses will identify all banned single use plastics and provide information relating to acceptable alternatives.

Relevant evaluation criteria will be developed and included in all Tender Conditions associated with goods and services, requesting Tenderers to not only provide details of proposed alternatives to single use plastics but to provide samples. A weighting will be applied to such criteria emphasising Council's intent in the total elimination of single use products within Council's jurisdiction.

15.2 Social Procurement

Council is also committed to supporting social procurement because of the positive social impacts this provides to both Council and the community. Council has developed processes to ensure that social enterprises become part of a diverse and dynamic supplier market.

The decision within Council to engage with social procurement may originate in a number of ways. For example, if:

- Council has scope for the inclusion of social benefits when issuing a tender;
- A current contract is soon to expire, allowing for a revision of service delivery and contracting arrangements; and/or

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- When particular social issues in a community are not being addressed using traditional approaches.

Existing contracts may also be varied so that social impacts are incorporated for the delivery of goods and services. In this case Council officers should engage all suppliers in social procurement practices where appropriate and seek their cooperation to explore possibilities for subcontracting to social benefit suppliers.

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A list of Social Enterprises registered with Social Traders is available on the Procurement intranet.

Tender documents and Requests for Quotation should ~~make~~clearly identify Council's commitment to social procurement ~~clear~~ (see Clause ~~12~~15).

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15.3 Diversity

Yarra draws pride and strength from our diverse community and recognises that our procurement practices can have substantial benefit to reducing barriers faced by some people and help to address inequality in our community. This includes people with disability, Aboriginal and Torres Strait Islander people, culturally, religiously and linguistically diverse people, young people, older people, women, and people who identify as gay, lesbian, bisexual, transgender, intersex or queer.

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Promoting equality through procurement can improve competition, value for money, the quality of public services, satisfaction among users, and positive community relations. It should be a consideration in every procurement project and reflect corporate commitment to diversity and equal opportunities wherever possible.

Council officers are encouraged to seek products, services and providers that:

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- undertake corporate social responsibility activities;
- actively support or employ people who may face employment or other social barriers; and
- are inclusive of the needs of people with disabilities,

15.4 Gender Equality

The Victorian Gender Equality Act 2020 (the "Act") was passed by the State Government in February 2020.

The purpose of the "Act" requires "defined entities" (entities that have 50 or more employees) within the public sector, Councils, and Universities to take positive action towards achieving workplace gender equality, and to promote gender equality in their policies, programs and services.

The "Act" also states that a "defined entity" must, in developing policies and programs and in delivering services that are to be provided to the public, or have a direct and significant impact on the public:

(a) Consider and promote gender equality; and
(b) Take necessary and proportionate action towards achieving gender equality.

In consideration of the "Act", the Procurement section of Council will review its tender evaluation processes to include interested persons on tender panels regardless of origin, age, disability, ethnicity, gender identity, race, religion or sexual orientation.

To complement the requirements of the "Act", criteria relating to Gender Equality will be included in Tender documents seeking information from suppliers as to their commitment to:

(1) Ensuring an integrated and comprehensive approach to the promotion of gender equity;

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(2) Supporting respectful relationships by modelling safe, flexible workplace practices;
(3) Driving positive action that safeguards fair treatment to all employees of suppliers regardless of gender in line with Yarra's organisational values and obligations, enforced as per the Equal Opportunity Act 2010 (Vic).

15.5 Support of Local Business and Industry

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Council recognises the need to support the local economy. To encourage this, Council will actively seek offers from local suppliers where possible by:

- encouraging participation from local suppliers and
- including evaluation criteria that favours suppliers that support the local economy

To accommodate this support, Council will develop and maintain a registration of interest listing. This listing will comprise of local traders that submit an expression of interest in being notified of any goods, services or works that have been listed by the traders as a core business. This will enable the traders to submit a competitive offer during any open tender or quotation process.

15.56 Support for Indigenous businesses

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The community of Yarra consists of a diverse accumulation of both ethnic and Indigenous groups. It is Council's aim to encourage Aboriginal entrepreneurship, business development and employment by providing the Aboriginal community with increased opportunities to participate in the delivery of goods, services and works through Council's Procurement framework to ensure equal opportunity for all suppliers.

Council will wherever possible, commit to explore opportunities for the engagement of Aboriginal businesses. These opportunities may be in the form of contracting, subcontracting or individual engagement. To assist, Council has registered as a member of Supply Nation which will allow Council to have access to the biggest national database containing in excess of 2,100 verified indigenous businesses.

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It is envisaged that Council will set performance goals by setting targets based on annual expenditure percentages over a set term.

15.56.1 Social Enterprise

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Social Enterprises can be described as organisations that:

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(i) Are led by an economic, social, cultural, or environmental mission consistent with public or community benefit;
(ii) Trade to fulfil their mission;
(iii) Derive a substantial proportion of their income from trade; and
(iv) Reinvest the majority of their profits in the fulfilment of their social mission.

Council in its endeavour to maximise its social procurement opportunities will commit to the following actions:

(i) Undertake an opportunity analysis of Council's procurement processes;
(ii) Develop social procurement approaches to 'below threshold spends' of $150,000 for goods and services and $200,000 for works in the municipality;
(iii) Develop tailored lists of social enterprise suppliers and certify these businesses in categories where Council can see opportunities to buy from social enterprises and other benefit suppliers;
(iv) Develop case studies of social procurement occurring within Council to generate increased staff engagement; and
(v) Provide direct advice on effective approaches to engage social enterprises in the supply chain.

To this end, Council will engage with relevant external parties to assist in the development and enhancement of current policies and procedures to realise greater opportunities to expand its interaction with such Social Enterprises.

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15.~~6~~7 Buy Australian

In accordance with Section 186(3) of the Local Government Act, Council will give preference to goods, equipment, material or machinery manufactured in Australia and New Zealand whenever practicable.

When contemplating any such acquisitions, council staff must consider Australian made products over similar products which have been manufactured overseas. Where the price of Australian brand is excessive (greater than 20%) to that of alternative brands, council staff may purchase the alternative brand.

15.7~~—~~.1 Ethical Procurement and Investment Commitment

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Council has an ~~Ethic al~~Ethical Procurement and Investment Commitment that is an attachment to this Policy
This commitment will act as an overarching statement and approach for Council's key decisions as it relates to procurement and investment, including but not limited to major tenders and cash and share investments.

The commitment is intended to prescribe the avoidance of investment in, and procurement from enterprises whose products or practices cause or perpetuate injustice and suffering, infringe fundamental human rights or cause unacceptable damage to the natural environment.

15.~~8~~ 7.2 Ethical Standards for the Acquisition of Textiles, Clothing and Footwear

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Council supports the application of ethical standards in the acquisition of textiles, clothing and footwear as espoused by industry associations such as Ethical Clothing Australia. These standards are designed to ensure that businesses are committed to taking practical steps to keep their Australian-based and International supply chains, accountable and transparent to ensure that they and any sub-contractors are compliant with relevant Australian laws.

Reference should be made to The Fair Work Amendment (Textiles, Clothing & Footwear Industry) Act 2012 which promotes and supports the elimination of outworkers in the textile, clothing and footwear (TCF) industry by providing consistent rights and protections to ensure that those ~~out workers~~outworkers are employed or engaged under secure, safe and fair systems of work.

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Prior to the engagement of any suppliers of TCF Tenderers will need to demonstrate their commitment to observing ethical standards in the supply of its products to Council. All tenderers will be required to provide evidence of their compliance with the Fair Work Act specifically in relation to its employees, and supply chain partners.

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16. CHARTER OF HUMAN RIGHTS

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The *Charter of Human Rights and Responsibilities Act 2006* (the Charter) sets out the basic rights, freedoms and responsibilities of all people in Victoria. It is about the relationship between government and the people it serves.

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The Charter requires public authorities, such as Victorian state and local government departments and agencies, and people delivering services on behalf of government, to act consistently with the human rights in the Charter.

The Charter recognises that as human beings all persons have basic rights, including the right to be treated equally, to be safe from violence and abuse, to be part of a family and to have their privacy respected.

In certain circumstances some rights have limitations, however this only applies where necessary with the reasons for the decision being clear, transparent and reasonable.

Council expects all Councillors and staff members to be cognisant of the requirements of this Act and adopt and implement these fundamental rights in their day to day activities.

17. DISABILITY ACT

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The Disability Act provides for:

- a stronger whole-of-government, whole-of-community response to the rights and needs of people with a disability, and
- a framework for the provision of high quality services and supports for people with a disability

The Act sets out principles for people with a disability and for disability service providers.

Council officers should be cognisant of the requirements of the Act and incorporate into Council dealings wherever applicable.

18. POLICY OWNER

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The Chief Financial Officer is the designated owner of this Policy and is responsible to the Director Corporate, Business and Finance for the maintenance and annual review of this Policy.

19. GLOSSARY OF TERMS

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"The Act" means the *Local Government Act 1989*;

"Commercial-in-Confidence" means information that if released may prejudice the business dealings of a party e.g. prices, discounts, rebates, profits, methodologies and process information;

"Contract Management" means the process that ensures both parties to an agreement fully meet their obligations and responsibilities in accordance the contract;

"Council Officer" means any full or part time staff member of Council including temporary employees;

"Probity" means uprightness, honesty, proper and ethical conduct and propriety in Council dealings;

"Sustainability" means activities that meet the needs of the present without compromising the ability of future generations to meet their needs;

"Procurement" means the whole process of acquisition of external goods, services or works. This process encapsulates the whole of life cycle from initial concept through to the end of the useful life of an asset (including disposal) or the end of a service or works contract;

"Tender process" means the process from the planning stages to the awarding of a contract. This includes the development of tender documentation, invitation to tender period, evaluation stage and recommendation of a preferred supplier/s;

"Value for Money" means the optimum combination of quantitative and qualitative components of a tender offer.

Attachment 1

Yarra City Council Ethical Procurement and Investment Commitment Endorsed by Council on 23 August 2016

Preamble

As a major provider of services and infrastructure Council procures and contracts a significant number of good and services on an annual basis. Yarra has a long and proud history of being leaders in delivering social, economic, environment and cultural outcomes for our Community. In adopting this ethical investment and procurement commitment Council will put in place a mechanism to ensure that companies that provide goods and services to or on behalf of Yarra City Council, along with any future investments will, as a minimum not have a significant negative impact on the community and wherever possible have a net positive impact on the social, economic and environmental future of the City.
Positively, this will drive Council to, where possible, invest its financial resources in areas which promote human welfare, dignity and respect, and the best interests of the Yarra community.
Negatively, this perspective will proscribe the avoidance of investment in and procurement from enterprises whose products or practices cause or perpetuate injustice and suffering, infringe fundamental human rights or cause unacceptable damage to the natural environment.
This commitment will act as an overarching statement and approach for Council's key decisions as it relates to procurement and investment, including but not limited to major tenders, cash and share investments and be embedded into Council's Investment Policy and Council's Procurement Policy and practices.

Investment and Procurement Process

The investment and procurement process will ensure that all investment and procurement decisions are made having regard to the values expressed in the preamble, the Council plan and relevant policy positions and to Council's requirement to exercise effective financial stewardship. Effective financial stewardship can be achieved by the evaluation of negative and positive screens together with a focus on appropriate economic returns, investment risks and sustainability. Council will, where appropriate, undertake a process of engagement with companies involved in unacceptable activities to attempt to drive improved practices. Council will participate as socially responsible investors and procurers by membership of relevant industry bodies and the utilisation of industry standards to support decision making.

Positive screen

Council seeks to invest in and procure from companies which promote human welfare, dignity and respect, and the general benefit to the community. Examples include companies produce goods or services which enhance the health and welfare of individuals and communities, and companies which produce goods or services which preserve the environment Yarra City Council Ethical Procurement and Investment Commitment Endorsed by Council on 23 August 2016

Attachment 2 - Procurement Policy - Compare Copy

Negative screen

Council will, wherever possible avoid investing in companies whose products, services or practices cause or perpetuate injustice and suffering, infringe human rights, specifically slave or child labour or cause unacceptable damage to the natural environment. Industries included are:

- Armaments
- Uranium
- Gambling
- Thermal coal
- Offshore and onshore immigration processing
- Unconventional oil and gas production
- Tobacco manufacturing
- Pornography

Companies are also excluded where their practices are unacceptable in areas such as human rights, occupational health and safety, environmental management and wherever companies support oppressive regimes.

Council recognises that there will be occasions when companies inadvertently breach some of the principles and where genuine efforts are made to rectify the breaches. Council will not prohibit investment in a company where a breach of the principles, in relation to its products or services, is immaterial; the breach may also be balanced by other positive actions. The materiality of the breach is determined by reference to its proportion of the company's activities, the proportion of the industry in which the excluded activity operates, and/or whether the activity is clearly of an egregious nature regardless of this proportion.
Council acknowledges that decisions may be complex involving a balance between positive and negative factors and may require expert assistance to make this determination.

Neutral

Some investments and procurement will be from companies which are considered to be neutral in terms of the positive and negative screens. Such investment and procurement will be made on the basis of investment and procurement criteria contained within the assessment processes. This will assist Council to exercise effective financial stewardship and provide a reliable source of income and capital growth to support our growing community with a diverse range of needs. The effective use of resources is, in itself, an ethical outcome.

Adapted with permission: UCA Funds, Ethical Investment Guidelines

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11.5 Yarra Economic Development Strategy 2020 - 2025

Reference: D20/101532
Authoriser: Director Planning and Place Making

Purpose

1. This report is to provide Councillors with an:
   (a) update on the progress towards the development of a new Economic Development Strategy (EDS); and
   (b) outline of the next steps proposed in relation to consultation on a draft Strategy with a view to Council adopting a final Strategy in August 2020.

Background

2. Yarra's current Economic Development Strategy 2015 – 2020, has been the key strategic document that outlines how Council can assist and empower local business to grow Yarra's economy, boost employment and investment and capitalise on Yarra's unique advantages.
3. The current EDS will expire in July 2020. A recent review, shows that the EDS has been progressing well with most actions successfully implemented and objectives achieved.
4. The process of developing the Draft EDS 2020 - 2025 began with the commissioning of external consultants *'Urban Enterprise'* to undertake a review on the current strategy and high level analysis of the macro economic trends relevant to Yarra. This included the following:
   (a) review of the current EDS to understand:
      (i) the strategies and actions that have been implemented and their outcomes;
      (ii) strategies and actions that are yet to be implemented, remain relevant and can be further progressed; and
      (iii) new and emerging opportunities that can be implemented over the next 5 years.
   (b) review of relevant strategic and policy documents to ensure that the EDS aligns with current priorities across State Government, Council and regional partnership organisations; and
   (c) extensive research and analysis of macroeconomic trends and outlook and factors influencing the Yarra economy including trends in economic indicators and demographics.
5. The next phase entailed consultation with Councils Business Advisory Group (BAG) and some community engagement to inform the development of the Draft EDS. (see section "External Consultation")

   <u>Background Report</u>

6. The Background Report (Report) (**Attachment 2)** forms part of the evidence base that supports and informs the development of Council's EDS for the next five years. <u>**Note**</u>: It is acknowledged that this occurred prior to the pandemic that has impacted severely on the economy.
7. The aim of the background report was to understand the following:
   (a) key macro-economic trends which will influence economic growth over the next five years;
   (b) major projects that are planned or currently underway in the City of Yarra;

(c) major strategies and policies which will need to be considered in the development of a new Strategy;

(d) major demographic trends to understand any changes to the resident profile and the potential implications for the labour force and local economy;

(e) the local economic and business profile, in order to identify industries that are driving the economy, emerging growth sectors, as well as industries that may be in decline or in transition. In particular, to identify any notable changes/trends since the last EDS was prepared;

(f) employment, business and industry activities that are occurring within specific locations;

(g) trends in tourism and visitation; and

(h) key considerations which will need to be addressed in the Economic Development Strategy.

8. The Report also provides preliminary findings to be presented/discussed as part of the broader consultation process with stakeholders.

9. Following the completion of the Report and consultation, a draft EDS (**Attachment 1)** has been prepared to provide a plan for the future while responding to the challenges (broad and specific, including COVID-19 recovery) and opportunities presented in a local context.

10. An additional component relating to the impact of coronavirus (COVID-19) has been added into the Draft, to acknowledge and respond to the very significant effect it has had on economies, and outlines Yarra's initial response. The draft strategy actions are still very valid to the recovery period as a consequence of the current pandemic.

Key trends and considerations

11. The following lists the key macroeconomic trends identified within the Report that may have implications for Yarra's economy over the next five years:

(a) COVID-19 and what recovery looks like; (and how to actively assist the local economy)

(b) the Victorian economy has been diversifying;

(c) automation (AI and robotics) is revolutionising some industry sectors;

(d) the importance of Small to Medium Enterprises (SME's) to the health of the economy;

(e) the Gig Economy has been transforming employment;

(f) growth in start-ups/co-working spaces; over recent years

(g) Melbourne's CBD and CBD fringe office market;

(h) a low carbon economy presents opportunities for business;

(i) growing demand for health care;

(j) manufacturing remains an important industry in Victoria in terms of export value and value added;

(k) business mix and occupancy rates in retail precincts have been constantly changing; and

(l) the rising property and rental values making Yarra unaffordable.

Note: *The current pandemic is currently impacting on these trends and creating major issues in the Australian economy and also the local economy.*

12. Yarra's workforce largely consists of 'white collar' 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.

13. Demand for co-working spaces are predominantly being driven in tech and creative industries, but is also becoming popular with professional and financial service industries. Yarra has a significant number of co-working spaces, particularly in Richmond, Abbotsford and Cremorne. Collingwood and Fitzroy also have a 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 small in the inner metropolitan Councils, this model has been increasing and is suited to the competitive advantages of Yarra.

14. The demand for office floorspace in areas such as Cremorne is unprecedented which is highlighted by a 20% increase in rents between 2016 – 2017 and over 200,000 square meters of development applications (approved or under assessment) in the year ending 2017. In terms of office supply, there is a notable pipeline of office developments proposed for Yarra including key sites on Swan Street, Church Street and Wellington Street. However, many of these remain uncommitted and present a risk for office vacancy rates in Yarra.

15. Environmental leadership is a longstanding value 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.

16. The healthcare sector has been growing rapidly. Yarra includes two major health precincts Fitzroy (St Vincent's Hospital) and Richmond (Epworth). With a demand for health care and related services, the importance of these precincts is expected to strengthen in future years.

17. Retail spending plays an important role in the economy, providing economic stimulus through direct expenditure. Household finances have come under pressure from stagnant wages growth and declining wealth, and this has reduced consumer sentiment and household's inclination to spend. (This has become more pronounced with the pandemic). The number of major retailer defaults is on the rise in Australia. Generally, vacancy rates are on the rise in inner metropolitan retail strips. A vacancy rate in the order of 7% to 12% in these areas has not been uncommon.

18. Health care, wellness and fitness related businesses have (until the pandemic) surged in Yarra's retail precincts in recent years, with significant growth in the number of gyms, Pilates/yoga studios and allied health businesses such as osteopaths, chiropractors, remedial massage and natural therapies.

19. The median house and unit prices in Yarra indicate that the municipality is less affordable when compared with middle and outer metropolitan areas. The rising property and rental values in Yarra still make it an increasingly unaffordable place for a younger workforce and resident population.

<u>Draft EDS 2020 - 2025</u>

20. The proposed new draft EDS takes into consideration the macro tends identified in the Report (and pandemic changes). It will be a flexible document that recognises the need to adopt actions that reflect changes in economic conditions and seek to actively assist the business community.

21. As said, the draft EDS was produced prior to coronavirus (COVID-19) so some projections and figures will be inaccurate in regards to the timeframe that they will be achieved. It should also be noted that the first action coming out the new strategy would continue to be the implementation of a recovery plan in response to COVID-19.

22. It is proposed that the Council Plan 2017 – 2021, objective 5: "*City of Yarra is a place where local businesses prosper and creative and knowledge industries thrive"* forms the vision statement for the new EDS. This will strengthen the alignment between the EDS and the Council Plan to improve the continuity of longer term initiatives.

23. There are <u>three key themes</u> that have emerged from the background research and consultation to help shape the future economic growth within Yarra, and provide the framework for the draft EDS:

Theme 1: Thriving and diverse employment precincts

24. After the City of Melbourne, Yarra has the next highest concentration of knowledge sector employment with a significant proportion of workers engaged in knowledge intensive sectors of health and education, architectural and engineering services, finance, advertising and information technology. The broad rise of the knowledge economy in Victoria is based on a highly educated labour force, sophisticated technologies and innovative products and services.

25. The theme *thriving and diverse employment precincts* is based on areas that generate and encourage innovation, productivity and growth in the knowledge economy. These are areas where research institutions, medical precincts, universities and clusters of high-tech and creative firms attract businesses, entrepreneurs and professionals. Within Yarra, there is a clear clustering of these areas, and their role and function has strengthened significantly since the previous EDS. These include the Cremorne creative cluster, the Fitzroy health/ education cluster, the Richmond health/education cluster and Collingwood Gipps Street Precinct.

26. Consistent with Council's Spatial Economic and Employment Strategy (SEES) adopted in 2018, the draft EDS aims to support sustainable growth in these areas to protect and enhance the competitive strengths and attractive physical and amenity characteristics that are unique to these areas and linked to the ongoing attraction of business and industry growth.

Theme 2: Vibrant and evolving retail precincts

27. Covid-19 has clearly had a significant impact on the local retail precincts, in particular food and beverage, and creative sectors. The impact of enforced restrictions, physical distancing requirements, poor consumer confidence (fiscal and health related), coupled with the absence of interstate and international tourism, mean these precincts are vulnerable to increased business closures.

28. Yarra's night time economy primarily made up of bars, clubs and live music venues is also under enormous strain due to COVID-19, with enforced closures, physical distancing requirements and operational uncertainty.

29. The retail sector and the format of retailing will likely continue to evolve in response to wider trends and changes. Each retail precinct in Yarra is unique and dynamic, with a business and land use mix that is continually changing.

30. Whilst a number of activity centres are experiencing high vacancy rates, these rates have been comparable with other inner metropolitan retails strips. Generally, lower vacancy rates in Yarra and inner Melbourne are found in tightly held retail strips that include a diverse mix of uses.

31. The draft EDS seeks to assist in the rebuild of Yarra's retail strips by addressing some of the issues that retailers and retail centres have been experiencing, as well as investigate opportunities that may activate the public realm to create a more attractive environment for residents, workers and visitors.

Theme 3: A creative, inclusive and sustainable economy

32. Yarra has long been recognised as a creative and cultural municipality, and has been home to many artists, creative and cultural institutions. The sector typically includes activities that are community based, commercially driven and experimental. Creative industries generally relate to art and cultural activities across a range of disciplines including visual arts, music, theatre, performance, literature, public art, software and interactive content, architecture, design, print media, and filmmaking.

33. There are many attractive liveability characteristics in Yarra; these have stemmed from the arts and cultural activities in the municipality, including creative spaces, public/street art, galleries, museums, cultural institutions, music and performing arts venues.

34. The draft EDS acknowledges and aims to address the growing threat of unaffordability in Yarra, including rising property prices and rents for working artists, creative and makers to live and occupy spaces and studios.

35. Environmental leadership is a long standing value of the City of Yarra. Consultation with local business highlighted the important role Council can play in assisting businesses in undertaking practical and efficient measures to reduce their environmental impact and minimising energy costs. The new EDS intends to further strengthen its engagement with business on sustainable business practices through providing relevant and accessible information and resources, as well as connecting businesses through networking and mentoring initiatives.

36. The draft EDS builds on the current EDS and Council Plan 2017 – 2021. This seeks to see the continued development of knowledge intensive and creative sectors as the key driver of Yarra's future economy. The key strategic priorities will leverage off the ongoing transformation that has been occurring in the inner Melbourne economic structure.

37. The draft EDS is intended to complement the strategic directions recommended for the management of Yarra's employment lands outlined within Yarra's SEES.

38. The current EDS, Council Plan and SEES have established a strong framework for building on Yarra's economic attributes with many strategic objectives remaining relevant for inclusion into the new EDS to be further progressed.

External Consultation

39. The preparation of the draft EDS included consultation with the local business community and a broad range of key stakeholders. This consultation provided qualitative analysis of how (pre pandemic) key trends have been impacting on business locally and to establish priorities for supporting the local economy. The consultation process included:

    (a) a workshop with graduates from Yarra's Young Entrepreneurs in the North (YEN) program;

    (b) a workshop with Council's Business Advisory Group (BAG);

    (c) one-on-one interviews with a diverse range of industry sectors and members of the business community including representatives from health/medical, creative, retail, education, disability, co-sharing spaces, start-ups.**(Attachment 3);**

    (d) meetings with internal Council stakeholders;

    (e) meeting with Council's Disability Advisory Committee;

    (f) online survey promoted via *Your Say Yarra* engagement portal, Yarra Life e-news, message to Advisory Committee representatives and Yarra's Business e-news; and

    (g) follow up telephone interviews with interested online survey respondents.

40. The objectives of the consultation process were to:

    (a) encourage community participation in the development of the strategy and a sense of investment in the final product;

    (b) receive data that informs and refines the strategy, and ensures that it reflects community priorities and aspirations;

    (c) ensure that Council hears from a broad cross-section of people involved in the local economy which includes reaching out to business owners, employees and customers from both traditional and emerging industries; and

    (d) promote Council as a champion of local business development, while helping people understand the nature of Council's role and the extent of Council resources.

Business Advisory Group

41. On 19 September 2019, 'Urban Enterprise' (Councils consultant) attended Council's Business Advisory Group (BAG), to discuss the key findings of the Background report. BAG members raised the following relevant matters for consideration:

(a) consultation on the EDS should include interviewing younger residents;

(b) identify networking opportunities for small businesses that are operating above ground floor level;

(c) consider reviewing policies, strategies, planning frameworks and regulation that may be relevant to business;

(d) use planning zoning to protect balance of residential and commercial;

(e) use parking regulation in retail strips to better reflect business mix; and

(f) consider performance indicators that don't just focus on GDP, such as health indicators etc.

42. In response, the preparation of the draft EDS incorporates the suggestions raised by BAG that are within the scope of the Economic Development Strategy.

Online Survey results

43. Council received 147 responses to the *Your Say Yarra* online survey results between 31 October and 3 December 2019.

44. In summary, feedback from the online survey (at that time) provided a clear indication from survey respondents that:

(a) Council should increase its focus on the creative sector (34% support) and the retail sector (30% support) to help grow the local economy over the next 5 years;

(b) streetscape improvements (52% support), promoting environmentally sustainable practices to businesses (42% support), promoting Yarra's street life, galleries, public art and cultural activities (39% support) and attracting new businesses to Yarra (38% support) should be considered as priorities to support the local business community; and

(c) to encourage more people to visit local shopping strips, Council should prioritise improving the look and feel of shopping strips (35% support), and make them easier to visit by foot or bike (22% support).

45. Of the 29 survey respondents that indicated that they would like to expand on their feedback in a detailed one-on-one interview with Council staff, only six took the opportunity to do so.

46. The additional comments received from survey respondents in the form of free text and the feedback from the six follow up interviews were consistent and mostly directed towards support for retail precincts, this included:

(a) placemaking;

(b) marketing;

(c) activating empty shops;

(d) street cleaning;

(e) graffiti removal;

(f) concerns about drug taking and feeling unsafe on Victoria Street;

(g) streetscape improvements;

(h) addressing vacancies;

(i) improving pedestrian access, cycling and promoting sustainable transport;

(j) concerns about parking costs, availability and time restrictions; and

(k) impact of large residential development on the amenity.

47. Specific objectives and initiatives for implementation under the theme Vibrant and Evolving Retail Precincts have been developed within the draft EDS that respond to many of the issues (identified then, and still highly relevant to help stimulate the local economy out of the pandemic situation) and suggestions raised by survey respondents.

One-on-one interviews with key industry stakeholders

48. One-on-one interviews were conducted by Council officers with16 key industry stakeholders and members of the business community including; six traders, Bendigo Kangan Institute, Melbourne Polytechnic, Inspire9, Launchpad, VALID, Compumedics, Abbotsford Convent and Collingwood Arts Precinct.

49. The format of the interviews enabled in depth conversation with the key stakeholders on key issues and opportunities impacting the local economy and the role Council can play in responding to these challenges. This process identified a number of potential partnership opportunities for inclusion in the draft EDS. This includes:

(a) providing support for young entrepreneurs and start-ups;

(b) enhancing visitation through creating art trails that link significant arts and cultural precincts;

(c) building a stronger brand for Cremorne as a place of innovation; and

(d) promoting innovative initiatives that are available for supporting people with disabilities into the local workforce.

50. A workshop was conducted with participants involved with Young Entrepreneurs in the North (YEN) program on 7 November 2019. Officers from Yarra and Moreland City Council's Economic Development and Youth Services team facilitated discussion on both the YEN program and the role that Council could play in supporting young people into employment.

51. The provision of personalised support, practical resources and links to networks and mentoring support from Council were highly valued by YEN participants.

52. The proposed new EDS includes a number of actions that aim to facilitate local level partnerships to create and promote a range of learning, employment and pathway opportunities.

53. The key themes and objectives outlined within the draft EDS have been shaped to respond to feedback received throughout the consultation process and also the recovery period from the current pandemic.

54. Following Council endorsement for exhibition, a broad public consultation program is proposed to be delivered over four weeks including:

(a) notification to all previous participants;

(b) online Your Say Yarra survey;

(c) social media posts;

(d) Yarra Life e-News story;

(e) consultation with Council's BAG;

(f) Council's Business e-news that has more than 11,000 subscribers; and

(g) targeted outreach to known key industry stakeholders and representatives to address any identified gaps.

Internal Consultation (One Yarra)

55. Council staff were consulted for their input towards the new EDS, to make sure that it aligns with corporate objectives and priorities, as well as to identify opportunities to work collaboratively on initiatives that support the new direction. Representatives included staff from Strategic Planning, Social Policy, Community Partnerships, Urban Design, Heritage,

Communications and Advocacy, Sustainability, Arts and Culture, Library Services, CityLab and Youth Services.

56. All relevant Council representatives of advisory committees were requested to notify members of the on-line survey. This included Aboriginal Advisory group, Library Advisory Committee, Heritage Advisory Committee, Arts Panel, Disability Advisory Committee, Active Ageing Advisory Group, Bicycle Users Advisory Group, Environment Advisory Group, Multicultural Diversity Group, Health and Wellbeing Advisory Group, Neighbourhood House Network and the Liquor Forum.

57. A presentation was made to the Disability Advisory Committee (DAC) on 19 November 2019, seeking their input and feedback regarding priorities for people with a disability. Some of the matters raised by DAC members were beyond the scope of the EDS as they related to the provision of disabled parking. Relevant issues included greater advocacy to local business operators for improved physical access and practical support for people with disability, particularly in relation to retail premises.

58. The new EDS needs to include actions that aim to promote the need for better access to local business. Articles on ways that business can improve access and inclusion of people with disabilities are to be featured in future business e-bulletins.

Financial Implications

59. Consultation costs can be accommodated in the 2019/2020 Economic Development budget. There are no direct financial implications to Council in the development of the EDS.

Economic Implications

60. The draft EDS will provide Council with clear strategic goals and priorities for how it will stimulate, attract and maintain business activity and employment within the municipality. This will be particularly important over the next 12-24 months.

61. Actions have been outlined to achieve the following ten strategic objectives:

    (a) grow Yarra's employment precincts and unlock economic development opportunities through strategic planning processes;

    (b) support and encourage innovative and entrepreneurial activities across Yarra's employment precincts;

    (c) encourage a resilient community through capacity building and business support programs and initiatives;

    (d) work to strengthen Yarra's retail precincts through improved streetscapes and amenity, to attract more people who visit, recreate, dwell and spend;

    (e) nurture resilience in the retail industry and appropriately equip businesses to respond and adapt to structural changes in the industry;

    (f) help to reinstate the night-time economy and proactively manage safety and amenity challenges to enhance people's experience when visiting Yarra's night-time precincts;

    (g) grow and protect local creative industries and strengthen Yarra as a destination for arts and culture;

    (h) encourage sustainable business practices across Yarra;

    (i) facilitate local partnerships which create and promote a range of learning, employment and other pathway opportunities for businesses, workers and residents; and

    (j) support employment pathways and career development opportunities for people who are disadvantaged.

Sustainability Implications

62. The draft EDS includes reference to a number of important actions that support local businesses to be more sustainable and resilient to climate change, these include:

(a) working in partnership with Council's sustainability unit to develop a program that supports local businesses to be more sustainable that will be delivered over the life of the EDS;

(b) promoting environmentally sustainable practices to businesses with relevant and accessible information in regards to energy, water and waste efficiency; and

(c) continuing to support energy and resource efficiency programs that help reduce business costs and improve environmental outcomes in collaboration with Yarra Energy Foundation (YEF) and other organisations as appropriate.

63. In preparing the new EDS, the implications of sustainability has been considered within the broader context of social, environment, economic and climate adaption through the application of Yarra's recently adopted Quadruple Bottom Line (QBL) Assessment Tool. The tool results demonstrate that reasonable consideration was given to all four key pillars.

Social Implications

64. The EDS will seek to stimulate a range of social benefits, particularly in relation to strategic priorities that aim to support employment pathways, affordable spaces for the creative sector and assisting Yarra's activity centres that provide evolving retail, entertainment, hospitality and commercial services to meet the needs of visitors and residents.

Human Rights Implications

65. There are no known restrictions or infringements on the rights outlined in the *Charter of Human Rights and Responsibilities Act 2006.* The draft EDS is seeking to assist local businesses and hence employment in the municipality.

Communications with CALD Communities Implications

66. Yarra's Multicultural Diversity Group have been consulted for their feedback and input. The issue of empty shops on Victoria Street was raised. NB. This also is an issue in other centres both within Yarra and elsewhere.

Council Plan, Strategy and Policy Implications

67. The EDS is consistent with and responds to the strategic directions set out in the following Council Strategies and plans;

(a) Spatial Economic and Employment Strategy 2018;

(b) Council Plan 2017 -2021;

(c) Yarra Housing Strategy 2018;

(d) Night Time Economy Strategy 2014, and

(e) Councils COVID pandemic recovery package.

Legal Implications

68. There are no anticipated legal implications.

Issues

<u>Victorian Auditor-General's Office</u>

69. It is noted that the Victorian Auditor-General's Office (VAGO) report on Local Government and Economic Development was tabled in the Victorian Parliament on 8 March 2018.

70. The audit sought to assess whether Council's economic development activities have helped to improve the economic viability and sustainability of their municipalities. Specifically, they assessed whether Council's actions to improve economic viability and sustainability are strategic and achieve their intended outcomes.

71. Although Yarra City Council was not one of the Councils audited, the audit findings and recommendations need to be considered in the development of Yarra's new EDS.

72. The report made eight recommendations, with three for Regional Development Victoria, two for Regional Development Victoria and Local Government Victoria and the remaining three for the local government sector.

73. The following VAGO recommendations have been considered in the preparation of the draft EDS:

Recommendation	Response
Recommendation 6 "*regularly review alignment between economic development strategies and council plans to improve the continuity of longer term initiatives.*	Council Plan 2017 – 2021 Objective 5: "*City of Yarra is a place where local businesses prosper and creative and knowledge industries thrive"* forms the vision statement for the new EDS. The Councils pandemic recovery package has also been adopted and being implemented.
Recommendation 7 "*develop comprehensive performance measures for economic development with clearly articulated targets and benchmarks"*	High-level targets are provided in the draft EDS 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 key intervals. Several broader indicators will be reported to give a more general picture of Yarra's economy and its performance compared with Melbourne/Victoria/Australia as a whole. These indicators will include: • Unemployment rate (Department of Employment); • Estimated resident population growth, current and projected (ABS); • Housing and non-housing building investment (ABS); • Latest estimate of Gross Regional Product for Yarra; • Latest estimate of local jobs; • Latest estimate of local businesses, and • Latest estimate of employed residents
Recommendation 8 "*monitor and report on economic development outcomes and clearly link actions to intended outcomes".*	Annual progress reports on the implementation of the EDS will be presented to Council's Business Advisory Group and Council.

Richmond Retail Revitalisation Project

74. The Victorian Government through the Hon Richard Wynne MP established the *Richmond Retail Revitalisation Project* to revitalise Bridge Road and Victoria Street precincts. The Department of Environment, Land, Water and Planning (DELWP) has been leading the project and will be preparing a report at the conclusion of the project. The focus has been to identify the problems affecting the precincts and recommend ways to address the problems, including recommendations to improve the immediate and long-term economic, environmental, social, logistical and cultural health of the precincts.

75. The draft report is due to be presented to the Minister by the end of May and a report is to be released later this year.

76. The final recommendations will be considered in the new EDS and Council's Structure plans for Bridge Road and Victoria Street (and more broadly as appropriate).

COVID-19 dashboard - commercial vacancy rates

77. The Inner Metropolitan Action Plan (IMAP), has commenced the process of commissioning a dashboard to track the impacts that COVID-19 has, and is having on the economy. Part of this work will look at commercial vacancy rates on ground floor premises in retail precincts. The expected project outcomes are to:

(a) confirm the level of commercial vacancies in activity centres in inner Melbourne across IMAP municipalities;

(b) highlight the constraints and disincentives on landlords that discourage them from unlocking their properties;

(c) identify changes or incentives at a policy or program level that could be employed across the three tiers of government to encourage activation of commercial vacancies or compel them to do so in addition to incentivising high street curation opportunities;

(d) identify potential future uses of vacant shops and the associated planning/regulatory requirements; and

(e) develop an advocacy platform for State and Federal Government changes.

78. The project is scheduled to be completed later in 2020.

Options

79. A new Economic Development Strategy is important and ready for consultation.

Conclusion

80. The draft EDS was developed through extensive quantitative research that provides high level analysis of the Yarra economy and identifies issues and opportunities for economic development in the municipality for the next five years.

81. In addition to the quantitative research, consultation was undertaken with key industry stakeholders and the community to identify how key trends have been impacting on business locally and establish priorities for supporting the local economy.

82. It’s acknowledged and understood that the research and analysis contained within the draft strategy and accompanying background report was prepared prior to the COVID-19 pandemic, and therefore some figures and projections are in contrast to more recent data, in particular employment figures, household expenditure and visitation numbers. However the strategic framework, strategies and associated action plans remain extremely relevant in guiding Yarra’s economic recovery post pandemic, and the inclusion of a dedicated strategy directly responding to COVID-19, aims to address issues facing the Yarra business community.

83. The draft EDS outlines how Council can best support economic development by empowering local business to grow, boost employment and investment and capitalise on Yarra’s unique advantages. The new EDS intends to build on the work that has already occurred through the implementation of current EDS, Council Plan and SEES.

84. It will provide an achievable evidence based plan for the future while responding to the particular challenges and opportunities presented within the current economic context.

85. The draft EDS is now intended to be released for consultation with the community and key stakeholders.

86. A final EDS is scheduled to be presented to Council for adoption in August/September 2020, following the consultation process.

RECOMMENDATION

1. That Council:

   (a) note the officers report regarding the preparation of a new Economic Development Strategy;

   (b) note that the Background report was prepared before the COVID-19 pandemic occurred, which has very significantly impacted on the Australian economy and indeed the local Yarra economy;

   (c) note that some engagement occurred with the Councils Business Advisory Group and the Young Entrepreneurs in North to provide some input into the draft strategy for Council consideration;

   (d) note that the draft strategy has a number of strategic actions, and in particular a focus on assisting the local economy from the pandemic impact;

   (e) note that the Councils recent Community Grants package is a significant aspect of the COVID-19 resilience and assistance package to the local economy, in addition to the Federal and State economic packages; and

   (f) note the draft Economic Development Strategy and proposed actions as shown in Attachment 1.

2. That Council authorise the draft Economic Development Strategy to be placed on public exhibition for a period of 4 weeks to seek community views.

3. That Council receive a further report after the community consultation stage with a summary of submission with a final draft Economic Development Strategy for Council consideration.

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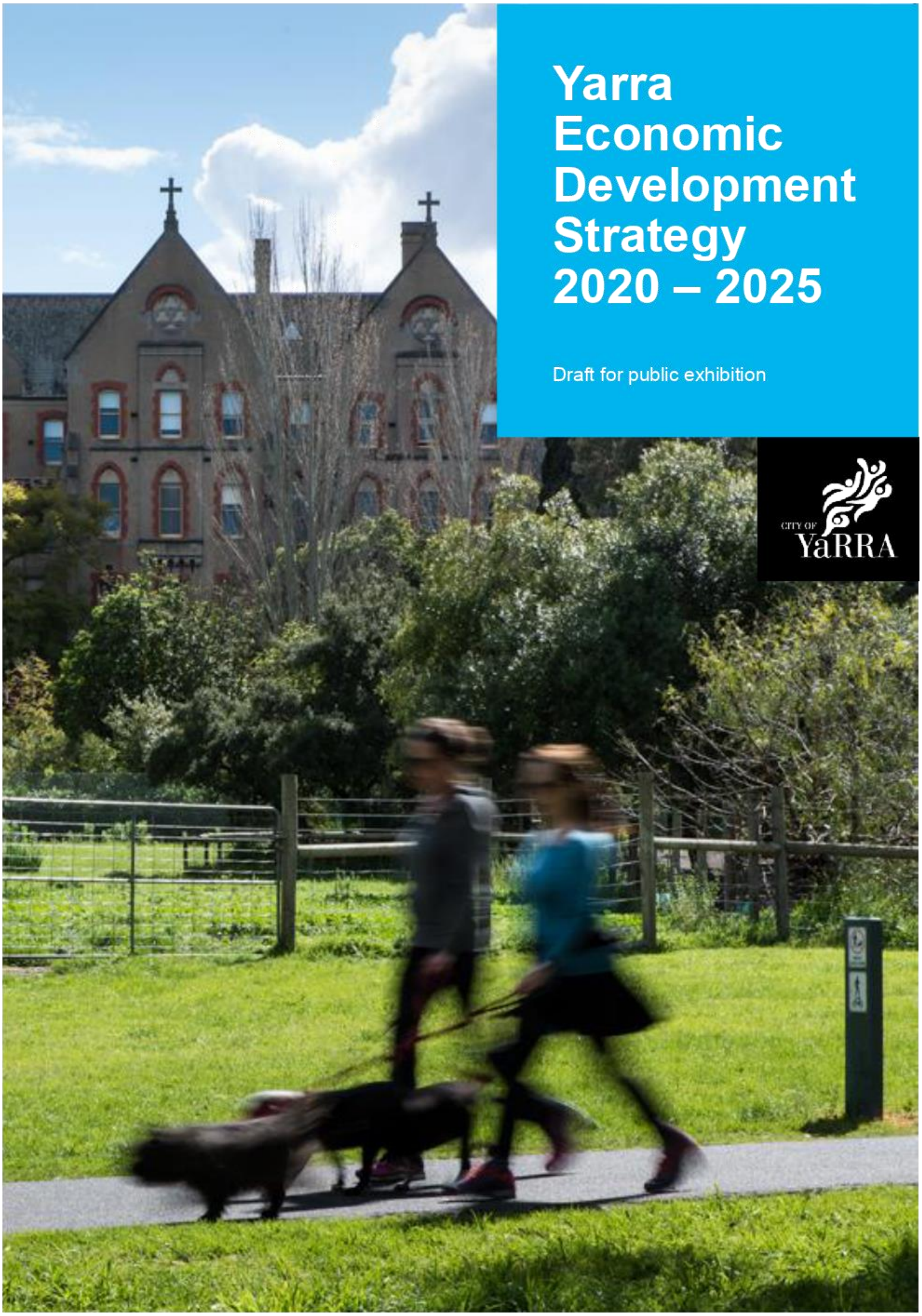
Attachments

1⇩ Attachment 1 - FINAL DRAFT EDS
2⇩ Attachment 2 - Background Report
3⇩ Attachment 3 - Consultation report

Attachment 1 - Attachment 1 - FINAL DRAFT EDS

Yarra Economic Development Strategy 2020 – 2025

Draft for public exhibition



Attachment 1 - Attachment 1 - FINAL DRAFT EDS

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

The Economic Development Strategy (Strategy) will provide a clear vision and action plan for growing Yarra's economy, through supporting the existing business community, protecting and enhancing areas of competitive advantage and improving the liveability characteristics of the municipality.

This Strategy considers the economic and demographic trends and macroeconomic influences that are impacting the local and regional economy. The information presented in this Strategy highlights the issues that should be addressed and the 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 COVID-19 restrictions have had on the operation of businesses, especially in hospitality and arts industries.

The information in this 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 draft Strategy builds on the current Economic Development Strategy 2015 - 2020 and Council Plan 2017 – 2021, that will see the continued development of knowledge intensive and creative sectors as the key driver of Yarra's future economy. The key strategic priorities will leverage off the ongoing transformation of the inner Melbourne economic structure.

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

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

Providing support and creating opportunities during recovery of COVID-19

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 the Premier of Victoria announced the Governor-General had declared a human biosecurity emergency, resulting in the 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 very significant impacts on economies across the globe, including Yarra. And while the societal and economic impact has been lessened by an aggressive approach from governments, recovery to the Yarra and broarder 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 strategies, 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 was prepared prior to the COVID-19 pandemic, and therefore some figures 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 provided 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, and the 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 grinding halt overnight, and millions were left without work. In response, the Federal 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.

The types of support offered to businesses from the Federal government included cash flow support 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 - in particular the $130 billion JobKeeper program, aimed at ensuring people remain employed for the duration of the pandemic, in addition to the $14 billion injection of funding into the JobSeeker program to assist the 1.6 million actively searching out work between March and September 2020.

The Victorian State government also established an economic survival package totalling over $2 billion dollars to businesses. A few of the support measures implemented included a payroll tax refund, waiving of liquor licenses, a $500 million business support fund, along with banning evictions for the non-payment of rent in commercial properties for six months.

In conjunction with the government support, agencies such as Victorian Small Business Commission, Small Business Victoria, the Victorian Chamber of Commerce and the Australian Tax Office, offered up waived memberships, mentoring and crisis support, online webinars and training, mediation services, and tax advice.

Yarra support

Yarra City Council also had a pivotal role in providing local support, in particular to areas where the federal and state funding failed to reach. On 6 April 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, localised marketing campaigns along with the introduction of a hardship policy.

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

Economic recovery – directions

What recovery looks like, and the time that it will take to get there is still largely unknown and is difficult to predict with certainty. Leading economists 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 [1]. 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 [2].

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.

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 Government for continued financial support and collaboration with industry partners and trader groups, will be integral during the recovery process.

Australia and Victoria's successful response to COVID-19 is seeing an earlier than expected start to relaxing restrictions and enabling businesses to commence their recovery and for the community to return to work and social interaction. It is recognised that recovery will take some time and may vary according to location and the particular sector of the economy or business.

Recovery in Yarra will depend on several factors, including:

- The extent of the positive impact that the easing of restrictions will have on businesses;
- When social distancing restrictions lift and allow the services sector to return;
- The return of children to school 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 and fiscal responses by all tiers of 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 Yarra's business community. Our knowledge of Yarra's economy brings an awareness of its vulnerabilities, especially in sectors such as hospitality, arts and culture, as well as its opportunities for recovery and for supporting a more sustainable economy.

Conclusion

The COVID-19 pandemic recovery phase will present a number of major challenges of which many are still unknown, however it also provides opportunities for policy and economic measures that enable recovery from the pandemic. Through creative collaboration with businesses and the community sectors, and strong leadership and advocacy from Council we have positioned ourselves well to assist Yarra's economy to return to a strong economic position in Victoria.

Source

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

[2] 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 polices 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

Draft Yarra Economic Development Strategy 2020 - 2025

What is Economic Development?

At a high-level, the purpose of economic development at a local government 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?

Local Government plays an important role in facilitating economic growth within municipalities. Typically, Council's role in economic development includes business engagement and support, business and investment attraction, improving the standard of living and performing an advocacy role.

In terms of investment and business attraction, it is important for local governments to create an economic environment that is conducive to attracting private investment. Council can assist private investment by providing leadership, creating a consistent and streamlined regulatory environment, conducting market and industry research and business case development.

Common objectives adopted for economic development across local government include the following:

- 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; and
- Performing an advocacy role.

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

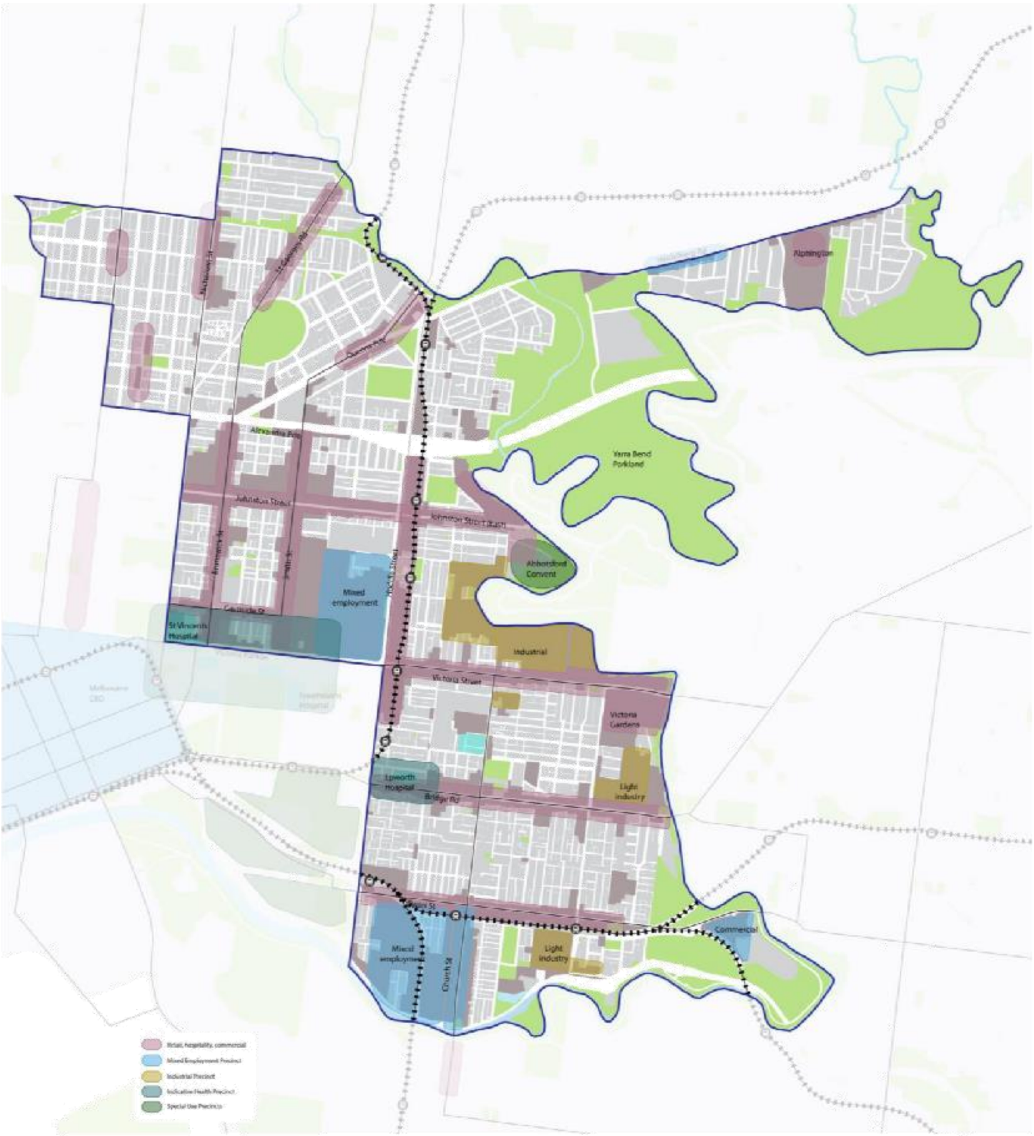
Yarra is an economically diverse and dynamic municipality, accommodating a range of mixed employment precincts, activity centres, industrial and health precincts. The municipality includes the following key employment areas:

- 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 employment land in Yarra is a strength and competitive advantage, and will be important in accommodating future business and employment growth. Similarly, Yarra's activity centres have land available to support residential growth. Therefore, Yarra is in a unique position whereby both 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 is one of metropolitan Melbourne's most significant economic regions in regard to population, businesses, jobs and economic output.

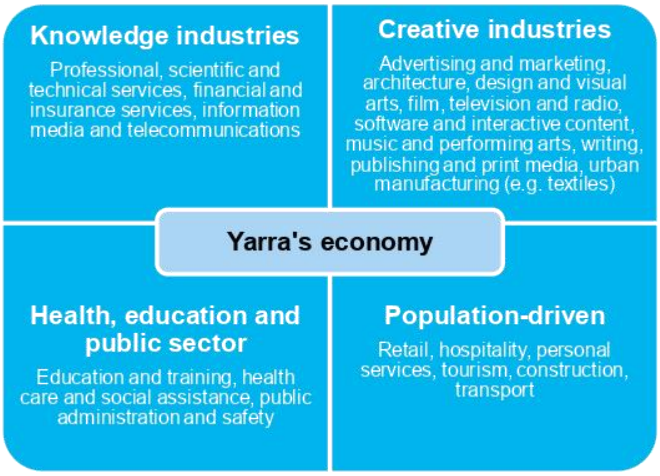
The below table provides a snapshot of Yarra's economy, including population, gross regional product, workers and businesses; and is benchmarked against the IMAP region.

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)	1. Health Care & Social Assistance 2. Professional, Scientific & Technical Services 3. Retail Trade	1. Professional, Scientific & Technical Services 2. Financial & Insurance Services 3. Health Care & 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 and employment is growing rapidly (+2,700 jobs p.a.).
- Health care 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 in supporting business, employment and visitation, but is also expected to accommodate more 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	36,837	45%	Professional, scientific and technical services Retail trade Health care and social assistance
Fitzroy	14,205	18%	Health care and social assistance accommodation and food services Professional, scientific and technical services
Collingwood	11,593	14%	Professional, scientific and technical services Retail trade Transport, postal and warehousing
Abbotsford	9,865	12%	Professional, scientific and technical services Financial and insurance services Retail trade
Fitzroy North	3,631	5%	Health care and social assistance Professional, scientific and technical services Accommodation and food services
Clifton Hill / Alphington	3,211	4%	Health care and social assistance Education and training Retail Trade
Carlton North / Princes Hill	2,048	2.5%	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 has strengthened significantly and growth in commercial office floorspace is unprecedented for the municipality.
- Richmond/Cremorne Precinct is a major creative and tech hub and demand for office space in this Precinct is growing significantly.

Yarra continues to be a popular location for businesses. The favourable attributes include an availability of employment land, the close proximity to the CBD and the inner east, the availability of alternative and unique office and precinct environments, access to a highly-skilled and professional labour force, the high-quality amenity and accessible transport options.

Visitation

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

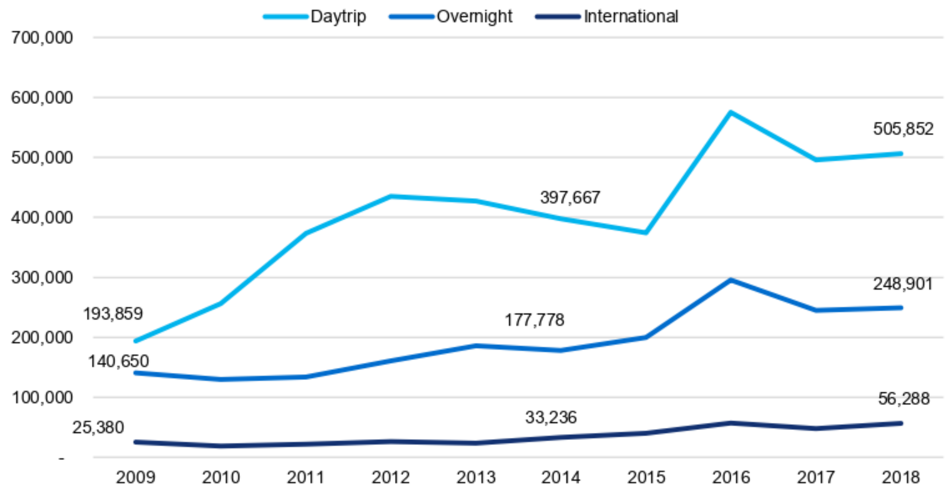
- Visitation to Yarra has grown consistently. Total visitation to Yarra has more than doubled since 2009, increasing by approximately 450,000 visitor per annum.
- The most significant growth has occurred in the day trip visitor market, attracting an additional 312,000 annual visitors between 2009 and 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

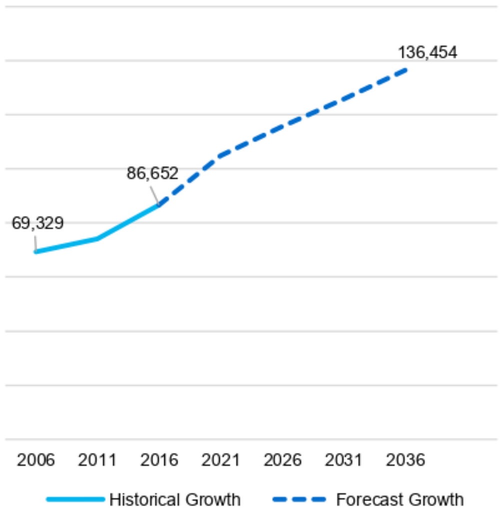
- Yarra's is experiencing strong population growth. The current population is approximately 98,500 persons. Yarra's population is projected to increase by 57%, adding over 50,000 residents by 2036.
- The fastest growing suburbs in Yarra are Richmond, Abbotsford, Collingwood and Fitzroy. Collectively, 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 increased, 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 steadily improving since mid-2017 and is 5.3% (June 2019).
- 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 add 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.

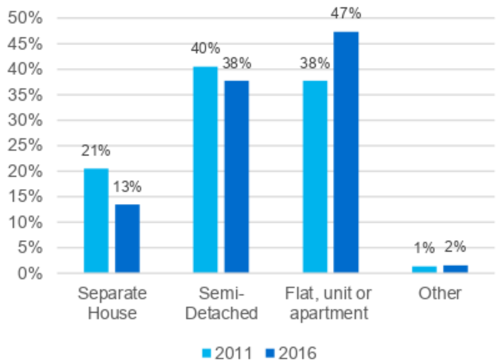
Yarra's housing profile is evolving in certain areas due to the scale of population growth that has occurred in the municipality, resulting in an increase in demand for a range of housing options, including detached and semi-detached dwellings, apartments and units, aged care and retirement housing,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

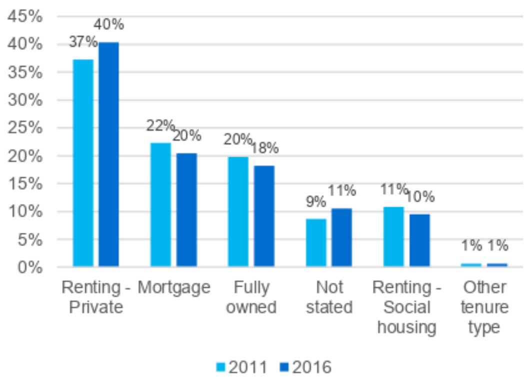
The Housing Strategy acknowledges that Yarra is well-placed to accommodate the projected growth in residents over the next 15 years across suitably zoned land, with no requirement to rezone employment land.

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



Source: Dwelling structure & housing tenure, Yarra, Profile Id, Id Consulting, 2019

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 health care, 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 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 'white collar' 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, 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 & co-working spaces

LauncVic 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 (Launch Vic) 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 health tech.

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 and stand-alone 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 the 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

As at July 2019, the vacancy rate in Melbourne's CBD office market was at a record low of 3.3%. The record low vacancy rates in Melbourne CBD is a result of strong underlying demand. 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% to 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 having regard to 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 the industry is stymieing growth. However, many SME's believe the competitive advantage of the industry 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 a net zero greenhouse gas emissions, climate-resilient community and economy.

In 2017, the State 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 'green' business community will involve strengthening existing renewable energy initiatives and promoting green business practices through the Yarra Sustainability Awards and key Council strategies.

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

The benefits that could be realised for the business community generally relate to helping achieve environmental and health/wellbeing objectives. However, financial benefits are also expected to materialise through energy and transport cost savings.

Growing demand for health care

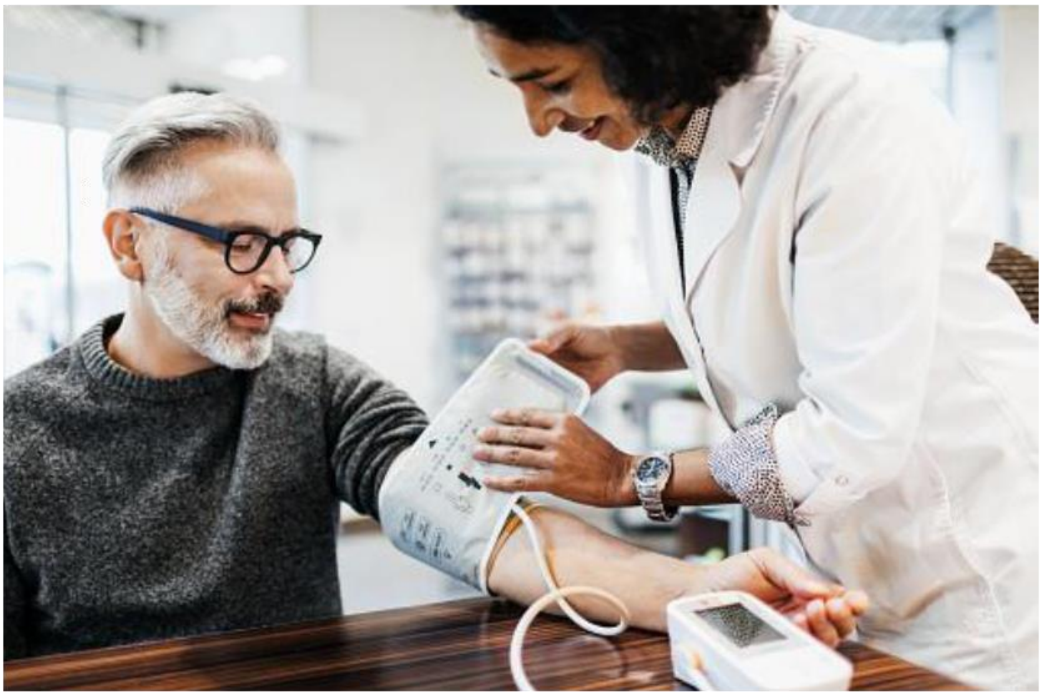
The number of people aged 65 years and over in Victoria is likely to almost triple from 2016 to 2051 as the significant population currently aged between 45 to 65 years moves into 'senior' and 'elderly' age profiles. The forecast ageing of the population is partly attributed to the increase in life expectancies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

Global healthcare is growing rapidly and is attributed to a significant increase in global healthcare spending, 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:

- Revenue pressure and rising industry costs are demanding more innovative and cost effective solutions to patient care;
- An ageing population is resulting in higher health related issues in developed economies;
- Higher-income households;
- Increase in chronic diseases (e.g. diabetes, heart disease); and
- Unprecedented population growth in developing and developed economies.

Growth in health care 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 affirms the strength of the sector in Yarra, both in terms of accommodating St Vincent's and Epworth Hospitals, but also a growing allied health role.

Yarra includes two major health precincts in Fitzroy and Richmond. With a growing demand for health care 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.

Melbourne Makers is a promotional platform for urban manufacturers, providing an overview of business types across IMAP Councils. Melbourne Makers 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 household's 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 are forecast to continue to decline throughout 2020. The biggest retail category improver in 2019 was clothing, footwear and accessories, as well as cafes, restaurants and take away food, which maintained consistent growth as consumers continue to spend healthily on leisure and experience based retail such as dining out.

In 2018, the number of online purchases in Australia grew by over 20%, indicating that digital retailing is becoming more prevalent. 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 is estimated that in 2020, approximately 35% of retail sales will be web influenced.

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 Fitzroys Walk the Strip retail report for 2018/19, well-known retail strips such as Chapel Street (South Yarra), Lygon Street (Carlton), Chapel Street (Windsor), 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 simply 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 dwellers, with a view to benefitting retailers and retail strips.

Yarra's retail 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. Health care, wellness and fitness related businesses have surged in Yarra's retail 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 precincts	3. A creative, inclusive and sustainable economy
STRATEGIC GOAL	Yarra's employment precincts are knowledge-based, innovative and diverse. Yarra accommodates and attract leading businesses, entrepreneurs, professionals and innovators.	Yarra's retail and commercial 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 Abbottsford 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. Related to this will be the need to maintain and enhance the high quality precinct amenity (e.g. retail, hospitality, health and wellness).

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 to 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. The clustering of businesses is also bring about specialisations with the knowledge and technology and the creative industries sectors evident. Strengthening the profile and understanding of the role of Yarra's precincts with State and Federal Government would help consolidate their positions and attract 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 the opportunity for Yarra to be involved with this work.

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 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 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

Action	Lead	Timeframe
Strengthen the economic role and function of Yarra's Activity Centres by developing structure plans which build on the unique character of each precinct.	Strategic Planning	Short Term
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	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	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	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 Better Approvals Program* that support 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 and building permit 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 precincts

Yarra includes a series of vibrant and evolving retail 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 precincts are experiencing high vacancy rates 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 the 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 to visit, dwell and spend.

Key directions:

- Transition Yarra's retail strips 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.
- Address the length (distance) of Yarra's retail strips and the differing role and business mix of each sub-section.
- 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, dwell and spend in each centre.
- Rethink 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 precincts through improved streetscapes and amenity, to attract more people to visit, recreate, dwell and spend.

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 State 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 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 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 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.	Social Strategy and Community Development	Ongoing

Targets and monitoring

Targets	Indicators
A decrease in vacancy rates across Yarra's retail 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.

The City of Yarra Council and community is recognised as a leader in sustainable practices and environmental initiatives. The draft 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
Supporting work spaces for artists and advocate for affordable spaces for artists through the Room to Create program.	Arts and Culture	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 Culture / Economic	Ongoing
Provide support to community arts practitioners and organisations through the annual grants program, networking, brokering partnership and collaborating on projects.	Arts and Culture	Ongoing
Continue to support arts and cultural festivals and events through grant programs and marketing/promotion.	Arts and Culture	Ongoing
Through strategic planning work, identify opportunities to enhance the creative arts cluster linking Collingwood Yards, Abbotsford Convent, Johnston 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	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 can 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	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. Discuss 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, creative 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.
Maintain existing and explore opportunities to increase the number of annual arts and cultural 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, local business and industry, 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 targets 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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YARRA ECONOMIC DEVELOPMENT STRATEGY 2020-2025

BACKGROUND REPORT (FINAL)

CITY OF YARRA | OCTOBER 2019

www.urbanenterprise.com.au

Attachment 2 - Attachment 2 - Background Report

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VERSION 1

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ACRONYMS

ABS	Australian Bureau of Statistics
EDS	Economic Development Strategy
IMAP	Inner Melbourne Action Plan
IVS	International Visitor Survey
LGA	Local Government Authority
NVS	National Visitor Survey
TRA	Tourism Research Australia
SEES	Spatial Economic and Employment Strategy
SEIFA	Socio-Economic Index for Areas

GLOSSARY OF TERMS

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

Local Expenditure — Represents the value of intermediate goods and services purchased by local industry sectors within the region. A high level of local expenditure on intermediate goods and services proportionate to total output is indicative of well developed local supply chains and also that any expansion in this sector would typically deliver broad based benefits for the region's economy.

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

Propulsive Industry — Key drivers of Yarra's economy in terms of regional exports, employment, value-added and local expenditure on goods and services (backward linkages)

Regional Exports — Represents the value ($) of goods and services exported outside of the defined region that have been generated by businesses / organisations in each of the industry sectors within the region.

Value-Added — represents the marginal economic value that is added by each industry sector in a defined region. Value-Added can be calculated by subtracting local expenditure and expenditure on regional imports from the output generated by an industry sector, or alternatively, by adding the Wages & Salaries paid to local employees, the gross operating surplus and taxes on products and production.

Day trip Visitor — Those who travel for a round trip distance of at least 50 kilometres, are away from home for at least 4 hours, and who do not spend a night away from home as part of their travel. Same day travel as part of overnight travel is excluded.

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

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

EXECUTIVE SUMMARY

YARRA'S RESIDENT POPULATION & HOUSING PROFILE

- **Yarra's is experiencing significant 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 are Richmond, Abbotsford, Collingwood and Fitzroy**. Collectively, these areas account for 85% of Yarra's growth.
- Much of the projected population is expected to occur in Richmond (+19,000 persons), Clifton Hill / Alphington (+8,500 persons), Collingwood (+6,000 persons) and Abbotsford (+8,000 persons).
- **Yarra has a relatively young population**. The median age is 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 SEIFA increased between 2011 and 2016**, making it a more advantaged municipality and the 6th most advantaged Council in Victoria.**
- Whilst the overall socio-economic profile is high relative to the metropolitan Melbourne and Victorian average, **pockets of disadvantage exist within Yarra (in Collingwood and Fitzroy) with higher unemployment, underemployment and low income households.**
- **The unemployment rate in Yarra has been steadily improving** since mid-2017 and is currently 5.3% (Jun 2019).
- **The Yarra labour force is highly skilled and highly professional**, reflected by the occupations held by employed residents. 43% of occupations are professionals and a further 17% are managers.
- The job containment rate has increased slightly, meaning that **more residents are living and working locally.**
- **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 absorbed 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 unaffordable relative to 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 factors, including the ongoing 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 INDUSTRY, EMPLOYMENT AND BUSINESS PROFILE

- **Yarra is a diverse and dynamic economy**; driven by four key areas:
  - **Knowledge Industries** - Professional, Scientific & Technical Services, Financial & Insurance Services, Information Media & Telecommunications.
  - **Creative Industries** - Advertising and Marketing, Architecture, Design & Visual Arts, Film, Television & Radio, Software and Interactive Content, Music and Performing Arts, Writing, Publishing & Print Media, Urban Manufacturing (e.g. textiles).
  - **Public Sector** - Education and Training, Health Care & Social Assistance, Public Administration & Safety.
  - **Population-Driven** - Retail, Hospitality, Personal Services, Tourism, Construction, Transport.
- **There are over 81,000 jobs in Yarra and jobs employment is growing rapidly (+2,700 jobs per annum).** Health care 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%).
- 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).
- **Yarra's comparative industry sector advantages are:**
  - 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.
- **The appeal of Yarra as a CBD fringe employment market has strengthened significantly** and growth in commercial office floorspace is unprecedented for the municipality.
- **Richmond/Cremorne Enterprise Precinct is a major creative and tech hub** and demand for office space in this Precinct is growing significantly.
- **Current retail conditions in Australia are subdued and the changing nature of retail (e.g. digital) is impacting some of Yarra's retail strips (i.e. high vacancy rates).**
- **The business mix and occupancy rates in Yarra's retail strips are constantly changing.**
- Generally, **retail strips in inner Melbourne are transitioning to accommodate a greater mix of uses** (retail, hospitality, personal services, entertainment, health and fitness, professional services, community and civic uses).
- **Visitation to Yarra has grown consistently. Total visitation to Yarra has more than doubled since 2009**, increasing by approximately 450,000 visitor 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.

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PROPOSED FRAMEWORK FOR THE EDS

Based on the research in this Background Report, the following themes have emerged and are proposed to form part of the framework for the forthcoming Economic Development Strategy:

1. Thriving and Diverse Employment Precincts;
2. Vibrant and Evolving Retail Precincts; and
3. A Creative, Inclusive and Sustainable Economy.

Each theme includes a series of considerations to be addressed in the Strategy.

THRIVING & 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 employment precincts are areas that generate and encourage innovation, productivity and growth in the knowledge economy. These are areas where research institutions, medical complexes, universities, and clusters of high-tech and creative firms attract businesses, entrepreneurs and professionals. Within Yarra, there is a clear clustering of these areas, and their role and function has strengthened significantly since the previous EDS. Major smart clusters and precincts in Yarra include the Richmond Cremorne Enterprise Precinct, the Fitzroy Health and Education Cluster, the Richmond Health and Education Cluster and the Gipps Street Precinct.

It will be critical for the EDS to support sustainable growth in these clusters to protect and enhance the competitive strengths and attractive physical and amenity characteristics that are unique to these areas and linked to the ongoing attraction of business and industry growth.

Considerations:

- How to protect and enhance Yarra's competitive industry advantages across the municipality's smart clusters (e.g. creative, professional/financial services and tech firms).
- How to ensure that planning controls are fit for purpose, accommodating future employment growth whilst protecting the unique built form characteristics that are attractive to businesses and workers.
- How to maintain and enhance the high quality precinct amenity (e.g. retail, hospitality, health and wellness).
- How to address parking stresses that have resulted from an increase in the number of residents and workers driving in Yarra, and a reduction in at-grade car parking locations in some areas.
- How to support workers, residents and visitors accessing precincts via public and active transport modes to address growing congestion issues from major population and employment growth.
- How to strengthen the profile of Yarra's precincts with State and Federal Government.
- How to leverage the growing popularity of co-working / co-sharing facilities and spaces to meet diverse work preferences.
- What is Council's role in supporting young entrepreneurs and new businesses to establish in Yarra.

Attachment 2 - Attachment 2 - Background Report

VIBRANT AND EVOLVING RETAIL PRECINCTS

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

Yarra's retail strips include a distinct economic role, land use and business mix. Whilst some activity centres such as Bridge Road and Victoria Street are experiencing high vacancy rates in the order of 16% to 18%, this rate of vacancy is common across comparable inner metropolitan retail strips such as Chapel Street, Prahran/South Yarra.

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

Considerations to be investigated during consultation:

- How to address the length (distance) of Yarra's retail strips and the differing role and business mix of each sub-section.
- How to transition Yarra's retail strips 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.
- How to further understand the challenges facing the local retailers, which may extend to onerous lease arrangements, the threat of online retailing, weakening demand and access/connectivity constraints.
- How to 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.
- The role of place-making initiatives/projects that facilitate an improved streetscape environment and public realm to increase the number of people who visit, recreate and spend in each centre.
- What will have the most significant impact when rethinking side street and laneways that create engaging and connected places.
- How to protect the 'village feel' of Yarra's retail strips, particularly given that residential intensification is occurring in major activity centres.
- How to create an activated ground floor and street frontage with new medium density apartment developments.
- How to continue to grow and promote the night time economy, ensuring that activity centres are vibrant, safe, highly amenable and functional.

A CREATIVE AND CULTURAL CITY

Yarra has long been recognised as a creative, inclusive and sustainable municipality. Creative industries generally relate to a range of disciplines including advertising and marketing, architecture, design & visual arts, film, television & radio, software and interactive content, music and performing arts, writing, publishing & print media, urban manufacturing (e.g. textiles).

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 EDS 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.

The City of Yarra Council and community is recognised as a leader in sustainable practices and environmental initiatives. 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 'green' business community will involve strengthening existing renewable energy initiatives and promoting green business practice.

Considerations to be investigated during consultation:

- How to 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, as they provide horizontally integrated in networks of suppliers, distributors, and subcontractors.
- How to protect and enhance Yarra's identity as a destination for artists, creatives and makers to live, work and visit.
- How to encourage more local residents and visitors to explore Yarra's rich street life, galleries, public art and range of cultural activities.
- How to encourage the business community to implement and embed sustainable practices?
- How to improve career pathways for younger cohorts and people who are disadvantaged?

1. BACKGROUND

1.1. INTRODUCTION

Urban Enterprise have been engaged to prepare an Economic Development Strategy (EDS) for the City of Yarra 2020 to 2025. The Economic Development Strategy will provide a clear vision and action plan for growing Yarra's economy, through supporting the existing business community, capitalising on areas of competitive advantage, improving the liveability characteristics of the municipality and prioritising advocacy efforts.

This Background Report includes technical research and analysis relating to the City's geographic, demographic and economic profile. The purpose of this Report is to provide the evidence base to inform the preparation of the Economic Development Strategy.

The Background Report includes the following:

- Macro-economic trends that are impacting the economy;
- Major strategies and polices which need to be considered in the development of a new Strategy;
- Demographic trends which may impact Yarra's economy
- The local economic, employment and business profile;
- Trends in tourism and visitation; and
- Preliminary findings and next steps.

1.2. STRUCTURE OF THE BACKGROUND REPORT

The structure of this Background Report is as follows:

- Define economic development at a local Government level and identify local Government's role in achieving positive economic development outcomes.
- Summarise the previous Economic Development Strategy for Yarra (2014 – 2019), identifying actions that have the potential to be carried forward.
- Provide the location and regional context having regard to the Inner Melbourne Action Plan.
- Assess Yarra's existing strategies that are relevant to economic development that should align with the EDS.
- Assess the macroeconomic conditions at the state and national level to understand the current state and outlook for the economy.
- Identify major public and private sector investment projects that are underway or proposed in Yarra and IMAP that will provide stimulus to the local economy and have flow on economic benefits.
- Identify and assess domestic trends that are impacting the economy at a local level, including population growth, technological and digital advancements, the changing nature of work and macroeconomic conditions.
- Profile Yarra's demographics, identifying historical and forecast trends that may impact the local economy.
- Profile Yarra's economy using a range of economic indicators (e.g. growth in output, employment, business), identifying historical and forecast trends that may have implications on the local economy.
- Provide an overview of Yarra's visitor economy, assessing the municipalities visitor market and growing role in tourism and related activities.

1.3. DATA SOURCES

This Background Report utilises a range of economic, population and housing data sources:

- Census of Population and Housing, Australian Bureau of Statistics, 2006, 2011, 2016
- Business Counts, Australian Bureau of Statistics (ABS), 2016, 2018
- Profile, Community and Economy id, id Consulting, 2019
- Forecast id, id Consulting, 2019
- REMPLAN Economy, 2019
- Population Projections, Victoria in Future (VIF), 2019
- National Visitor Survey (NVS), International Visitor Survey (IVS), Tourism Research Australia, 2009 – 2018
- A Guide to Property Values, Valuer-General Victoria, 2019

1.4. LOCAL GOVERNMENT'S ROLE IN ECONOMIC DEVELOPMENT

At a high-level, the purpose of economic development at a local government level is:

"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"[1]

Local Government plays an important role in facilitating economic growth within their municipalities. Typically, Council's role in economic development includes business engagement and support, business and investment attraction, promoting liveability initiatives and undertaking advocacy efforts.

In terms of investment attraction, It is important for local Governments to provide and encourage an economic environment that is conducive to attracting private investment. Council can assist private investment by providing leadership, creating a consistent and streamlined regulatory environment, conducting market and industry research, and business case development.

Common objectives adopted for economic development across Local Government include:

- Supporting the existing business base (promoting growth within the existing business base);
- Attracting new businesses and jobs (promoting growth by attracting new investment and businesses);
- Promoting liveability and sustainable communities; and
- Undertaking advocacy efforts.

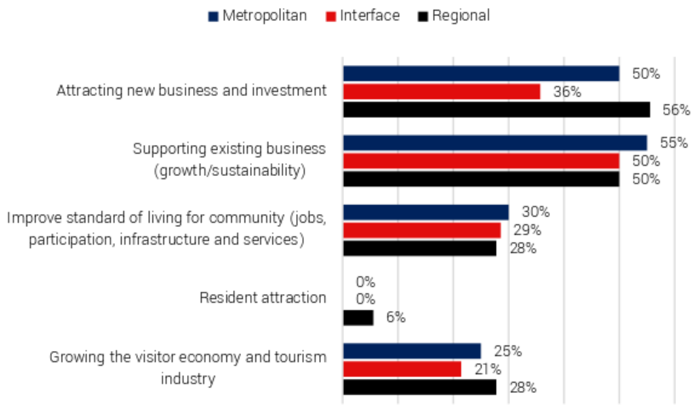
[1] Local Economic Development, The World Bank 2006

ECONOMIC DEVELOPMENT AUSTRALIA (EDA) – ROLE OF ECONOMIC DEVELOPMENT UNITS

Urban Enterprise conducted a survey of metropolitan and regional economic development practitioners in 2016 on behalf of Economic Development Australia (EDA). The purpose of the Survey was to identify the core roles and functions of economic development units, as well as understand the different economic development initiative employed by the various units. The Survey received responses from 41 Victorian Councils (50% metropolitan and 50% regional).

Metropolitan economic development units indicated that supporting the existing business base and attracting new business and investment were the two core functions, as shown in Figure 1.

F1. PRIMARY ROLE OF ECONOMIC DEVELOPMENT UNITS – EDA VICTORIA



Source: Survey of Economic Development Practitioners, Urban Enterprise + Economic Development Australia, 2016

The survey results highlight the suite of initiatives employed by economic development practitioners to achieve key objectives for economic development. These include:

ATTRACTING NEW BUSINESS AND INVESTMENT

- Meeting with prospective businesses
- Provision of research and information to prospective businesses
- Working with the planning unit
- Industry prospectus
- Marketing opportunities

SUPPORTING EXISTING BUSINESSES

- Business training sessions
- Business networking sessions
- Industry newsletters
- Industry research
- Business mentoring
- Business incubator/centre
- Management of shopping strip special rates
- Business efficiency network

IMPROVING THE STANDARD OF LIVING (JOBS, PARTICIPATION, INFRASTRUCTURE)

- Job market facilitation
- Natural disaster recovery (floods, bushfires)
- Skilled migration services
- Careers forums for students
- Economic and community asset development / refurbishment / management

GROWING THE VISITOR ECONOMY

- Destination development
- Marketing and promotions
- Tourism promotion and tourism industry development
- Manage visitor information centre/s and online content

RESIDENT ATTRACTION

- Promotion of location to new residents

1.5. YARRA ECONOMIC DEVELOPMENT STRATEGY 2015 - 2020

The existing Yarra Economic Development Strategy was prepared by Urban Enterprise in 2015. Table 1 summarises the strategic goals, objective and priorities of the Strategy.

The Strategy was focused around three strategic goals:

1. A Smart City;
2. Thriving and Vibrant Precincts; and
3. A Socially Responsible Business Community.

The objectives of the previous EDS shown in Table 1 have mostly been achieved and the majority of actions have been completed and implemented, with a significant proportion achieving positive economic, employment and social outcomes.

It will be critical to identify the actions that remain relevant and have the potential to be carried forward for the Economic Development Strategy (2020 to 2025).

T1. STRATEGIC GOALS, OBJECTIVES AND PRIORITIES – YARRA EDS – 2014 TO 2019

STRATEGIC GOALS	A SMART CITY	THRIVING AND VIBRANT PRECINCTS	A SOCIALLY RESPONSIBLE BUSINESS COMMUNITY
OBJECTIVES	• Facilitate growth in key knowledge and creative sectors • Develop a locally and globally connected economy • Promote Yarra as an innovative and creative business community • Support the growth of SMEs and entrepreneurs • Maintain and improve the competitiveness of Yarra as an attractive business location	• Strengthen the unique character of Yarra's precincts • Support and promote Yarra's arts and cultural assets and experiences • Develop the visitor experience in Yarra • Promote Yarra as a vibrant destination • Grow visitor markets and yield	• Promote employment pathways and training opportunities for socially disadvantaged communities • Increased awareness of sustainable practices • Fostering a local business community • Strengthening of local supply chains
KEY PRIORITIES	• Cluster Development • Partnerships and Collaboration • Industry Development and Support • Organisational Delivery	• Infrastructure and Maintenance • Positioning and Activation • Destination Development	• Local Employment Opportunities • Local Supply Chains • Sustainable Business Practices
TRACKING PROGRESS	• Growth in knowledge sector jobs and businesses • Growth in creative sector jobs and businesses • Improved planning and compliance permit times	• Growth and dispersal of visitation • Improved streetscapes and urban form • Improved viability of precincts • Greater capture of local retail spending • Growth in retail, hospitality and tourism employment	• Unemployment rate of disadvantaged communities • Business participation in employment pathway programs • Business participation in sustainable business programs

Source: Yarra Economic Development Strategy (2014 – 2019), City of Yarra 2014

1.5.1. KEY OUTCOMES OF THE STRATEGY

The Yarra EDS (2015 – 2020) has been largely implemented, resulting in a broad range of positive economic, employment and social outcomes for Yarra residents, workers, businesses and visitors.

The previous EDS has delivered a suite of positive economic, social and community outcomes over the life of the Yarra Economic Development Strategy (2014 to 2019). By monitoring, measuring and benchmarking key indicators, the City of Yarra has been able to track the progress of strategies and actions. A general overview of some of the key outcomes of the Strategy are discussed below.

STRATEGIC GOAL: A SMART CITY

Growth in Key Knowledge and Creative Sectors

- All IMAP Councils experienced employment growth, with the largest increase occurring in Yarra (excluding the City of Melbourne).
- Between 2011 and 2016, employment in Yarra increased by 13,472 workers (+20%). Professional, Technical and Scientific Services experienced the largest growth over this period, with an additional 3,118 workers.
- Each IMAP council experienced growth in the creative services sector, with Yarra increasing at the highest rate (40% between 2011 and 2016). This was led by notable employment growth in the Software and Interactive Content; Advertising and Marketing and Architecture, Design and Visual Arts.

Office demand

- In October 2017, the City Fringe Market vacancy rate declined to 2.1%, the lowest ever recorded for the City Fringe Market. This is the outcome of strong demand and low levels of supply.
- The City of Yarra is currently experiencing a significant increase in office related planning permit activity. There are currently over 24 active planning permits which are under assessment with a total of 193,000 sqm of office floorspace, and an additional 65,000 sqm of office floorspace which has been approved since 2016. Given that over the past seven years, the City of Yarra averaged approximately 20,000 sqm of office floorspace approved per annum, the current level of development interest is unprecedented in the City of Yarra.

Business Activity

- Between 2015 and 2017, there was a net increase of 935 businesses in Yarra. Close to a quarter of the growth was driven by the increase in the Professional, Scientific and Technical Services sector.

Planning for competitive advantage

- The City of Yarra has a significant amount of land in the C2Z, second only to Maribyrnong in the inner-metro Councils. The C2Z does not permit residential use, and therefore limits competition and speculation from residential developers. Office use is generally considered the highest value use in the C2Z (subject to specific site attributes). The C2Z in Yarra has accommodated over 70% of approved office floorspace over the last decade, and accounts for over 80% of floorspace for proposed office developments which are currently under planning assessment.
- Yarra's main office precincts (Cremorne, Collingwood, Richmond) have a good supply of larger sites and older stock which are primed for redevelopment. There are also site-specific opportunities for the development of more boutique and purpose built office developments, which are not available in the CBD or other competing precincts.

OUTPUTS

- A Spatial Employment and Economic Land Strategy developed for Yarra
- Memorandum of Understanding (MoU) established with ACT, MOPT, Epworth, Bendigo Kangan, Royal Flying Doctors Service
- Abbotsford Convent Foundation received $2.7 million to restore the Sacred Heart building
- CoY partnered with CoM on Melbourne Knowledge Week
- Completed Urban Manufacturing Research with Melbourne University
- Building Approval Project completed improving permit times for business

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- Cremorne recognised as an Enterprise Precinct by VPA
- CLUE platform enhanced and extended to include access to IMAP.
- Establishment of City Lab to use technology and data to improve and optimise Yarra's services and assets to meet the needs of the community.

STRATEGIC GOAL: THRIVING AND VIBRANT PRECINCTS

Night time Economy

- The night time economy of Yarra supports up to 4,549 jobs.

Tourism

- Of the 84,359 people working in Yarra, it is estimated that 4,724 jobs are supported by tourism.

Vacancy rates and business mix in retail precincts

- Vacancy rates decreased slightly between 2017 and 2018, a promising sign after 4 continuous years of increases in vacancies
- Health Care businesses increased by 36%.
- Fitness businesses almost doubled, albeit from a low base.
- Professional and Personal Services have steadily increased, with 13% and 10% growth respectively.
- Retail businesses contracted by 15%, with a 30% contraction in Fashion related retail.

OUTPUTS

IMAP Tourism Working Group achieved the following:

- Completed a comprehensive review and update of the IMAP regional tourism map.
- Ensured the continued success of the Melbourne Official Visitors Map - a joint collaboration with Destination Melbourne – through funding which enables an annual circulation of one million copies. The IMAP regional tourism map is included within this brochure. A review of the distribution of this map is currently occurring.
- Promoted attractions in Inner Melbourne for a third year in the cultural guide published by Cultural Tourism Victoria.
- Working with Visit Victoria to ensure our marketing outcomes are in sync with the state's focus.
- Improved Gateway signage on Rathdowne and Nicholson Streets

Other Outputs:

- The Internal liquor related Referral Protocol has improved consistency in the referral process across Council through establishing clear benchmarks for when referrals should be sought.
- Renewal of the Bridge Road Special Charge 2018 – 2024
- Roll out of parking sensors across Yarra's retail precincts
- Annual Retail Precinct Audits conducted providing 5 years of trend data
- Developed streetscape improvement/master plans for Victoria Street, Swan Street, Bridge Road and Brunswick Streets
- Street Activation projects undertaken in partnership with traders in Rathdowne Village, Nicholson Street and Queens Parade
- Shopfront improvement program for Victoria Street
- IMAP wayfinding project
- Roll out of Alpaca Marketing platform to traders in Rathdowne Village, Victoria Street

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STRATEGIC GOAL: A SOCIALLY RESPONSIBLE BUSINESS COMMUNITY

Local Employment

- The unemployment rate for the City of Yarra for 2017 was 5.8%. For the first time since 2014, Yarra's unemployment rate was lower than the state at 6% in 2017.

Employment Growth

- Employment in Yarra increased by 3,182 jobs between 2016 and 2017, equating to a 5.6% increase in jobs

Businesses by staff size

- Between 2015 and 2017, growth in employing businesses outpaced growth in non-employing business. The number of businesses employing 200 or more staff has doubled since 2015 (from 15 to 33).

Local Expenditure

- The total local expenditure estimate for Yarra is $7.352 billion.

OUTPUTS

- Yarra City Council in partnership with Moreland City Council have successfully delivered Young Entrepreneurs in the North Program over the past four years
- Improvements in Councils procurement processes
- Councils Registration of Interest program for local suppliers
- Introduction of an annual Jobs Fair at Victoria Gardens
- Delivered over 40 business events/workshops each year for 5 years
- Fortnightly e-bulletins delivered to over 3,800 businesses
- On average, the Economic Development unit engages with approximately 11,000 businesses per annum.
- Adoption of the Victorian Small Business Engagement Guidelines across all relevant departments
- Commitment to the Small Business Friendly Council Charter
- Increased subscription to database to 11,000.

2. LOCATIONAL CONTEXT

2.1. OVERVIEW

The City of Yarra is an inner-city council in Melbourne, located to the east of Melbourne's CBD.

The municipality consists of seven key localities (Statistical Area 2):

- Carlton North / Princes Hill
- North Fitzroy
- Fitzroy
- Clifton Hill / Yarra North
- Collingwood
- Abbotsford
- Richmond / Cremorne / Burnley

F2. LOCAL CONTEXT

Source: Urban Enterprise, 2019.

Attachment 2 - Attachment 2 - Background Report

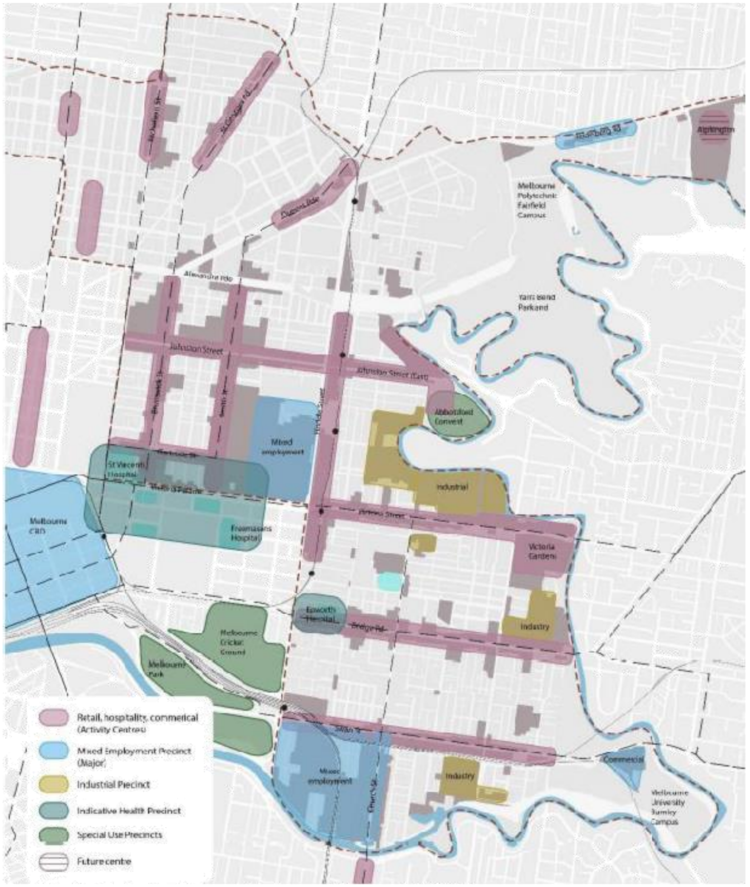
2.2. ECONOMIC & EMPLOYMENT AREAS

Yarra is an economically diverse and dynamic municipality, accommodating a range of mixed employment precincts, activity centres, industrial and health precincts, as shown in Figure 3.

The municipality includes the following key employment areas:

- Mixed employment precincts in Richmond / Cremorne (to the east of Church St and south of Swan St) and Collingwood (bound by Gipps St, Hoddle St and Victorian Pde).
- 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).

F3. ECONOMIC AND EMPLOYMENT CONTEXT - YARRA



Source: Yarra Spatial Economic and Employment Strategy, SGS, 2018

2.3. INNER MELBOURNE ACTION PLAN (IMAP)

Yarra is one of five municipalities that form part of the Inner Melbourne Action Plan (IMAP); a collaborative partnership between the municipalities of Melbourne, Port Phillip, Stonnington, Yarra and Maribyrnong.

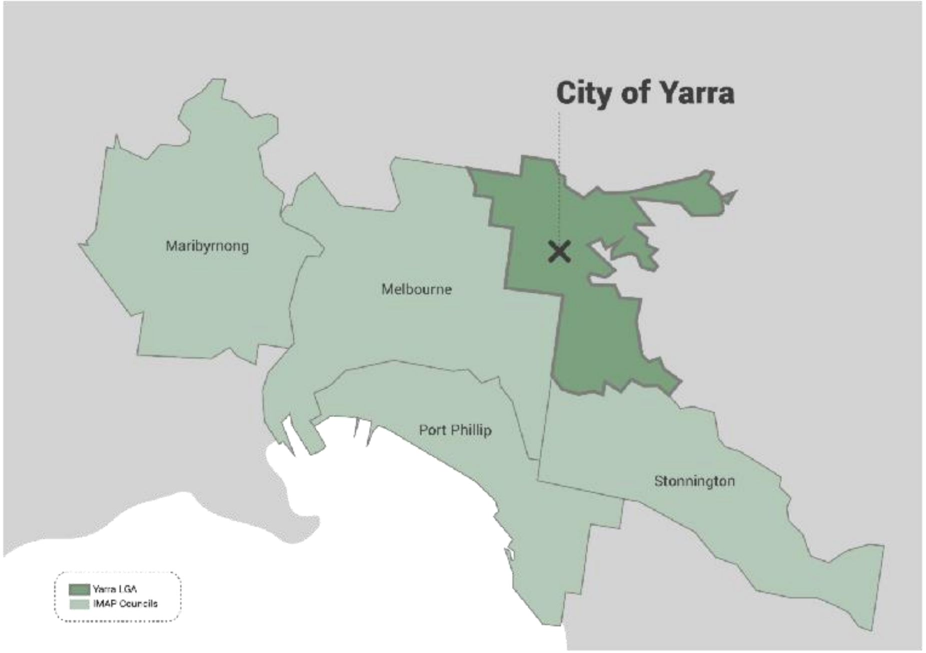
The partnership was established to improve liveability characteristics, achieve collaborative economic outcomes and strengthen the prosperity of the region.

The IMAP action plan was adopted in 2016 and is based on five key goals:

1. A globally significant, strong and diverse economy;
2. A connected transport network that provides real travel choices;
3. Diverse, vibrant, healthy and inclusive communities;
4. Distinctive, high quality neighbourhoods and places; and
5. Leadership in achieving environmental sustainability and climate change adaptation.

IMAP is used as the benchmark for key data sets presented in this Background Report. It is important to note that any reference of IMAP refers to the five Local Government Areas (LGAs), unless otherwise stated.

F4. INNER MELBOURNE ACTION PLAN (IMAP) COUNCILS



Source: Yarra Housing Strategy, City of Yarra, 2018

3. STRATEGIC CONTEXT

3.1. INTRODUCTION

This section provides an assessment of key strategies adopted by the City of Yarra that are considered relevant to economic development in the municipality.

The Strategies that have been assessed include the following:

- Yarra Council Plan (2017 – 2021), 2017;
- Yarra Spatial Economic and Employment Strategy (SEES), 2018;
- Yarra Housing Strategy, 2018; and
- Yarra Night Time Economy Strategy, 2014.

A complete literature review is provided in Appendix A.

3.2. KEY STRATEGIES

3.2.1. YARRA SPATIAL ECONOMIC AND EMPLOYMENT STRATEGY (SEES)

Yarra SEES was prepared by SGS Economics and Planning in 2018 to assist the City of Yarra in understanding the municipality's economic profile, competitive advantages and industry specialisations and how to best respond to trends and drivers to accommodate future business and employment growth to 2031.

EMPLOYMENT TRENDS AND DEMAND DRIVERS

SEES identifies that the Yarra economy is becoming more knowledge based and services oriented, as a result of a well-connected, inner city location with a highly skilled and qualified labour force. Notable employment growth in knowledge-based sectors such as health care, professional and financial services is forecast and expected to materialise to 2031.

SEES estimates that there will be demand for approximately 389,000 sqm of additional commercial floorspace, 89,000 sqm of additional retail floorspace and 206,000 sqm of additional institutional floorspace in Yarra between 2016 and 2031.

According to SEES, other key trends that are impacting Yarra's economy include:

- **Structural economic change** – Yarra is a post-industrial economy, derived by knowledge based services, producing high value outputs, with an increasing emphasis on professional services, health care and education, creative industries and a diverse retail and hospitality offer.
- **Innovation, Knowledge Services** – The competitiveness of Australia's economy will be underpinned by innovation, which commonly involves the use of technology as a tool to solve a problem and leads to the creation of new markets.

- **Mixed Use Employment Precincts** – The Gipps Street Precinct and the Cremorne Precinct are Yarra's two significant mixed employment areas, containing a mix of industrial buildings, warehouses, newer office buildings and some residential dwellings. The diversity of uses found in these areas are linked to its success as a major employment precinct.
- **Niche Manufacturing and Wholesale Trade** – Despite a significant loss in manufacturing employment across Victoria (partly a result of the withdrawal of the automotive manufacturing industry), the decline in manufacturing jobs has been partially mitigated through a growing number of smaller, niche manufacturers and a transition to more advanced and technical manufacturing activities. This is particularly the case in Yarra's Gipps Street precinct.
- **Growth in Health Care** – Growth in health care 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 affirms the strength of the sector in Yarra, both in terms of accommodating St Vincent's and Epworth Hospitals, but also a growing allied health role.
- **Growth in Education** – Yarra has four large tertiary institutions: University of Melbourne (Burnley), Australian Catholic University (Melbourne), Melbourne Polytechnic (Fairfield and Collingwood) and Kangan Institute (Richmond). Further, rapid population growth that has materialised and is forecast to continue in Yarra will generate further demand for education institutions. SEES identifies a current shortfall of education facilities; one of the highest in the metropolitan area.
- **Competing Land Use Priorities** – Landowners and developers typically seek high returns, and residential land uses are often the most feasible for commercial and mixed use zoned land. Residential intensification is more suitable to activity centres due to the access to employment, transport and amenity.
- **Ongoing Retail and Hospitality Growth** – Yarra is a retail and hospitality destination. Yarra retailers indicated that 20% of their trade originates from local residents, with the balance (80%) generated from workers, visitors and tourists. As changes to the retail sector continues to disrupt the industry (e.g. online and e-commerce), traditional store-based and 'bricks and mortar' retailers must evolve to improve the experiential and service offering.

CAPACITY FOR EMPLOYMENT GROWTH

SEES estimates that there is currently 3.6 million sqm of employment floorspace within the City of Yarra, with a theoretical maximum in the order of 4.9 million sqm, resulting in a current capacity of 1.3 million sqm. This is based on development potential under current planning zones.

Based on the Yarra Office Demand Study (2018) prepared by urban Enterprise, there has been a notable surge in planning applications for office developments. Three suburbs account for 89% of the total approved office floorspace: Collingwood (57,000 sqm), Richmond (48,000 sqm) and Cremorne (27,000 sqm).

Table 2 provides a summary of floorspace demand for employment uses to 2031. By 2031, it is estimated that there will be demand for an additional 417,000 sqm of employment floorspace, including close to 390,000 sqm of commercial floorspace and 206,000 sqm of institutional floorspace. Conversely, there will be a reduction in demand for industrial floorspace in the order of 267,000 sqm.

T2. FLOORSPACE DEMAND PROJECTIONS – YARRA – 2016 TO 2031

Land Use	2016	2021	2026	2031	CHANGE (16 – 31)
Commercial	1,060,000	1,255,000	1,372,000	1,449,000	389,000
Retail	913,000	983,000	993,000	1,003,000	89,000
Institutional	456,000	510,000	579,000	662,000	206,000
Industrial	1,011,000	860,000	807,000	745,000	-267,000
Total	**3,440,000**	**3,608,000**	**3,751,000**	**3,859,000**	**+417,000**

Source: SEES, SGS 2018

THE SPATIAL STRATEGY

SEES recommends that the following strategic directions in respect of employment lands between 2016 to 2031 (15 years):

1. Support employment growth in Yarra's Activity Centres
2. Retain and grow Yarra's major employment precincts
3. Identify preferred location for housing growth
4. Support the expansion of health related employment and services in Yarra's health precincts
5. Retain other C2 zoned precincts and sites
6. Retain Yarra's existing industrial precincts for manufacturing and urban services

The EDS should support the directions recommended in SEES, with a particular focus on retaining the primacy of major employment precincts by retaining Commercial 2 Zoned land and directing future residential growth away from these areas, as well as supporting growth in health and education related employment and services.

3.2.2. YARRA HOUSING STRATEGY

The Yarra Housing Strategy was adopted in September 2018. The Strategy provides direction for the preferred locations and nature of housing change in the municipality over the next 15 years (to 2033).

The Strategy identifies the following considerations:

- The importance of retaining employment land except for employment areas where residential development has been identified in existing strategies (e.g. structure plans and local area plans).
- Yarra's activity centres are identified as appropriate locations for new housing, given the proximity to public transport, amenity and other services.
- The importance of providing a diverse mix of housing for residents to support social inclusion and maintain vibrant communities across the municipality.
- The increased need for student housing in proximity to Yarra's major tertiary institutions.
- The need to balance downsizing and 'age in place' to ensure that seniors and elderly are supported and accommodated by dwellings that are suitable to their needs, but also free up larger dwellings to be made available to accommodate families.
- There is a potential under provision of aged care and retirement facilities in the municipality, with a predicted shortfall of 109 beds by 2025.
- There is a need to provide affordable housing options within new residential developments in Yarra.
- Promote and encourage active transport use (walking, cycling) for Yarra residents.
- Promote environmentally sustainable residential developments.
- A housing capacity analysis indicates that Yarra's activity centres can accommodate 14,300 dwellings by 2031, which is sufficient in accommodating projected population growth.
- The major activity centres have the most significant land supply available to accommodate new dwellings in Yarra (e.g. Bridge Rd, Victoria St).

Attachment 2 - Attachment 2 - Background Report

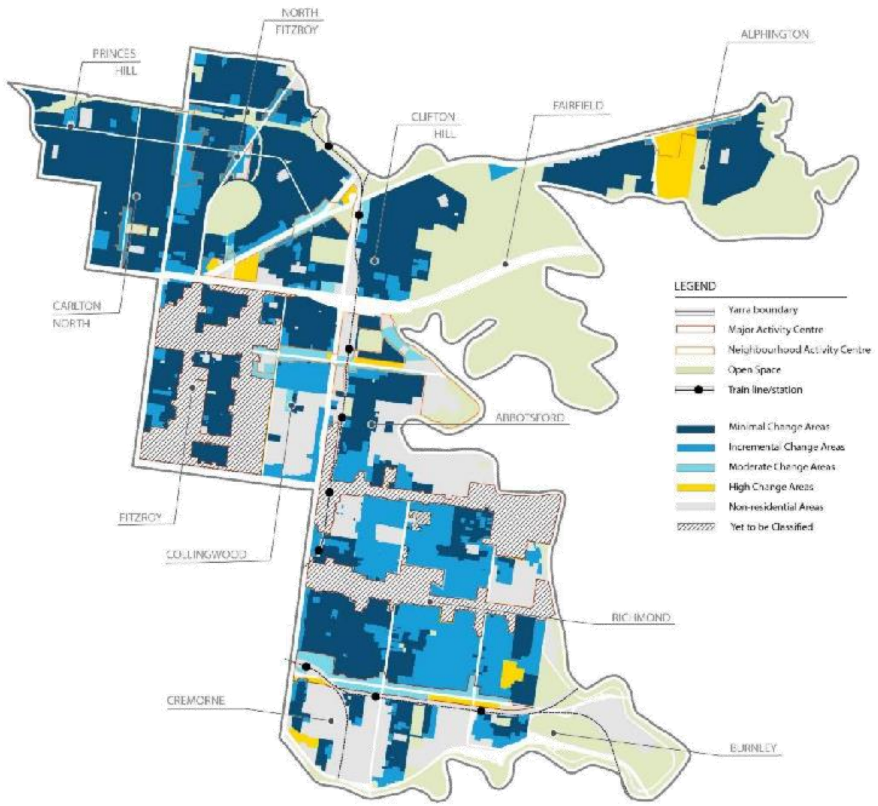
STRATEGIC DIRECTIONS

The Strategy provides four (4) strategic directions to guide housing development in the municipality:

- Strategic direction 1 – Monitor population growth and evolving development trends in Yarra to plan for future housing growth and needs.
- Strategic direction 2 – Direct housing growth to appropriate locations.
- Strategic direction 3 – Plan for more housing choice to support Yarra's diverse community.
- Strategic direction 4 – Facilitate the provision of more affordable housing in Yarra.

Figure 5 provides an overview of the Housing Strategy Framework. The figure shows that the high change areas are located in Alphington (former Paper Mill site), specific sites on Queens Parade, areas within the Swan Street corridor, strategic development sites on Stawell Street and the Richmond Maltings site.

F5. YARRA HOUSING STRATEGY FRAMEWORK



Source: Yarra Housing Strategy, 2018

4. MACRO-ECONOMIC CONTEXT

4.1. BACKGROUND

This section provides an overview of the state of the domestic economy, focussing on the performance and outlook for the Australian and Victorian economies having regard to range of key economic indicators and performance measures.

This section also provides the current state of play for the key public and private sector investment projects that are underway or proposed in Yarra and inner-metro areas, predominantly occurring in urban renewal projects and transport infrastructure upgrades.

4.1. NATIONAL ECONOMIC OUTLOOK

Despite the recent cautions in respect of the national economy, the economic outlook for Australia remains relatively positive. The decline in the economic growth rate since the midway point of 2018 has been primarily attributed to a fall in consumption growth. Consumer spending has been influenced by a long period of weak growth in household income and depressed wages growth.[2]

The Reserve Bank of Australia is forecasting a gradual improvement in consumer spending over the next few years, supported by stronger household income growth and the recently announced tax relief for low-and-middle-income earners. [1]

The Australian economy is forecast to grow by 2.75% in both 2019 and 2020, driven by the forecast increase in consumer spending, along with increased investment across infrastructure, resources and non-mining business as firms invest in additional capacity. By contrast, investment in residential construction is likely to be a drag on the economy for the next few years.[1]

The health care industry in Australia has performed strongly in recent times due to increased government spending and is expected to be a standout, particularly with an ageing population and the continued rollout of the National Disability Insurance Scheme.

The NDIS rollout has also supported the public administration sector, which is being buoyed by stronger government budgets at both federal and state levels.[3]

The RBA reduced the cash rate by 25 basis points for a second consecutive month in July, taking the cash rate to a record low of 1 per cent. In a recent speech, RBA Governor Philip Lowe indicated rates would remain low for an "extended period". Market participants expect a further rate cut by the end of 2019.[4]

Australia's unemployment rate sits at 5.2% as of June 2019, having fallen 0.2% over the past year. Employment growth is forecast to slow to be broadly in line with growth in the working-age population. [1]

The annual inflation rate in Australia rose to 1.6% in the June quarter of 2019 from a 2.5-year low of 1.3% in the previous period. The RBA is forecasting an increase in inflation above 2% over the next two years, taking it within the target rate of 2-3%.

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[2] The Economic Outlook and Monetary Policy, Philip Lowe RBA 2019

[3] Economy is a Tale of Two Halves, Deloitte 2019

[4] Economic Update, Department of Treasury and Finance, August 2019

4.2. STATE ECONOMIC OUTLOOK

Generally, economic conditions in Victoria remain favourable with a positive outlook. Victoria is leading the nation in terms of relative economic growth, which considers a range of indicators such as participation rate in employment, unemployment rate, population growth, construction activity and consumer spending. Combined, these indicators can provide a general overview of how the State's economy is performing relative to historical rates.

Economic activity in Victoria in the December quarter was 26.9% above its 'normal' or decade average level of output, slightly ahead of NSW. Nationally, Australia's gross domestic product grew by 0.4% in the March quarter and 1.8% over the year.[5]

Victoria's population growth remains strong and the highest of the states. Victoria's population increased by 2.2% to reach 6.53 million persons in December 2018, which is notably higher than the national average growth rate (1.6%).[6]

Net overseas migration made the largest contribution to growth, adding approximately 86,000 persons between March 2018 and March 2019.

Victoria's labour market remains strong in 2019 but growth moderated in June Employment decreased by 4,100 persons in June 2019, leaving the unemployment rate at 4.8%. Despite the fall in employment in June, Victoria's unemployment rate has declined over the 12 months June and is below the national rate of 5.2%.[4]

Victoria's labour force participation rate was 66.1% as at June 2019 and remains close to record highs and is up over the year to June.[4]

Key indicators used to measure the current performance of Victoria's economy are as follows:[3]

- **Population growth** - The state with the fastest absolute annual population growth is Victoria (up 2.2%). Population growth an important driver of the broader economy, especially retail spending and housing demand.
- **Unemployment** - Victoria has a strong job market. Trend unemployment in Victoria stands at 4.8%.
- **Retail Expenditure** - Spending in Victoria was 18% above decade average levels in the December quarter. Strong population growth, low unemployment, increased job security and infrastructure investment are key supports for retail spending.
- **Construction activity** - Victoria has retained top spot with construction work completed currently 33.1% above its decade average. This is largely attributed to the significant investment into large-scale infrastructure projects across the State.

Generally economic conditions in Victoria are sound and the outlook is optimistic. However, there are some unfavourable indicators such as depressed wages growth and a further reduction in interest rates to 0.75%, suggesting that economic activity has slowed throughout 2019.

A more stringent lending environment, a sluggish housing market, rising electricity and gas prices and a reduction in household and consumer spending also pose risks to the Victorian economy.

Economic indicators presented in this Background Report indicate that Yarra is well positioned to withstand these risks, demonstrating consistent employment and business growth. Yarra's activity and neighbourhood centres could be impacted by subdued retail conditions and a decline in consumer spending.

[5] State of the States, CommSec April 2019

[6] Economic Update, Department of Treasury and Finance, August 2019

4.3. MAJOR INFRASTRUCTURE / INVESTMENT PROJECTS

There is a significant level of public and private sector projects that are underway or proposed in Yarra and surrounding areas, predominantly occurring in urban renewal projects and transport infrastructure upgrades.

Key infrastructure projects that have recently completed, are planned or are currently underway in the City of Yarra can generate positive flow-on impacts for the regional economy, providing economic stimulus throughout planning, design and construction phases, as well as deliver economic and community benefits once complete and operational.

4.3.1. TRANSPORT

CHANDLER HIGHWAY UPGRADE

The Chandler Highway is being upgraded, improving traffic flow through the addition of four lanes to the previously two lane bridge. The Chandler Highway is an important north-south link, connecting Darebin, Yarra and Boroondara council areas.

The upgrade involved widening Chandler Highway and building a second bridge next to the existing one. The original bridge is being converted into a walking and cycling path.

When completed, the road upgrades will assist in the flow of traffic along the Chandler Highway, as well as along the Eastern Freeway, particularly the freeway entrances and exits linking to the Chandler Highway. The Chandler Highway upgrade is particularly important for the City of Yarra due to the development of the new YarraBend suburb fronting onto Chandler Highway, which will attract at least 5,000 residents and result in an increase in traffic.

Estimated cost: $110 million

Status: Underway.

Estimated Completion date: Late 2019.

MELBOURNE METRO TUNNEL

The development of the Metro Tunnel will provide an important upgrade to Melbourne's train network, as well as alleviate pressure from the stations in the existing city loop. The Metro Tunnel project consist of construction new underground stations at Arden, Parkville, Domain and two new CBD stations directly connected to the City Loop at Flinders Street and Melbourne Central stations.

Some of Melbourne's busiest metropolitan train lines; Sunbury, Cranbourne and Pakenham will run exclusively through the new tunnel. By taking these lines out of the City Loop, other lines will be able to operate more services.

Although the Metro Tunnel does not travel directly through the City of Yarra, its development will alleviate pressure from Richmond Station and other train stations in the City of Yarra, providing key linkages between the CBD and other metropolitan areas.

As a result of the Metro Tunnel, capacity will be created on the network to enable 504,000 more passengers to use the metropolitan rail system during each peak period.

Estimated cost: $11 billion.

Status: Construction underway.

Estimated Completion date: 2025.

STREAMLINING HODDLE STREET

The Victorian Government is upgrading major intersections on Hoddle Street and Punt Road to improve traffic flow. The Hoddle Street and Punt Road corridor is a critical north-south link to the east of the city, and is Melbourne's busiest arterial road with 330,000 people travelling along and across it every day. These significant changes to one of Melbourne's busiest intersection provides more 'go time' at green lights, improves traffic flow and reduces travel times on Hoddle Street and Punt Road.

The upgrade of Hoddle Street involves four key intersection upgrades. A critical upgrade was undertaken at the Punt Road intersections with Swan Street and Olympic Boulevard in October 2018 to build Victoria's first Continuous Flow Intersection (CFI).

New pedestrian paths and crossings will be built, as well as dedicated cycle lanes at Swan Street to improve access and safety for cyclists and pedestrians. There will also be dedicated bus and tram lanes and bus priority at traffic lights.

Estimated cost: $110 million

Status: Underway.

Estimated Completion date: Expected to be completed by the end of 2019.

Source: Major Road Projects Victoria, 2019.

4.3.2. URBAN RENEWAL

FITZROY GASWORKS SITE

It is proposed that the 3.9 hectare site, which is bordered by Smith Street, Alexandra Parade, George Street and Queens Parade, will include new housing, a senior high school, a sports centre and open space.

In June 2018, the Minister for Planning rezoned the site as Mixed Use and Public Use Zone 2 (Education) by introducing Amendment C243 to the Yarra Planning Scheme.

The final design has not yet been finalised; however, Development Victoria has identified the following community priorities for inclusion in the project:

- 20 percent of residential housing to be affordable / social housing;
- A new 650-student senior high school;
- A new six-court indoor sports facility and gym;
- Underground car parking; and
- At least eight percent of the site dedicated to public open space.

Estimated cost: $110 million

Status: Site remediation works underway and expected to be complete early 2021.

Estimated Completion date: Construction expected to begin in Early 2021.

Source: Development Victoria, Concept Master Plan, 2019.

YARRA BEND, FORMER ALPHINGTON PAPER MILL SITE

'Yarra Bend' will occupy the former Amcor Paper Mill site in Alphington, a 16.5 hectare site on the corner of Heidelberg road and the Chandler Highway and extending down to the Yarra River.

The vision for this major strategic redevelopment is as a residential precinct with a mix of retail, offices, open spaces and community facilities.

The key elements of the approved Development Plan Overlay, endorsed in May 2016, include:

- 4.5% open space;
- 1,700 square metres of community facilities and multi-purpose sports court;
- 30 metre wide buffer to the Yarra River;
- 5% affordable housing provision;
- 13,500 square meters of retail and commercial floor space; and
- Estimated 2,500 dwelling in the form of town houses and apartments.

The site is owned by joint developers, Glenvill Group and Alpha Partners.

Estimated cost: Estimated $1.2 billion end value.

Status: Construction underway.

Estimated Completion date: TBC.

Source: Glenvill Developments, YarraBend Alphington, 2019.

RICHMOND MALTINGS SITE (MALT DISTRICT)

Construction of The Malt District, a major redevelopment at the former Richmond Maltings / Nylex site in Cremorne has commenced.

Stage one includes a nine-level office tower, and the 12 and 15 stepped-level Coppins Corner tower with more than 200 apartments and retail and hospitality restaurants on the ground level.

When complete, the development will include a microbrewery, and the iconic Nylex clock will be retained atop extended concrete silos.

Estimated cost: $1 billion

Status: Construction underway.

Estimated Completion date: TBC

Source: The Urban Developer 2018

4.4. GLOBAL TRENDS INFLUENCING YARRA'S ECONOMY

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

- Technological advancements and digital disruption;
- A growing and changing population, both domestically and globally;
- Changing work preferences (i.e. flexibility, collaboration, innovation);
- Environmental challenges (e.g. climate change and extreme weather events, land/soil degradation, urban encroachment); and
- Macroeconomic conditions.

This section provides an overview of some of the key macroeconomic trends that are impacting the global and domestic economy that may have implications for Yarra's economy.

THE VICTORIAN 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.[7]

Recent analysis identifies that the sectors forecast to drive future economic growth in Victoria are health care, international education, wealth management, agribusiness and tourism. These sectors are well placed to capitalise on growth in Asia. Victoria can also capitalise on strengths in medical research, ICT, food processing and financial and insurance services.[8]

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.[9]

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.

AUTOMATION 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.[10]

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 most 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.[11]

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 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

[7] The Current and Future State of Victoria, Deloitte, 2016
[8] The Current and Future State of Victoria, Deloitte, 2016
[9] The Current and Future State of Victoria, Deloitte, 2016
[10] What's Now and Next in Analytics, AI and Automation, McKinsey and Company, 2017
[11] What's Now and Next in Analytics, AI and Automation, McKinsey and Company, 2017

less exposed to automation. The jobs that will be most affected include machinery operators, technicians and trades, administration and labourers.[12]

Yarra's workforce largely consists of 'white collar' 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.[13] Therefore, Yarra is well-placed to capitalise on emerging technologies and harness digitisation to achieve positive business outcomes.

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% to the Gross Domestic Product (GDP).[14]

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.[15]

There is a notable difference between millennial SME's compared with others. Research shows that Millennials are more focussed on business investment having regard to business growth and are heavily reliant on digital channels as a means to generate revenue.[16]

50% of SME's identify competition as one of the key challenges facing business growth, citing that a significant number of competitors in the industry is stymieing growth. However, many SME's believe the competitive advantage of the industry is the ability and capacity to be adaptable and flexible to change.[17]

Whilst there has been an increase in the number of larger businesses 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.

THE GIG ECONOMY

'The gig economy' refers to contract, temporary and free-lance work. The popularity and regularity of people working within the gig economy is on the rise in Australia and New Zealand. 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.[18]

The gig economy is predominantly underpinned by advancements in technology, but is also largely driven by the younger cohorts entering the labour force who typically seek flexibility over stability, as well as the growing demand for niche skills across various sectors.[19]

Whilst it is recognised that the gig economy will never 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 and a lesser requirement for permanent business accommodation due to the ability to work remotely.

5G networks are 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;

[12] The New Work Order, Foundation of Young Australians, 2017
[13] ASX Top 20 Innovative Companies, Collective Campus / AFR, 2018
[14] Understanding Australia's Small to Medium Enterprises, NAB, 2017
[15] Understanding Australia's Small to Medium Enterprises, NAB, 2017
[16] Understanding Australia's Small to Medium Enterprises, NAB, 2017
[17] Understanding Australia's Small to Medium Enterprises, NAB, 2017
[18] Understanding the Gig Economy, SEEK, 2018
[19] Understanding the Gig Economy, SEEK, 2018

- Lower latency – the time it takes information to get from your phone to the wider internet and back again; and
- More simultaneous connections - 5G will allow more devices to connect to the network at the same time.

The 5G network 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.

A limited number of Telcos have released the 5G network but is largely expected to be rolled out throughout 2020, presenting opportunities for faster mobile networks and connections between smart devices.

START-UPS / CO-WORKING SPACES

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 increase in supply and growing popularity of co-working spaces, as well as the funding committed by Government (Launch Vic) to build support infrastructure for start-ups.

There are approximately 1,100 start-ups in Melbourne with strong performance in the following three sectors:

- Advertising Technology – analytics, distribution and target marketing tools used in advertising;
- Biotech and Life Sciences – Biotechnology, pharmaceuticals, biomed technologies, life systems technologies, cosmeceuticals, biomedical devices; and
- Health Tech – Medical technologies for diagnostics, monitoring, treatment and ongoing care, as well as technologies related to medical administration and costs like insurance, remote healthcare and cost-management.

Melbourne is known as the start-up capital of Australia and 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.[20]

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.[21]

Yarra has a significant number of the 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 & CBD FRINGE OFFICE MARKET

As at July 2019, the vacancy rate in Melbourne's CBD office market was at a record low of 3.3%. Vacancies across different grade of office space are as follows[22]:

- Premium grade office space – 4.1%
- A-grade office space - 1.5%
- B-grade office space – 7.2%
- C-grade office space – 3.6%

[20] The Australian Co-Working Market Report, Office Hub, 2018

[21] The Australian Co-Working Market Report, Office Hub, 2018

[22] Office Market Report, Property Council of Australia (PCA), 2019

The record low vacancy rates in Melbourne CBD is a result of strong underlying demand. 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.[23]

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 onerous 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.[24]

The demand for 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. The growing popularity of Richmond/Cremorne as a creative and technology hub is highlighted by:[25]

- A 20% increase in rents between 2016 and 2017;
- Over 200,000 sqm of development applications (approved or under assessment) in the year ending September 2017;
- An increase in the average size per development application, increasing from 6,400 sqm in 2013 to over 6,000 sqm in 2017;
- A rapid increase in land values, with the average land rate for development opportunities effectively doubling between 2015 and 2018 ($6,000/$7,000/sqm to $13,000/sqm).

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. However, many of these remain uncommitted and present a risk for office vacancy rates in Yarra.

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 a net zero greenhouse gas emissions, climate-resilient community and economy.[26]

In 2017, the State 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.[27]

The City of Yarra Council and community is recognised as a leader in sustainable practices and environmental initiatives. Council implements best practice carbon management at the local government level, becoming the first accredited carbon neutral Council in Victoria in 2012 (and the second in Australia).

In 2017 Council announced a partnership in the Melbourne Renewable Energy Project (MREP), which includes a collection of local governments, cultural institutions, universities and corporations who purchase renewable energy from a newly built facility. Some of Yarra's positive environmental initiatives and outcomes include:[28]

- Reducing greenhouse emissions (before offsets) by 38% from 2001 levels
- Meeting 25% of energy needs from local, renewable and low carbon sources
- Water tanks at over 35 sites, including many parks and reserves

[23] Office Market Report, Property Council of Australia (PCA), 2019
[24] Office Market Report, Property Council of Australia (PCA), 2019
[25] Richmond and Cremorne emerge as Melbourne's Silicon Valley, CBRE, 2018
[26] Climate Change Act, DELWP, 2017
[27] Australia's 2030 Climate Change Target, Department of Energy and Environment, 2015
[28] Sustainability Initiatives, City of Yarra 2019

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 of a 'green' business community will involve strengthening existing renewable energy initiatives and promoting green business practice through the Yarra Sustainability Awards and key Council strategies.

Yarra Council has committed to urgent action to respond to the global climate emergency. Yarra was the first council in Victoria to be accredited as carbon neutral, a status that has been maintained since 2012. Yarra is also one of the first councils in the world to declare a climate emergency in 2017.

GROWING DEMAND FOR HEALTH CARE

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 the 'senior' and 'elderly' category. The forecast ageing of the population is partly attributed to the increase in life expectancies borne from advancements in health care and social assistance.[29]

Global healthcare is growing rapidly and is attributed to a significant increase in global healthcare spending, 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:[30]

- Revenue pressure and rising industry costs are demanding more innovative and cost effective solutions to patient care;
- An ageing population is resulting in higher health related issues in developed economies;
- Higher-income households;
- Increase in chronic diseases (e.g. diabetes, heart disease); and
- Unprecedented population growth in developing and developed economies.

Yarra includes two major health precincts in Fitzroy (St Vincent's Hospital) and Richmond (Epworth Hospital). With a growing demand for health care and related services, the importance and role of these precincts is expected to strengthen in the future.

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.[31]

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 such as robotics, drones and 3D printing.[32]

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), provide a highly specialised or niche product and are typically horizontally integrated in networks of suppliers, distributors, and subcontractors.[33]

Melbourne Makers is a promotional platform for urban manufacturers, providing an overview of business types across IMAP Councils. Melbourne Makers shows that there a clustering of urban manufacturers in and around the Gipps Street Precinct, with activities generally occurring in arts and culture, food and beverage, textiles and fashion, personal service and Information Media and Telecommunications.

[29] Population Forecasts, Victoria in Future, Department of Environment, Land, Water and Planning (DELWP), 2016
[30] Global Healthcare Outlook, Deloitte, 2016
[31] The Current and Future State of Victoria, Deloitte, 2016
[32] Digital Disruption: What do Governments Need to Do? The Productivity Commission, 2016
[33] The Rise of Urban Manufacturing, SGS, 2014

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 household's inclination to spend, particularly on discretionary items such as retail.

Retail turnover growth slowed throughout the second half of 2018 and into 2019.[34] Retail conditions are forecast to continue throughout the remainder of 2019 and 2020. The biggest retail category improver in 2018 was clothing, footwear and accessories, as well as cafes, restaurants and take away food, which maintained consistent growth as consumers continue to spend healthily on leisure and experience based retail such as dining out.

The number of major retailer defaults is on the rise in Australia, indicated by the announcement of major retailer closures such as Big W (closure of 30 stores) and David Jones (closure of select stores and a reduction in floorspace). Shopping centre owners and landlords can look to repurpose vacant space into more service-based offerings such as gyms, fitness centres, hospitality, child care and entertainment.[35]

Digital retailing is becoming more prevalent too. In 2018, the number of online purchases in Australia grew by over 20%.[36] Despite the growth in online sales, 90% of retail transactions remain in-store, indicating that in-store retailing remains the preferred option. With the growing prevalence of online retail activity, retailers are increasing their omnichannel retail strategy, enabling people to interact either in-store or online, on a multitude of devices.[37] It is estimated that by 2020, approximately 35% of retail sales will be web influenced.[38]

Some retail centres and strips are responding to online competition by seeking to improve the shopping "experience", something that cannot be replicated online. This includes a greater focus on hospitality, entertainment and meeting places co-located with retailers.[39]

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

The report surveyed 33 retail strips in inner and middle metropolitan suburbs and found that retail strips with lower vacancies are those that have evolved from simply 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 dwellers, with a view to benefitting retailers and retail strips.

Yarra conducts economic research across the municipality's key retail precincts to record vacancies and track changes to businesses in order to monitor trends across each centre. The research, known as 'Precinct Pulse' is based on data that is collected from approximately 3,000 ground floor businesses across 12 retail precincts.

Table 3 (overleaf) provides a summary of the findings from Precinct Pulse. There are different trends occurring across Yarra's retail precincts. Bridge Road, Johnston Street, Victoria Street and Nicholson Street Village are all experiencing high vacancy rates and are in the order of 11% to 18%.

[34] Australia Economic Outlook, Deloitte, 2019
[35] Real Estate Market Outlook 2019, CBRE, 2019
[36] Inside Australian Online Shopping, e-commerce industry report, Australia Post, 2019
[37] Retail Trends: What is Digital's Impact on the Retail Sector, PWC, 2017
[38] Real Estate Market Outlook 2019, CBRE, 2019
[39] Retail Trends: What is Digital's Impact on the Retail Sector, PWC, 2017

Attachment 2 - Attachment 2 - Background Report

Fashion retail businesses in Bridge Road and Brunswick Street have declined, whilst there has been a surge in hospitality related businesses and hair and personal services businesses in Bridge Road, Smith Street and Swan Street.

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. Health care, wellness and fitness related businesses have surged in Yarra's retail 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).

T3. YARRA'S ACTIVITY CENTRES – PRECINCT PULSE SUMMARY - 2019

Precinct	Suburb	Businesses	Turnover Rate	Vacancy Rate (2019)	Key Changes in retail Mix (2014 to 2019)
Bridge Road	Richmond	349	9%	16% - 18%	+114% in health care -56% fashion +600% fitness (from 1 to 7) +44% hair and personal services
Smith Street	Collingwood, Fitzroy	313	11%	6% - 7%	+20% grocery and fresh food -25% recreational retail +50% bars and pubs +69% professional services
Brunswick Street	Fitzroy	293	9%	7% - 8%	+35% bars and pubs +25% hair and personal services -6% fashion
Johnston Street	Collingwood, Fitzroy, Abbotsford	267	15%	14% - 15%	+83% recreational retail +33% fashion +15% hair and personal services -37% homewares
Swan Street	Richmond, Cremorne	239	9%	12% - 14%	-26% all retail +30% bars and pubs +21% cafes and restaurants
Victoria Street	Collingwood	207	11%	16% - 18%	+40% hair and personal services -5% cafes and restaurants -16% grocery and fresh food
Church Street	Richmond, Cremorne	183	9%	8% - 9%	+17% health care +10% bars and pubs +7% homewares
Nicholson Village	Carlton North	127	10%	11% - 12%	-11% cafes and restaurants +18% professional services +113% health care
North Fitzroy Village	North Fitzroy	123	8%	8% - 9%	+9% cafes and restaurants +33% health care -27% professional services
Gertrude Street	Collingwood, Fitzroy	110	15%	6% - 7%	+13% fashion +38% health care -11% cafes and restaurants
Queens Parade	Clifton Hill	107	3%	7% - 8%	-3% cafes and restaurants -5% all retail +30% health care
Rathdowne Village	Carlton North	89	13%	5% - 6%	-17% cafes and restaurants +6% all retail +14% hair and personal services

Source: Precinct Pulse, City of Yarra 2019

THE HOUSING MARKET

Melbourne's housing market is in the midst of a correctional phase, with recurring quarters of house and unit price declines from the second half of 2018. This is a result of several regulatory and political factors, including:[40]

- A stricter lending environment, led by the recommendations of the Royal Commission in to the misconduct in the banking, superannuation and financial services industry;
- The recent federal election, which provided uncertainty to investors and owner-occupiers, with Labor's proposed changes to negative gearing and capital gains tax looming as possibilities; and
- Potential changes to Australia's overseas migration policy, resulting in caps to net overseas intake.

Slowed construction activity, interest rate cuts and steady population growth has put a floor underneath the decline in house and unit prices in Melbourne and are expected to commence an upward trend in 2020.[41] Melbourne recorded a 5.8% increase in new lending commitments in July 2019 for investment and owner occupier dwellings, indicating a strengthening of demand for housing.

The median house and unit prices in Yarra indicate that the municipality is less affordable when compared with middle and outer metropolitan areas, further highlighted by the above average house and unit prices and the growing proportion of renters; 40% private renting and 10% social housing renting.

The rising property and rental values in Yarra present risks for Yarra's comparatively younger workforce and resident population, as it could become an increasingly unaffordable place for younger aged cohorts to live.

[40] Real Estate Market Outlook 2019, CBRE, 2019

[41] Moody's Analytics Australia Home Value Index Forecast, Core Logic, 2019

5. DEMOGRAPHIC PROFILE

5.1. INTRODUCTION

This section provides a demographic profile of Yarra residents having regard to:

- Population (historical and projected);
- Age Structure (historical and projected);
- Household Composition;
- Socio-economic profile;
- Housing profile; and
- Property market indicators.

Results are benchmarked against the IMAP Councils where applicable. Further, demographic analysis has been undertaken for Yarra's suburbs (SA2s), including:

- Richmond / Cremorne / Burnley;
- Fitzroy North;
- Fitzroy;
- Carlton North / Princes Hill;
- Clifton Hill / Alphington
- Collingwood; and
- Abbotsford.

F6. DEMOGRAPHIC SNAPSHOT - YARRA

Population (2018) Forecast Population (2036)	98,521 136,454
Median Age (2018)	33 years
Socio Economic Profile (SEIFA, 2016)	6th most advantaged Council area in Victoria (79 councils)
Occupations (2016)	Professionals (43%) Managers (17%)
Median House Price (2017) Median Unit Price (2017)	$1.4 million $580,000

5.2. KEY FINDINGS

POPULATION GROWTH

- In 2018, Yarra's resident population was approximately 98,500. Over the past decade, the municipality has experienced significant population growth. Between 2011 and 2016, the population grew at an average annual rate of 3.2%, adding over 12,500 residents (+2,500 per annum).
- The fastest growing suburbs are Richmond, Abbotsford, Collingwood and Fitzroy. Collectively, these areas account for 85% of Yarra's growth. This is largely attributed to the presence of major activity centres that have accommodated a higher proportion of dwellings, specifically through urban renewal and site specific redevelopments.
- The notable growth rate in Yarra is expected to continue to 2036. The most recent population projections released by Victoria in Future (VIF) forecast Yarra's population to increase by 57%, adding over 50,000 residents by 2036. Similar to historical trends, much of the projected population is expected to occur in Richmond (+19,000 persons), Clifton Hill / Alphington (+8,500 persons), Collingwood (+6,000 persons) and Abbotsford (+8,000 persons).
- The significant increase in population is expected to generate additional demand for housing and employment, as well as household and personal goods and services that is created organically through population growth, including retail, hospitality, health and education, community and civic uses.

AGE PROFILE

- The age profile of Yarra residents consists largely of younger and middle aged cohorts. Persons aged between 20 and 50 years is the most common age profile of residents and accounts for approximately 60% of the population.
- The high proportion of young to middle aged cohorts could be a result of the attractive lifestyle attributes of Yarra, but also the proximity to a diverse range of employment opportunities that are available in inner metropolitan areas. Another contributing factor is the presence of tertiary education facilities in Yarra and surrounding areas. There are four tertiary institutions within the municipality, as well as major institutions such as the University of Melbourne (Parkville) and RMIT (City Campus, Brunswick) nearby. These areas attract a significant number of students and typically generate demand for rental properties and student accommodation in close proximity to education facilities.
- The resident age structure in Yarra is forecast get older to 2036, primarily through a projected reduction in the proportion of persons aged between 20 and 35 years, but also an increase in the proportion of persons aged between 35 and 55, and children aged between 5 and 19 years, indicating that an increase in young and middle aged families could materialise. This may generate additional demand for child care, primary and secondary education facilities in the municipality.
- The proportion of older aged cohorts such as seniors and elderly are forecast to occur over the next 15 years, having implications on aged care and retirement housing and accommodation, aged friendly and all accessible infrastructure and health and social assistance related services.

SOCIO-ECONOMIC PROFILE

- According to the Socio-Economic Index for Areas (SEIFA), Yarra is the 6th most advantaged Council area in Victoria (out of 79). Yarra's position on the index increased between 2011 and 2016, rising eight positions to record an index score of 1084, making it a more advantaged municipality.
- The higher level of socio economic advantage is attributed to relatively low unemployment, a high participation rate in the labour force, a highly skilled and qualified workforce and a higher proportion of middle to high income earners.
- The increasing level of socio-economic advantage may be a result of attracting professional, educated and skilled residents of working age to the municipality due to the favourable lifestyle and employment characteristics, including the proximity and access to employment areas, vibrant activity centres, high quality public transport and a diverse entertainment, retail and hospitality offering.
- Whilst the overall socio-economic profile is high relative to the metropolitan Melbourne and Victorian average, pockets of disadvantage exist within Yarra

(parts of Fitzroy and Collingwood) including higher unemployment, underemployment and low income households.

HOUSING

- Yarra's housing profile is evolving in certain areas due to the scale of population growth that has occurred in the municipality, resulting in a rapid increase in demand for a diverse 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 diverse range of housing needs is expected to continue in the Strategy period (2020 to 2025). The majority of dwelling growth is expected to be absorbed in urban renewal areas such as the former gasworks and paper mill sites in Fitzroy and Alphington. Further, site specific redevelopments continue to appeal to landowners and developers within activity centres and neighbourhood centres. These areas are also expected to accommodate additional demand for dwellings, as they are identified as high to moderate change areas in the Yarra Housing Strategy (2018).
- As stated in the Spatial Economic and Employment Strategy (2018), it will be critical to protect and maintain the primacy of dedicated employment land in the municipality to ensure that employment uses prevail, particularly in major employment precincts (e.g. Richmond, Cremorne, Collingwood).
- The median house and unit prices in Yarra indicate that the municipality is less affordable when compared with middle and outer metropolitan areas, further highlighted by the above average house and unit prices and the growing proportion of renters; 40% private renting and 10% social housing renting.

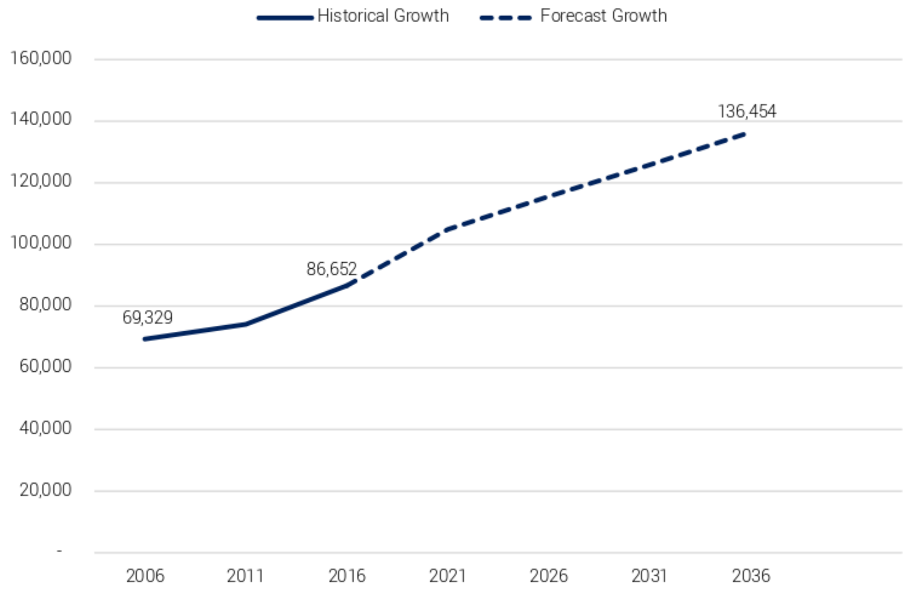
5.3. POPULATION GROWTH

5.3.1. HISTORICAL AND FORECAST

In 2018, the estimated resident population of the City of Yarra was 98,521.

Based on population forecasts, Yarra is projected to reach 136,454 persons by 2036, growing at an average annual rate of 2.3%, which is in-line with the growth rate experienced in the past decade.

F7. HISTORICAL AND FORECAST POPULATION GROWTH – CITY OF YARRA – 2006 TO 2036



Source: Australian Bureau of Statistics 2006, 2011 & 2016

HISTORICAL POPULATION GROWTH

Table 4 shows the historical population of the City of Yarra, categorised by SA2. As at 2016, the most significant proportion of the municipality's population was concentrated to Richmond (35%), followed by Fitzroy North (14%) and Fitzroy (12%).

Between 2011 and 2016, the most significant population growth was experienced in Abbotsford, adding approximately 3,300 persons and growing at an average rate of 10.8% per annum.

Other notable population increases occurred in Richmond (+4,382 persons) and Collingwood (+2,043 persons), which is likely attributed to the significant urban renewal areas and site specific residential developments that are occurring in these areas.

The population in Carlton North / Prince Hill experienced much lesser growth, adding 129 persons between 2011 and 2016. This is a result of planning controls that are applied to large tracts of these areas, due to the preservation of neighbourhood character and heritage aspects.

T4. HISTORICAL POPULATION – CITY OF YARRA, 2011 & 2016

SA2	2011	2016	Change	Change (%)	AAGR (%)
Abbotsford	4,905	8,184	3,279	67%	10.8%
Carlton North / Princes Hill	8,297	8,426	129	2%	0.3%
Collingwood	6,469	8,512	2,043	32%	5.6%
Fitzroy	9,433	10,447	1,014	11%	2.1%
Fitzroy North	11,472	12,338	866	8%	1.5%
Richmond	26,120	30,502	4,382	17%	3.2%
Clifton Hill / Alphington	8,134	9,041	907	11%	2.1%
City of Yarra	**74,834**	**87,453**	**12,619**	**17%**	**3.2%**

Source: Australian Bureau of Statistics, 2011 & 2016

PROJECTED POPULATION GROWTH

Table 5 summarises the population forecasts in the City of Yarra and suburbs between 2016 and 2036. According to Victoria in Future, the population of the municipality is forecast to increase from 87,453 persons in 2016 to an estimated 137,539 persons in 2036, representing a 57% change in population at an average rate of 2.3% per annum.

Whilst most suburbs are projected to experience notable increases in population, historical trends are expected to continue, with Richmond, Abbotsford and Collingwood forecast to accommodate close to two thirds (63%) of the municipality's growth.

Significant population growth is forecast across the municipality. Given that there are limited larger-scale vacant sites available, Yarra is expected to become more densely populated in certain areas, which may further exacerbate congestion issues faced by residents and commuters.

T5. FORECAST POPULATION – CITY OF YARRA, 2016 & 2036

SA2	2016	2036	Change	Change (%)	AAGR (%)
Abbotsford	8,184	14,263	6,079	74%	2.8%
Carlton North / Princes Hill	8,426	9,718	1,292	15%	0.7%
Collingwood	8,512	14,598	6,086	71%	2.7%
Fitzroy	10,447	14,970	4,523	43%	1.8%
Fitzroy North	12,338	16,675	4,337	35%	1.5%
Richmond	30,502	49,800	19,298	63%	2.5%
Clifton Hill / Alphington	9,041	17,515	8,474	94%	3.4%
City of Yarra	**87,453**	**137,539**	**50,089**	**57%**	**2.3%**

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

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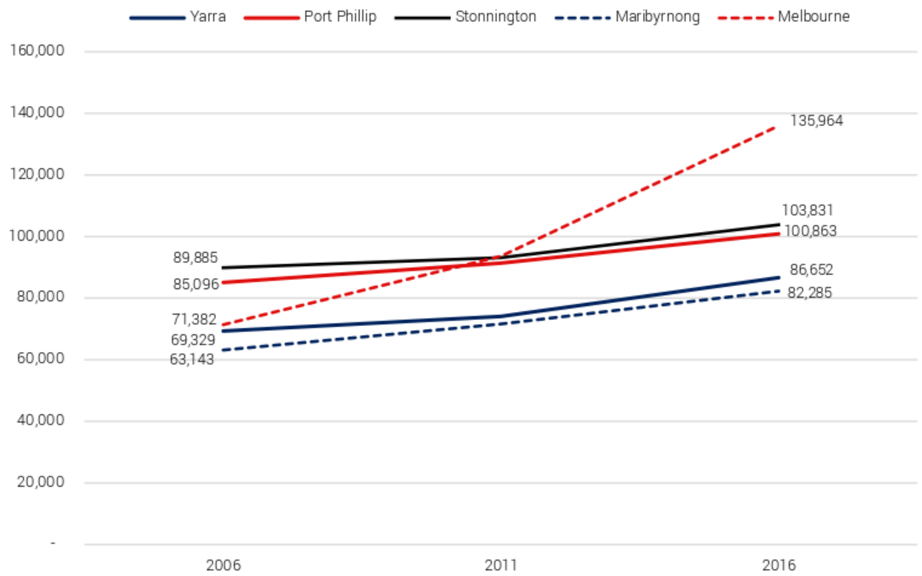
5.3.2. IMAP POPULATION

HISTORICAL POPULATION

In the past decade, City of Yarra's population has increased from approximately 69,000 to 86,500, representing a total growth rate of 25%. This positions Yarra as the third fastest growing IMAP Council, behind City of Melbourne (+90%) and Maribyrnong (+30%).

F8. HISTORICAL POPULATION – IMAP COUNCILS – 2006 TO 2016



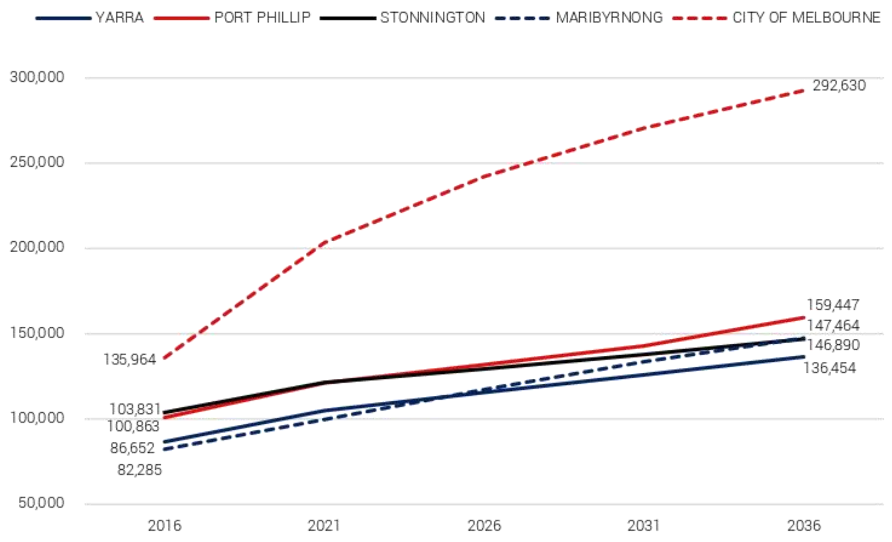
Source: Australian Bureau of Statistics 2006, 2011 & 2016

FORECAST POPULATION

The population of City of Yarra is projected to increase by approximately 50,000 persons (+57%) by 2036, growing at an average annual rate of 2.3%.

Collectively, the IMAP Councils are expected to accommodate an extra 883,000 persons, which is expected to have significant implications in regard to the economic profile and workforce in the region, generating additional demand for employment, housing, community infrastructure and services and population-driven services (e.g. health, retail, hospitality, service industrial).

F9. FORECAST POPULATION – IMAP COUNCILS – 2016 TO 2036



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

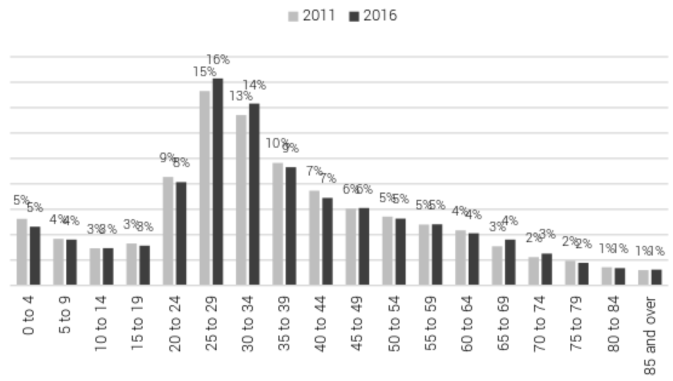
5.3.3. AGE PROFILE

HISTORICAL

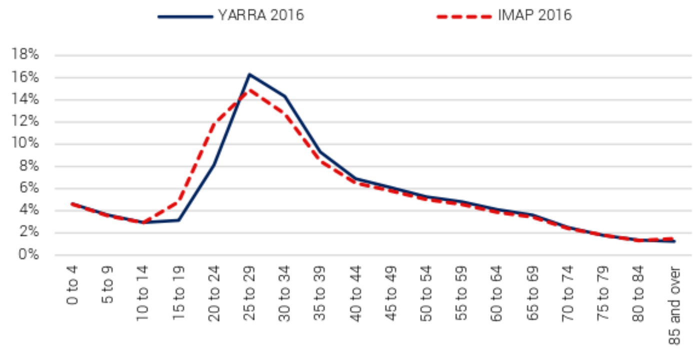
The age profile of Yarra residents did not materially change between 2011 and 2016. Close to 50% of Yarra residents are aged between 20 and 40 years, indicating a high representation of younger to middle aged cohorts in the labour force.

The age profile of Yarra residents is comparable to the IMAP Councils. However, Yarra has a slightly higher proportion of persons aged between 25 and 40 years and a slightly lower proportion of persons aged between 15 and 25 years.

F10. AGE GROUP – CITY OF YARRA – 2011 & 2016



F11. AGE GROUP – YARRA & IMAP COUNCILS – 2016



Source: Profile Id. 2019

Attachment 2 - Attachment 2 - Background Report

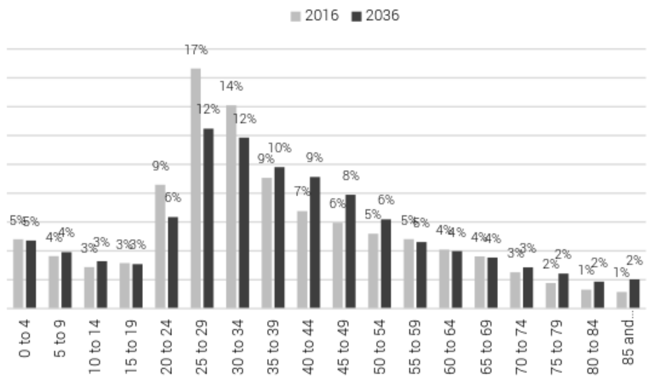
FORECAST AGE PROFILE

The age profile of Yarra residents is projected to shift over the next 20 years, with a growing proportion of middle aged cohorts; notably persons aged between 40 and 60 years.

Further, the higher representation young persons (both students and working age) in Yarra is projected to decrease, with a reduction in persons aged between 20 and 35 years, as shown in Figure 12.

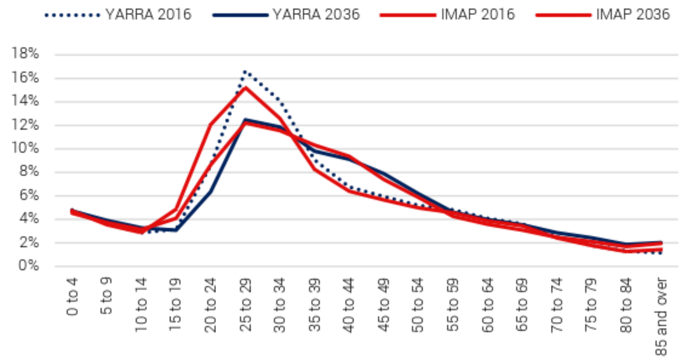
The age profile of Yarra residents is expected to closely reflect the IMAP Councils to 2036, with a slightly lower representation of persons aged between 18 and 25 years, which could be attributed to the significant number of students accommodated in the City of Melbourne (i.e. University of Melbourne, RMIT).

F12. AGE GROUP – CITY OF YARRA, 2016 & 2036



Source: Profile id. & Forecast Id. 2019

F13. AGE GROUP – IMAP COUNCILS AVERAGE, 2016 & 2036



Source: Profile id. & Forecast Id. 2019

5.4. SOCIO-ECONOMIC PROFILE

5.4.1. SEIFA

The Socio-Economic Index for Areas (SEIFA) Index measures the relative level of socio-economic disadvantage based on a range of Census characteristics. The index is derived from attributes that reflect disadvantage such as low income, low educational attainment, high unemployment, and jobs in relatively unskilled occupations. A higher score on the index means a lower level of disadvantage (or higher level of advantage). The national average index score is *1,000*, with a score below *1,000* on the index indicating that area has a higher level of disadvantage relative to the national average.

In 2016, Yarra ranked 74 out of 79 LGAs in Victoria, which makes it the fifth most advantaged municipality in Victoria. This is partly attributed to a higher proportion of higher income households, a low level of unemployment and employment in highly skilled professions.

Yarra's position on the index increased significantly between 2011 and 2016, rising from 66 to 74.

T6. SEIFA – YARRA - 2011 & 2016

	2011		2016	
LGA	Ranking within VIC (79 LGAs)	SEIFA Index	Ranking within VIC (79 LGAs)	SEIFA Index
Stonnington	77	1,098	78	1,120
Port Phillip	75	1,077	77	1,101
Yarra	**66**	**1,042**	**74**	**1,081**
Melbourne	70	1,051	72	1,071
Maribyrnong	46	988	58	1,019

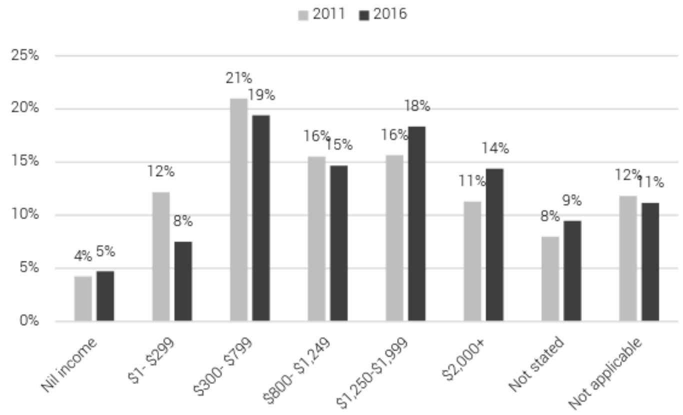
Source: Australia Bureau of Statistics, SEIFA Index, 2011 & 2016.

5.4.2. HOUSEHOLD INCOME

Weekly household incomes in Yarra experienced a notable increase between 2011 and 2016. The number of middle-income households earning between $1,250 $1,999 increased by approximately 4,300. Higher income households earning $3,000 or more increased by approximately 4,000.

Further, the number of low income earners reduced in that time. Households earning between $1 and $999 decreased by approximately 2,504.

F14. HOUSEHOLD INCOME- CITY OF YARRA, 2011 & 2016

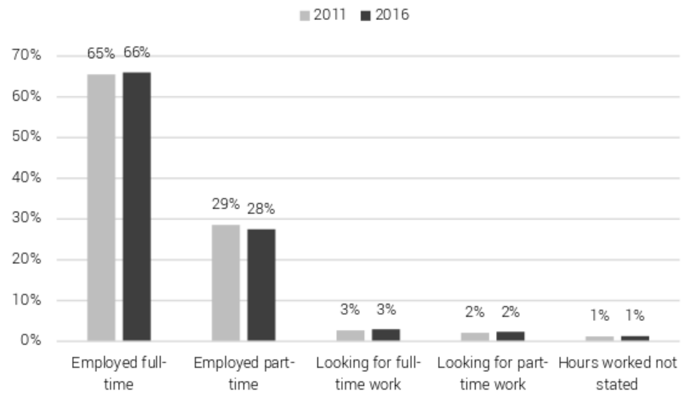


Source: Australia Bureau of Statistics, 2011 & 2016.

5.4.3. EMPLOYMENT STATUS

Yarra has a high participation rate in employment, with two-thirds of workers employed full-time. A further 28% are employed part-time.

F15. EMPLOYMENT STATUS – CITY OF YARRA, 2011 & 2016



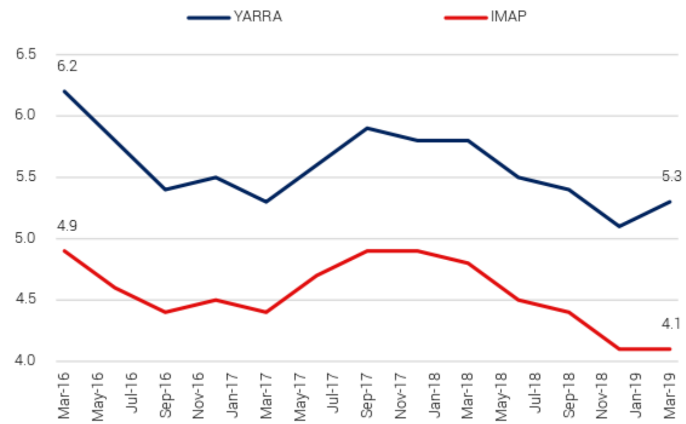
Source: Profile Id. 2019

5.4.4. UNEMPLOYMENT RATE

As at March 2019, the unemployment rate in City of Yarra was 5.3%, which is higher when compared with the IMAP Councils (4.1%).

The unemployment rate in Yarra has been steadily declining since mid-2017, with a minor increase in the first quarter of 2019.

F16. UNEMPLOYMENT RATE – IMAP COUNCILS – 2016 TO 2019



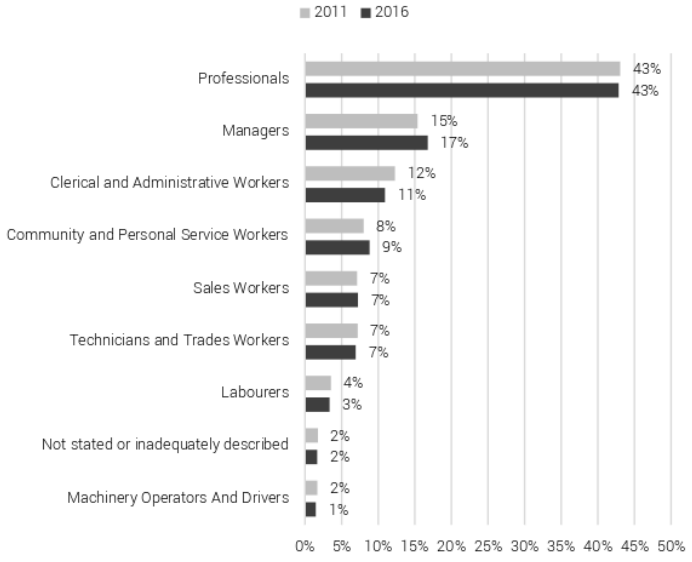
Source: REMPLAN 2019

5.4.5. OCCUPATION

The Yarra labour force is highly skilled and highly professional, reflected by the occupations held by employed residents. 43% of occupations are professionals and a further 17% are managers.

There is a lower representation of 'blue collar' workers, reflected by the proportion of labourers (3%) and technicians and trade workers (7%).

F17. OCCUPATION – CITY OF YARRA, 2011 & 2016



Source: Profile Id. 2019

5.5. HOUSING PROFILE

5.5.1. DWELLING GROWTH

There are over 44,000 private dwellings in the City of Yarra. Between 2011 and 2016, the municipality experienced significant dwelling growth, accommodating an additional 7,100 dwellings (+19%) in that time. This equates to an additional 1,400 dwellings per annum, increasing at an average rate of 3.6% per annum.

Dwelling growth has largely occurred through site specific redevelopments, allowing a significant influx of medium density housing. Infill development is occurring across much of the municipality, but is particularly prominent in Richmond, Abbotsford, Collingwood and Fitzroy.

Notable dwelling growth is forecast to occur in Yarra to 2036. A large proportion of dwelling growth is expected to be absorbed across infill and site specific developments and major urban renewal projects such as the redevelopment of the former Gasworks site in Collingwood and the former Amcor papermill site progresses.

Yarra remains a highly desirable place to live, providing ample employment opportunities and lifestyle benefits including a diverse retail mix, a high-quality hospitality and entertainment offering, public open spaces, access to public transport and close proximity and access to the CBD.

T7. DWELLING GROWTH –IMAP COUNCILS (EXC. CITY OF MELB), 2011 & 2016

	2011	2016	CHANGE	CHANGE (%)	AAGR (%)
Yarra	36,924	44,033	7,109	19%	3.6%
Port Phillip	52,414	57,869	5,455	10%	2.0%
Stonnington	47,118	54,176	7,058	15%	2.8%
Maribyrnong	31102	35,738	4,636	15%	2.8%
Total	**167,558**	**191,816**	**24,258**	**14%**	**11%**

Source: Australian Bureau of Statistics 2011 & 2016.

T8. DWELLING PROJECTIONS – IMAP COUNCILS (EXC. CITY OF MELB) – 2016 TO 2036

	2016	2021	2026	2031	2036	CHANGE	CHANGE (%)	AAGR (%)
Yarra	44,033	52,346	58,552	63,453	68,654	23,684	53%	2.1%
Port Phillip	57,869	65,355	72,234	78,282	86,844	29,321	51%	2.1%
Stonnington	54,176	61,113	66,331	70,442	74,902	20,795	38%	1.6%
Maribyrnong	35,738	42,150	50,495	58,076	65,028	29,187	81%	3.0%
Total	**191,816**	**220,964**	**247,612**	**270,253**	**295,428**	**102,987**	**54%**	**2.2%**

Source: Australian Bureau of Statistics 2016, Victoria in Future, 2019 (Exc. City of Melbourne)

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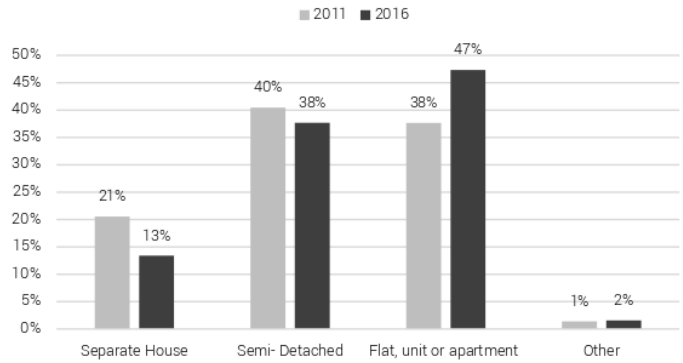
5.5.2. DWELLING STRUCTURE

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; representing a 9% increase between 2011 and 2016.

In contrast, there was a decline in both separate houses and semi-detached dwellings from 21% and 40% in 2011, to 13% and 38%, respectively in 2016.

F18. DWELLING STRUCTURE – CITY OF YARRA, 2011 & 2016

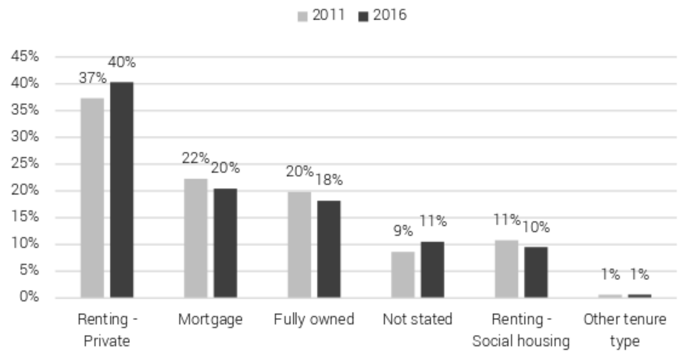


Source: Australia Bureau of Statistics, 2011 & 2016

5.5.3. HOUSING TENURE

There are a growing number of residents who are renting in the municipality, which is likely due to a combination of factors, including the ongoing 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.

F19. HOUSING TENURE – CITY OF YARRA, 2011 & 2016



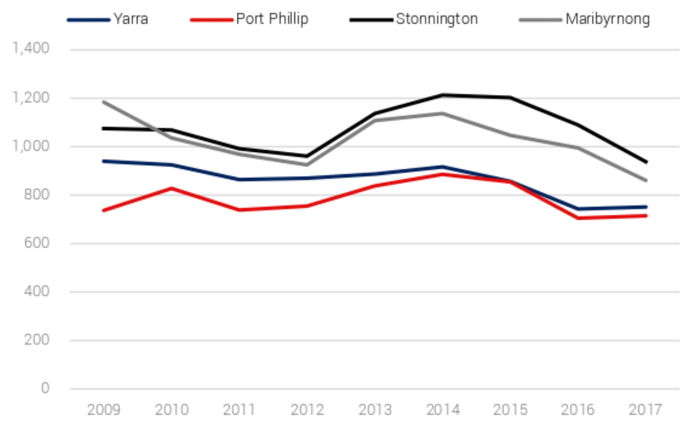
Source: Profile Id. 2019

5.6. PROPERTY MARKET INDICATORS

5.6.1. HOUSE SALES

Figure 20 shows the trend in house sales in the IMAP council (excluding city of Melbourne). On average, Yarra attracts an average of 860 house sales per annum, with peak sales occurring in 2009/2010, achieving over 900 annual sales.

F20. HOUSE SALES – IMAP COUNCILS, 2009- 2017



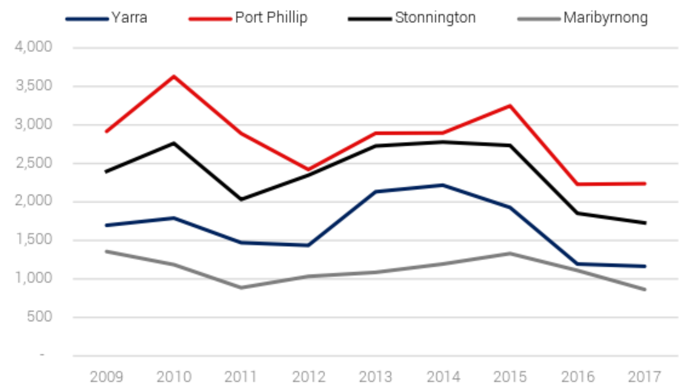
Source: A Guide to Property Values, Annual Data and Analysis from Valuer-General Victoria 2017. (Exc. City of Melbourne)

5.6.2. APARTMENT SALES

On average, Yarra records over 1,600 apartment sales per annum. Apartment sales peaked in 2013 to 2015, averaging close to 2,100 sales per annum in that time.

Since then, apartment sales have decreased significantly, reducing to an average of 1,180 sales per annum. The decrease in apartment sales was felt across the IMAP councils (excl. CoM).

F21. APARTMENT SALES – IMAP COUNCILS, 2009- 2017



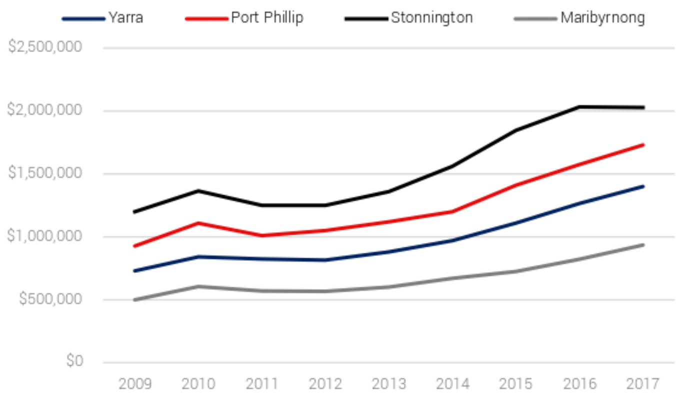
Source: A Guide to Property Values, Annual Data and Analysis from Valuer-General Victoria 2017. (Exc. City of Melbourne)

5.6.3. MEDIAN HOUSE PRICES

Yarra recorded notable house price growth between 2009 and 2017. In 2017, the median house price in the City of Yarra was $1.4 million, increasing by 92% (+$670,000) since 2009.

After a period of rapid growth, house prices plateaued in 2017, as shown in Figure 22.

F22. MEDIAN HOUSE PRICE – IMAP COUNCILS, 2009- 2017



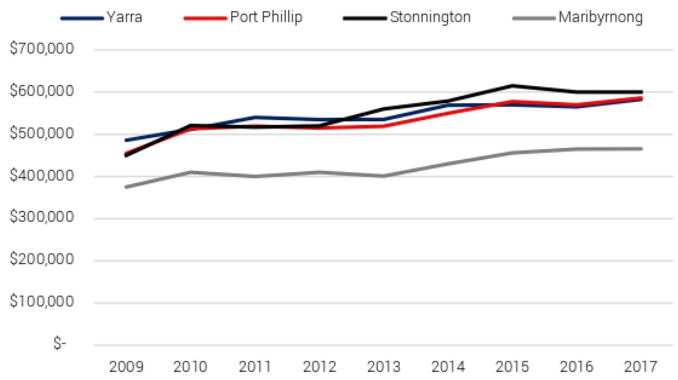
Source: A Guide to Property Values, Annual Data and Analysis from Valuer-General Victoria 2017. (Exc. City of Melbourne)

5.6.4. MEDIAN APARTMENT PRICES

Median apartment prices across IMAP Councils have steadily increased between 2009 and 2017.

Apartment prices in Yarra increased by $17,750 (3%) between 2016 and 2017, increasing from $565,000 in 2016 to $582,750 in 2017; the highest price increase of any of the IMAP Councils.

F23. MEDIAN APARTMENT PRICE – IMAP COUNCILS, 2009- 2017



Source: A Guide to Property Values, Annual Data and Analysis from Valuer-General Victoria 2017. (Exc. City of Melbourne)

6. ECONOMIC PROFILE

6.1. INTRODUCTION

This section provides a profile of the City of Yarra's economy based on a range of indicators, including output, employment and business by industry and sub-sector. Data is benchmarked against the IMAP Councils (where applicable).

The economic profile provides a snapshot of the Council's areas of competitive industry advantages and identifies emerging and growth sectors, as well as those that may be in decline.

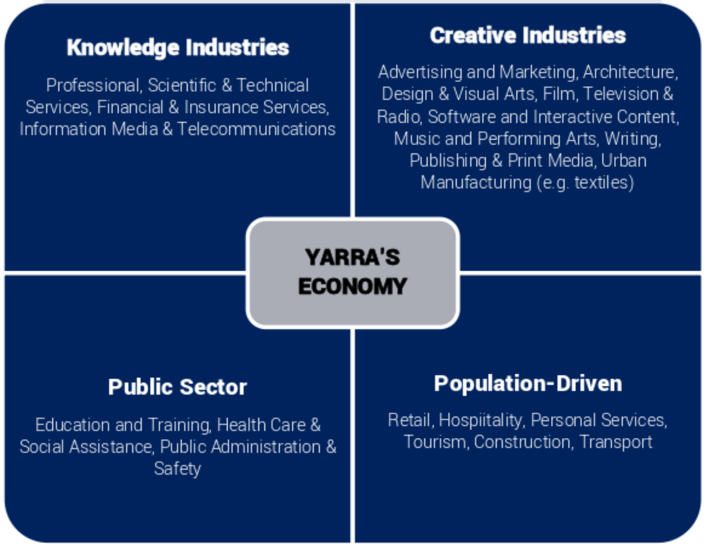
F24. ECONOMIC SNAPSHOT – YARRA & IMAP

	YARRA	IMAP
Population (2018, ERP)	98,521	589,319
GRP (2018)	$12.3 billion	$127.9 billion
Workers (2016)	81,101	686,011
Businesses (2018)	15,470	102,488
Top 3 highest employing sectors (jobs)	1. Health Care & Social Assistance 2. Professional, Scientific & Technical Services 3. Retail Trade	1. Professional, Scientific & Technical Services 2. Financial & Insurance Services 3. Health Care & Social Assistance

6.2. KEY FINDINGS

Based on economic analysis presented in this section, Yarra is a diverse and dynamic economy; driven by four key areas:

F25. YARRA'S INDUSTRY COMPOSITION



Source: Urban Enterprise, 2019

- **There are over 81,000 jobs in Yarra and jobs employment is growing rapidly (+2,700 jobs per annum).** Health care 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%).
- 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).
- **Yarra's comparative industry sector advantages are:**
  - 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.
- **The appeal of Yarra as a CBD fringe employment market has strengthened significantly** and growth in commercial office floorspace is unprecedented for the municipality.
- **Richmond/Cremorne Enterprise Precinct is a major creative and tech hub** and demand for office space in this Precinct is growing significantly.

6.3. KEY INDUSTRY SECTORS

Table 9 summarises the City of Yarra's annual economic output by industry. In 2018, Yarra generated a total economic output in the order of $25.1 billion, a regional export value of $10.9 billion and adding $11.7 million in value to the economy.

6.3.1. INDUSTRY SECTOR PERFORMANCE

The strongest performing sectors in terms of annual output include professional, scientific and technical services ($3.6 billion), construction ($3.1 billion), manufacturing ($2.6 billion) and rental, hiring and real estate services ($2.1 billion).

With regard to regional exports, professional, scientific and technical services ($1.7 billion) is also the largest contributor to the local economy, followed by manufacturing ($1.5 billion) and health care and social assistance ($1.1 billion).

The professional, scientific and technical services sector ($1.7 billion) generates the highest level of value-add in Yarra, along with rental, hiring and real estate services ($1.3 billion), health care and social assistance ($1.3 billion) and financial and insurance services ($1.1 billion).

Table 10 overleaf shows the proportion of annual economic output generated by the Yarra economy as it relates to IMAP Councils. In 2018, Yarra's economy contributed 10% of IMAP's total economic output.

In terms of the three key economic indicators, Yarra's most significant industries in respect of output, export value and value-added are health care and social assistance, wholesale trade and retail trade. In terms of economic output (Table 9 overleaf):

- Health care and social assistance contributes 20.8% of the total IMAP output;
- Wholesale trade contributes 20.2% of the total IMAP output; and
- Retail trade contributes 19.6% of the total IMAP output.

T9. INDUSTRY SUMMARY – YARRA - 2018

Industry Sector	Output		Regional Exports		Value-Added	
	$M	%	$M	%	$M	%
Professional, Scientific & Technical Services	3,557	14.2%	1,663	15.2%	1,727	14.7%
Construction	3,085	12.3%	986	9.0%	832	7.1%
Manufacturing	2,614	10.4%	1,525	13.9%	559	4.8%
Rental, Hiring & Real Estate Services	2,136	8.5%	569	5.2%	1,341	11.4%
Health Care & Social Assistance	1,952	7.8%	1,063	9.7%	1,298	11.1%
Financial & Insurance Services	1,915	7.6%	897	8.2%	1,137	9.7%
Information Media & Telecommunications	1,488	5.9%	815	7.4%	585	5.0%
Transport, Postal & Warehousing	1,331	5.3%	680	6.2%	479	4.1%
Wholesale Trade	1,220	4.9%	551	5.0%	616	5.2%
Retail Trade	1,194	4.8%	621	5.7%	725	6.2%
Electricity, Gas, Water & Waste Services	1,074	4.3%	504	4.6%	476	4.1%
Accommodation & Food Services	888	3.5%	496	4.5%	405	3.4%
Administrative & Support Services	849	3.4%	142	1.3%	501	4.3%
Education & Training	629	2.5%	170	1.6%	431	3.7%
Public Administration & Safety	450	1.8%	1	0.0%	292	2.5%
Other Services	368	1.5%	133	1.2%	205	1.7%
Arts & Recreation Services	262	1.0%	95	0.9%	101	0.9%
Agriculture, Forestry & Fishing	51	0.2%	14	0.1%	22	0.2%
Mining	36	0.1%	15	0.1%	15	0.1%
Total	**25,098**		**10,940**		**11,746**	

Source: REMPLAN Yarra Economic Profile 2018

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T10. KEY INDUSTRY COMPARISON - YARRA AND IMAP COUNCILS - 2018

Industry Sector	Output		Regional Exports		Value-Added	
	IMAP (M)	Yarra (%)	IMAP (M)	Yarra (%)	IMAP (M)	Yarra (%)
Health Care & Social Assistance	$9,368	20.8%	$3,141	33.9%	$6,267	20.7%
Wholesale Trade	$6,029	20.2%	$1,727	31.9%	$3,042	20.2%
Retail Trade	$6,097	19.6%	$2,569	24.2%	$3,701	19.6%
Construction	$20,162	15.3%	$5,033	19.6%	$5,346	15.6%
Transport, Postal & Warehousing	$9,988	13.3%	$3,993	17.0%	$4,418	10.8%
Manufacturing	$19,951	13.1%	$9,505	16.0%	$3,842	14.5%
Other Services	$2,885	12.8%	$1,440	9.2%	$1,825	11.3%
Rental, Hiring & Real Estate Services	$17,626	12.1%	$5,546	10.3%	$11,137	12.0%
Accommodation & Food Services	$7,535	11.8%	$4,790	10.4%	$3,240	12.5%
Professional, Scientific & Technical Services	$32,450	11.0%	$12,820	13.0%	$15,804	10.9%
Agriculture, Forestry & Fishing	$471	10.9%	$114	12.5%	$208	10.4%
Electricity, Gas, Water & Waste Services	$11,854	9.1%	$5,537	9.1%	$5,389	8.8%
Administrative & Support Services	$10,080	8.4%	$2,509	5.7%	$5,931	8.4%
Education & Training	$7,968	7.9%	$4,699	3.6%	$5,345	8.1%
Information Media & Telecommunications	$21,498	6.9%	$12,040	6.8%	$8,596	6.8%
Public Administration & Safety	$10,393	4.3%	$4,334	0.0%	$6,712	4.3%
Arts & Recreation Services	$6,338	4.1%	$4,660	2.0%	$2,361	4.3%
Financial & Insurance Services	$47,900	4.0%	$32,086	2.8%	$30,128	3.8%
Mining	$2,734	1.3%	$2,272	0.7%	$1,270	1.2%
Total	**$251,328**	**10.0%**	**$118,814**	**9.2%**	**$124,564**	**9.4%**

Source: REMPLAN Yarra and IMAP Economic Profile 2018

6.4. EMPLOYMENT

6.4.1. EMPLOYMENT BY INDUSTRY (2011/16)

Table 11 summarises employment by industry for jobs within the City of Yarra. A high level of employment typically indicates an area of comparative advantage for a given area.

Health care 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%).

T11. YARRA EMPLOYMENT BY INDUSTRY - 2011 TO 2016

Industry	2011	2016	Change	Growth
Health Care and Social Assistance	12,153	14,300	+2,147	18%
Professional, Scientific and Technical Services	9,304	12,422	+3,118	34%
Retail Trade	8,015	9,827	+1,812	23%
Accommodation and Food Services	4,566	6,737	+2,171	48%
Construction	3,503	4,241	+738	21%
Education and Training	2,939	4,041	+1,102	37%
Manufacturing	4,323	3,391	-932	-22%
Financial and Insurance Services	4,191	3,154	-1,037	-25%
Wholesale Trade	4,329	3,031	-1,298	-30%
Inadequately described	806	2,830	+2,024	251%
Transport, Postal and Warehousing	1,463	2,790	+1,327	91%
Other Services	2,319	2,478	+159	7%
Information Media and Telecommunications	2,200	2,321	+121	6%
Public Administration and Safety	1,862	2,291	+429	23%
Administrative and Support Services	2,342	2,154	-188	-8%
Rental, Hiring and Real Estate Services	1,400	1,561	+161	12%
Arts and Recreation Services	1,069	1,502	+433	41%
Not stated	28	943	+915	3268%
Electricity, Gas, Water and Waste Services	712	898	+186	26%
Agriculture, Forestry and Fishing	67	142	+75	112%
Mining	30	39	+9	30%
Total	**67,624**	**81,101**	**+13,477**	**20%**

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

6.4.2. KEY INDUSTRY PROFILE

The following section provides sub-sector employment analysis for key industries in Yarra, including:

- Health care and social assistance;
- Professional, scientific and technical services;
- Retail trade;
- Accommodation and food services;
- Construction;
- Education and training;
- Manufacturing;
- Transport, postal and warehousing; and
- Arts and recreation services.

Sub-sector employment data identifies growth and emerging sub-sector activities and specialisations, as well as those that may be in decline.

HEALTH CARE AND SOCIAL ASSISTANCE

Health care and social assistance is the highest employment industry in Yarra. Employment in the sector is driven by the two major hospitals in the municipality:

- Epworth Private Hospital, Richmond; and
- St Vincent's Private and Public Hospital, Fitzroy

The hospitals form the basis of two important health clusters which are crucial to the local economy. Employment in the hospitals sector grew by 26% between 2011 and 2016. Medical services, childcare services (36%) and social assistance services (18%) also experienced strong growth (+38%).

The allied health services sub-sector is another notable employer in Yarra, accounting for 8% of jobs in the sector. Allied health services are predominantly found in the Yarra's health clusters but are increasingly found in Yarra's activity and neighbourhood centres.

T12. HEALTH CARE AND SOCIAL ASSISTANCE EMPLOYMENT – YARRA 2011 TO 2016

Sub-sector	2011	2016	Change
Hospitals	5,894	7,430	+1,536
Medical Services	1,098	1,512	+414
Other Social Assistance Services	1,289	1,372	+83
Allied Health Services	1,106	1,148	+42
Pathology and Diagnostic Imaging Services	771	798	+27
Residential Care Services	680	661	-19
Child Care Services	365	495	+130
Social Assistance Services	259	306	+47
Medical and Other Health Care Services	267	274	+7
Health Care and Social Assistance	288	189	-99
Other Health Care Services	144	117	-27
Total	**12,153**	**14,300**	**+2,147**

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

PROFESSIONAL, SCIENTIFIC AND TECHNICAL SERVICES

The professional, scientific and technical services industry experienced the strongest growth in employment in Yarra between 2011 and 2016, recording a 3,118 increase in jobs (+34%).

Architectural, engineering and technical services is the highest employing sub-sector (3,757 workers); accounting for close to one-third of employment in the sector. Other jobs increases occurred in computer system design and related services (+51%), advertising services (+52%), legal and accounting services (+27%) and market research and statistical services (+57%), as shown in Table 13.

T13. PROFESSIONAL, SCIENTIFIC AND TECHNICAL SERVICES EMPLOYMENT – YARRA – 2011 TO 2016

Professional, Scientific and Technical Services	2011	2016	Change
Architectural, Engineering and Technical Services	3,211	3,757	+546
Computer System Design and Related Services	2,006	3,020	+1014
Advertising Services	1,172	1,786	+614
Legal and Accounting Services	876	1,110	+234
Management and Related Consulting Services	1,034	1,102	+68
Market Research and Statistical Services	300	472	+172
Scientific Research Services	343	361	+18
Other Professional, Scientific and Technical Services	245	351	+106
Professional, Scientific and Technical Services (except Computer System Design and Related Services)	60	222	+162
Professional, Scientific and Technical Services	14	169	+155
Veterinary Services	33	81	+48
Total	**9,304**	**12,422**	**+3,118**

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

RETAIL TRADE

Retail trade is a major employing sector in the City of Yarra, supporting approximately 9,800 jobs. Despite subdued retail conditions across Victoria, a number of retail sub-sectors experienced employment growth between 2011 and 2016, led by clothing, footwear and personal accessory retailing (+15.5%), pharmaceutical and other store-based retailing (+12%) and supermarket and grocery stores (+39%).

Motor vehicle retailing (185%) and department stores (156%) experienced strong employment growth, with the most notable decline in retail employment occurred in fuel retailing (-41%) and non-store retailing (-45%).

T14. RETAIL TRADE EMPLOYMENT – YARRA – 2011 TO 2016

Retail Trade	2011	2016	Change
Clothing, Footwear and Personal Accessory Retailing	2,824	3,262	+438
Pharmaceutical and Other Store-Based Retailing	1,054	1,176	+122
Furniture, Floor Coverings, Houseware & Textile Goods Retailing	912	1,007	+95
Supermarket and Grocery Stores	695	964	+269
Specialised Food Retailing	447	745	+298
Motor Vehicle Retailing	230	656	+426
Retail Trade	380	392	+12
Electrical and Electronic Goods Retailing	392	361	-31
Recreational Goods Retailing	336	353	+17
Department Stores	109	279	+170
Hardware, Building and Garden Supplies Retailing	227	240	+13
Motor Vehicle Parts and Tyre Retailing	33	144	+111
Fuel Retailing	147	87	-60
Non-Store Retailing	80	44	-36
Other Store-Based Retailing	41	41	0
Non-Store Retailing & Retail Commission-Based Buying and/or Selling	40	29	-11
Food Retailing	48	23	-25
Retail Commission-Based Buying and/or Selling	22	5	-17
Motor Vehicle and Motor Vehicle Parts Retailing	0	4	+4
Total	**8,015**	**9,827**	**+1,812**

Source: Industry of Employment, Census of Population and Housing, ABS, 2011, 2016

ACCOMMODATION AND FOOD SERVICES

Employment in Yarra's accommodation and food services sector increased by 2,171 workers between 2011 and 2016, increasing by almost 50%.

Cafes, restaurants and takeaway food services is the highest employing sub-sector and added 1,481 jobs between 2011 and 2016.

Employment in pubs taverns and bars (+333) also grew, along with food and beverage services (+233).

T15. ACCOMMODATION AND FOOD SERVICES EMPLOYMENT – YARRA – 2011 TO 2016

Accommodation and Food Services	2011	2016	Change
Cafes, Restaurants and Takeaway Food Services	3,325	4,806	+1,481
Pubs, Taverns and Bars	807	1,140	+333
Accommodation	311	370	+59
Food and Beverage Services	73	306	+233
Clubs (Hospitality)	44	73	+29
Accommodation and Food Services	0	36	+36
Total	**4,566**	**6,737**	**+2,171**

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

CONSTRUCTION

Construction employment in Yarra increased by 21% from 2011 to 2016, with non-residential building construction (-253 workers) being the only sub-sector to register a decline in employment.

Growth in the construction industry was led by jobs growth in heavy and civil engineering construction (+273), building completion services (+219), building installation services (+175) and residential building construction (+105).

T16. CONSTRUCTION EMPLOYMENT – YARRA – 2011 TO 2016

Construction	2011	2016	Change
Residential Building Construction	762	867	+105
Building Installation Services	666	841	+175
Non-Residential Building Construction	967	714	-253
Building Completion Services	293	512	+219
Heavy and Civil Engineering Construction	210	483	+273
Building Construction	288	327	+39
Construction	85	204	+119
Other Construction Services	106	124	+18
Building Structure Services	90	109	+19
Construction Services	21	35	+14
Land Development and Site Preparation Services	18	30	+12
Total	**3,503**	**4,241**	**+738**

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

EDUCATION AND TRAINING

The Yarra education and training industry added 1,102 workers from 2011 to 2016, with more than half of the overall growth occurring in the preschool and school education (+598 jobs) sub-sector.

Tertiary education (+225), adult, community and other education (+172) and education and training (+110) also recorded employment growth.

T17. EDUCATION AND TRAINING EMPLOYMENT – YARRA – 2011 TO 2016

Education and Training	2011	2016	Change
Preschool and School Education	1,231	1,829	+598
Tertiary Education	1,068	1,293	+225
Adult, Community and Other Education	521	693	+172
Education and Training	118	228	+110
Total	**2,939**	**4,041**	**+1,102**

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

MANUFACTURING

Manufacturing experienced a notable decline (-932 workers) in employment between 2011 and 2016. The most significant decline in manufacturing employment occurred in the textile, leather, clothing and footwear manufacturing (-412) sub-sector, as well as machinery and equipment manufacturing (-271) and beverage and tobacco product manufacturing (-141).

Food product manufacturing (+270) and printing (+114) partially mitigated the secular decline in employment, indicating an emerging sub-sector specialisation in the City of Yarra.

T18. MANUFACTURING EMPLOYMENT – YARRA – 2011 TO 2016

Manufacturing	2011	2016	Change
Food Product Manufacturing	517	787	+270
Printing (including the Reproduction of Recorded Media)	381	495	+114
Machinery and Equipment Manufacturing	685	414	-271
Beverage and Tobacco Product Manufacturing	554	413	-141
Textile, Leather, Clothing and Footwear Manufacturing	780	368	-412
Basic Chemical and Chemical Product Manufacturing	345	288	-57
Furniture and Other Manufacturing	290	174	-116
Manufacturing	237	153	-84
Wood Product Manufacturing	104	89	-15
Transport Equipment Manufacturing	44	62	+18
Polymer Product and Rubber Product Manufacturing	36	42	+6
Non-Metallic Mineral Product Manufacturing	46	37	-9
Primary Metal and Metal Product Manufacturing	54	33	-21
Fabricated Metal Product Manufacturing	91	27	-64
Pulp, Paper and Converted Paper Product Manufacturing	156	16	-140
Petroleum and Coal Product Manufacturing	0	3	+3
Total	**4,323**	**3,391**	**-932**

Source: Industry of Employment, Census of Population and Housing, ABS, 2011, 2016

TRANSPORT, POSTAL AND WAREHOUSING

Employment in Yarra's transport, postal and warehousing industry experienced notable growth between 2011 and 2016, increasing by 91% (+1,327 jobs).

The increase in employment is largely attributed to an additional 711 jobs in the air and space transport sub-sector and 387 jobs in the road transport sub-sector.

T19. TRANSPORT, POSTAL AND WAREHOUSING EMPLOYMENT – YARRA – 2011 TO 2016

Transport, Postal and Warehousing	2011	2016	Change
Road Transport	637	1,024	+387
Air and Space Transport	143	854	+711
Postal and Courier Pick-up and Delivery Services	382	339	-43
Transport Support Services	57	212	+155
Warehousing and Storage Services	68	149	+81
Rail Transport	121	102	-19
Transport, Postal and Warehousing	31	75	+44
Other Transport	15	25	+10
Water Transport	10	15	+5
Total	**1,463**	**2,790**	**+1,327**

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

ARTS AND RECREATION SERVICES

Yarra's arts and recreation services industry registered employment growth of 41% from 2011 to 2016, led by notable increases in the creative and performing arts activities sub sector (+138) and sports and physical recreation activities (+187).

T20. ARTS AND RECREATION SERVICES EMPLOYMENT – YARRA – 2011 TO 2016

Arts and Recreation Services	2011	2016	Change
Creative and Performing Arts Activities	521	659	+138
Sports and Physical Recreation Activities	354	541	+187
Museum Operation	40	75	+35
Arts and Recreation Services	35	63	+28
Gambling Activities	26	57	+31
Amusement and Other Recreation Activities	40	44	+4
Parks and Gardens Operations	28	26	-2
Sports and Recreation Activities	6	18	+12
Horse and Dog Racing Activities	12	10	-2
Heritage Activities	10	0	-10
Total	**1,069**	**1,502**	**+433**

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

6.4.3. EMPLOYMENT BY SUBURB (SA2)

The following section analyses employment by industry for each suburb (SA2) within Yarra. The Yarra Local Government Area includes the suburbs (SA2s) of Abbotsford, Carlton North/Princes Hill, Fitzroy, Fitzroy North, Richmond/Cremorne/Burnley, Collingwood and Clifton Hill/Alphington.

Table 21 summarises the employment by suburb (SA2), including the total number of jobs and the highest employing sectors.

45% of 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%).

Fitzroy North, Clifton Hill / Alphington and Carlton North / Princes Hill support a much lower number of jobs, and range between 2,000 and 3,600 jobs per area.

T21. EMPLOYMENT BY SUBURB – YARRA - 2016

Suburbs	Jobs	% of Yarra	Top 3 Employing Industries
Richmond / Cremorne	36,837	45%	• Professional, Scientific and Technical Services • Retail trade • Health Care and Social Assistance
Fitzroy	14,205	18%	• Health Care and Social Assistance • Accommodation and Food Services • Professional, Scientific and Technical Services
Collingwood	11,593	14%	• Professional, Scientific and Technical Services • Retail trade • Transport, Postal and Warehousing
Abbotsford	9,865	12%	• Professional, Scientific and Technical Services • Financial and Insurance Services • Retail trade
Fitzroy North	3,631	5%	• Health Care and Social Assistance • Professional, Scientific and Technical Services • Accommodation and Food Services
Clifton Hill / Alphington	3,211	4%	• Health Care and Social Assistance • Education and Training • Retail Trade
Carlton North – Princes Hill	2,048	2.5%	• 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

RICHMOND / CREMORNE / BURNLEY

Richmond/Cremorne/Burnley is the highest employing area within the City of Yarra, accounting for 45% of Yarra's total.

The highest employing industry in Richmond/Cremorne is professional, scientific and technical services (6,339 workers), followed by retail trade (5,571), health care and social assistance (5,489) and accommodation and food services (2,740).

Richmond/Cremorne employment base accounts for a significant share of Yarra's total employment in professional, scientific and technical services (51%) and retail trade (57%), as well as financial and insurance services (55%) and information and telecommunications (60%).

T22. EMPLOYMENT BY INDUSTRY – RICHMOND, CREMORNE, BURNLEY – 2011 TO 2016

Industry	2011	2016	Change	% of Yarra (2016)
Professional, Scientific and Technical Services	4,453	6,339	1,886	51%
Retail Trade	4,241	5,571	1,330	57%
Health Care and Social Assistance	4,173	5,489	1,316	38%
Accommodation and Food Services	1,998	2740	742	41%
Construction	1,522	1,938	416	46%
Financial and Insurance Services	2,745	1716	-1,029	55%
Information Media and Telecommunications	1,475	1,385	-90	60%
Wholesale Trade	1,662	1,355	-307	45%
Manufacturing	1,346	1,287	-59	38%
Inadequately described	340	1,280	940	45%
Education and Training	721	1,154	433	28%
Public Administration and Safety	783	1,105	322	48%
Rental, Hiring and Real Estate Services	936	1,022	86	66%
Other Services	932	954	22	38%
Transport, Postal and Warehousing	553	852	299	30%
Administrative and Support Services	1,021	830	-191	38%
Electricity, Gas, Water and Waste Services	621	783	162	87%
Arts and Recreation Services	374	537	163	32%
Not stated	10	422	412	45%
Agriculture, Forestry and Fishing	43	64	21	45%
Mining	12	23	11	59%
Not applicable	0	0	0	0%
Total	**29,974**	**36,837**	**6,863**	**45%**

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

FITZROY

In 2016, there were approximately 14,205 workers in Fitzroy, equating to 18% of the City of Yarra's total jobs.

Fitzroy's key industry of employment is health care and social assistance (5,585 workers), largely accommodated within the St Vincent's Private and Public Hospital precinct. The area's health sector accounts for 39% of Yarra's employment in that industry.

Other notable industries of employment in Fitzroy include accommodation and food services (1,643), professional, scientific and technical services (1,477) and retail trade (1,158).

T23. EMPLOYMENT BY INDUSTRY – FITZROY – 2011 TO 2016

Industry	2011	2016	Change	% of Yarra (2016)
Health Care and Social Assistance	5,039	5,585	546	39%
Accommodation and Food Services	1,070	1,643	573	24%
Professional, Scientific and Technical Services	1,266	1,477	211	12%
Retail Trade	1,120	1,158	38	12%
Education and Training	767	1,049	282	26%
Public Administration and Safety	437	387	-50	17%
Manufacturing	403	368	-35	11%
Inadequately described	120	368	248	13%
Other Services	322	343	21	14%
Administrative and Support Services	308	330	22	15%
Information Media and Telecommunications	196	257	61	11%
Arts and Recreation Services	188	246	58	15%
Construction	256	216	-40	5%
Rental, Hiring and Real Estate Services	98	185	87	12%
Not stated	7	184	177	20%
Wholesale Trade	382	177	-205	6%
Financial and Insurance Services	119	96	-23	3%
Transport, Postal and Warehousing	74	95	21	3%
Agriculture, Forestry and Fishing	8	31	23	22%
Electricity, Gas, Water and Waste Services	7	11	4	1%
Mining	0	0	0	0%
Not applicable	0	0	0	0%
Total	**12,183**	**14,205**	**2,022**	**18%**

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

COLLINGWOOD

Collingwood's key industries of employment include professional, scientific and technical services (2,331 workers), retail trade (1,213) and transport, postal and warehousing (1,162).

The transport, postal and warehousing industry added 901 workers between 2011 and 2016 and accounts for 42% of Yarra's total transport employment.

T24. EMPLOYMENT BY INDUSTRY – COLLINGWOOD – 2011 TO 2016

Industry	2011	2016	Change	% of Yarra (2016)
Professional, Scientific and Technical Services	1,538	2,331	793	19%
Retail Trade	1,000	1,213	213	12%
Transport, Postal and Warehousing	261	1,162	901	42%
Health Care and Social Assistance	1,313	1,150	-163	8%
Accommodation and Food Services	484	839	355	12%
Wholesale Trade	988	649	-339	21%
Manufacturing	718	589	-129	17%
Inadequately described	147	546	399	19%
Administrative and Support Services	493	519	26	24%
Construction	363	504	141	12%
Education and Training	399	461	62	11%
Information Media and Telecommunications	230	375	145	16%
Other Services	343	361	18	15%
Public Administration and Safety	222	264	42	12%
Arts and Recreation Services	119	246	127	15%
Not stated	12	123	111	13%
Rental, Hiring and Real Estate Services	168	93	-75	6%
Financial and Insurance Services	69	86	17	3%
Electricity, Gas, Water and Waste Services	30	73	43	8%
Agriculture, Forestry and Fishing	3	7	4	5%
Mining	0	5	5	13%
Not applicable	0	0	0	0%
Total	**8,889**	**11,593**	**2,704**	**14%**

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

ABBOTSFORD

Abbotsford accounts for 12% of Yarra's total employment, having added 1,113 workers from 2011 to 2016.

The area's employment base is supported by the professional, scientific and technical services (1,372 workers) industry, along with financial and insurance services (1,140) and retail trade (1,053).

The manufacturing industry in Abbotsford experienced a decline in employment by 460 workers between 2011 and 2016, but still comprises 26% of Yarra's overall employment in that sector.

T25. EMPLOYMENT BY INDUSTRY – ABBOTSFORD – 2011 TO 2016

Industry	2011	2016	Change	% of Yarra (2016)
Professional, Scientific and Technical Services	1,159	1,372	213	11%
Financial and Insurance Services	1,160	1,140	-20	36%
Retail Trade	882	1,053	171	11%
Construction	889	1,015	126	24%
Manufacturing	1,326	866	-460	26%
Wholesale Trade	984	683	-301	23%
Accommodation and Food Services	281	674	393	10%
Health Care and Social Assistance	269	532	263	4%
Other Services	378	428	50	17%
Inadequately described	117	376	259	13%
Public Administration and Safety	255	345	90	15%
Transport, Postal and Warehousing	303	328	25	12%
Education and Training	146	251	105	6%
Administrative and Support Services	316	211	-105	10%
Information Media and Telecommunications	121	188	67	8%
Arts and Recreation Services	77	150	73	9%
Not stated	0	104	104	11%
Rental, Hiring and Real Estate Services	45	102	57	7%
Agriculture, Forestry and Fishing	9	23	14	16%
Electricity, Gas, Water and Waste Services	35	15	-20	2%
Mining	3	3	0	8%
Total	**8,752**	**9,865**	**1,113**	**12%**

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

FITZROY NORTH

Fitzroy North accounts for 5% of the Yarra employment base and largely consists of health care and social assistance (563 workers), professional, scientific and technical services (452), accommodation and food services (362) and retail trade (364).

T26. EMPLOYMENT BY INDUSTRY - FITZROY NORTH – 2011 TO 2016

Industry	2011	2016	Change	% of Yarra (2016)
Health Care and Social Assistance	447	563	116	4%
Professional, Scientific and Technical Services	444	452	8	4%
Accommodation and Food Services	362	449	87	7%
Retail Trade	328	364	36	4%
Education and Training	274	310	36	8%
Construction	241	301	60	7%
Transport, Postal and Warehousing	235	300	65	11%
Other Services	177	168	-9	7%
Administrative and Support Services	68	135	67	6%
Inadequately described	40	104	64	4%
Manufacturing	151	101	-50	3%
Arts and Recreation Services	115	87	-28	5%
Rental, Hiring and Real Estate Services	72	58	-14	4%
Wholesale Trade	144	56	-88	2%
Information Media and Telecommunications	111	48	-63	2%
Not stated	3	45	42	5%
Public Administration and Safety	48	42	-6	2%
Financial and Insurance Services	28	38	10	1%
Electricity, Gas, Water and Waste Services	4	9	5	1%
Agriculture, Forestry and Fishing	0	8	8	6%
Mining	0	0	0	0%
Not applicable	0	0	0	0%
Total	**3,287**	**3,631**	**344**	**5%**

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

CLIFTON HILL / ALPHINGTON

Clifton Hill / Alphington employed 3,211 workers in 2016, which represents 4% of the City of Yarra's total employment. The key employment industries in the area are health care and social assistance (766 workers), education and training (519) and retail trade (269).

Clifton Hill / Alphington's education and training sector equates to 13% of Yarra's overall employment in that industry, while its arts and recreation services contributes 12% to Yarra.

T27. EMPLOYMENT BY INDUSTRY - CLIFTON HILL / ALPHINGTON – 2011 TO 2016

Industry	2011	2016	Change	% of Yarra (2016)
Health Care and Social Assistance	751	766	15	5%
Education and Training	440	519	79	13%
Retail Trade	290	265	-25	3%
Professional, Scientific and Technical Services	217	242	25	2%
Arts and Recreation Services	145	201	56	12%
Accommodation and Food Services	207	173	-34	3%
Other Services	105	157	52	6%
Construction	157	137	-20	3%
Manufacturing	334	124	-210	4%
Public Administration and Safety	100	123	23	5%
Inadequately described	22	109	87	4%
Administrative and Support Services	76	92	16	4%
Wholesale Trade	148	90	-58	3%
Transport, Postal and Warehousing	41	52	11	2%
Not stated	0	49	49	5%
Rental, Hiring and Real Estate Services	38	43	5	3%
Information Media and Telecommunications	22	29	7	1%
Financial and Insurance Services	29	26	-3	0.8%
Agriculture, Forestry and Fishing	4	9	5	6%
Mining	4	3	-1	8%
Electricity, Gas, Water and Waste Services	12	3	-9	0.3%
Not applicable	0	0	0	0%
Total	**3,151**	**3,211**	**60**	**4%**

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

CARLTON NORTH / PRINCES HILL

Employment in Carlton North / Princes Hill equates to approximately 3% of total employed persons in the municipality.

Education and training (321) is the highest employing industry in the area, followed by accommodation and food services (235) and arts and recreation services (232), contributing 14% of Yarra's total employment in that industry.

T28. EMPLOYMENT BY INDUSTRY - CARLTON NORTH, PRINCES HILL – 2011 TO 2016

Industry	2011	2016	Change	% of Yarra (2016)
Education and Training	270	321	51	8%
Accommodation and Food Services	211	235	24	4%
Arts and Recreation Services	221	232	11	14%
Professional, Scientific and Technical Services	243	221	-22	2%
Health Care and Social Assistance	202	221	19	2%
Retail Trade	189	201	12	2%
Construction	105	140	35	3%
Other Services	66	78	12	3%
Rental, Hiring and Real Estate Services	52	63	11	4%
Inadequately described	18	59	41	2%
Manufacturing	54	54	0	2%
Financial and Insurance Services	45	45	0	1%
Administrative and Support Services	64	40	-24	2%
Information Media and Telecommunications	46	36	-10	2%
Public Administration and Safety	23	31	8	1%
Wholesale Trade	40	24	-16	1%
Not stated	0	17	17	2%
Transport, Postal and Warehousing	17	14	-3	0.5%
Agriculture, Forestry and Fishing	3	10	7	7%
Electricity, Gas, Water and Waste Services	3	4	1	0.4%
Mining	4	0	-4	0%
Not applicable	0	0	0	0%
Total	**1,882**	**2,048**	**166**	**2.5%**

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

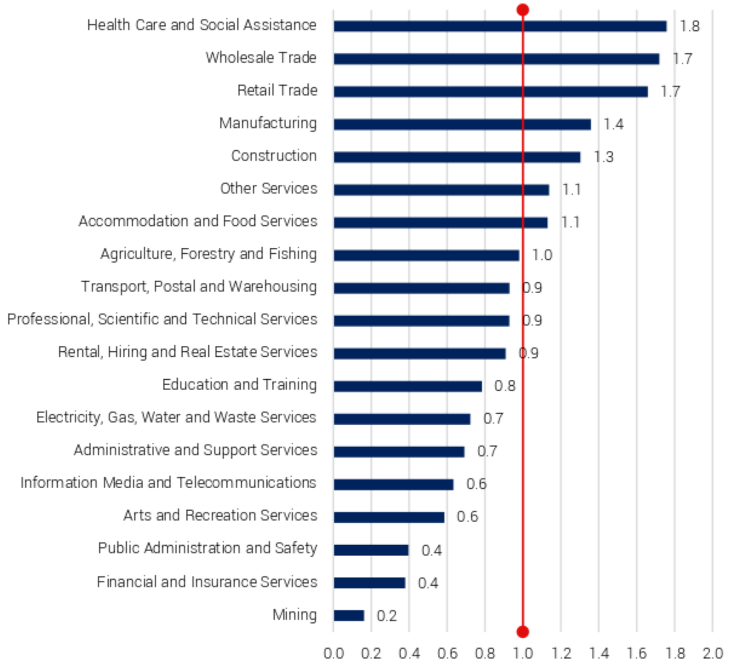
6.4.4. LOCATION QUOTIENT

To understand the economic strengths and industry specialisations in the City of Yarra, relative employment comparisons can be made using the Location Quotient (LQ) technique. The LQ compares the proportion of employment relative to the total jobs in two areas.

The following LQ analysis compares Yarra with the IMAP councils. An industry value of less than 1 indicates a low proportion of employment within that industry compared with the IMAP councils. A value greater than 1 represents a higher proportion of employment and indicates a competitive advantage in that industry sector compared with the IMAP councils.

The LQ analysis in Figure 26 indicates that the City of Yarra has a comparative employment advantage in health care and social assistance, wholesale trade, retail trade, manufacturing, construction, other services and accommodation and food services.

F26. LOCATION QUOTIENT – YARRA & IMAP



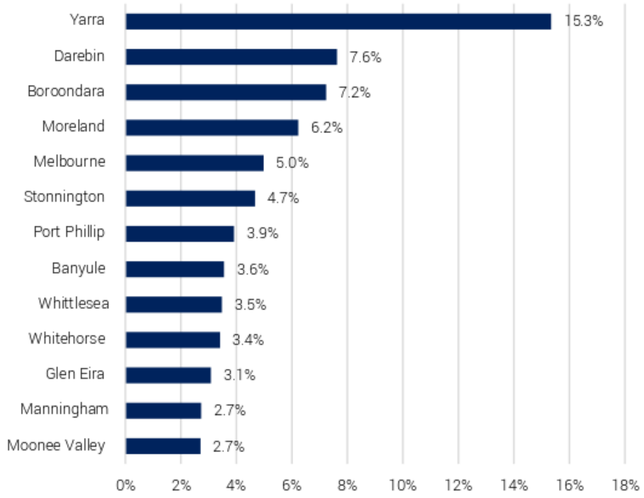
Source: Industry of Employment, Census of Population and Housing, Australian Bureau of Statistics (ABS), 2016, derived by Urban Enterprise

6.4.5. LOCATION OF WORK

IN-COMMUTING

Figure 27 shows the residential location (LGA) of workers in the City of Yarra. The figure shows that 15% of workers live locally in Yarra. A smaller proportion of workers live in Darebin (8%), Boroondara (7%) and Moreland (6%). Residents from the other IMAP councils make up 16% of the Yarra workforce.

F27. IN-COMMUTING – CITY OF YARRA - 2016



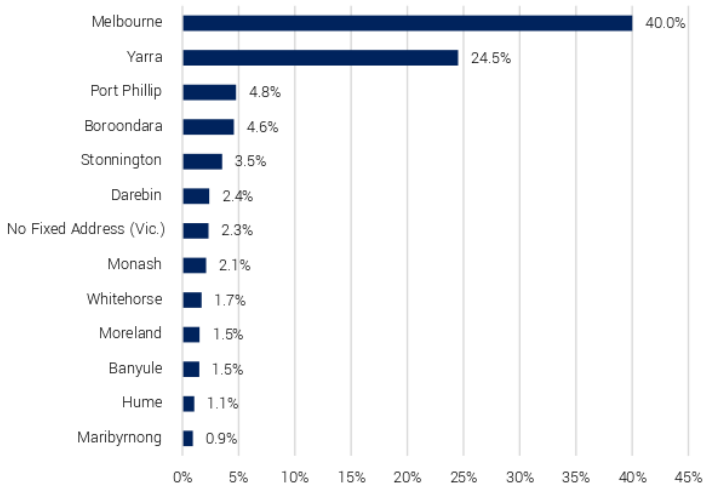
Source: Journey to Work, Census of Population and Housing, Australian Bureau of Statistics (ABS), 2016, derived by Urban Enterprise 2019

OUT-COMMUTING

Yarra has a job containment rate of 24.5%, indicting the proportion of employed residents that both live and work in the municipality. The regional jobs containment rate for IMAP is approximately 75%, highlighting the importance of the IMAP region for employed Yarra residents.

A significant proportion (40%) of employed persons travel to the City of Melbourne (40%) for employment. A further 5% commute to Port Phillip and Boroondara for work.

F28. OUT-COMMUTING – CITY OF YARRA - 2016



Source: Journey to Work, Census of Population and Housing, Australian Bureau of Statistics (ABS), 2016, derived by Urban Enterprise 2019

6.5. BUSINESS PROFILE

6.5.1. BUSINESS BY INDUSTRY

Table 29 shows the number of businesses by industry sector in the City of Yarra. In 2018, there were 15,470 businesses registered in the City of Yarra, an increase of 1,148 since 2016.

Non-employing businesses and small businesses (employing 1-19 people) account for 96% of all registered businesses in the municipality.

A notable proportion of the Yarra businesses base are in the professional, scientific and technical services industry (22%), followed by rental, hiring and real estate services (13%) and financial and insurance services (9%).

There are 535 businesses in Yarra who employ between 20 and 199 employees and 31 with more than 200 employees.

T29. NUMBER OF BUSINESSES REGISTERED - YARRA - 2018

Industry	Non employing	1-19 Employees	20-199 Employees	200+ Employees	Total	%
Agriculture, Forestry and Fishing	111	27	5	0	140	1%
Mining	16	5	0	0	19	0%
Manufacturing	196	233	40	0	473	3%
Electricity, Gas, Water and Waste Services	36	11	0	0	46	0%
Construction	870	367	30	0	1,266	8%
Wholesale Trade	292	327	58	3	673	4%
Retail Trade	404	527	68	5	1,002	6%
Accommodation and Food Services	250	592	93	3	937	6%
Transport, Postal and Warehousing	382	58	4	3	443	3%
Information Media and Telecommunications	275	194	25	3	497	3%
Financial and Insurance Services	1,129	250	5	3	1,386	9%
Rental, Hiring and Real Estate Services	1,815	196	13	0	2,016	13%
Professional, Scientific and Technical Services	1,802	1,475	123	0	3,397	22%
Administrative and Support Services	259	236	22	8	519	3%
Public Administration and Safety	14	17	0	0	33	0%
Education and Training	140	95	11	0	248	2%
Health Care and Social Assistance	831	419	25	5	1,276	8%
Arts and Recreation Services	356	129	4	3	489	3%
Other Services	161	246	11	0	421	3%
Currently Unknown	145	38	0	0	191	1%
Total	**9,469**	**5,430**	**535**	**31**	**15,470**	**100%**

Source: Business Counts (no of employees), Australian Bureau of Statistics (ABS), 2018

SHORT TERM BUSINESS GROWTH

Table 30 summarises Yarra business growth (by business size) between 2016 and 2018. In that time, professional, scientific and technical services sector added 336 business, the majority (62%) are non-employing.

Other notable short term business growth occurred in the construction industry (+159 business) and transport, postal and warehousing (+128 businesses).

Between 2016 and 2018, Yarra attracted 5 net additional businesses that employ over 200 staff, which was led by information, media, telecommunications (+3), arts and recreation services (+3) and wholesale trade (+3).

T30. ADDITIONAL BUSINESSES REGISTERED – YARRA – 2016 TO 2018

Industry	Non employing	1-19 Employees	20-199 Employees	200+ Employees	Total
Professional, Scientific and Technical Services	+207	+117	+18	0	+336
Construction	+108	+38	+9	0	+159
Transport, Postal and Warehousing	+128	+2	-4	0	+128
Financial and Insurance Services	+72	+42	-5	0	+108
Health Care and Social Assistance	+89	+12	+4	+2	+105
Information Media and Telecommunications	+58	+22	+9	+3	+87
Rental, Hiring and Real Estate Services	+55	+33	-1	0	+82
Accommodation and Food Services	+26	+22	+10	0	+57
Arts and Recreation Services	+53	+10	-7	+3	+57
Education and Training	+14	+18	+1	0	+30
Electricity, Gas, Water and Waste Services	+12	+2	0	0	+13
Mining	+10	+2	-3	0	+6
Administrative and Support Services	+21	0	-6	+2	+5
Other Services	+11	-10	-4	0	+5
Public Administration and Safety	-4	+5	-3	0	+2
Retail Trade	+6	0	+6	0	+1
Manufacturing	+3	-4	-7	-3	-4
Currently Unknown	-7	-4	0	0	-6
Agriculture, Forestry and Fishing	-2	-1	+2	0	-7
Wholesale Trade	+9	-23	+3	+3	-17
Total	**+852**	**+266**	**+18**	**+5**	**+1,148**

Source: Business Counts (no of employees), Australian Bureau of Statistics (ABS), 2016 to 2018

7. THE VISITOR ECONOMY

7.1. INTRODUCTION

The visitor economy is Yarra is a vibrant and growing element of the local and regional economy. Yarra is a popular retail, hospitality and entertainment destination, with a fast growing business/corporate market.

This section provides an overview of Yarra's destination strengths, quantifies and assesses domestic and international visitation and profile's the existing visitor market having regard to purpose of visit, travel group, activities undertaken and visitor origin.

Data presented in this section is sourced from Tourism Research Australia (TRA) National Visitor Survey (NVS) and International Visitor Survey (IVS) for the 5-year period 2014 to 2018. A 5-year average has been adopted where possible to provide greater certainty of results.

Visitors are categorised as domestic day trip visitors, domestic overnight visitors or international visitors. Definitions are provided in the glossary of terms.

7.2. KEY FINDINGS

- Visitation to Yarra has grown consistently. Total visitation to Yarra has more than doubled since 2009, increasing by approximately 450,000 visitor 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.
- Daytrip visitation to the City of Yarra is largely driven by the hospitals in the municipality, with 20% of day trips occurring due to medical related reasons.
- Popular day trip and overnight trip activities in the municipality include:
  - Eating out / dine at a restaurant or café;
  - Visiting friends and relatives;
  - Go shopping;
  - Go to pubs, clubs, discos;
  - Attend an organised sporting event; and
  - Visit museums or art galleries.

7.3. OVERVIEW

Yarra's retail and hospitality precincts in Fitzroy and Collingwood (Brunswick Street, Smith Street, Johnston Street), Richmond and Abbotsford (Victoria Street, Bridge Road and Swan Street) are destinations in their own right, and are recognised as magnet attractions for locals and visitors to shop, eat out, attend events, visit art and cultural institutions and recreate.

Yarra's strength as a visitor destination is linked to the municipalities high quality amenity that is offered across its key activity centres and neighbourhood centres. Beyond leisure activities, Yarra's visitor economy is also largely driven by persons visiting major health and education facilities, and business/corporate visitors attending meetings and events across the municipality's key employment precincts and activity centres.

F29. DESTINATION STRENGTHS – YARRA'S VISITOR ECONOMY

Arts and Culture

- Galleries
- Cultural institutions
- Festivals and events

Hospitality & Entertainment

- Restaurants
- Cafes
- Bars, Pubs and Taverns

Retail

- Fashion
- Personal services
- Recreational retail

Business / Corporate

- Business and industry
- Health clusters
- Education precincts

Attachment 2 - Attachment 2 - Background Report

7.3.1. VISITATION TRENDS

In 2018, the City of Yarra attracted over 800,000 visitors in 2018, consisting of approximately 500,000 domestic daytrip (63%), 250,000 domestic overnight trips (31%) and 50,000 international visitors (6%).

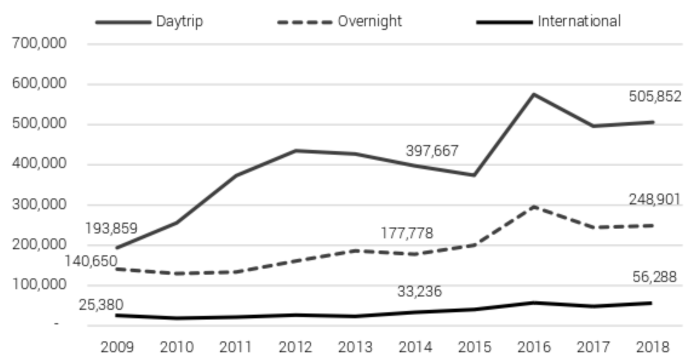
Figure 30 summarises the visitor trends in the City of Yarra over the past decade. Visitation to Yara has grown consistently. Total visitation to Yarra has more than doubled since 2009, increasing by approximately 450,000 visitor per annum.

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.

To be considered a day trip visitor, persons need to have travelled at least 50 kilometres. A 50 km radius from Yarra excludes the inner and middle metropolitan areas. Yarra would attract a significant number of visitors from within these areas, but are excluded from the figures, resulting in the figures to be significantly understated.

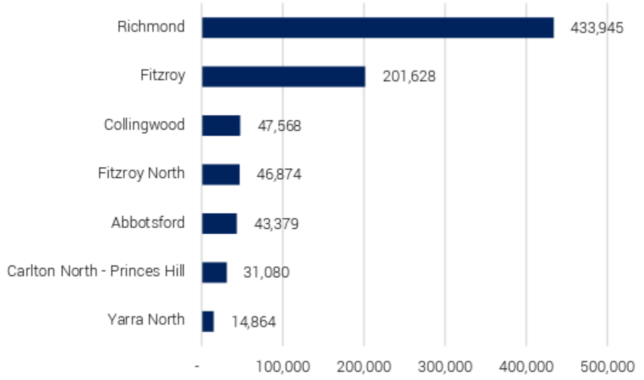
Figure 31 provides a breakdown of visitation per suburb (SA2). Richmond accounts for over half of Yarra's annual visitation, followed by Fitzroy (25%).

F30. VISITATION TRENDS – YARRA – 2009 TO 2018



Source: TRA, NVS and IVS, Calendar Year 2009-2018.

F31. VISITATION BY SUBURB - YARRA



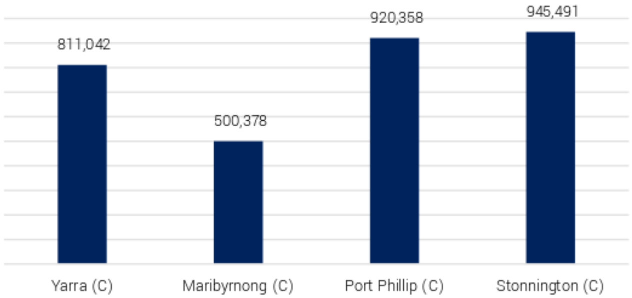
Source: TRA, NVS and IVS, Calendar Year 2009-2018.

7.3.2. VISITATION – IMAP COUNCIL BENCHMARKING

Visitation to Yarra is quite comparable to other IMAP Councils. Port Phillip and Stonnington attract slightly more visitors and is in the order of 900,000 to 950,000 visitors per annum.

In 2018, the City of Melbourne attracted approximately 14.3 million visitors. It is acknowledged that the City of Melbourne attracts millions of visitors per annum to visit a broad range of nationally and internationally recognised events, attractions and institutions such as the National Gallery of Victoria, Federation Square, the Melbourne Cricket Ground, the Melbourne Zoo. There may be an opportunity for Yarra to further capitalise on this scale of visitation and attract a larger proportion of visitors to experience the unique environment of Yarra's vibrant activity centres and precincts.

F32. ANNUAL VISITATION – YARRA & IMAP COUNCILS



Source: Visitation, IMAP, NVS/IVS, TRA 2014 - 2018

7.4. VISITOR MARKET PROFILE

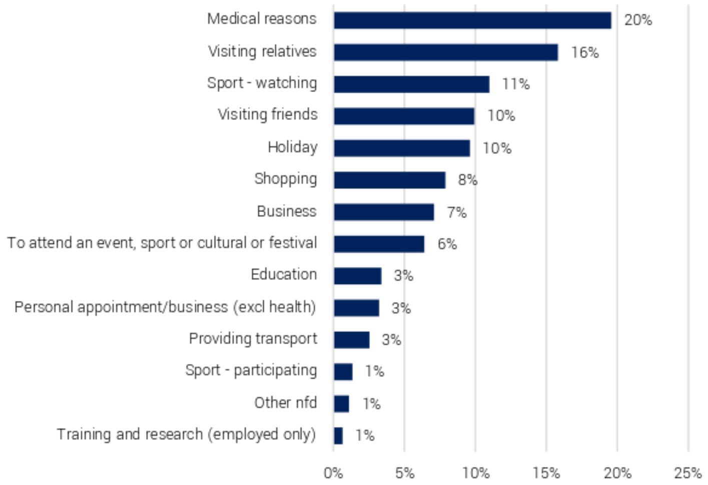
7.4.1. DAYTRIP VISITATION

PURPOSE OF VISIT

Daytrip visitation to the City of Yarra is driven by the hospitals in the municipality, with 20% of day trips occurring due to medical reasons.

Other drivers of day trip visitation include visiting relative (16%), watching sport (11%), visiting friends (10%), holiday (10%) and shopping (8%).

F33. PURPOSE OF VISIT – DAYTRIPS - YARRA

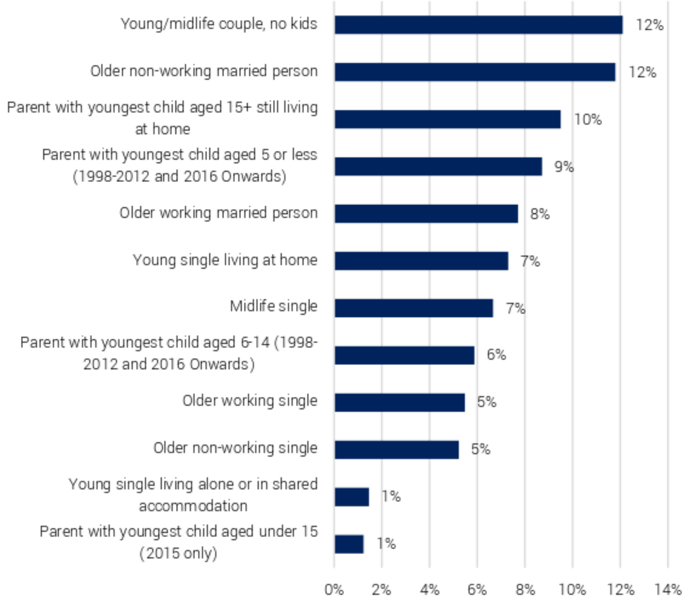


Source: TRA, NVS, Daytrip, 5 Year Average, Calendar Year 2014-2018.

TRAVEL GROUP

The most common travel groups to the City of Yarra are young/midlife couples with no children (12%), older non-working married people (12%) and parent with a child aged 15+ years (10%).

F34. LIFECYCLE GROUP – DAYTRIPS - YARRA

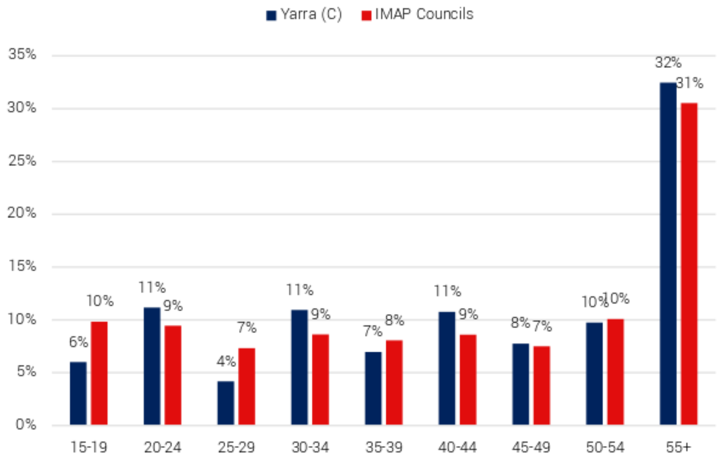


Source: TRA, NVS, Daytrip, 5 Year Average, Calendar Year 2014-2018.

AGE GROUP

On average, daytrip visitors to the City of Yarra have a slightly older age profile than visitors to the IMAP Councils. This is likely to be influenced by the two hospitals in the municipality, attracting a higher proportion of people aged over 55 years.

F35. AGE GROUP – DAYTRIPS - YARRA



Source: TRA, NVS, Daytrip, 5 Year Average, Calendar Year 2014-2018.

Attachment 2 - Attachment 2 - Background Report

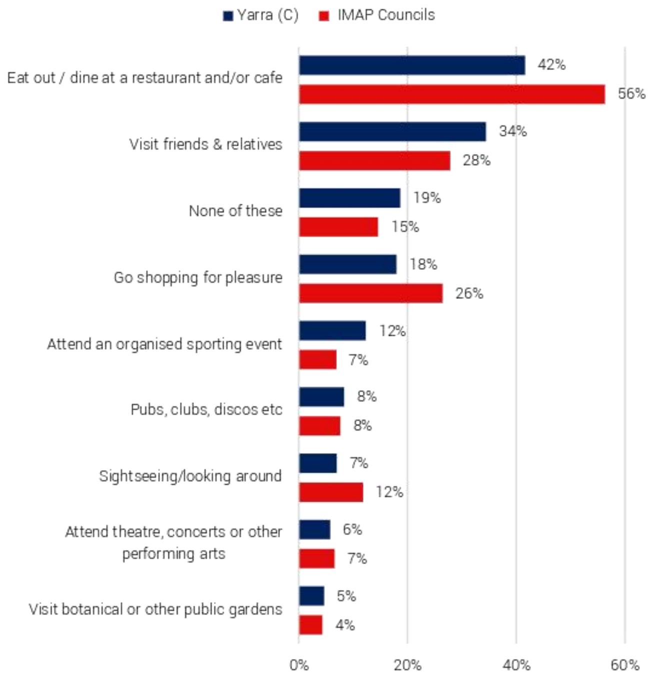
ACTIVITIES

Figure 36 summarises the activities that domestic day trip visitors undertake in the City of Yarra compared with the IMAP councils.

Popular daytrip activities in the municipality include:

- Eating out / dine at a restaurant or café (42%);
- Visiting friends and relatives (34%);
- Go shopping (18%); and
- Attend an organised sporting event (12%).

F36. ACTIVITIES – DAYTRIPS - YARRA



Source: TRA, NVS, Daytrip, 5 Year Average, Calendar Year 2014-2018.

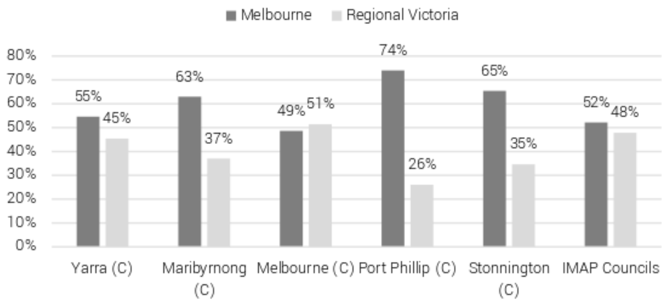
VISITOR ORIGIN

On average, 95% of visitors to Yarra are from Victoria, with 4% travelling from New South Wales and 1% from other states and territories.

55% of day trip visitors to Yarra are from within metropolitan Melbourne and 45% are from Regional Victoria.

Please note that to be recognised as a day trip visitor, a distance of at least 50 kilometres needs to be travelled. A 50 km radius from Yarra excludes the inner and middle suburb areas, leaving the outer metropolitan areas.

F37. VISITOR ORIGIN – DAYTRIPS - YARRA



Source: TRA, NVS, Daytrip, 5 Year Average, Calendar Year 2014-2018.

Table 31 shows the origin of visitors to Yarra from within Victoria's tourism regions. Yarra receives a higher proportion of visitors from Melbourne than other IMAP councils and a higher proportion of visitors from the Mornington Peninsula.

T31. VISITATION BY VICTORIAN TOURISM REGION – DAYTRIPS – YARRA. MELBOURNE & IMAP

Tourism Region	Yarra (C)	Melbourne (C)	IMAP Councils
Melbourne	33%	27%	30%
Peninsula	12%	10%	11%
Geelong and the Bellarine	12%	15%	13%
Bendigo Loddon	8%	6%	6%
Melbourne East	7%	8%	7%
Gippsland	7%	7%	7%

Source: TRA, NVS, Daytrip, 5 Year Average, Calendar Year 2014-2018.

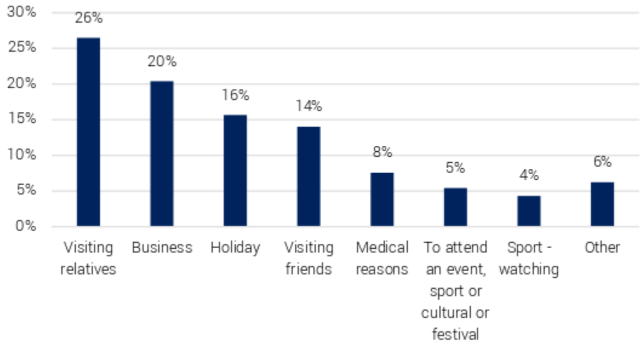
Attachment 2 - Attachment 2 - Background Report

7.4.2. OVERNIGHT VISITATION

PURPOSE OF VISIT

The most common purpose of visit for domestic overnight visitors to Yarra is visiting relatives (26%), business purposes (20%) and holiday/leisure (16%).

F38. PURPOSE OF VISIT – OVERNIGHT VISITORS - YARRA

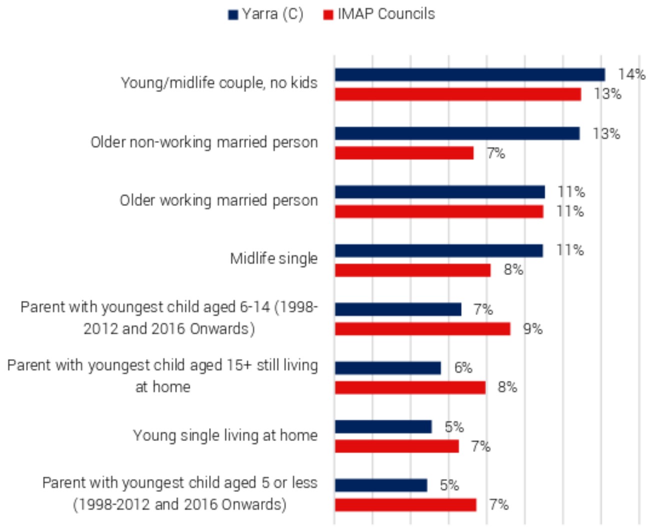


Source: TRA, NVS, Overnight, 5 Year Average, Calendar Year 2014-2018.

TRAVEL GROUP

Similar to daytrip visitors, the most common travel groups across overnight visitors are young/midlife couples with no children (14%) and older non-working married people (13%).

F39. LIFECYCLE GROUP – OVERNIGHT VISITORS - YARRA



Source: TRA, NVS, Overnight, 5 Year Average, Calendar Year 2014-2018.

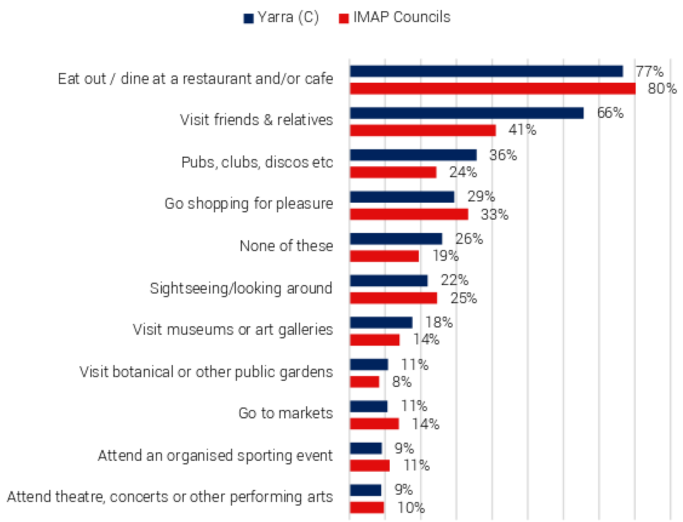
ACTIVITIES

There is a much higher proportion of overnight visitors to the City of Yarra visiting friends and relatives (66%) than other IMAP Councils (41%).

There is also a much higher proportion of visitors going to pubs, clubs, discos etc. in Yarra (36%) than other IMAP Councils (24%), indicating a specialisation in night time activities.

Other popular activities are eating out/dining at a restaurant and café (77%) and going shopping (29%), which align with the municipality's strengths in retail and hospitality.

F40. ACTIVITIES – OVERNIGHT VISITORS - YARRA



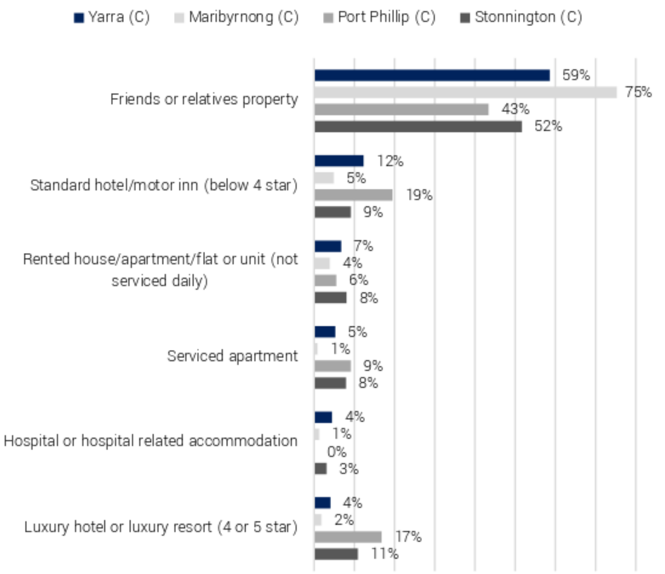
Source: TRA, NVS, Overnight, 5 Year Average, Calendar Year 2014-2018.

ACCOMMODATION

The most common types of accommodation used by domestic overnight visitors in Yarra are friends or relative's property (59%), followed by standard hotel/motor inn (12%) and rented house/apartment/flat (7%).

A lower proration of domestic overnight visitors stay in commercial accommodation (41%) when compared with Port Phillip (57%) and Stonnington (48%).

F41. ACCOMMODATION – OVERNIGHT - YARRA



Source: TRA, NVS, Overnight, 5 Year Average, Calendar Year 2014-2018.

AIR BNB & HOME AWAY

In addition to the non-commercial and commercial accommodation market, platforms such as AirBnb and Home Away (i.e. Stayz) are increasingly used by domestic and international overnight visitors, providing competitive pricing and the ability to experience cities 'like a local'.

There are currently 1,284 active listings on AirBnb and Home Away in the City of Yarra. 30% of listings are concentrated in Richmond and Cremorne, with 379 properties listed as active. There are also a high number of listings in Fitzroy (278), Collingwood (197) and Abbotsford (159).

The municipalities average occupancy rate for AirBnb and Home Away listed properties is 74%.

T32. AIR BNB LISTINGS - YARRA

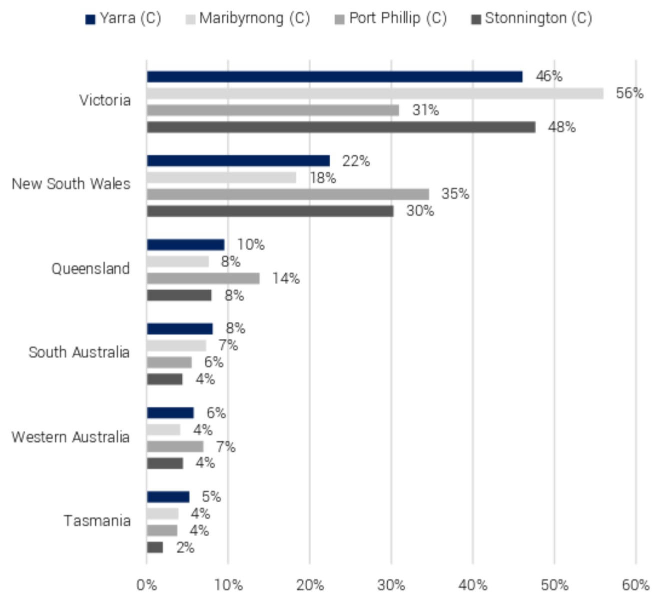
	Active Listings	Entire Home	Private Room	Shared Room	Ave Occupancy
Richmond / Cremorne	379	284	94	1	70%
Fitzroy	278	201	76	1	77%
Collingwood	197	147	50	0	74%
Abbotsford	159	104	57	1	80%
Fitzroy North	139	91	47	1	77%
Carlton North	77	50	26	1	69%
Clifton Hill / Alphington South	55	34	21	0	74%
Total	**1,284**	**911**	**371**	**5**	**74%**

Source: Air DNA Market Minder, 2019

VISITOR ORIGIN

The largest proportion of overnight visitors to Yarra originate from Victoria (46%), New South Wales (22%) and Queensland (10%).

F42. VISITOR ORIGIN – OVERNIGHT VISITORS - YARRA

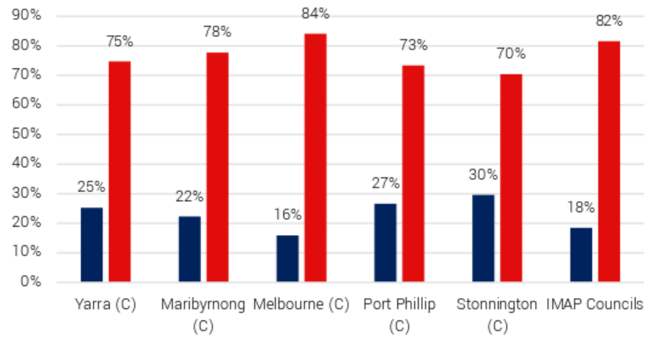


Source: TRA, NVS, Overnight, 5 Year Average, Calendar Year 2014-2018.

Of the visitors to Yarra who originate from Victoria, 25% are from metropolitan Melbourne and 75% are from Regional Victoria.

Yarra attracts a higher proportion of visitors from Melbourne when compared with the IMAP Councils (18%).

F43. VISITOR ORIGIN – OVERNIGHT VISITORS - YARRA



Source: TRA, NVS, Overnight, 5 Year Average, Calendar Year 2014-2018.

Yarra attracts a large proportion of visitation from the Mornington Peninsula (14%), Geelong and the Bellarine (13%) and Gippsland (10%), as shown in Table 33.

T33. OVERNIGHT VISITOR ORIGIN, VICTORIAN TOURISM REGION

Tourism Region	Yarra (C)	Melbourne (C)	IMAP Councils
Peninsula	14%	6%	8%
Geelong and the Bellarine	13%	10%	10%
Gippsland	10%	11%	11%
Bendigo Loddon	9%	10%	9%
Great Ocean Road	8%	11%	9%
Melbourne	7%	5%	6%
High Country	6%	6%	6%

Source: TRA, NVS, Overnight, 5 Year Average, Calendar Year 2014-2018.

8. CONSIDERATIONS

8.1. INTRODUCTION

This section provides a summary of considerations that have emerged throughout the preparation of this Background Report. Findings are informed by the research and analysis that is presented in this Background Report only.

Based on the research in this Background Report, the following themes have emerged and are proposed to form part of the framework for the forthcoming Economic Development Strategy:

1. Thriving and Diverse Employment Precincts;
2. Vibrant and Evolving Retail Precincts; and
3. A Creative, Inclusive and Sustainable Economy.

Each theme includes a series of considerations to be addressed in the Strategy.

8.2. THRIVING AND DIVERS 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 employment precincts are areas that generate and encourage innovation, productivity and growth in the knowledge economy. These are areas where research institutions, medical complexes, universities, and clusters of high-tech and creative firms attract businesses, entrepreneurs and professionals. Within Yarra, there is a clear clustering of these areas, and their role and function has strengthened significantly since the previous EDS. Major smart clusters and precincts in Yarra include the Richmond Cremorne Enterprise Precinct, the Fitzroy Health and Education Cluster, the Richmond Health and Education Cluster and the Gipps Street Precinct.

Yarra's employment precincts are productive, innovative and diverse. Since the previous EDS, the role and function of Yarra's employment precincts have strengthened significantly, including:

- Richmond Cremorne Enterprise Precinct;
- Fitzroy Health and Education Cluster; and
- Richmond Health and Education Cluster.

It will be critical for the EDS to support sustainable growth in these clusters to protect and enhance the competitive strengths and attractive physical and amenity characteristics that are unique to these areas and linked to the ongoing attraction of business and industry growth.

Considerations:

- How to protect and enhance Yarra's competitive industry advantages across the municipality's smart clusters (e.g. creative, professional/financial services and tech firms).
- How to ensure that planning controls are fit for purpose, accommodating future employment growth whilst protecting the unique built form characteristics that are attractive to businesses and workers.
- How to maintain and enhance the high quality precinct amenity (e.g. retail, hospitality, health and wellness).
- How to address parking stresses that have resulted from an increase in the number of residents and workers driving in Yarra, and a reduction in at-grade car parking locations in some areas.
- How to support workers, residents and visitors accessing precincts via public and active transport modes to address growing congestion issues from major population and employment growth.
- How to strengthen the profile of Yarra's precincts with State and Federal Government.
- How to leverage the growing popularity of co-working / co-sharing facilities and spaces to meet diverse work preferences.

8.3. VIBRANT AND EVOLVING RETAIL PRECINCTS

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

Yarra's retail strips include a distinct economic role, land use and business mix. Whilst some activity centres such as Bridge Road and Victoria Street are experiencing high vacancy rates in the order of 16% to 18%, this rate of vacancy is common across comparable inner metropolitan retail strips such as Chapel Street, Prahran/South Yarra.

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

Considerations:

- How to address the length (distance) of Yarra's retail strips and the differing role and business mix of each sub-section.
- How to transition Yarra's retail strips 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.
- Understand the challenges facing the local retail sector, which may extend to onerous lease arrangements, weakening demand and access/connectivity constraints.
- How to 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.

- The role of place-making initiatives/projects that facilitate an improved streetscape environment and public realm to increase the number of people who visit, recreate and spend in each centre.
- What will have the most significant impact when rethinking side street and laneways that create engaging and connected places.
- How to protect the 'village feel' of Yarra's retail strips, particularly given that residential intensification is occurring in major activity centres.

8.4. 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 EDS 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.

The City of Yarra Council and community is recognised as a leader in sustainable practices and environmental initiatives. 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 'green' business community will involve strengthening existing renewable energy initiatives and promoting green business practice.

Considerations:

- How to 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, as they provide horizontally integrated in networks of suppliers, distributors, and subcontractors.
- How to protect and enhance Yarra's identity as a destination for artists, creatives and makers to live, work and visit.
- How to grow the visitor economy and strengthen Yarra as a destination in its own right, increasing domestic and international visitation.

APPENDICES

APPENDIX A LITERATURE REVIEW

YARRA COUNCIL PLAN 2017 – 2021

Yarra City Council's Council Plan sets out the priorities and direction for the Council over the four year period (2017 to 2021).

The Council Plan identifies seven objectives to guide Yarra over the four-year period:

- A Healthy Yarra - Community health, safety and wellbeing are a focus in everything we do
- An Inclusive Yarra - Inclusion, diversity and uniqueness are welcomed, respected and celebrated
- A Sustainable Yarra - Council leads on sustainability and protects and enhances its natural environment
- A Liveable Yarra - Development and growth are managed to maintain and enhance the character and heritage of the city
- A Prosperous Yarra - Local businesses prosper and creative and knowledge industries thrive
- A connected Yarra - Connectivity and travel options are environmentally sustainable, integrated and well-designed
- A Leading Yarra - Transparency, performance and community participation drive the way we operate.

YARRA SPATIAL ECONOMIC AND EMPLOYMENT STRATEGY (SEES)

Yarra SEES was prepared by SGS Economics and Planning in 2018 to assist the City of Yarra in understanding the municipalities economic profile, competitive advantages and industry specialisations and how to best respond to trends and drivers to accommodate future business and employment growth to 2031.

employment trends and demand drivers

SEES identifies that the Yarra economy is becoming more knowledge based and services oriented, as a result of a well-connected, inner city location with a highly skilled and qualified labour force. Notable employment growth in knowledge-based sectors such as health care, professional and financial services is forecast and expected to materialise to 2031.

SEES estimates that there will be demand for approximately 389,000 sqm of additional commercial floorspace, 89,000 sqm of additional retail floorspace and 206,000 sqm of additional institutional floorspace in Yarra between 2016 and 2031.

According to SEES, other key trends that are impacting Yarra's economy include:

- Structural economic change – Yarra is a post-industrial economy, derived by knowledge based services, producing high value outputs, with an increasing emphasis on professional services, health care and education, creative industries and a diverse retail and hospitality offer.
- Innovation, Knowledge Services – The competitiveness of Australia's economy will be underpinned by innovation, which commonly involves the use of technology as a tool to solve a problem and leads to the creation of new markets.
- Mixed Use Employment Precincts – The Gipps Street Precinct and the Cremorne Precinct are Yarra's two significant mixed employment areas, containing a mix of industrial buildings, warehouses, newer office buildings and some residential dwellings. The diversity of uses found in these areas are linked to its success as a major employment precinct.

- **Niche Manufacturing and Wholesale Trade** – Despite a significant loss in manufacturing employment across Victoria (partly a result of the withdrawal of the automotive manufacturing industry), the decline in manufacturing jobs has been partially mitigated through a growing number of smaller, niche manufacturers and a transition to more advanced and technical manufacturing activities. This is particularly the case in Yarra's Gipps Street precinct.
- **Growth in Health Care** – Growth in health care 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 affirms the strength of the sector in Yarra, both in terms of accommodating St Vincent's and Epworth Hospitals, but also a growing allied health role.
- **Growth in Education** – Yarra has four large tertiary institutions: University of Melbourne (Burnley), Australian Catholic University (Melbourne), Melbourne Polytechnic (Fairfield and Collingwood) and Kangan Institute (Richmond). Further, rapid population growth that has materialised and is forecast to continue in Yarra will generate further demand for education institutions. SEES identifies a current shortfall of education facilities; one of the highest in the metropolitan area.
- **Competing Land Use Priorities** – Landowners and developers typically seek high returns, and residential land uses are often the most feasible for commercial and mixed use zoned land. Residential intensification is mores suitable to activity centres due to the access to employment, transport and amenity.
- **Ongoing Retail and Hospitality Growth** – Yarra is a retail and hospitality destination. Yarra retailers indicated that 20% of their trade originates from local residents, with the balance (80%) generated from workers, visitors and tourists. As changes to the retail sector continues to disrupt the industry (e.g. online and e-commerce), traditional store-based and 'bricks and mortar' retailers must evolve to improve the experiential and service offering.

CAPACITY FOR EMPLOYMENT GROWTH

SEES estimates that there is currently 3.6 million sqm of employment floorspace within the City of Yarra, with a theoretical maximum in the order of 4.9 million sqm, resulting in a current capacity of 1.3 million sqm. This is based on development potential under current planning zones.

Based on the Yarra Office Demand Study (2018) prepared by urban Enterprise, there has been a notable surge in planning applications for office developments. Three suburbs account for 89% of the total approved office floorspace: Collingwood (57,000 sqm), Richmond (48,000 sqm) and Cremorne (27,000 sqm).

Table 2 provides a summary of floorspace demand for employment uses to 2031. By 2031, it is estimated that there will be demand for an additional 417,000 sqm of employment floorspace, including close to 390,000 sqm of commercial floorspace and 206,000 sqm of institutional floorspace. Conversely, there will be a reduction in demand for industrial floorspace in the order of 267,000 sqm.

T34. FLOORSPACE DEMAND PROJECTIONS – YARRA – 2016 TO 2031

Land Use	2016	2021	2026	2031	CHANGE (16 – 31)
Commercial	1,060,000	1,255,000	1,372,000	1,449,000	389,000
Retail	913,000	983,000	993,000	1,003,000	89,000
Institutional	456,000	510,000	579,000	662,000	206,000
Industrial	1,011,000	860,000	807,000	745,000	-267,000
Total	**3,440,000**	**3,608,000**	**3,751,000**	**3,859,000**	**+417,000**

Source: SEES, SGS 2018

THE SPATIAL STRATEGY

SEES recommends that the following strategic directions in respect of employment lands between 2016 to 2031 (15 years):

- Support employment growth in Yarra's Activity Centres
- Retain and grow Yarra's major employment precincts
- Identify preferred location for housing growth
- Support the expansion of health related employment and services in Yarra's health precincts
- Retain other C2 zoned precincts and sites
- Retain Yarra's existing industrial precincts for manufacturing and urban services

8.5.1. YARRA HOUSING STRATEGY

The Yarra Housing Strategy was adopted in September 2018. The Strategy provides direction for the preferred locations and nature of housing change in the municipality over the next 15 years (to 2033).

The Strategy identifies the following:

- The importance of retaining employment land except for employment areas where residential development has been identified in existing strategies (e.g. structure plans and local area plans).
- Yarra's activity centres are identified as appropriate locations for new housing, given the proximity to public transport, amenity and other services.
- The importance of providing a diverse mix of housing for residents to support social inclusion and maintain vibrant communities across the municipality.
- The increased need for student housing in proximity to Yarra's major tertiary institutions.
- The need to balance downsizing and 'age in place' to ensure that seniors and elderly are supported and accommodated by dwellings that are suitable to their needs, but also free up larger dwellings to be made available to accommodate families.
- There is a potential under provision of aged care and retirement facilities in the municipality, with a predicted shortfall of 109 beds by 2025.
- There is a need to provide affordable housing options within new residential developments in Yarra.
- Promote and encourage active transport use (walking, cycling) for Yarra residents.
- Promote environmentally sustainable residential developments.
- A housing capacity analysis indicates that Yarra's activity centres can accommodate 14,300 dwellings by 2031, which is sufficient in accommodating projected population growth.
- The major activity centres have the most significant land supply available to accommodate new dwellings in Yarra (e.g. Bridge Rd, Victoria St).

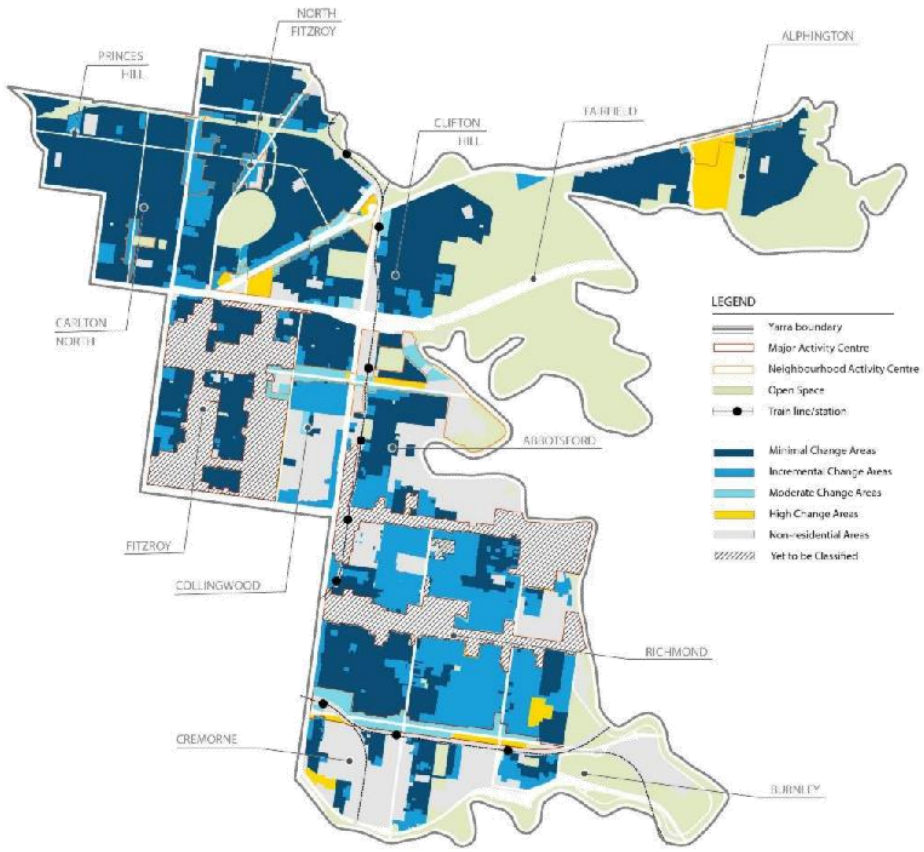
STRATEGIC DIRECTIONS

The Strategy provides four (4) strategic directions to guide housing development in the municipality:

- Strategic direction 1 – Monitor population growth and evolving development trends in Yarra to plan for future housing growth and needs.
- Strategic direction 2 – Direct housing growth to appropriate locations.
- Strategic direction 3 – Plan for more housing choice to support Yarra's diverse community.
- Strategic direction 4 – Facilitate the provision of more affordable housing in Yarra.

Figure 43 provides an overview of the Housing Strategy Framework. The figure shows that the high change areas are located in Alphington (former Paper Mill site), specific sites on Queens Parade, areas within the Swan Street corridor, strategic development sites on Stawell Street and the Richmond Maltings site.

F44. CHANGE AREAS – HOUSING STRATEGY



Source: Yarra Housing Strategy, 2018

www.urbanenterprise.com.au

Attachment 2 - SUMMARY OF CONSULTATION RESULTS

1. The preparation of the draft EDS included consultation with the local business community and a broad range of key stakeholders. This consultation provided qualitative analysis of how key trends are impacting on business locally and to establish priorities for supporting the local economy. The consultation process included:
   (a) A workshop with participants from Yarra's Young Entrepreneurs in the North (YEN) program on 7 October 2019;
   (b) A workshop with Councils Business Advisory Group (BAG) held on 19 September 2019 ;
   (c) One-on-one interviews with a diverse range of industry sectors and members of the business community;
   (d) Meetings with internal Council stakeholders;
   (e) Meeting with Council's Disability Advisory Committee on 19 November 2019;
   (f) Online survey promoted via *Your Say Yarra* engagement portal, Yarra Life e-news, message to Advisory Committee representatives and Yarra's Business e-news; and
   (g) Follow up telephone interviews with interested online survey respondents.
2. Interviews were conducted with the following organisations:

Industry sector	Business name	Name of interviewee	Title
Coworking	Inspire9 Launchpad	Yianni Tsilivariakis David Thomas	Director Director
Creative	Collingwood Arts Precinct Abbottsford Convent	Marcus Westbury Collette Brennan	CEO CEO
Retail sector	Traders on Victoria Street	6 business operators	
Medical/Manufacturing	Compumedics	David Lawson	ED
Not for Profit Disability Services	VALID	David Petherick	Deputy CEO
Professional services Information Media and Telecommunications	Local Peoples Pixel Storm	Pino Demaio Paula Glynn	Creative Director G
Education	Melbourne Polytechnic Bendigo Kangan Institute	Howard Kelly Gideon Perrott	Strategic Advisor Chief Commercial Officer

Attachment 2 - SUMMARY OF CONSULTATION RESULTS

3. The objectives of the consultation process were to:
   (a) Encourage community participation in the development of the strategy and a sense of investment in the final product;
   (b) Receive data that informs and refines the strategy, and ensures that it reflects community priorities and aspirations;
   (c) Ensure that Council hears from a broad cross-section of people involved in the local economy which includes reaching out to business owners, employees and customers from both traditional and emerging industries; and
   (d) Promote Council as a champion of local business development, while helping people understand the nature of Council's role and the extent of Council resources
4. The one-on-one interviews were conducted by Council officers from the Economic Development Unit. This process identified a number of potential partnership opportunities for inclusion in the draft EDS. This includes:
   (a) Providing support for young entrepreneurs and start-ups;
   (b) Enhancing visitation through creating art trails that link significant arts and cultural precincts;
   (c) Building a stronger brand for Cremorne as a place of innovation; and
   (d) Promoting innovative initiatives that are available for supporting people with disabilities into the local workforce.

Attachment 3 - Attachment 3 - Consultation report

Attachment 2 - SUMMARY OF CONSULTATION RESULTS

Format	Role Council/Economic Development Strategy could play in supporting the industry	Issues/challenges facing industry
Feedback from the two workshops	• Influence the staging of construction to minimize disruption • Engage input from younger residents • Provide networking opportunities for small businesses that are operating above ground level • Review policies, strategies, planning frameworks and regulation that may be relevant to business • Use planning zoning to protect balance of residential and commercial • Parking regulation in retail strips to better reflect business mix • Use broader performance indicators • Increase awareness of what Council has to offer young people • Greater investment in waste management and sustainability	• Public transport at night • Poor access to NBN • Congestion • Competition for road space • Cost of parking • Cycling infrastructure • End of trip facilities such as cycle hoops • Efficient car parking arrangements
Feedback from the one-on-one interviews	• Protect areas for where makers are able make noise • Develop a strategy to preserve the supply of space and connect property developers with creatives • Market/promote the use of ground floor spaces of residential developments to accommodate makers/artists rather than retail • Investigate potential for a street art trail that could link up CAP and Abbotsford Convent • Special planning zoning to protect diversity to ensure that residential doesn't continue to displace employment • Ensure the appropriate infrastructure is there to support growth • Provide good and clean public spaces • Maintain Yarra's ethnically diverse and quirky cultural/arts edge • Build more certainty into the planning system • Use design and technology to drive improvements. • Access to grants and seed funding for business • Establishing a digital network that is interactive • Promote closed loop and more ethical business practices • State and Local Government invest in building the profile of Cremorne • Attract broader range of public medical and allied health professionals to the health precincts • Map creatives and identify areas of clustering "hotspots" and identify support required for growth • Stimulate greater connectivity between creatives and the night time economy • Drive further integration between arts and economic development • Consider offering events that attract commuters going home from work so that they are travelling later in the day, reducing congestion • Undertake further economic analysis on the economic impact of events	• Demand for affordable workspaces • Creatives/makers are actively being displaced by residential development • Pedestrian/cycling is not connected need more investment in cycling • Concerned about planning conflicts around zoning/classifications where the scale and place of residential development is completely changing the character of the area. • Increasing congestion, particularly from trucks especially double tandem trucks • Vacancies on Nicholson Street • Identify strategies for supporting business through the impact of climate change

Attachment 3 - Attachment 3 - Consultation report

Attachment 2 - SUMMARY OF CONSULTATION RESULTS

Format	Role Council/Economic Development Strategy could play in supporting the industry	Issues/challenges facing industry
Feedback from the one on one interviews with traders on Victoria Street	• Activate the vacant shops where possible • Provide more lighting along street to improve safety • Support for a weekly night market • More Christmas decorations • More marketing of precinct	Vacant shops, drug use
Comments from survey respondents and follow up interviews	Majority of suggestions were directed to supporting retail precincts this included: • place-making • marketing • activating empty shops • street cleaning • graffiti removal • improving safety by removing drug taking, streetscape improvements • greater vegetation • addressing vacancies • Improving pedestrian access, cycling and promoting sustainable transport • Weekly markets • Keep heritage feel • Heritage conservation and restoration • Make it easy for business to set up shop • Create more events • Rent control • Impose heavy rates on landlords for leaving shops vacant for long periods of time	Parking concerns were raised this included: • not enough parking • cost of parking • changing the time restrictions • Impacts of large residential development on the amenity Concerns about the level of drug taking and feeling threatened on Victoria Street

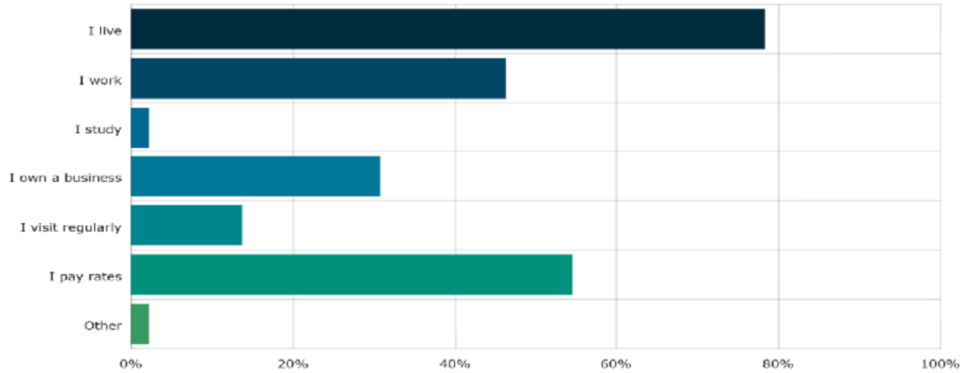
Attachment 2 - SUMMARY OF CONSULTATION RESULTS

Survey Results

Council received 147 responses to the *Your Say Yarra* online survey results between 31 October and 3 December 2019.

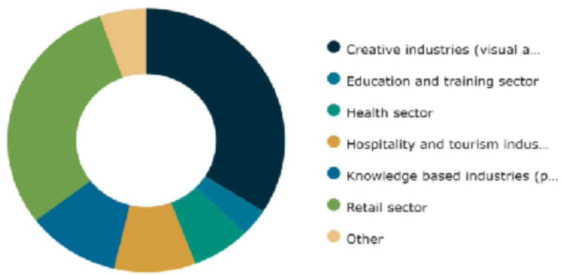
1. **What is your connection to Yarra?**

Answer choices	Percent	Count
I live	78.23%	115
I work	46.26%	68
I study	2.04%	3
I own a business	30.61%	45
I visit regularly	13.61%	20
I pay rates	54.42%	80
Other	2.04%	3



2. **Which of the following areas should we increase our focus on to help grow the local economy over the next 5 years?**

Answer choices	Percent	Count
Creative industries (visual arts, advanced manufacturing, architecture and design, advertising and marketing, film, television and radio, music and performing arts, software and interactive content)	34.01%	50
Education and training sector	3.40%	5
Health sector	6.80%	10
Hospitality and tourism industries	9.52%	14
Knowledge based industries (professional services, information technology, scientific and technical and financial services, computer design, engineering)	10.88%	16
Retail sector	29.93%	44
Other	5.44%	8
Total	**100.00%**	147

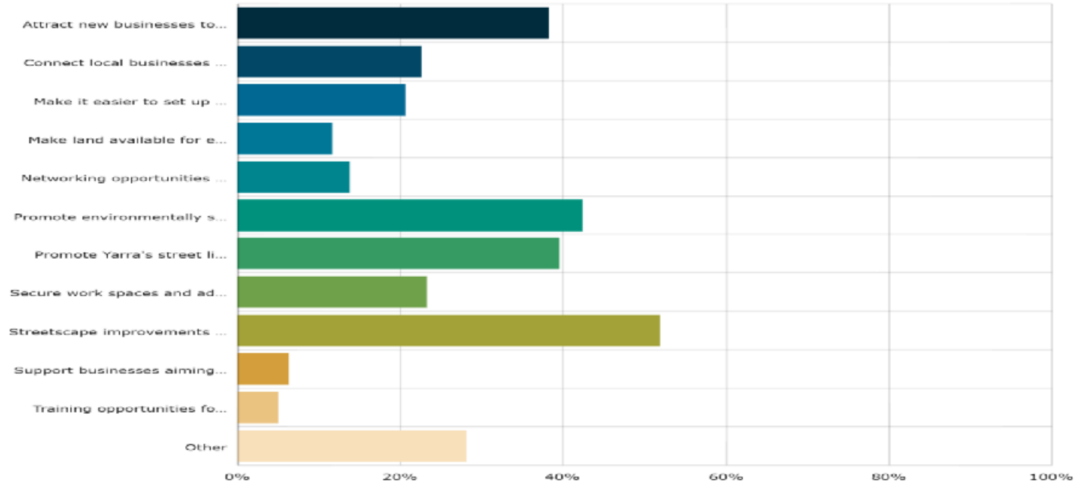


Attachment 3 - Attachment 3 - Consultation report

Attachment 2 - SUMMARY OF CONSULTATION RESULTS

3. How should we prioritise our efforts to support the local business community? (Multiple choices)

Answer choices	Percent	Count
Attract new businesses to Yarra	38.10%	56
Connect local businesses to State and Commonwealth government programs	22.45%	33
Make it easier to set up a business	20.41%	30
Make land available for employment activities	11.56%	17
Networking opportunities for businesses	13.61%	20
Promote environmentally sustainable practices to businesses	42.18%	62
Promote Yarra's street life, galleries, public art and cultural activities	39.46%	58
Secure work spaces and advocate for affordable spaces for artists	23.13%	34
Streetscape improvements for shopping strips	51.70%	76
Support businesses aiming to improve accessibility	6.12%	9
Training opportunities for young people	4.76%	7
Other	27.89%	41



Attachment 3 - Attachment 3 - Consultation report

Attachment 2 - SUMMARY OF CONSULTATION RESULTS

3. What method should we prioritise to encourage more people to visit our shopping strips?

Answer choices	Percent	Count
Advocate for easier access by public transport	7.48%	11
Develop and promote buy and shop local campaigns	12.93%	19
Improve the look and feel of shopping strips	35.37%	52
Make them easier to visit by foot or bike	22.45%	33
Make them easier to visit by car	17.69%	26
Other	4.08%	6
Total	**100.00%**	**147**

Of the 29 survey respondents that indicated that they would like to expand on their feedback in a detailed one-on-one interview with Council staff, only six took the opportunity to do so.

In summary, feedback from the online survey provided a clear indication from survey respondents that:

- Council should increase its focus on the creative sector (34% support) and the retail sector (30% support) to help grow the local economy over the next 5 years.
- Streetscape improvements (52% support), promoting environmentally sustainable practices to businesses (42% support), promoting Yarra's street life, galleries, public art and cultural activities (39% support) and attracting new businesses to Yarra (38% support) should be considered as priorities to support the local business community;
- To encourage more people to visit local shopping strips, Council should prioritise improving the look and feel of shopping strips (35% support), and make them easier to visit by foot or bike (22% support).

11.6 Update of the Membership of the Inner Melbourne Action Plan (IMAP) Implementation Committee

Trim Record Number: D20/103248
Responsible Officer: Group Manager Chief Executive's Office

Purpose

1. To recommend that Council approve a change to the membership of the Inner Melbourne Action Plan Implementation Committee ("IMAP") to reflect changes to the organisational structure of the City of Melbourne.

Background

2. The Inner Melbourne Action Plan Implementation Committee is a unique partnership between the Cities of Melbourne, Stonnington, Yarra, Port Phillip and the Maribyrnong City Council with five Special Committees meeting as one, identically constituted under section 86 of the former Local Government Act 1989 and bound by identical Instruments of Delegation and Terms of Reference; and with formal Memorandums of Understanding in place for procurement protocols and joint intellectual property matters. Its primary function is to oversee the implementation of regional strategies and actions through cross Council teams and associated partners.
3. As a result of an organisational realignment, the City of Melbourne has resolved to amend the membership of its Inner Melbourne Action Plan Implementation Committee to remove the Director City Strategy and Place and appoint the Chief Executive Officer.
4. As these committees are identically constituted, the Yarra City Council now needs to make the equivalent membership change.

External Consultation

5. This report has been prepared based on advice provided by the IMAP Executive Officer, a position which is funded by IMAP member Councils and facilitated by Stonnington City Council.

Internal Consultation (One Yarra)

6. There has been no internal consultation in the preparation of this report.

Financial Implications

7. There are no financial implications arising from this report.

Economic Implications

8. There are no economic implications arising from this report.

Sustainability Implications

9. There are no sustainability implications arising from this report.

Social Implications

10. There are no social implications arising from this report.

Human Rights Implications

11. There are no human rights implications arising from this report.

Communications with CALD Communities Implications

12. There are no implications arising from this report requiring community consultation.

Council Plan, Strategy and Policy Implications

13. The proposed change enables continued operation of the committee and the furtherance of the Inner Melbourne Action Plan.

14. There are no policy implications arising from this report.

Legal Implications

15. A failure to update the current membership of the Committee could leave it open to a legal question as to whether the Committee is validly constituted.

Other Issues

16. There are no further issues arising from this report.

Options

17. There are no options presented in this report.

Conclusion

18. That Council renew the membership of the Inner Melbourne Action Plan Implementation Committee by replacing the City of Melbourne Director City Strategy and Place with the Chief Executive Officer.

RECOMMENDATION

1. That Council appoints as voting members of the Inner Melbourne Action Plan Implementation Committee the persons from time to time holding the positions of:

   (a) Mayor, Maribyrnong City Council;

   (b) Chief Executive Officer, Maribyrnong City Council;

   (c) Chair of the City of Melbourne Future Melbourne (Planning) Committee;

   (d) Chief Executive Officer, City of Melbourne;

   (e) Mayor, City of Port Phillip;

   (f) Chief Executive Officer, City of Port Phillip;

   (g) Mayor, City of Stonnington;

   (h) Chief Executive Officer, City of Stonnington;

   (i) Mayor, City of Yarra; and

   (j) Chief Executive Officer, City of Yarra.

CONTACT OFFICER: **Rhys Thomas**
TITLE: **Senior Governance Advisor**
TEL: **9205 5302**

Attachments

There are no attachments for this report.

12.1 Notice of Motion No. 7 of 2020 - Yarra Response to Black Lives Matter Movement

Reference: D20/102951
Authoriser: Group Manager Chief Executive's Office

I, Councillor Amanda Stone, hereby give notice that it is my intention to move the following motion at the Ordinary Meeting of Council to be held on 23 June 2020:

1. *That Yarra Council acknowledges:*
   - *(a) the success of the global Black Lives Matter protests in drawing mainstream attention to systemic racism and injustice in Australia and other colonised countries around the world;*
   - *(b) that although the current level of mainstream and media attention is new the problem is old and Aboriginal and Torres Strait Islander people have fought for many generations to create meaningful change on this issue;*
   - *(c) the lack of progress in acting on recommendations from the Royal Commission into Black Deaths in Custody 1991;*
   - *(d) the reported 435 Aboriginal and Torres Strait Islander deaths in police custody since the Royal Commission in 1991, without a single conviction against a police officer in relation to these deaths;*
   - *(e) the importance of considering this figure in the context of the vast number of Aboriginal and Torres Strait Islander deaths that have occurred in this country, from the time of European invasion onwards, including the massacres that have been researched, mapped and documented by Professor Lyndall Ryan from the University of Newcastle;*
   - *(f) the deep hurt, grief and anger that continues to build in the Aboriginal and Torres Strait Islander community as a result of this lack of progress in acting on the recommendations in the Royal Commission, coupled with ongoing deaths in police custody and the highest incarceration rate of any group of people in the world;*
   - *(g) that this is not an issue happening elsewhere but one that is happening in the City of Yarra's own back yard. A number of Aboriginal and Torres Strait Islander people who were residents of the City of Yarra have died in police custody over the years. Most recently a Yorta Yorta woman, Yarra resident and member of the local Parkies community died in police custody in January 2020. Less than two days after she was remanded in custody, she was found dead in her cell at Dame Phyllis Frost Centre, Victoria's maximum security women's prison in Deer Park, at about 8 o'clock in the morning on 2 January 2020;*
   - *(h) the most recent Aboriginal death in custody took place on 5 June 2020 in Western Australia, just 1 day before the Black Lives Matters rallies around the country;*
   - *(i) the need to improve relationships between police and Aboriginal and Torres Strait Islander People in Yarra;*
   - *(j) that according to recently published research from the Australian National University, three out of four Australians hold a racial bias against Aboriginal and Torres Strait Islander Australians;*
   - *(k) the role played by past Federal and State Government policies in the social, cultural and economic dispossession of Wurundjeri Woi Wurrung, Aboriginal and Torres Strait Islander people; the ongoing intergenerational trauma experienced by many Wurundjeri Woi Wurrung, Aboriginal and Torres Strait Islander people as a result of this; the compounding effects of racism (overt, covert and*

unconscious) on this trauma—and the ways in which these forces combine to reinforce entrenched disadvantage, poor health outcomes, increased contact with the justice system and economic disadvantage; and

(l) the Victorian Government's commitment to abolish public drunkenness law and replace a law and order approach with a health-based harm minimization approach.

2. That Yarra Council commits to:

(a) ongoing consultation with the Wurundjeri Woi Wurrung, Aboriginal and Torres Strait Islander community in Yarra, through Council's Yana Ngargna Advisory Group, on how Yarra Council should acknowledge this ongoing and long term struggle against racism and injustice and the connection to the Black Lives Matter movement and Aboriginal deaths in custody;

(b) continuing to build connections with Wurundjeri Woi Wurrung, Aboriginal and Torres Strait Islander people, communities and organisations;

(c) ongoing implementation of the Yana Ngargna Plan 2020 – 2023 and the 52 actions in the 2020 Year 1 Action Plan, including importantly the commitment to increase Wurundjeri Woi Wurrung, Aboriginal and Torres Strait Islander employment opportunities at Council;

(d) continuing the work being undertaken with the Wurundjeri Woi Wurrung, Aboriginal and Torres Strait Islander community, to review Yarra's Local Law on Consumption of Liquor in Public Places;

(e) fighting racism and advocating for broader understandings of Wurundjeri Woi Wurrung, Aboriginal and Torres Strait Islander community experiences, issues and stories in line with Council's 'January 26 decision' on 15 August 2017;

(f) continuing to support Smith Street Dreaming Working Group and Smith Street Dreaming Festival, to improve relationships between Victoria Police, the Parkies community, residents and traders – and seek further opportunities to build these relationships;

(g) continuing in principle support for 3CR Radio's Beyond the Bars program, which connects imprisoned Aboriginal and Torres Strait Islander people with family, community and identity during NAIDOC week each year;

(h) seeking support from MAV, VLGA and allied Councils to advocate to State and Federal Government for policy reform; and

(i) investigating public art and civic signage opportunities to maintain mainstream momentum and community engagement with the Black Lives Matters movement as connected to Aboriginal deaths in custody.

BACKGROUND

On 25 May 2020, forty-six year old African American man, George Floyd, died at the hands of a Minnesota police officer in broad daylight in a Minneapolis City street. The incident was filmed in full and the footage quickly travelled around the world, sparking outrage. The incident reignited and intensified global protests around the enormous challenges facing many countries, not just the US, in addressing deep inequalities, state and police brutality and systemic racism in our societies.

On 7 June 2020, large scale Black Lives Matter protests were held in capital cities around Australia, including Melbourne (also known by its Wurundjeri Woi Wurrung name, Narrm). The protestors felt so strongly about the need to highlight the issue of Aboriginal and Torres Strait Islander deaths in custody that they defied restrictions on physical distancing to express their outrage and demand change. Protest organisers and Aboriginal and Torres Strait Islander organisations worked together to encourage all protestors to stay at home if they were feeling unwell, to use face masks and hand sanitizer, and take other measures to reduce the risk of corona virus spreading.

A large number of Yarra citizens have expressed their solidarity with the Black Lives Matter movement, expressing their anger and distress at the lack of progress made in the time since the 1991 report by the Royal Commission into Aboriginal Deaths in Custody.

In the City of Yarra, Wurundjeri Woi Wurrung, Aboriginal and Torres Strait Islander people, like Aboriginal and Torres Strait Islander people all around the country, continue to experience disadvantage in almost every measure of health and wellbeing. Aboriginal and Torres Strait Islander people are more likely to be imprisoned and they are more likely to die in police custody. Aboriginal and Torres Strait Islander people are more likely to experience racism, to have housing issues or be homeless, to live shorter lives, to experience more grief, mental health and substance abuse issues.

As gathering places for members of the Stolen Generations, Fitzroy and Collingwood remain a place where the reality of our history and the devastating impacts on Aboriginal people are ever present. As the birthplace of Aboriginal activism in Victoria, the role played by Wurundjeri Woi Wurrung people and other Aboriginal and Torres Strait Islander people and organisations based in Yarra in the fight against racism and injustice is powerful. We acknowledge their strength and resilience.

Whilst Yarra can be proud of our ongoing partnership with the Traditional Owners, the Wurundjeri Woi Wurrung people and other Aboriginal and Torres Strait Islander people and organisations, we have more to do. We acknowledge that racism and injustice stops with each one of us.

RECOMMENDATION

1. That Yarra Council acknowledges:
    - (a) the success of the global Black Lives Matter protests in drawing mainstream attention to systemic racism and injustice in Australia and other colonised countries around the world;
    - (b) that although the current level of mainstream and media attention is new the problem is old and Aboriginal and Torres Strait Islander people have fought for many generations to create meaningful change on this issue;
    - (c) the lack of progress in acting on recommendations from the Royal Commission into Black Deaths in Custody 1991;
    - (d) the reported 435 Aboriginal and Torres Strait Islander deaths in police custody since the Royal Commission in 1991, without a single conviction against a police officer in relation to these deaths;
    - (e) the importance of considering this figure in the context of the vast number of Aboriginal and Torres Strait Islander deaths that have occurred in this country, from the time of European invasion onwards, including the massacres that have been researched, mapped and documented by Professor Lyndall Ryan from the University of Newcastle;
    - (f) the deep hurt, grief and anger that continues to build in the Aboriginal and Torres Strait Islander community as a result of this lack of progress in acting on the recommendations in the Royal Commission, coupled with ongoing deaths in police custody and the highest incarceration rate of any group of people in the world;
    - (g) that this is not an issue happening elsewhere but one that is happening in the City of Yarra's own back yard. A number of Aboriginal and Torres Strait Islander people who were residents of the City of Yarra have died in police custody over the years. Most recently a Yorta Yorta woman, Yarra resident and member of the local Parkies community died in police custody in January 2020. Less than two days after she was remanded in custody, she was found dead in her cell at Dame Phyllis Frost Centre, Victoria's maximum security women's prison in Deer Park, at about 8 o'clock in the morning on 2 January 2020;

(h) the most recent Aboriginal death in custody took place on 5 June 2020 in Western Australia, just 1 day before the Black Lives Matters rallies around the country;

(i) the need to improve relationships between police and Aboriginal and Torres Strait Islander People in Yarra;

(j) that according to recently published research from the Australian National University, three out of four Australians hold a racial bias against Aboriginal and Torres Strait Islander Australians;

(k) the role played by past Federal and State Government policies in the social, cultural and economic dispossession of Wurundjeri Woi Wurrung, Aboriginal and Torres Strait Islander people; the ongoing intergenerational trauma experienced by many Wurundjeri Woi Wurrung, Aboriginal and Torres Strait Islander people as a result of this; the compounding effects of racism (overt, covert and unconscious) on this trauma—and the ways in which these forces combine to reinforce entrenched disadvantage, poor health outcomes, increased contact with the justice system and economic disadvantage; and

(l) the Victorian Government's commitment to abolish public drunkenness law and replace a law and order approach with a health-based harm minimization approach.

2. That Yarra Council commits to:

(a) ongoing consultation with the Wurundjeri Woi Wurrung, Aboriginal and Torres Strait Islander community in Yarra, through Council's Yana Ngargna Advisory Group, on how Yarra Council should acknowledge this ongoing and long term struggle against racism and injustice and the connection to the Black Lives Matter movement and Aboriginal deaths in custody;

(b) continuing to build connections with Wurundjeri Woi Wurrung, Aboriginal and Torres Strait Islander people, communities and organisations;

(c) ongoing implementation of the Yana Ngargna Plan 2020 – 2023 and the 52 actions in the 2020 Year 1 Action Plan, including importantly the commitment to increase Wurundjeri Woi Wurrung, Aboriginal and Torres Strait Islander employment opportunities at Council;

(d) continuing the work being undertaken with the Wurundjeri Woi Wurrung, Aboriginal and Torres Strait Islander community, to review Yarra's Local Law on Consumption of Liquor in Public Places;

(e) fighting racism and advocating for broader understandings of Wurundjeri Woi Wurrung, Aboriginal and Torres Strait Islander community experiences, issues and stories in line with Council's 'January 26 decision' on 15 August 2017;

(f) continuing to support Smith Street Dreaming Working Group and Smith Street Dreaming Festival, to improve relationships between Victoria Police, the Parkies community, residents and traders – and seek further opportunities to build these relationships;

(g) continuing in principle support for 3CR Radio's Beyond the Bars program, which connects imprisoned Aboriginal and Torres Strait Islander people with family, community and identity during NAIDOC week each year;

(h) seeking support from MAV, VLGA and allied Councils to advocate to State and Federal Government for policy reform; and

(i) investigating public art and civic signage opportunities to maintain mainstream momentum and community engagement with the Black Lives Matters movement as connected to Aboriginal deaths in custody.

Attachments

There are no attachments for this report.

12.2 Notice of Motion No. 8 of 2020 - Removal of Captain Cook Memorial from Edinburgh Gardens

Reference: D20/104289
Authoriser: Group Manager Chief Executive's Office

I, Councillor Bridgid O'Brien, hereby give notice that it is my intention to move the following motion at the Ordinary Meeting of Council to be held on 23 June 2020:

"That Council:

(a) acknowledges the adverse impact that colonisation has had on First Nation's people, culture, health outcomes and the ongoing overall wellbeing of our society;

(b) therefore note the inappropriateness of displaying in our local parks, reserves and public places, statues or other memorials of persons who were involved in the colonisation of First Nation's people; and

(c) having regard to the above, determine to remove the Captain Cook Memorial from Yarra's Edinburgh Gardens and that it be placed in storage."

RECOMMENDATION

1. That Council:
    (a) acknowledges the adverse impact that colonisation has had on First Nation's people, culture, health outcomes and the ongoing overall wellbeing of our society;
    (b) therefore note the inappropriateness of displaying in our local parks, reserves and public places, statues or other memorials of persons who were involved in the colonisation of First Nation's people; and
    (c) having regard to the above, determine to remove the Captain Cook Memorial from Yarra's Edinburgh Gardens and that it be placed in storage.

Attachments
There are no attachments for this report.

12.3 Notice of Motion No. 9 of 2020 - Wood Heaters in Urban Areas

Reference: D20/104321
Authoriser: Group Manager Chief Executive's Office

I, Councillor Jackie Fristacky, hereby give notice that it is my intention to move the following motion at the Ordinary Meeting of Council to be held on 23 June 2020:

“That:

(a) *Council note City of Darebin representations to the State Government seeking regulatory action and monitoring on wood smoke pollution; that smoke fumes from such open and wood fire heating systems are a major contributor to Melbourne air pollution; AMA advice that long-term exposure to particulates from such systems can contribute to heart and lung diseases, and the consequential estimated cost to the health system of $8 billion by 2027;*

(b) *Council further note the high incidence of respiratory diseases in Yarra and representations by Yarra residents for Council to discourage the use of open fires and wood heaters;*

(c) *the Mayor write to the Premier advising Council’s support for representations by the City of Darebin on the matter, and ask how the State Government plans to address the identified adverse health and emissions impacts from open fires and wood heaters in urban areas; and*

(d) *this motion be referred to Council’s Engagement and Media Unit for use of Council communication platforms to assist community awareness of the adverse health and environmental impacts of open fires and wood heaters, particularly in higher density inner areas such as Yarra, including information on cleaner ways to operate wood heaters and alternative heating.”*

Background

There is growing evidence of the adverse health and emission impacts of open fires and wood heaters in urban areas, as per Age 14 June 2020 “*GPs support removal of home wood heaters*” and by a City of Darebin Report to Council at its Council meeting of 6 April 2020:

http://www.darebin.vic.gov.au/en/Your-Council/How-council-works/Meeting-Agendas-and-Minutes/Council-Meetings

Refer Darebin Council Meeting 6/4/20 Item 9.1 of Agenda and Minutes

GPs support removal of home wood heaters

Age 14/6/20 P8

Zach Hope

The state's peak doctors' body has backed calls for the removal of home wood heaters pouring pollution through urban neighbourhoods and adding billions of dollars to Victoria's health costs.

The Australian Medical Association has thrown its considerable weight behind a push from Darebin Council mayor Susan Rennie for the Andrews government to fund an ACT-style buyback or subsidy scheme to encourage people to switch to cleaner forms of heating.

Smoke from the heaters has been found to be one of the largest contributors to Melbourne's air pollution and, according to a 2017 paper from Victoria's Environment Protection Authority, was on track to cost the health system $8 billion by 2027.

As the colder months take hold, smoke from as many as 190,000 indoor wood heaters across the state has been triggering mild to serious health conditions and driving some to desperation.

AMA Victoria president Julian Rait, who talked his own mother into switching to a split-system, said a buy-back or subsidy program was "the way to go".

Smoke signals: mayor calls for wood heater buy-back

The Sunday Age, June 7, 2020

"Smoke from wood-burning heaters is a substantial contribution to air pollution and it can affect people's health," Professor Rait said. "Long-term exposure can, we believe, contribute to heart and chronic lung disease. There's evidence small particles – PM 2.5 – can also contribute to coronary artery disease."

The fine PM 2.5 particles could travel further past the usual body's defences and be absorbed into the bloodstream. But some say the heaters are a winter lifeline to those on tight budgets who scavenge wood from factories and recycling centres, while bush properties can benefit from wood heaters as a means of reducing fuel-load.

Figures provided by the Australian Home Heating Association estimate the nationwide industry – including sales of wood – is worth well over $400 million and is a significant provider of jobs.

It says "wood heating in Australia provides a clean, efficient and environmentally friendly way to heat your home" and urges users to install their heaters correctly.

But Arabella Daniel, who has been living amid smoke heaters for 12 years with her young family in the south-eastern suburb of McKinnon, said this was nonsense.

Her family was driven indoors every autumn and winter day from about 4pm, she said. The smoke would find its way inside and spread through the house, including to the rooms of her children.

"If I was to do any sort of activity that would contaminate my neighbour's water supply or their soil, there'd be legal ramifications," Ms Daniel said.

"But somehow you can dump a toxic cocktail of chemicals and particulate matter into the air."

The EPA would prefer people did not use wood heating, but urged users to minimise risks through regular cleaning and maintenance; burning dry wood with a bright flame; not allowing the fire to smoulder overnight; and never burning rubbish or painted wood.

RECOMMENDATION

1. That:

   (a) Council note City of Darebin representations to the State Government seeking regulatory action and monitoring on wood smoke pollution; that smoke fumes from such open and wood fire heating systems are a major contributor to Melbourne air pollution; AMA advice that long-term exposure to particulates from such systems can contribute to heart and lung diseases, and the consequential estimated cost to the health system of $8 billion by 2027;

   (b) Council further note the high incidence of respiratory diseases in Yarra and representations by Yarra residents for Council to discourage the use of open fires and wood heaters;

   (c) the Mayor write to the Premier advising Council's support for representations by the City of Darebin on the matter, and ask how the State Government plans to address the identified adverse health and emissions impacts from open fires and wood heaters in urban areas; and

   (d) this motion be referred to Council's Engagement and Media Unit for use of Council communication platforms to assist community awareness of the adverse health and environmental impacts of open fires and wood heaters, particularly in higher density inner areas such as Yarra, including information on cleaner ways to operate wood heaters and alternative heating.

Attachments

There are no attachments for this report.