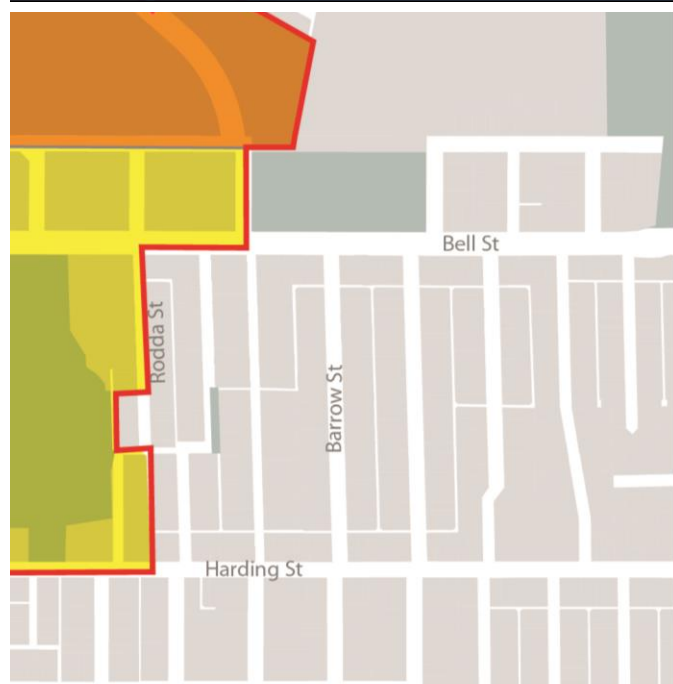


AMENDMENT C123 – COBURG ACTIVITY CENTRE ZONE

Expert Witness – Economic Analysis



PROJECT UNDERTAKEN FOR
MORELAND CITY COUNCIL

June 2014

AMENDMENT C123 – COBURG ACTIVITY CENTRE ZONE Expert Witness – Economic Analysis For Moreland City Council

This project has been conducted by REMPLAN

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June 2014

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RESOURCES

All modelling has been undertaken using REMPLAN[™] software that has been authored by Principal Research Fellow (ret.), Ian Pinge, at La Trobe University Bendigo.

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1 Introduction

1.1 *Purpose and Aim*

Moreland City Council exhibited Amendment C123 last year. The Amendment proposes significant changes to the planning controls for the Coburg Principal Activity Centre (CPAC).

Specifically, the amendment seeks to implement the Central Coburg 2020 Structure Plan (CC2020) adopted by Council in August 2006 and the Colours of Coburg Place Framework and Strategies (otherwise known as The Coburg Initiative) adopted by Council in December 2010.

The amendment involves the introduction of the Activity Centre Zone (ACZ) for the majority of the CPAC (with the exception of some land within a Public Use Zone, Public Park and Recreation Zone or Road Zone) and changes to the Municipal Strategic Statement as it applies to the CPAC.

Following the public exhibition process, Council received a total of 274 submissions to Amendment C123. Subsequently the Council resolved to request that the Minister for Planning appoint an independent Planning Panel to consider the amendment and submissions. Council also resolved to submit to the independent Planning Panel that the Activity Centre Zone be revised in response to submissions received. These revisions included a reduction in the maximum building heights specified for some precincts.

Moreland City Council has appointed REMPLAN¹ to assist in Council's preparation and presentation at the upcoming Panel Hearing in relation to Amendment C123 to the Moreland Planning Scheme.

Under this appointment REMPLAN is required to:

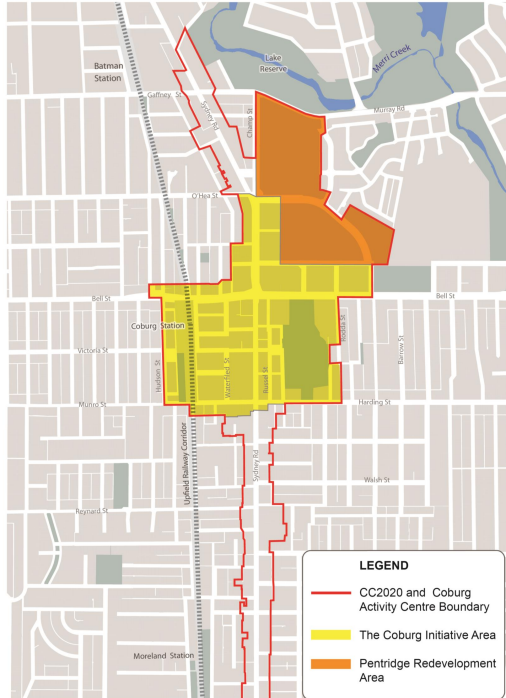
- Undertake a critical review of relevant strategic and economic development documents related to Amendment C123; and
- Appear as an expert witness at the Panel Hearing for Amendments C123 – Coburg Principal Activity Centre between 9 July 2014 and 21 July 2014, inclusive.

¹ Lead expert witness: Matthew Nichol, Principal Economist at REMPLAN

1.2 Study Area

The study area for this project is the Coburg Principal Activity Centre (CPAC)

Map 1-1 CPAC



1.3 Background and Scope

Moreland City Council exhibited Amendment C123 last year. The Amendment proposes significant changes to the planning controls for the CPAC.

Specifically, the amendment seeks to implement:

- Central Coburg 2020 Structure Plan (CC2020) adopted by Council in August 2006
- Colours of Coburg Place Framework and Strategies (otherwise known as The Coburg Initiative [TCI]) adopted by Council in December 2010.

The amendment involves the introduction of the Activity Centre Zone (ACZ) for the majority of the CPAC (with the exception of some land within a Public Use Zone, Public Park and Recreation Zone or Road Zone) and changes to the Municipal Strategic Statement as it applies to the CPAC.

Following the public exhibition process, Council received a total of 274 submissions to Amendment C123. Subsequently the Council resolved to request that the Minister for Planning appoint an independent Planning Panel to consider the amendment and submissions. Council also resolved to submit to the independent Planning Panel that the Activity Centre Zone be revised in response to submissions received. These revisions included a reduction in the maximum building heights specified for some precincts. As a result of the changes proposed to the exhibited version of the proposed ACZ, Council decided to re-notify owners and occupiers, with the expectation that these submissions will only be considered at Panel and will not return to Council for further resolution.

Moreland City Council has engaged REMPLAN to undertake a review of the economic analysis documentation which supports the amendment, and to appear as Council's expert witness at the Panel Hearing for Amendment C123.

This report provides a critical review of the following documents that form the basis for the guidelines and requirements contained in the Schedule to the Activity Centre Zone:

- Colours of Coburg (April 2012)
- Relevant economic background reports, including:
 - Coburg Initiative Area Development Scenario Analysis, August 2010
 - Gap and Workforce Analysis Report - City of Moreland, September 2010
 - The Catalyst Project Economic Benefit Analysis, April 2011
 - The Coburg Initiative Project – Scheme F, December 2013.

The review will take into consideration:

- The robustness of the methodology used to establish the economic rationale
- The overall inputs into the formation of planning policy
- Any identified areas of weakness and suggestions on how to improve on these.

2 REMPLAN – Background and Experience

2.1 *REMPPLAN Introduction*

REMPPLAN is a pioneer in the field of regional economic analysis and is the developer of **REMPPLAN Economy**, which is an economic modelling and analysis system. The REMPLAN economic system is used by State / Territory and Federal Government agencies, economic development boards, local governments, universities and consultants across Australia. These organisations value the provision of area-specific industrial economic data combined with a dynamic economic impact modelling capability delivered within a readily and easily accessible online software application.

REMPPLAN economic analysis software was developed by the Economic Research Unit at La Trobe University. REMPLAN is ‘spin-off’ company from the University.

REMPPLAN software is an established, tested and proven economic analysis package that has been applied by economic development practitioners and researchers for more than fourteen years. A valuable resource for practitioners with and without a formal background in economics, REMPLAN’s interface makes economic data and analysis accessible to a broad audience.

REMPPLAN’s latest product developments, **REMPPLAN Community** and **REMPPLAN Community Profile** were released in 2013. REMPLAN Community provides compelling demographic data, from the 2011, 2006, 2001, 1996, and 1991 Australian Bureau of Statistics (ABS) Census’. REMPLAN Community provides valuable insights into the unique characteristics of your communities and the changes that have occurred over time across numerous demographic measures quickly and with great flexibility.

REMPPLAN Community includes data for your local government area, suburbs, statistical areas, localities, wards and other regions. Any single or combination of these geographies can be selected to generate demographic data report for that unique specified geography. Benchmark datasets for the broader region and the State are also provided. Demographic reports can be generated for all standard and custom geographies; and thematic maps can be produced for all demographic measures.

In addition to demographic data, REMPLAN Community also incorporates dynamic population, housing and drive-time modelling capabilities. The results of scenario modelling are presented as graphs together with explanatory commentary in an automatically generated report.

The REMPLAN team also applies the company’s analytical products to deliver research and consulting solutions. Our expertise in economic modelling, demographics, spatial analysis and forecasting places us in a strong position to assist clients with;

- Strategic planning,
- Tourism and event analysis,
- Economic Impact Assessments,
- Import replacement analysis,
- Economic opportunity scoping,
- Workforce profiling - skills gap analysis,
- Survey design and statistical analysis,
- Policy development,
- Employment forecasting,

- Funding applications,
- Investment attraction and
- Population forecasting.

2.2 What is REMPLAN used for?

Generating Economic and Community Profiles

- Identify the contribution of existing business and industries
- Generate detailed local economic, demographic and community data to promote the region
- Generate economic and community profiles for regions, such as town centres and commercial hubs
- Attract investment - industry and marketing
- Understand demographic and community characteristics, e.g. income, housing profile, age, education that is specific to a suburb, precinct etc.
- Input data and analysis to business and financial cases
- Provide timely data to media.

Impact Modelling

- Model the economic impacts of developments or industry closures
- Model the impacts of population and housing scenarios
- Provide the economic case for projects and developments, i.e. the impact and flow on effects of construction / change in development or industry
- Add weight to funding and grant applications, media releases and feasibility studies.

Economic Development Strategies

- Utilise gap analysis and impact modelling
- Understand the spatial distribution of industries across region
- Identify import replacement and value adding opportunities
- Benchmark with other regions
- Add weight to funding applications.

REMPPLAN Public Online Profiles

The online public profiles can be linked to your organisation's website incorporating your own branding. The data is displayed as compelling graphs, tables and thematic maps. Profiles are maintained and updated by REMPLAN.

The **Online Economic Profiles** provide an interactive online economic profile containing REMPLAN Economy data at the 19 industry sector level. The online profiles can be used to inform potential investors, prospective new residents, researchers, students and media organisations.

The **Online Community Profiles** are publically accessible websites providing an interactive online demographic profile. The Online Profiles can be used to inform local community groups, health and education providers, government agencies, businesses, potential investors, researchers and media organisations.

Economic Profile Example:

Moreland City Council: www.economicprofile.com.au/moreland

Community Profiles Example:

Moreland City Council: www.communityprofile.com.au/moreland

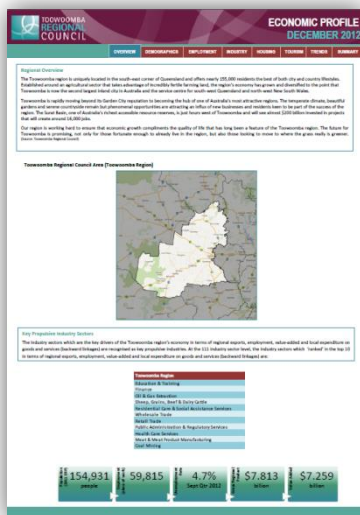
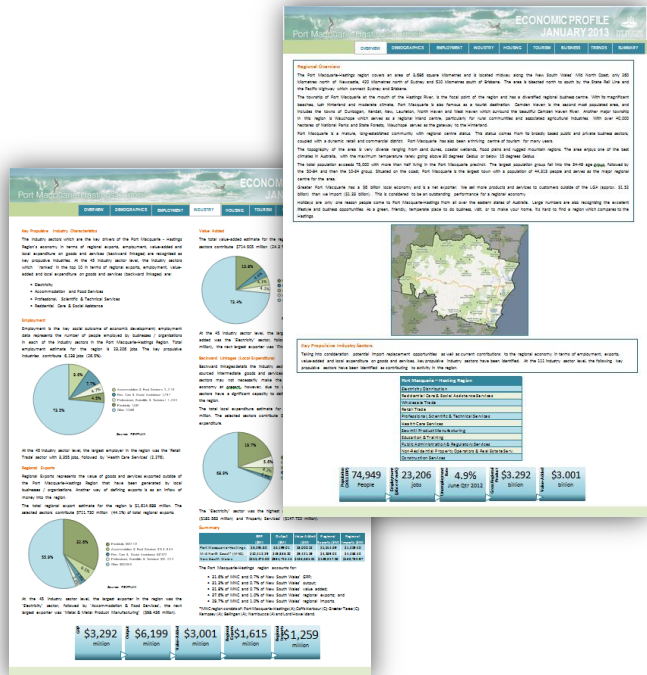
Approximately 150 organisations subscribe to REMPLAN economic and demographic analysis software and profiles, including:



2.3 REMPLAN Consulting Reports – Recent Examples

ECONOMIC PROFILE (Port Macquarie-Hastings Council)

REMPLAN prepared a comprehensive suite of data and indicators to assist Port Macquarie-Hastings Council with enquiries from potential investors and business people seeking economic and demographic information.

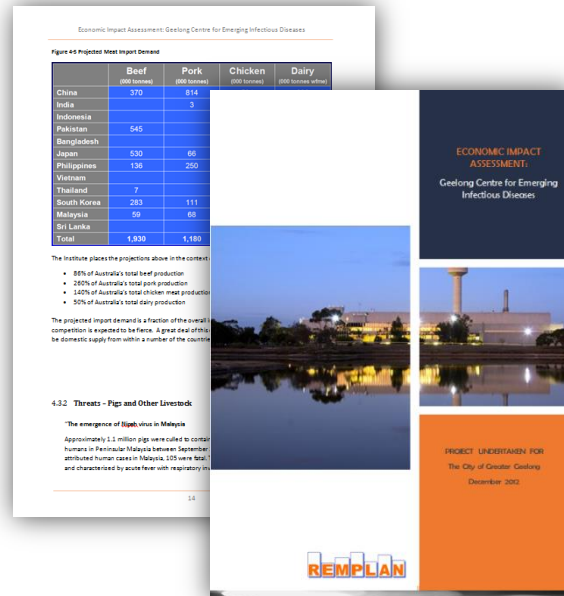


ECONOMIC PROFILE (Toowoomba Regional Council)

REMPLAN compiled an Economic Profile for Toowoomba Regional Council. This profile highlighted the industry sectors which are the key drivers of the Toowoomba Region's economy and provided information under the following headings: demographics, employment, industry, housing, tourism, trends. A detailed overview and summary were also included.

GEELONG CENTRE FOR EMERGING INFECTIOUS DISEASES ECONOMIC IMPACT ASSESSMENT (City of Greater Geelong)

This report identified the potential direct and indirect economic impacts for the City of Greater Geelong regional economy from the construction of infrastructure associated with Geelong Centre for Emerging Infectious Diseases (GCEID). The analysis also assessed the operational benefits of GCEID for the local economy as well as the contributions the GCEID would make to safeguarding agribusiness



The GCEID economic impact assessment contributed to this project obtaining a \$3,000,000 grant as part of the 'Round Four - Regional Development Australia Fund'.



STAKEHOLDER CONSULTATION AND ECONOMIC IMPACT ANALYSIS OF YARRA VALLEY REGIONAL TOURIST PRECINCT AND RAIL LINK (Yarra Ranges Shire Council)

REMPPLAN assessed the likely economic benefits of The Yarra Valley Regional Tourist Precinct and Rail Link Project as the Yarra Ranges Shire Council was seeking the funding to extend the tracks to connect two popular tourist towns of Yarra Glen and Healesville. The role of tourism in contributing to the local economy was a key focus. A quantitative assessment of the direct and indirect economic impacts of the Yarra Valley Regional Tourist Precinct

The Stakeholder Consultation and Economic Impact Assessment contributed to this project obtaining a \$3,560,000 grant as part of 'Round Four - Regional Development Australia Fund'.

2.4 Senior Team Members

Current staff members include the two co-founders of REMPLAN whom have both previously worked within La Trobe University; initially as a part of the Centre for Sustainable Regional Communities (CSRC) and later for the Economic Research Unit (ERU).

Matthew Nichol, Director and Principal Economist REMPLAN

Bachelor of Business (Hons), majoring in Economics with a Statistics minor (La Trobe University)



Matthew has been a Director and Principal Economist at REMPLAN since December 2006. Matthew has been working in the field of regional and urban economics for fourteen years since his work with Ian Pinge at La Trobe University developing and supporting the early versions of REMPLAN Economy.

Matthew also undertakes associated research and consulting commissions and is currently working on projects that through mapping and spatial analysis further integrate economic development with strategic planning.

Matthew's previous consulting engagements of relevance to the Panel Hearing include:

- Coburg Initiative Area Development Scenario Analysis, August 2010
- Gap and Workforce Analysis Report - City of Moreland, September 2010
- The Catalyst Project Economic Benefit Analysis, April 2011
- The Coburg Initiative Project – Scheme F, December 2013

Over recent years Matthew's work has focused on linking of "in-house" analytical resources with public access economic profiles that promote local economies and provide strategic insights and direction to businesses, potential investors and government agencies. Matthew's current projects relate to boosting clients' understanding local businesses and market intelligence; projects that will deliver exciting new products and capabilities to clients.

Prior to Matthew's work at REMPLAN, he spent several years as Manager of the Economic Research Unit, La Trobe University. This involved managing the ERU's staff and resources, formal presentations to boards and panels, project managing consultancies, contract research projects and software / website development projects, developing and testing the economic methodologies underlying the ERU's products and services, managing client accounts across Australia through regular consultation and the delivery of training, representing La Trobe University in external forums including a committee of management position and media liaison in relation to the research findings and activities of the ERU.

Tony Moore, Director and Principal Economist REMPLAN

Bachelor of Business, majoring in Accounting and Economics with a Statistics minor (La Trobe University)

Tony has been working as a Director and Principal Economist of REMPLAN since December 2006. Tony has been working in regional economics since 2003 when he joined the Centre for Sustainable Regional Communities (CSRC) at La Trobe University. In contributing to the development of REMPLAN Economy and Community, Tony has focused on making REMPLAN's resources user friendly and easy to understand. Tony is currently working on the strategic development of new REMPLAN resources and modules. He also undertakes applied research and consulting, oversees quality control, customer service systems and processes.



Prior to Tony's work at REMPLAN, he spent several years working at La Trobe University, both as a Project Co-ordinator for the Economic Research Unit and as a Research Assistant for the Centre for Sustainable Regional Communities.

Tony's role as Research Assistant for the Centre for Sustainable Regional Communities, La Trobe University, involved the compilation of regional matrices for input into REMPLAN, ongoing development of the REMPLAN software product, visually and functionally, compilation of training manuals and brochures, development of a product web page for REMPLAN, sales presentations and training sessions to existing clients, detailed analysis of regional economies using REMPLAN, desktop research and primary data gathering through locally designed survey instruments, preparation of data for various reports and consultancies.

Teresa Bullock-Smith, Manager and Senior Economist REMPLAN

Bachelor of Economics, Majoring in Macro and Micro Economics, with an Econometrics minor (The University of Queensland)

Teresa is a qualified Economist and has been dealing specifically with urban research and economic development issues since 1995. She has extensive experience advising public and private sector clients across a broad range of regional economic development and strategic planning projects at the local, regional and state level.



Teresa has been working as a Senior Economist with REMPLAN since 2011 and manages the Queensland REMPLAN office on the Gold Coast at Robina. Teresa conducts sales presentations and provides a high level of training and support services to our Queensland and New South Wales based clients with REMPLAN Economy and REMPLAN Community. Teresa also provides consulting resources to clients at the national level and is involved with new product and model development, (including the current 'Infrastructure and Services Impact Model' [ISIM]).

Prior to joining REMPLAN in 2011, Teresa has held senior management positions in both the private and public sectors. Teresa's expertise include: strategic analysis, socio-economic assessments and impacts, planning and demographic analysis, market research and forecasting, economic modelling, land use viability, project planning and input to feasibilities. Teresa has extensive experience in industrial and property economics, specialising in residential, retail, industrial, tourism and commercial markets.

3 Review of Key Documents

3.1 *Central Coburg 2020 Structure Plan Volume 1*

Summary of Economic Rationale and Analysis presented in the Plan

The Central Coburg 2020 Structure Plan was developed from a sustainability perspective with the concept of sustainability encompassing 'triple bottom line' components of:

- Social
- Environmental
- Economic

Under the banner of economic sustainability the following aims were identified:

- Build on existing local strengths
- Develop new economic opportunities
- Ensure that economic benefits are spread throughout the community
- Ensure that new building design and infrastructure is based on environmentally and economically sound design that is sustainable, healthy and affordable
- Broaden the mix of uses
- Support home based businesses
- Provide training and education opportunities within the centre

Demographic and land use themes which have bearing on the economic rationale presented in the Structure Plan include:

3.1.1 **Demographic**

1. Strong forecast population growth due to medium density developments
2. Population is changing with a trend towards gentrification ...*that is more professional with higher levels of education and income*
3. Number of households increase while at the same time household sizes are declining
4. Increasing disparities between the wealthy and the poor

3.1.2 **Land Use**

1. Coburg is primarily a food-orientated centre
2. Centre is reliant on car parking as an economic driver, however car parks rarely reach capacity, on-street parking is not well utilised
3. Number of retail gaps and significant retail leakage from the centre
4. Night-time activity in the centre is limited
5. Lack of good quality office space
6. Needs for greater availability, coordination and use of public transport
7. Improve cycling infrastructure and facilities
8. Built form - The existing low scale development and the extent of open lot car parking within the activity centre don't support the mixture and intensity of uses which could support a more vibrant local economy
9. New forms and configurations of building are required to support the intensity and mixture of uses desired for the activity centre.

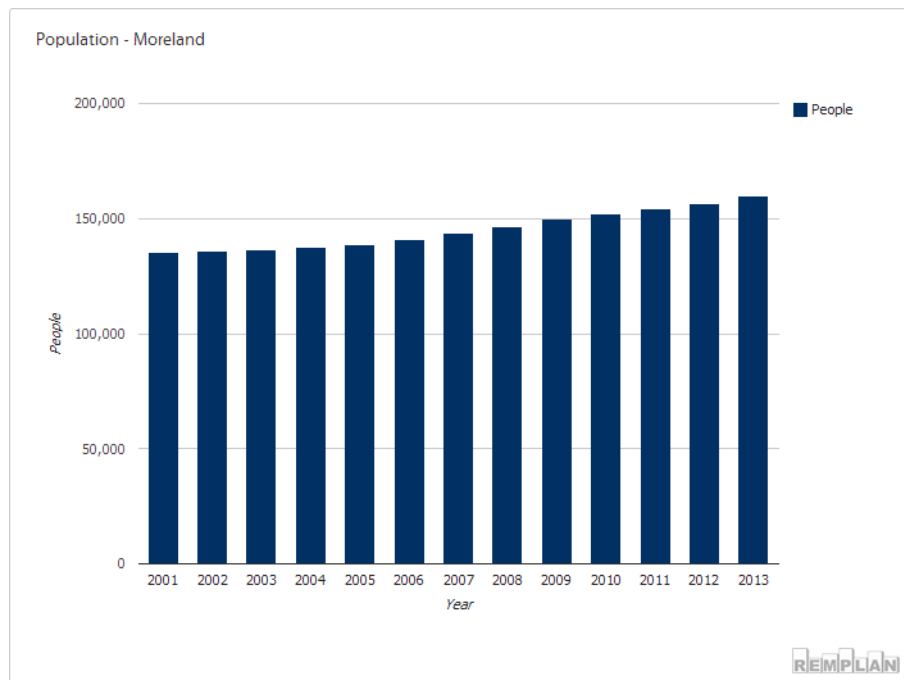
Volume 2 of the Structure Plan details the policies, objectives, precinct guidelines, planning scheme requirements and implementation. The Central Coburg 2020 Structure Plan (volumes 1 & 2) were adopted by Council on 9th August 2006.

3.2 **REMPAN Review and Supporting Evidence**

The broad themes detailed in the Structure Plan including strong forecast population growth, increases in medium density housing, and tend towards gentrification are supported by statistical evidence available at the time, as well as by information released in more recent years (see below).

3.2.1 **Population Growth and Forecasts**

Figure 3-1 Estimated Residential Population – Moreland (C)



Source: Australian Bureau of Statistics, Regional Population Growth, Cat. 3218.0 (2012-13 data was released on 3 April 2014. 2013-14 data is expected for release on April 2015)

Moreland Economic Profile: <http://remplan.co/1nJgVAM>

According to the ABS, Moreland's population has increased from 135,540 people in 2001 to 160,029 people by 2013. This represents an annualised compounding growth rate of 1.29 percent. However it is important to note that Victoria's population growth rate is at 1.44 percent.

Figure 3-2 Population Forecasts – Moreland (C)**Population and households**

	2011	2016	2021	2026	2031
Total Population	154,247	171,897	187,564	200,100	211,990
Pop. in private dwellings	152,235	169,451	184,836	196,961	208,303
Households	62,377	69,214	75,582	81,174	87,104
Average household size	2.44	2.45	2.45	2.43	2.39

Source: Victoria in the Future 2014

Based on the State Government's forecasts above, Moreland population is projected to grow between 2011 and 2031 at a compounding rate of 1.6 percent; higher than the growth rate of 1.29 percent for the period 2001 to 2013 presented above.

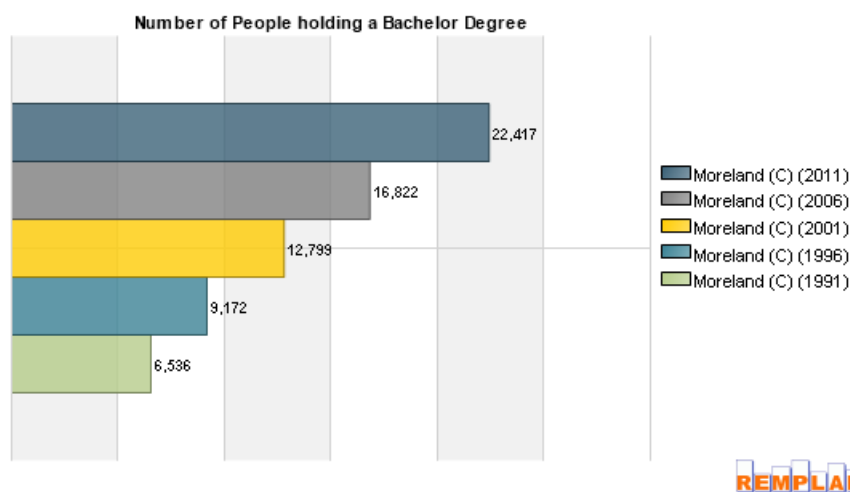
3.2.2 Gentrification

Figure 3-3 Professional Worker Trends

1991: 8,039 Professional Workers
 1996: 9,513 Professional Workers
 2001: 12,402 Professional Workers
 2006: 15,140 Professional Workers
 2011: 19,999 Professional Workers

Source: ABS Census Years 1991 – 2011, REMPLAN Community (Place of Enumeration, persons)

The annualised compounding growth rate for Moreland residents in professional occupations is estimated 4.66 percent. This is high in the context of an overall population growth rate (2001 to 2013) of 1.29 percent.

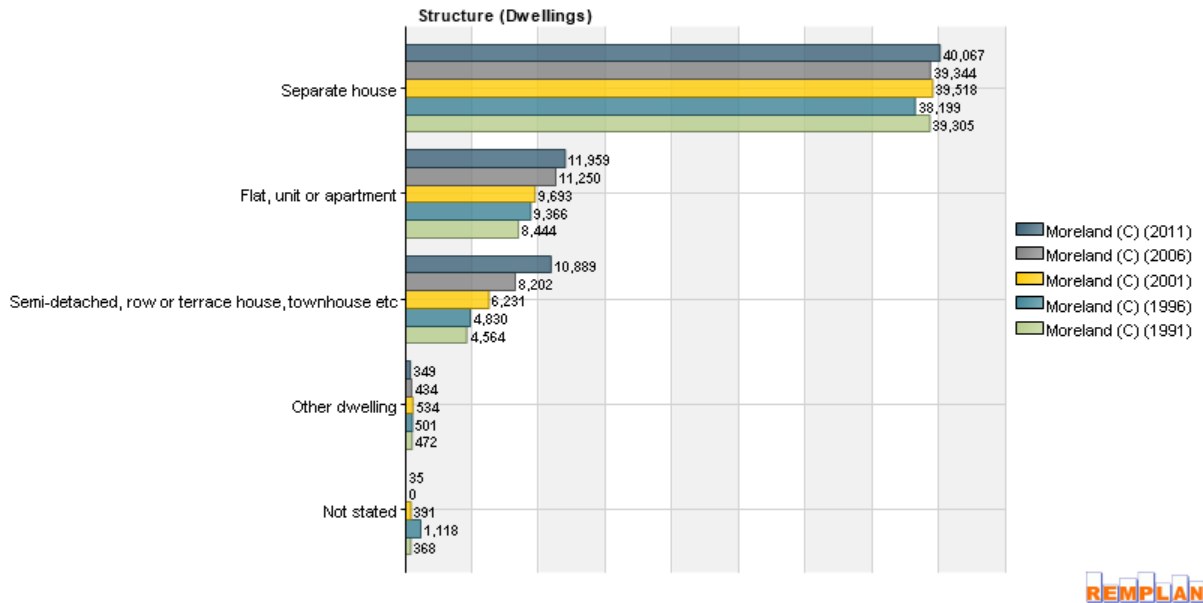
Figure 3-4 Qualification Trends

Source: ABS Census Years 1991 – 2011, REMPLAN Community (Place of Enumeration, Persons)

The annualised compounding growth rate for people holding a bachelor degree in Moreland is 6.36 percent.

3.2.3 Households

Figure 3-5 Households Trends



Source: ABS Census Years 1991 – 2011, REMPLAN Community (Place of Enumeration, Dwellings)

During the period 1991 to 2011 the number of separate houses has remained steady, whereas flats, units and apartments have experienced an annualised growth rate of 1.76 percent. The growth rate for semidetached, row or terraced houses and townhouses is considerably higher at 4.44 percent.

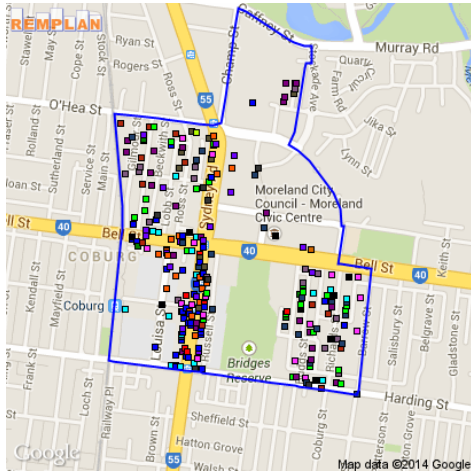
3.2.4 Income (wealth) Distribution

2001 Less than \$600 per week was 66 Percent ; More than \$1,000 per week was 8 percent
 2006 Less than \$600 per week was 56 Percent ; More than \$1,000 per week was 15 percent
 2011 Less than \$600 per week was 48 Percent ; More than \$1,000 per week was 25 percent

Taking into consideration wage growth over this period and inflation, the case for increased disparity in income distribution across the overall population in Moreland is not clear. That's said, structural changes are evident in Moreland and so increased financial pressures for those at the margins is likely.

3.2.5 Food Oriented Centre

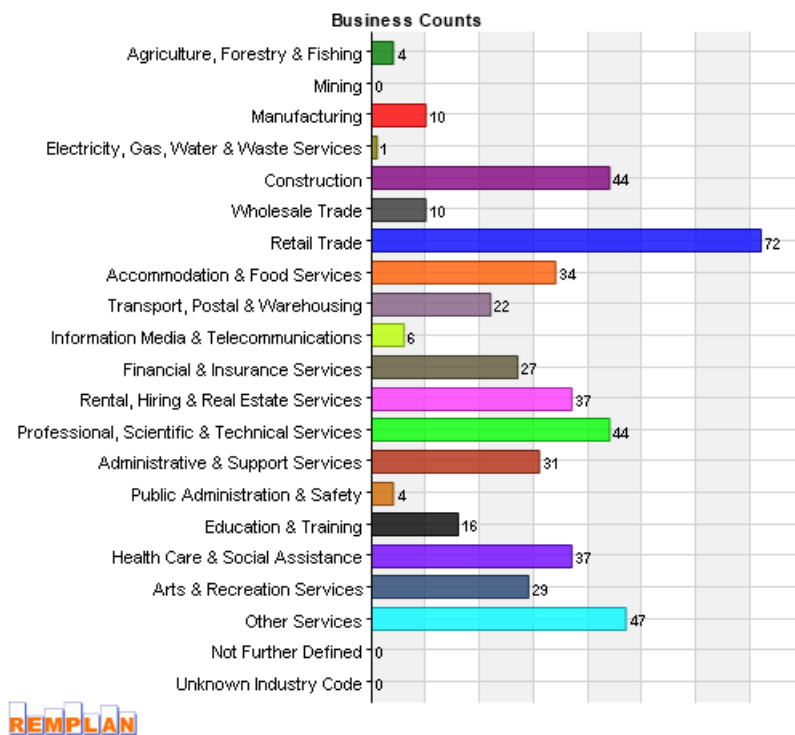
Figure 3-6 Business locations in Central Coburg



Source: Moreland City Council, Australian Business Register (ABR) 2011, REMPLAN Business Analysis Module

According to the ABR there are 475 businesses registered as operating in Central Coburg across the following sectors:

Figure 3-7 Businesses in Central Coburg



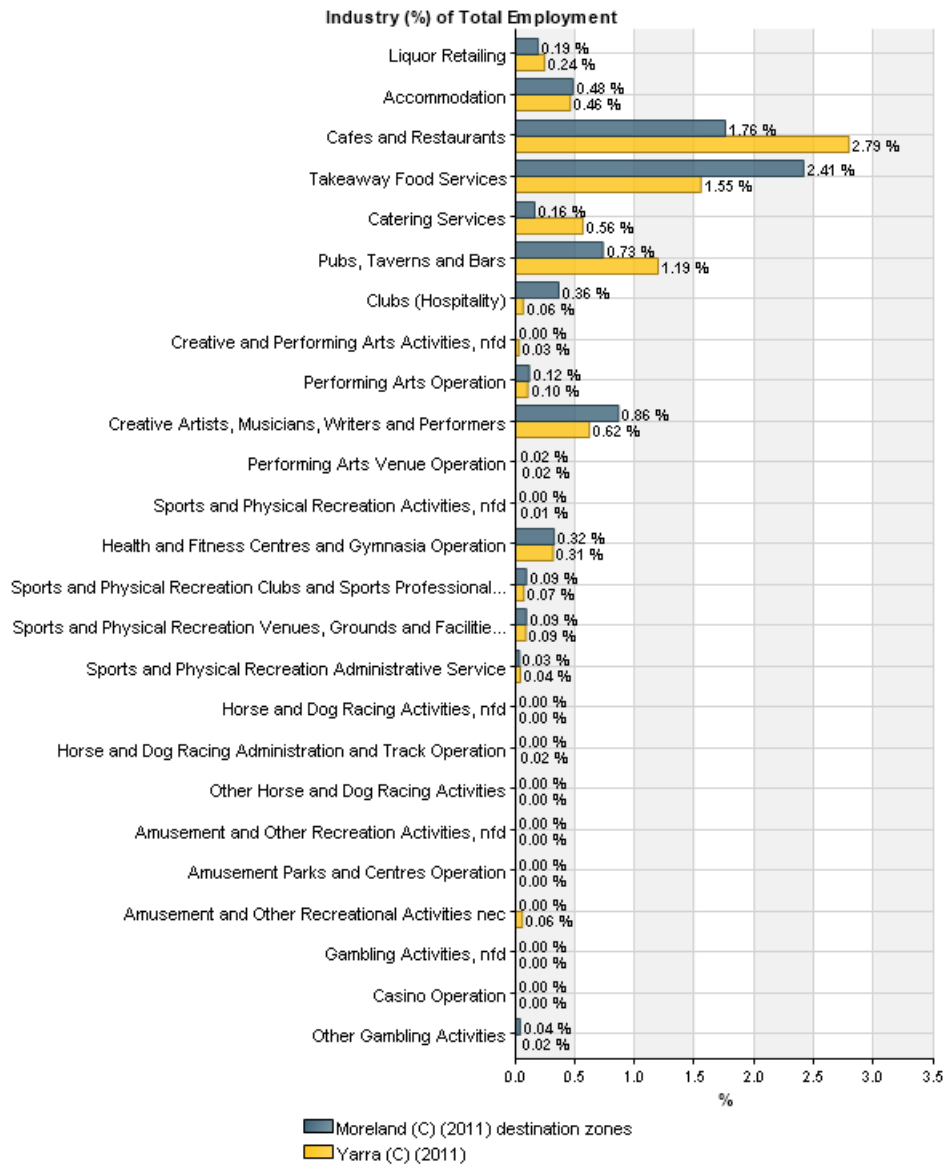
Source: Moreland City Council, Australian Business Register (ABR), REMPLAN Business Analysis Module

Figure 3-7 above and Figure 5 (page) in the Colours of Coburg Economic Development Strategy clearly illustrates that there is diversity in the types of jobs and businesses operating Central Coburg. Food is an important element of the area however retail, health, government and professional services also make valuable contributions.

3.3 Night Time Activity

The following graph shows the relative levels of employment in Moreland City compared to the City of Yarra. Yarra was selected for comparative purposes due to the importance that the City of Yarra Council places on its Night Time Economy (NTE).

Figure 3-8 Night Time Economy Related Industry Sectors



Relative to the City of Yarra, the percentage of employment in Moreland is lower in key night-time economy related sectors such as 'cafes and restaurants' as well as in 'pubs, tavern and bars', therefore it appears that there may be scope to expand the night-time economy in Moreland. Moreland has comparative strengths in 'takeaway food services' and 'creative artists, musicians, writers and performers'.

3.4 ***Colours of Coburg Place Framework and Strategies (The Coburg Initiative)***

The Coburg Initiative's Place Framework Strategy and Concept Plan encompasses a number of strategic documents including a built form and land use strategy, public realm and infrastructure strategy as well as an economic development strategy, that is the particular focus of this review.

3.4.1 **The Coburg Initiative – Colours of Coburg – Economic Development Strategy Summary of Economic Rationale and Analysis presented in the Strategy**

The Economic Development Strategy has been prepared in order to identify and test whether the economic imperatives sought for the project could be delivered by the Central Coburg Structure Plan 2020 (see above)

Key issues and findings:

1. **Population Growth:** 'Melbourne @ 5 Million' – was a complementary policy initiative that established further directions for Melbourne 2030, projecting that Melbourne's population growth would reach 5 million much faster than previously forecast thereby placing even greater emphasis on urban renewal and employment locations in established areas
2. Major residential housing developments support strong population growth
3. **Shortfalls:** A relatively low proportion of Moreland working residents actually work in Moreland
4. A greater match between the jobs sought by residents and jobs provided by local businesses will greatly enhance Moreland's ability to improve the local employment opportunity ratio
5. The number of local residents working in each industry outside of Moreland is referred to as "shortfalls" in term of local jobs ...there are notable shortfalls in sectors such as 'financial and insurance services', 'professional, scientific and technical services', 'public administration and safety', 'education and training' and 'health care and social assistance'.
6. The "shortfalls" in the industry sector above show some differences to the jobs observed in Central Coburg at the time (ABS 2006 Census) ...with 'retail trade' as the largest sector and 'finance and insurance' making a relatively small contribution to local jobs.
7. **Gentrification:** The occupations of residents in Coburg has changed over the ten year period; accompanying an increase in the proportion of managers, professionals, and community and personal service workers has been a decrease in the proportion of technician and trades workers, clerical and administrative workers, sales workers, machinery operators and drivers and labourers
8. Coburg residents have a higher average weekly household income than Moreland overall
9. Number of couples with children is decreasing; replaced by couples without children or one parent families

10. **Leakages:** Retail leakages identified
11. Central Coburg is characterised by a high proportion of small businesses ...with the majority of employment concentrated in food, groceries and discount clothes and variety retail; large number of these businesses are held under small holdings, and many run on low rent and low turnover
12. **Structural Change:** In contrast to employment, the largest contributors to output (gross revenue) in the Central Coburg economy are 'government administration and defence' and 'property and business services'.
13. Significant structural changes to the Central Coburg required in order to fulfil its role as a Principal Activity Centre
14. An analysis and comparison with two established and successful activity centres was undertaken to provide insights to the possible long term future of the TCI area and what the structural changes might look like
15. For comparative purposes the activity centres of Subiaco in Perth Western Australia, and Box Hill in Melbourne's South East were selected on the basis that they are major activity centres that contain major hospital facilities and are similarly located with regard to their respective CBDs
16. The employment observed in Box Hill (12,954 jobs, ABS 2006 Census) was selected as a long term aspirational jobs target for the Principal Activity Centre ...representing an increase of 9,805 jobs
17. The structure of the established activity centres provided insights regarding the possible future mix of economic activity and the associated distribution of jobs in the core (the Coburg Initiative Area) and outside the core in order to provide an additional 9,805 jobs
18. Of the total jobs required to meet the aspirational target, judgments were made about those that are most relevant to the core of a Principal Activity Centre (identified as The Coburg Initiative area) and those that can be appropriately located outside the core
19. For broad industry groups ratios between employment and yield (sqm) were estimated
20. These ratios were applied to the employment targets to estimate the commensurate additional new yield required to accommodate the employment targets in the core and non-core areas of the TCI Area
21. The additional 9,805 jobs and the corresponding additional yields relates to what is referred to in the economic development strategy as 'Scenario 4, Concept Plan High' (see page 32); the strategy also presents three other scenarios corresponding to lower yields with less capacity to support employment:
22. 'Existing Central Area', with a yield of 80,283sqm
23. 'Scenario 1 Structure Plan 2020, with a yield of 122,392sqm
24. 'Scenario 2 Concept Plan Low', with a yield of 183,865sqm
25. 'Scenario 3 Concept Plan Medium', with a yield of 177,865sqm
26. 'Scenario 4 Concept Plan High', with a yield of 200,782sqm

27. **Economic Impacts:** Under scenario 4 above economic impact modelling estimated that the Coburg Initiative Area would have the capacity to support an additional 4,968 direct jobs. The modelling estimates further flow-on industrial (supply chain) and consumption benefits for the Moreland local government area economy of:
28. Industrial effects: 778 jobs
29. Consumption effects: 1,090 jobs
30. ...total additional employment for the Moreland economy under this scenario was estimated at 6,836 jobs.

3.4.2 REMPLAN Review and Supporting Evidence

Based on the information available at the time, as well as from more recently released data from the ABS 2011 Census and Victoria In The Future 2014 official State Government population projections, it is clear that Moreland's population has experienced, and will continue to experience strong growth. Tracking well ahead of the population growth rates are the increases of residents with professional occupations, and residents holding bachelor degrees.

Corresponding to, and driving some of these changes, are residential developments that have seen large increases in the number of small dwellings (flats, apartments, semi-detached ...see Figure 3-5 above).

The 'City of Moreland Gap and Workforce Analysis' report (September 2010)² found that 82 percent of the local employed residents, 47,826 people, travel outside of the municipality to go to work. For Moreland residents the major sectors of employment and top destinations of work are:

- Property & Business Services, employing 7,845 people (43% working in the City of Melbourne)
- Retail Trade , employing 7,431 people (29% working in the City of Moreland)
- Manufacturing, employing 6,481 people (21% working in the City of Hume)
- Health & Community Services, employing 6,274 people (28% working in the City of Melbourne)
- Education, employing 5,753 people (28% working in the City of Melbourne)

The report makes the broad observation that the Moreland residents working outside the municipality are younger, better educated and earn more money compared to people working in the City of Moreland.

The number of local residents working in each industry outside of Moreland is referred to as a "shortfall" in local jobs. By using a term such as shortfall an impression is created that having large and increasing numbers of professionally employed residents leaving each day to work outside of the municipality is a problem that requires fixing. An equally strong argument could be made that the people in question are a growing economic (in terms of consumption), social and cultural asset for Moreland. What is likely to be beyond contention is the large number of resident professionals represent an opportunity to access skilled workers for business looking to establish or expand in Central Coburg. It is also expected that a proportion of local resident professionals would also be receptive to the opportunity of working closer to home.

² Undertaken by Compelling Economics ...now trading as REMPLAN.

In terms of the trend to gentrification, this is highly complementary with many of the aims articulated in the structure plan including:

- Build on existing local strengths
- Develop new economic opportunities
- Ensure that economic benefits are spread throughout the community
- Broaden the mix of uses
- Support home based businesses

Further complementing this is the likely structural changes that will occur as the Coburg Principal Activity Centre expands. The established activity centres of Subiaco and Box Hill, with their major hospitals and similar proximities to their respective CBDs, provide insights into the possible development 'evolution' for the Coburg Principal Activity Centre. These established activity centres are considered to be further along this evolutionary pathway and in contrast to Central Coburg are characterised by relatively high numbers of jobs in sector such as:

- Health and Community Services
- Property and Business services
- Education
- Finance and Insurance

The sectors listed above are a 'good fit' with the industry sectors outside of Moreland that employ many of the local professionals.

The difference between the total number of jobs currently in Central Coburg and Box Hill was identified as an aspirational target and the jobs in Box Hill and Subiaco providing guidance as to the possible mix of industries and jobs in the Coburg Principal Activity Centre.

It is important to note the proposition in the economic development strategy isn't to make Coburg like Box Hill, but rather have a yield allocation that accommodates structural change and doesn't constrain Coburg in realising its potential as a Principal Activity Centre into the future.

Scenario 4 Concept Plan High represents the full realisation of this aspirational employment target. REMPLAN modelling was applied to estimate the direct and indirect impacts for the broader Moreland economy under this scenario.

REMPPLAN has automated and systematised the process of building and updating region-specific econometric models for more than fourteen years. These in-house systems, tools and resources incorporate many checks and balances that ensure the consistent and timely delivery of economic analysis software and data. Place of work employment data from the Census is the basis upon which industry size and composition is estimated at the regional scale. National accounts data is then applied to the employment profile in order to estimate the value of output by industry and the proportions of output spent on wages and salaries. Place of work employment data is the basis in REMPLAN for estimating local demand by industry for intermediate goods and services as well as the capacity for the local economy to supply a proportion of those goods and services. REMPLAN economic models have been delivered to economic development practitioners and researchers in government agencies, universities and consulting firms over this fourteen year period while being underpinned by a high level of transparency and external review.

The economic impact modelling presented in the economic development strategy was undertaken in 2010. There have been a number of releases of ABS Census and National Accounts data since then and so the scenario has been re-modelled using the latest available information. The latest modelling estimates are:

Table 3-1 Scenario 4 Impact Modelling (REMPLAN latest available data June 2014)

Employment	Direct		Direct Effect (Jobs)	Industrial Effect (Jobs)	Consumption Effect (Jobs)	Total (Jobs)
	Change Jobs	Output (\$M)				
Agriculture, Forestry & Fishing	28		28	3	1	32
Mining				0	0	0
Manufacturing	-122		-122	67	105	50
Electricity, Gas, Water & Waste Services	7		7	1	2	10
Construction	-145		-145	-9	24	-130
Wholesale Trade	-69		-69	48	57	36
Retail Trade	589		589	62	240	892
Accommodation & Food Services	108		108	52	117	277
Transport, Postal & Warehousing	-77		-77	35	31	-11
Information Media & Telecommunications	47		47	31	10	88
Financial & Insurance Services	190		190	41	23	254
Rental, Hiring & Real Estate Services				39	13	52
Professional, Scientific & Technical Services	718		718	285	46	1,049
Administrative & Support Services				89	23	112
Public Administration & Safety	671		671	47	10	727
Education & Training	34		34	15	116	165
Health Care & Social Assistance	2,856		2,856	26	151	3,033
Arts & Recreation Services	34		34	23	20	77
Other Services	99		99	52	91	242
TOTAL	4,968		4,968	906	1,081	6,955
			Type 1		Type 2	
Multiplier			1.182		1.4	

The modelling presented above applies the latest REMPLAN econometric model for the Moreland³ economy, which incorporates the following base datasets from the ABS:

- ABS 2011 Census JTW Employment
- ABS 2009 / 2010 National Input Output Tables
- ABS June 2013 Gross State Product

Under this scenario the total employment impacts for Moreland are estimated at 6,955 jobs. From the direct 4,968 jobs this represents an employment multiplier of 1.4. That is, for every ten direct jobs it is estimated that a further 4 jobs would be generated in the broader Moreland economy once flow industrial and consumption effects are taken into consideration.

³ Moreland (C) local government area <http://remplan.co/1mf3Dil>