



# Better Employment Choices in Melbourne's Growth Areas

Roundtable Forum  
14 October 2008



# Watershed 2008

Responding to the New Dimension  
to Housing Demand  
*- Real Job Choices Close to Home*

Chris Banks  
GAA Chairman

# Watershed 2008

## *- Unique convergence of influences impacting on our lives*

### Population and household growth increasing

- Melbourne growing at over 1,000 people per week
- 45-50% of Melbourne's increase going to Growth Areas
- Record immigration levels driving growth

### Shape of Households changing dramatically

- Household size of 2.6, and decreasing
- Major shift in social structure - equal number of:
  - Families with Children 28%
  - Couples - pre, post or no children 28%
  - Single person households 27%

### Slowing growth in household incomes

- While at the same time costs are increasing - pressure on household budgets to stretch thinner

### Increased unemployment

- 4.3% and rising
- Greater job uncertainty
- Under employment, while at same time longer hours and working to older age

### Housing affordability worsening

- 1996: House price = 4 years annual salary
- 2008: House price = 7½ years salary

### Petrol and energy costs rising

- Petrol price going up for foreseeable future
- Equally for electricity and gas

### Water scarce and precious

- Restrictions as a way of life
- Community concern attuned to very high levels

### Cost of Living increasing

- CPI consistently above 3% and rising
- Affect of petrol prices felt in all aspects - food, clothing, entertainment

### Use of Public Transport exploding

- Up ~30% over last 3 years
- Result of petrol prices, congestion and community's environmental sustainability consciousness

### Travel Times Increasing

- Increased congestion and activity 'dispersal'
- Impact on energy consumption - affecting both individual and community cost

### Need for lifelong learning

- Up to 5 'careers', with numerous job changes along the way
- Continuous learning for career and personal development



## Better Employment Choices in Melbourne's Growth Areas

# Transport Pressures

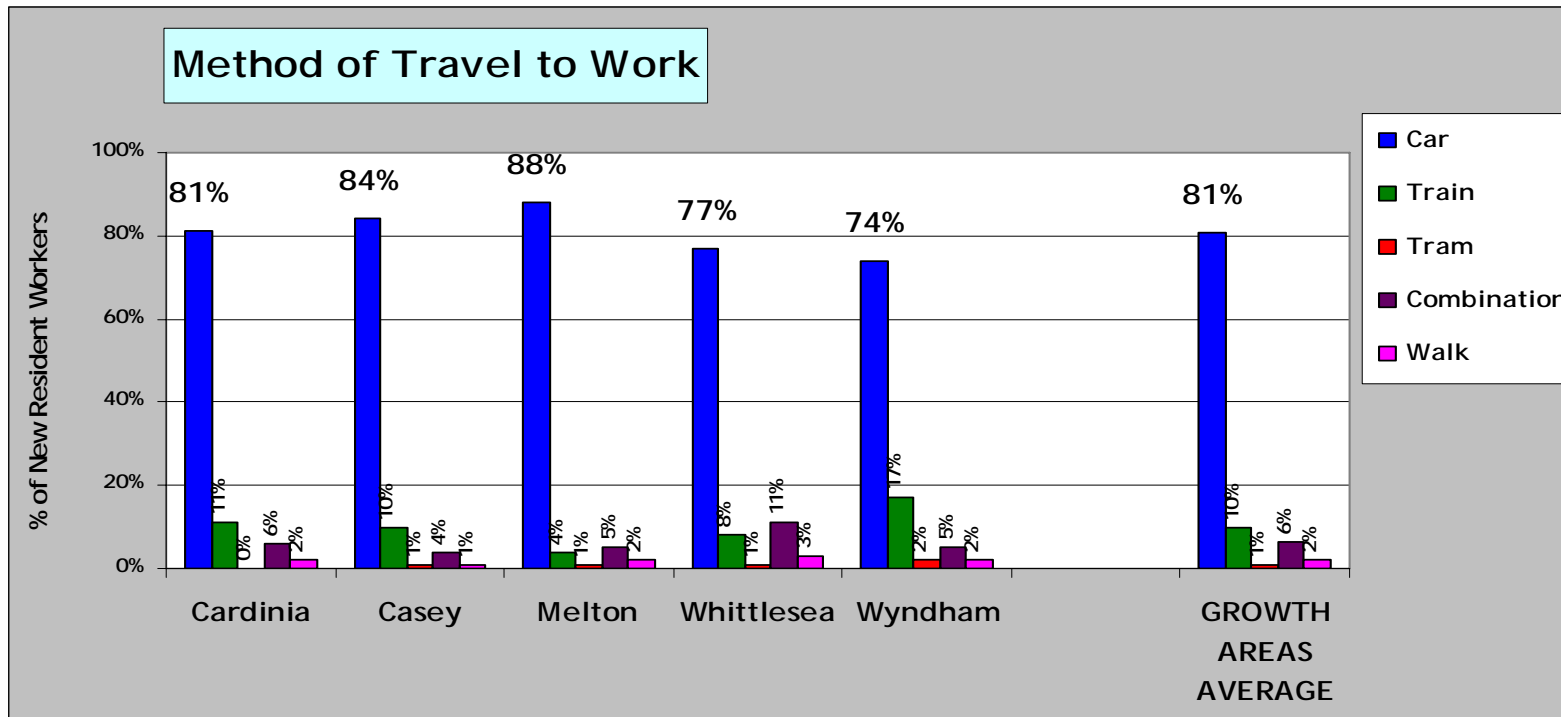
- Melbourne's Growth has been based on increasingly cheap transport for 100 years
- This has seen the rise of dormitory suburbs, large car based shopping centres, and the decline of the mixed use areas ... except for the inner areas of Melbourne which are increasingly attractive
- With petrol prices, climate change, the drop in the number of trips that are radial in nature and the consequent difficulty in getting public transport to service it and the time costs travel takes in our busy lives

# The future:

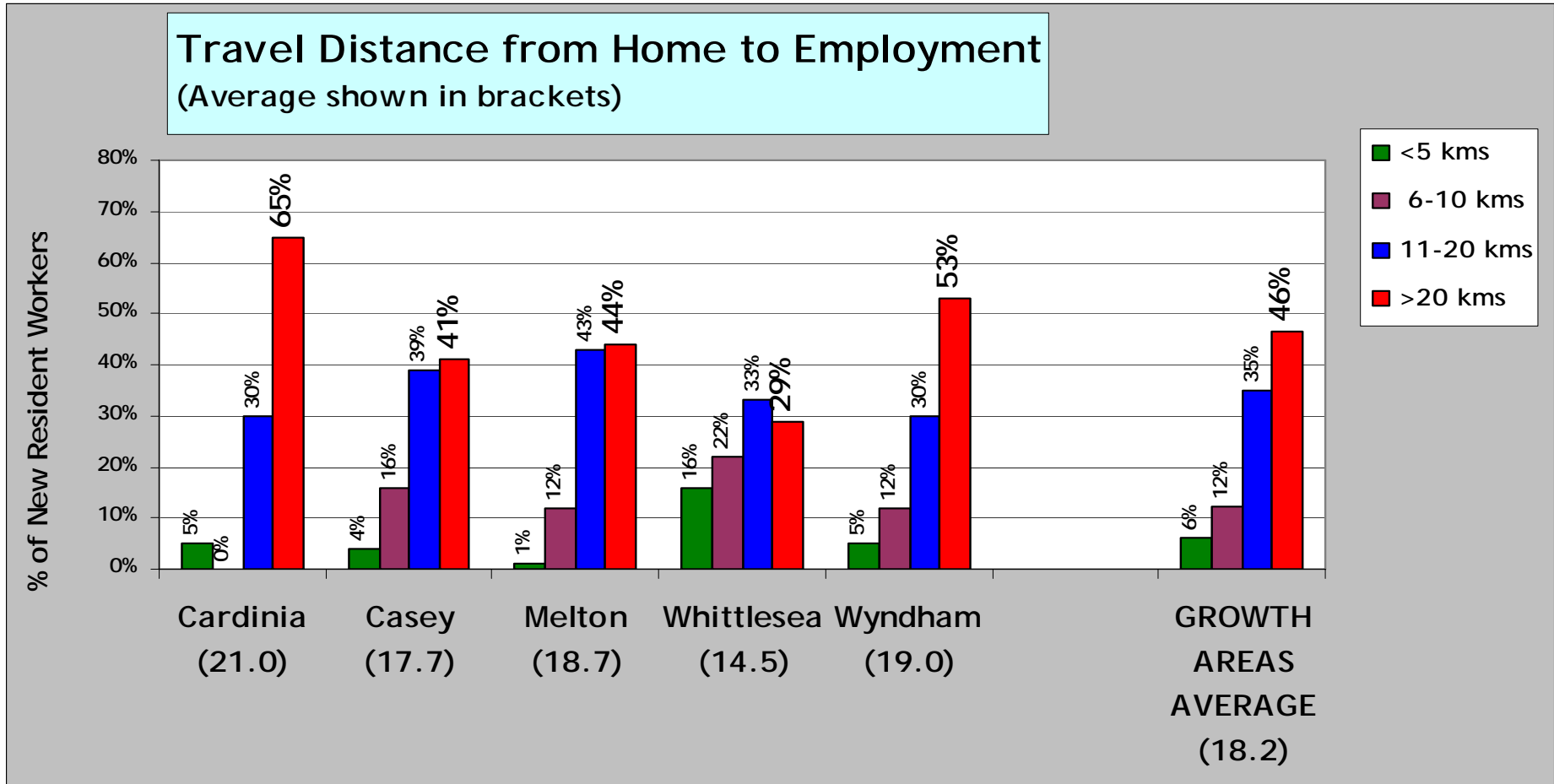
- Serious doubt that this can continue ... it will not continue
- And Government will probably not let it continue
- As concluded in the recent *“Local Economic Development in Outer Suburban Melbourne”* Report (Sep 2008)
  - *... the Committee acknowledges any effort to reduce the overall cost of transport by providing work closer to where people live will be of greater economic benefit to those Melburnians who travel the most each week: typically those from the outer suburbs” (Page 281)*
- Now lets look at some data

# Specifically Employment travel is a key element

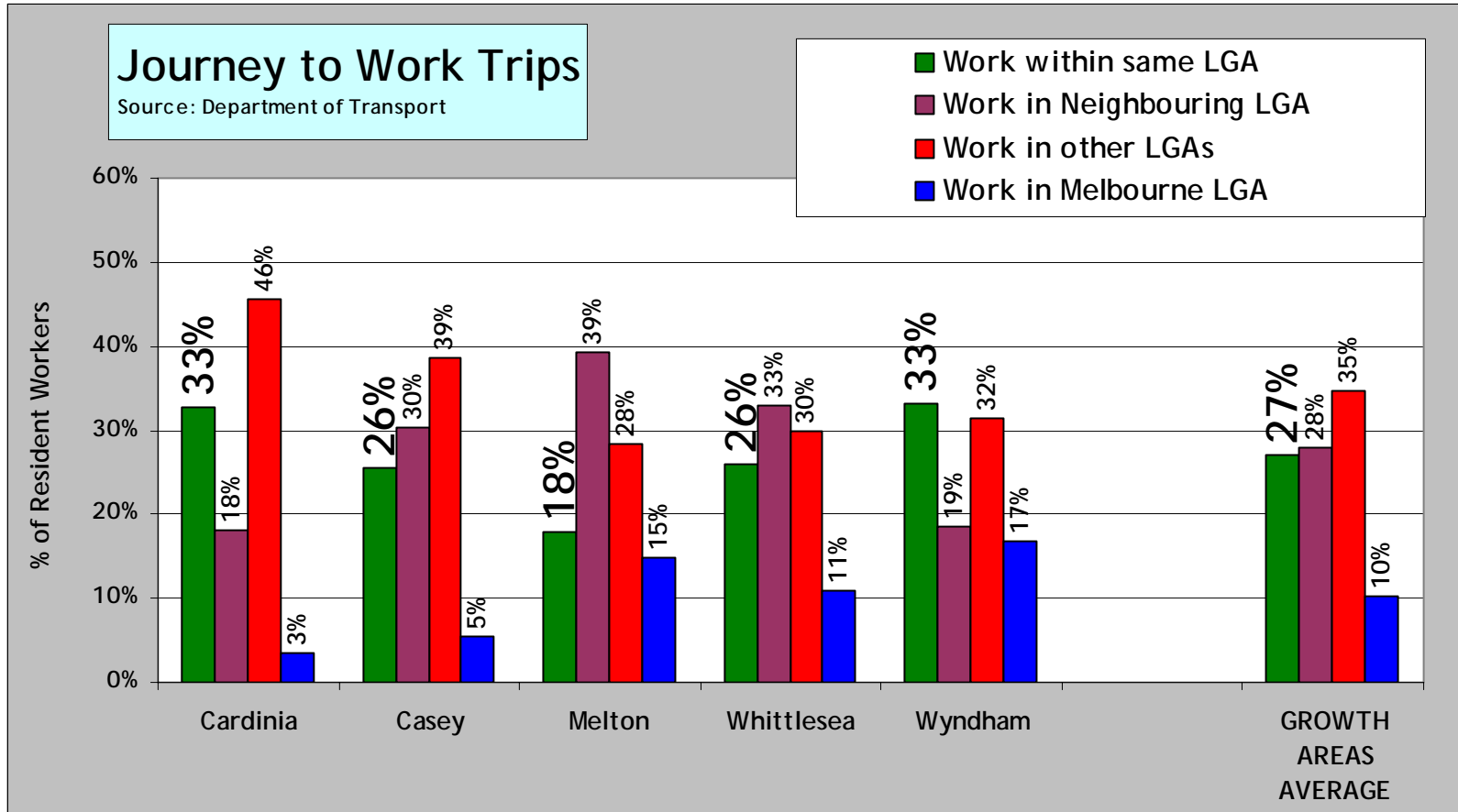
- For Melbourne overall
  - 1961 - **53%** of work trips taken by private transport (car)
  - 2006 - **82%** of work trips by car, with travel distance increasing over time
- 2008 - 81% is the average for new Growth Area residents, impacted by employment location opportunities



# And not just travel ... but travel length:



# Although interestingly the trips are rarely to the CBD



Working in CBD is not a major factor for growth area residents

- So to reduce travel distance we need more jobs locally
- Between 2001 and 2006, the GAs attracted:
  - Almost 50% of Melbourne's population growth, and with it Melbourne's resident workers
  - But only 30% of the increase in jobs went to GAs
- So we need to create more local Jobs

# Redressing the critical employment 'gaps'

## Gap No. 1:

- GAs have 20% of Melbourne's current workforce
- But only 13% of Melbourne's jobs are located in GAs

## Gap No. 2:

- GAs accommodating 50% of Melbourne's population growth
- But only attracting 31% of new jobs

## Gap No. 3:

- Melbourne has an overall rate of 1 job for every 1.1 worker
- But GAs only have 1 job in their area for every 1.6 workers

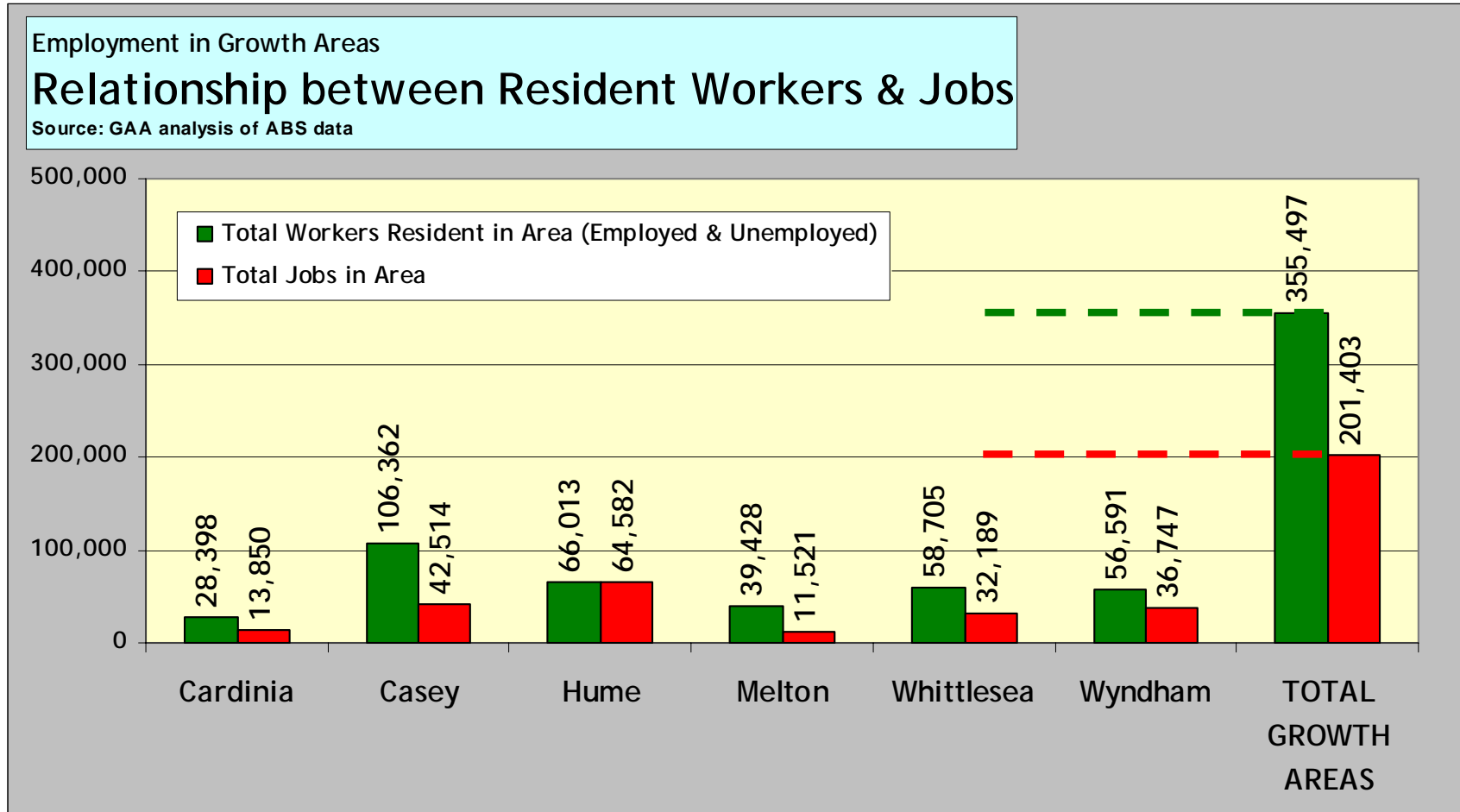
## Gap No. 4:

- Melbourne has job mix of 74% 'White Collar' / 26% 'Blue Collar'
- But GAs are weighted towards 'Blue Collar' with mix 62% 'White' / 38% 'Blue'

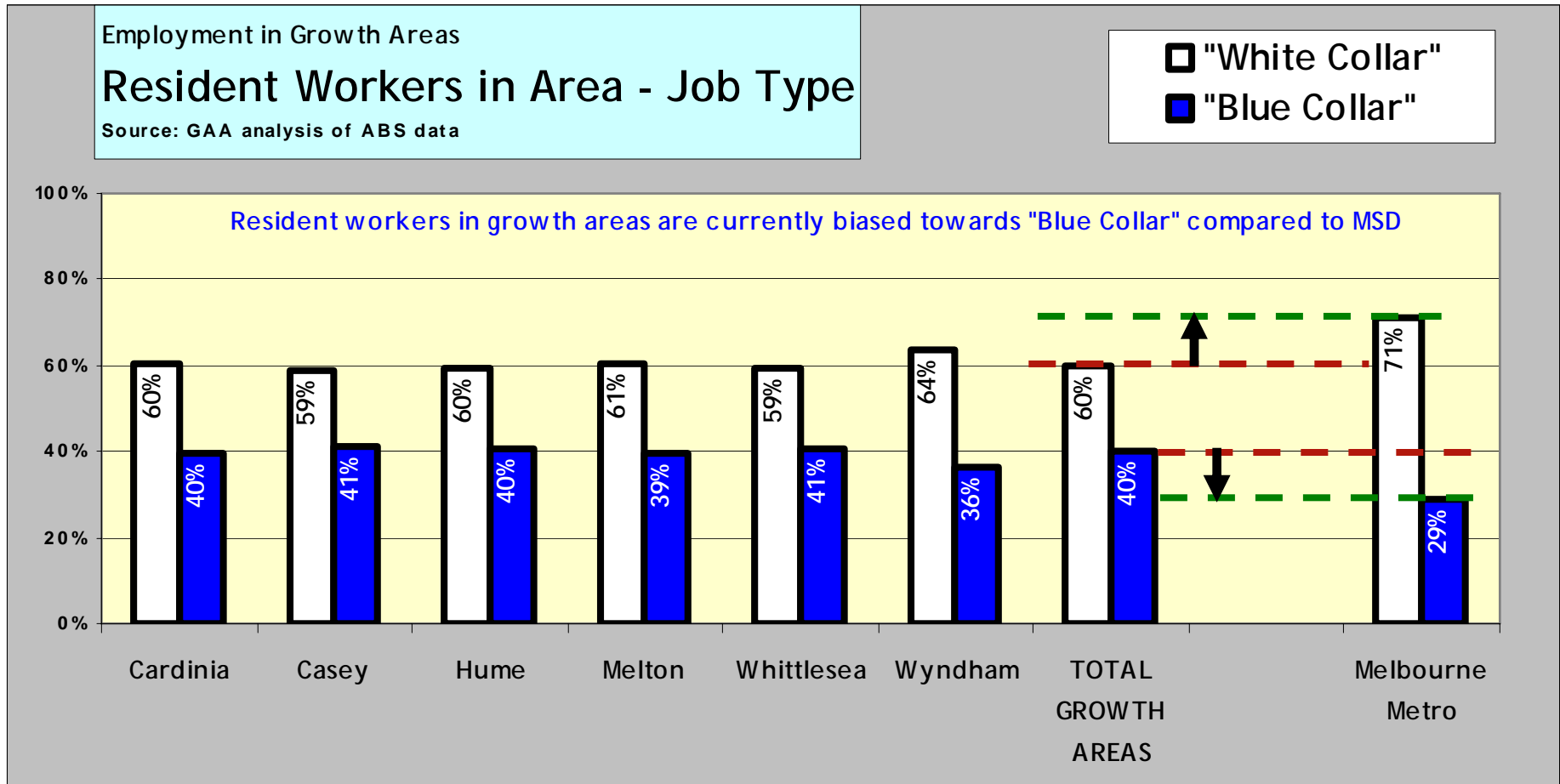
## Gap No. 5:

- New GA workers primarily 'White Collar' at 68%, but below Melbourne (74%)
- And, jobs in their LGAs biased away from 'White Collar' at only 62%

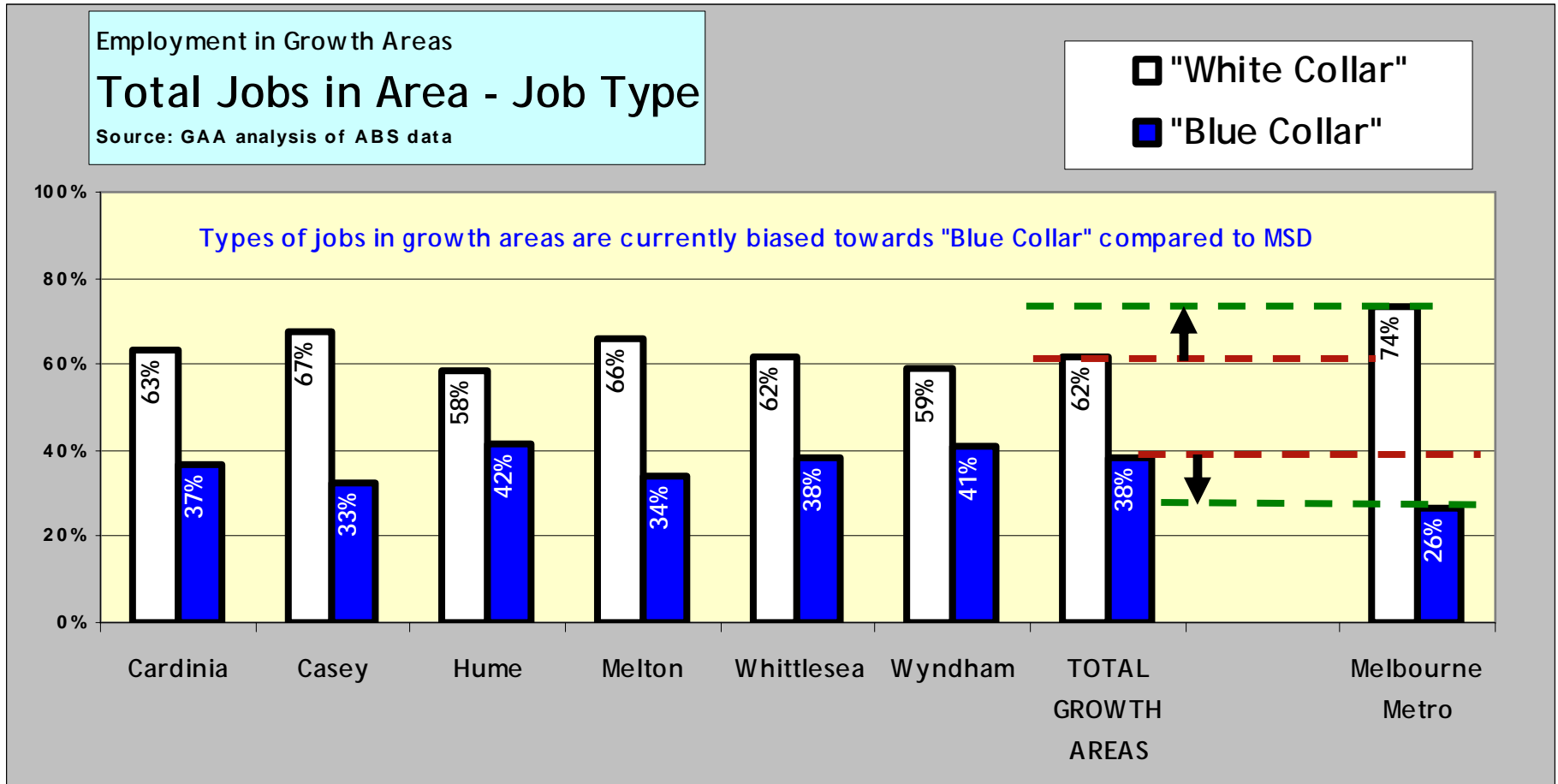
# Put differently this makes the GAs “dormitory suburbs.”



# Resident worker mix is consistent across Growth Areas, but all are biased towards 'Blue Collar' compared to Melbourne



# Employment mix varies across Growth Areas, but again all are significantly biased towards 'Blue Collar' compared to Melbourne



# Jobs per resident worker varies significantly across Growth Areas, and all bar Hume are below Melbourne

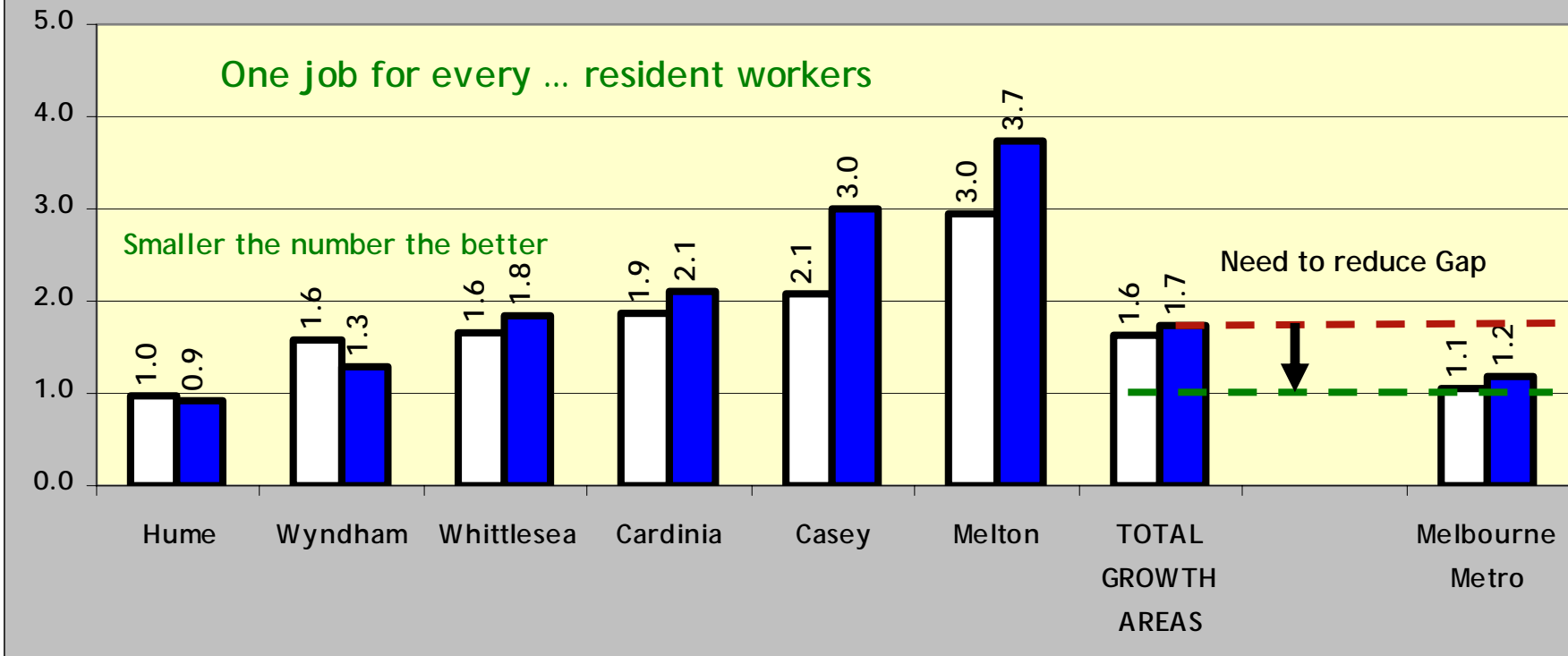
Employment in Growth Areas

## 'Derived' Rate of Jobs per Person in Growth Areas

Source: GAA analysis of ABS data

□ "White Collar"

■ "Blue Collar"



# What should we be seeking to achieve: targets

Greater local job choice and 'self containment' in GAs

- Aspirational target of one job per household
- Balance of 75% 'white collar' / 25% 'blue collar' jobs

## Range of actions to:

*“Bring the jobs to the people, not the people to the jobs”*

1. Need a culture shift in Australia about over centralisation
2. Nurture local initiative to grow businesses locally
3. Provide a range of office/ office warehouse products
4. Make local areas more attractive and successful for businesses: i.e. town centres not shopping centres

### 3. Range of office related outcomes

Develop new products that cater for the small to large business progression and transition:

- Home based business products (office is a room in front, or bigger garage)
- Transitional housing products that double as either office or homes as home based businesses emerge as micro businesses
- Small serviced offices locally in all NACs (Business Incubators) once micro business needs to move into small offices
- Development of proper offices, office warehouses in NACs
- Better blend of commercial / office warehouse / housing in all areas
- MAC offices
- PAC offices

# Caroline Springs Office Project Case Study

## Success of CGA Bryson office project in Caroline Springs

- \$11 million project
- 3 Level
- 2,634 square metres
- 28 suites
- Strata Title
- Over 90 car spaces (3.5 per 100 sqm)
- Sold well, with over 80% already sold



















## 4. Make activity centres real “town centres” not just shopping centres. That leads us to the Precinct Structure Plan (PSP) Guidelines

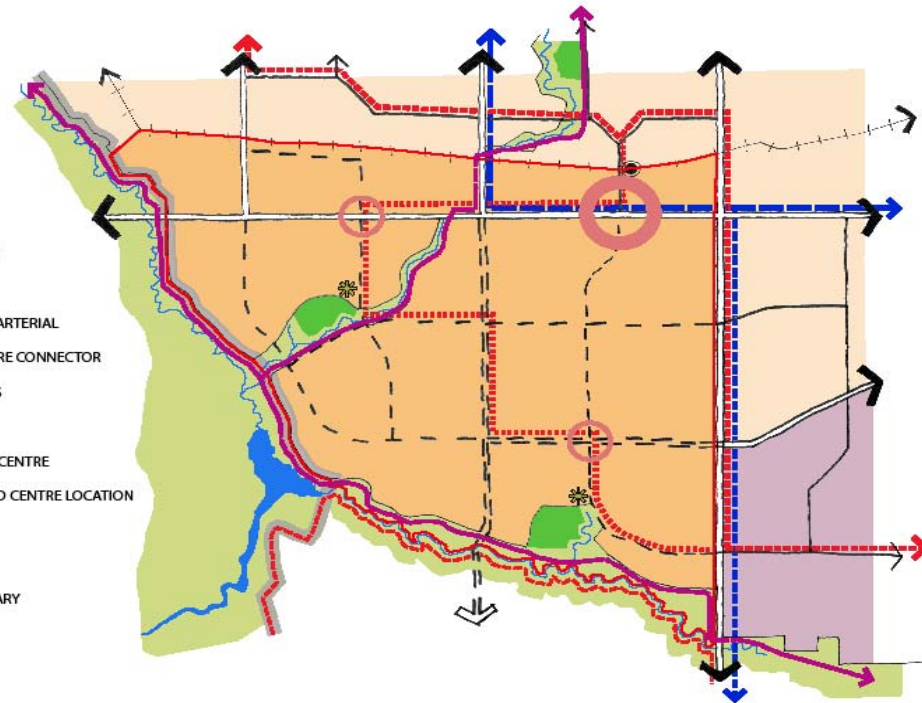
- Employment generation integral to PSPs
- PSP Guidelines require:
  - An employment and activity centres plan
  - An employment and activity centres table
  - A travel to work statement
- Clearly part of the solution lies with PACs, MACs. But to be really local we need to address NACs ... the local centre.

# NACs within 1 km of all houses

## URBAN STRUCTURE DIAGRAM

### KEY











-  EXISTING RESIDENTIAL AREA
-  PROPOSED RESIDENTIAL AREA
-  EXISTING EMPLOYMENT AREA
-  DISTRICT PARKS
-  OPEN SPACE/  
BIODIVERSITY/HERITAGE CORRIDORS
-  EXISTING/FUTURE OFF-ROAD  
PEDESTRIAN & CYCLING PATH
-  WATERWAYS
-  URBAN GROWTH BOUNDARY
-  RAILWAY LINE/STATION
-  EXISTING ARTERIAL/FUTURE ARTERIAL
-  EXISTING CONNECTOR/FUTURE CONNECTOR
-  EXISTING/FUTURE LOCAL BUS
-  EXISTING/FUTURE PPTN
-  PROPOSED MAJOR ACTIVITY CENTRE
-  PROPOSED NEIGHBOURHOOD CENTRE LOCATION
-  FUTURE COMMUNITY HUB
-  PSP BOUNDARY
-  NEIGHBOURING PSP BOUNDARY

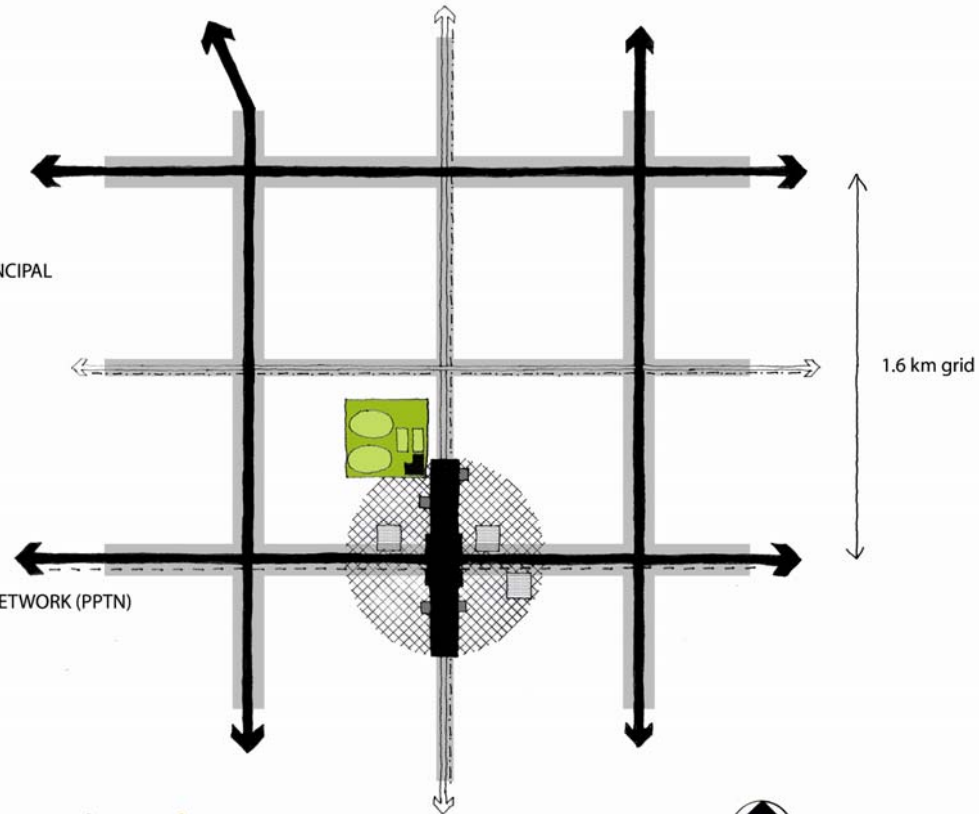


robertsday  
From vision to venture >

# Relationship between NACs, Road Grid and Density

## LEGEND

-  ARTERIAL ROAD
-  CONNECTOR STREET
-  ACTIVITY CENTRE
-  HIGH DENSITY HOUSING ON PRINCIPAL PUBLIC TRANSPORT NETWORK
-  LARGER FORMAT RESTRICTED RETAIL
-  KEY STRATEGIC SITES
-  SHARED COMMUNITY FACILITIES & OPEN SPACE
-  PRINCIPAL PUBLIC TRANSPORT NETWORK (PPTN)
-  LOCAL BUS ROUTES
-  MIXED USE (400m)
  - HOME OCCUPATION
  - RETIREMENT HOMES
  - BUSINESS START UP UNITS
  - HIGHER DENSITY RESIDENTIAL
  - OFFICE
  - RETAIL



robertsday  
From vision to venture >

ACTIVITY CENTRE LOCATED ON ARTERIAL ROAD/CONNECTOR STREETS - 020908



# Some concepts for NACs

## *- Are they able to be practically achieved?*

- Every house to be within 1 km walk of a NAC
- Medium density housing to be within 500 m of a NAC
- Higher density (including retirement villages) within or adjoining a NAC
- Based on Main Street design
- Located directly off / adjoining a main road
- Every NAC to be accessible by Public Transport
- Road and walkway pattern around NACs to have some radial element
- Should there be a maximum Supermarket Size ??
- Create an urban sense: minimum height in the Main Street: 2 storeys?
- Range different office (etc) products
- Community and Business Services in the Main Street
- Multi-Use Urban Space: Village Square ??
- Must have a great local 18/7 Café(s) as a meeting place
- Individual Tenancies and Land Ownership Patterns

# Typical Local Employment

Focus on the local employment opportunities within NACs:

Assuming a floor space allocation for each local NAC of around:

- 5,000 sqm retail, comprising a medium sized supermarket say up to 3000 sqm
- 2,000 sqm office
- 2,000 sqm non-retail commercial

This equates to an additional 200 jobs that would not have been provided without the additional office and non retail floor space.

At a target of 1 job per household in new development areas this alone equates to around 10% of the employment required for the area.

Plus Home based businesses / workers of around another 125 per Neighbourhood assuming a rate of ~5% of households having someone working from home