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WHITEHORSE ECONOMIC ANALYSIS REPORT

2023 UPDATE

WHITEHORSE CITY COUNCIL | MARCH 2023

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ACKNOWLEDGEMENT OF COUNTRY

Urban Enterprise is located on Wurundjeri Woi-Wurrung Country. We pay our respects to elders past, present and emerging and also acknowledge all Traditional Owners of Country on which we work.

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CONTENTS

ACRONYMS

AAGR	Annual Average Growth Rate
ABR	Australian Business Register
ABS	Australian Bureau of Statistics
CALD	Culturally and linguistically diverse
ERG	Eastern Region Group of Councils
ERP	Estimated Resident Population
IVS	International Visitor Survey
LGA	Local Government Area
NVS	National Visitor Survey
PA	Per Annum
SEIFA	Socio-Economic Index for Areas
SME	Small to Medium Enterprises
TRA	Tourism Research Australia

GLOSSARY OF TERMS

Gross Regional Product — The total value of final goods and services produced in the region over the period of one year.

Economic 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.

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.

Local Sales — Local sales measure the output of local industries that is sold locally. This includes sales to local consumers, businesses and other organisations. Local sales is equal to total output minus total exports.

Imports — Imports are sales of goods and services from industries located outside the City of Whitehorse boundaries to resident households, businesses and other organisations within the area.

Employment — Employment data represents the number of people employed by businesses/organisations in each of the industry sectors in a defined region. Employment data presented in this report is destination of work data. That is, no inference is made as to where people in a defined region reside.

Daytrip 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.

Eastern Region Group of Councils	The Eastern Region Group of Councils is a representative regional body that includes the local government authorities of: Knox, Manningham, Maroondah, Monash, Whitehorse and Yarra Ranges. The ERG works collaboratively on issues of common significance, importance and priority through advocacy, integrated planning, shared services and joint procurement to benefit communities of the eastern metropolitan region.	

SEIFA — Developed by the ABS, this measures the relative level of socio-economic advantage and disadvantage for a defined area. The index score is based on a weighted combination of census variables that reflect disadvantage (e.g. income, education, employment, etc.), which is then standardised around the national average score of 1,000. A higher score on the index reflects a lower level of disadvantage. Therefore, a score above 1,000 indicates a lower level of disadvantage relative to the national average, while a score below 1,000 indicates a higher level of disadvantage relative to the national average.

Small to Medium Enterprises — For statistical purposes, the ABS defines a business entity employing less than 20 employees as Small to Medium Enterprise

Non-employing Business — A type of that does not have employees. This may include a range of entity types, such as non-employing sole traders or any other businesses without employees

NOTES ON KEY DATA SOURCES

Australian Bureau of Statistics (ABS) — ABS Census data is Australia's largest statistical collection, which helps estimate Australia's population, dwellings and demographic characteristics. It is based on responses received from private dwellings and individuals. The Census, which is conducted every five years, provides information for the entire country, including small geographic areas and small population groups.

Profile ID — Profile ID analyses and converts raw ABS Census data into a demographic profile to inform council, community groups, investors, business, students and the general public. The Profile ID data for Whitehorse provides a demographic analysis based on results from the 2016, 2011, 2006, 2001, 1996 and 1991 Censuses of Population and Housing. The profile is updated with population estimates when the ABS releases new figures.

Economy ID — Economy ID industry structure and industry sector profiles uses results from the ABS Census, as well as a National Accounts regional econometric model developed by National Economics (NIEIR). This model is based on replicating the outputs of the National Accounts framework for local areas such as LGAs, using a range of data sources to model the accounts to show local trends.

REMPLAN Economy Profile — REMPLAN Economy provides data into the performance of key sectors of the economy, which is provided by state, region and municipal areas. This is underpinned by the latest data from the ABS and includes estimates of employment, output, wages & salaries, imports, exports and gross regional product for 114 industries. The information is drawn from numerous ABS sources, including Census data and National Input Output Tables.

Tourism Research Australia (TRA) — TRA provides statistics and research on both international and domestic tourism within Australia, including the value of tourism. This is based on two major surveys – for domestic and international visitors –that measures the contribution of tourism and provides input into visitor spend for Australia's regions and smaller statistical areas.

EXECUTIVE SUMMARY

The *Whitehorse Economic Analysis Report* provides an up-to-date overview of the key demographic and economic trends for the City of Whitehorse.

About Whitehorse

The City of Whitehorse, located in the heart of Melbourne's eastern suburbs, is a mix of quiet residential streets and vibrant activity centres. The municipality is a multicultural, modern city with a diverse economy and green, well-connected neighbourhoods. With high-quality amenity, services and infrastructure, Whitehorse is an attractive place to live, work and invest.

Whitehorse is located 15km east of Melbourne's CBD and centrally positioned between the CBD and outer ring eastern suburbs. This strategic location in Melbourne's inner-east, as a gateway to outer eastern council areas, provides advantages for businesses and industry, including access to consumption and labour markets in Central Melbourne and surrounding eastern suburbs.

In addition, industry has good access to export markets via road infrastructure that connects to central Melbourne and Regional Victoria, as well as proximity to rail, seaport (Port of Melbourne) and airport infrastructure.

The municipality is also serviced by an extensive public transport network consisting of major train stations, as well as tram and bus networks. These transport nodes provide good internal and external connections to central Melbourne, Regional Victoria, as well as visitor and export markets via Melbourne Airport and the Port of Melbourne.

Major economic and employment areas, including the Box Hill Metropolitan Activity Centre, Major Activity Centres (Nunawading[1], Burwood East – Tally Ho, Burwood Heights and Forest Hill Chase) and industrial precincts, are significant drivers of local consumption, business growth and investment attraction in the region.

They are also key hubs that provide services (i.e. education and health) and amenity (i.e. hospitality) to residents, workers and visitors. These areas have the potential to bring substantial economic opportunities for Whitehorse through investment, business attraction and expansion, and jobs growth.

Industry Specialisations

In terms of contribution to jobs, output and exports, the Whitehorse economy is driven by the following industry specialisations:

F1. WHITEHORSE INDUSTRY SPECIALISATIONS

Public sector and knowledge-based industries (e.g. health, education, public administration)	Professional service industries (e.g. professional and financial services, IT, communications)	Population-driven industries (e.g. construction, property, retail, hospitality)	Industrial (e.g. manufacturing, transport, logistics)
Provides key services that promotes community health, education, wellbeing and engagement	Includes 'white-collar' professions that requires technical expertise and qualifications	Local businesses that are directly impacted by resident demand and relies on local consumption.	Primary industries and businesses that produce and support tradable goods

Combined, these industries make up around **87% Output, 90% Exports, 89% Local Jobs**. As such, they are fundamental to the function and productivity of the local economy.

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[1] The Nunawading Activity Centre incorporates the MegaMile

Macroeconomic Trends

The following external economic trends will influence the Whitehorse economy over the short to medium term, and will have implications for residents, workers and businesses.

COVID-19 and Business Recovery

- Rise of remote and flexible working arrangements
- Increasing demand for co-working spaces
- Transition to innovative business practices
- Continued uncertainty on business operations and workforce

Workforce Shortages

- Impacting business operations for consumer-facing industries and social services
- Impacting Healthcare, Hospitality, Construction, Manufacturing

Global Economic Uncertainty

- Supply shortages (inc. fuel, energy and tradeable goods)
- Price volatility of commodities
- Business and consumer fatigue (war, lockdowns, etc.)

Cost of Living Pressures

- Rising inflation and interest rates
- Decreasing discretionary income and consumer confidence
- Reducing commercial and business activity

Growth of Advanced Manufacturing

- More innovative manufacturing methods to increase sectoral competitiveness and produce goods locally
- Emerging trends including robotics and advanced technology requires highly skilled workers

Construction and Housing Market

- Supply-side constraints (materials and labour)
- Rising construction costs
- Softening demand in residential and non-residential property

Climate Resilience

- Net zero emissions by 2050
- Promotion and adoption of environmentally sustainable practices (e.g. circular economy)

Transition of Retail

- Outlook for household consumption is unclear (following strong demand post-COVID)
- Shift in consumer behaviour towards e-commerce
- Growth of 'buy local' campaigns

Innovation and Technology

- Increasing use of data and technology – by both Councils and businesses
- Improving the efficacy of operations and decision-making

Growing Demand for Healthcare

- An ageing population will increase demand for healthcare and aged-care services
- Subsequent growth in healthcare-related spending and workforce requirements

Whitehorse in Numbers

Socio-Economic

1,049 SEIFA Score

The **12th most advantaged** LGA in Victoria

Weekly household income of $1,542 (increase of $359 per week since 2016)

Unemployment rate 4.3% (June 2022)

Top occupation type is **professionals** (**33%**)

Economy

$11.0 bn GRP

$20.5 bn Output

$5.3 bn Regional Export Value

Top industry by output is **Construction $2.9b** (**14%**) and **Rental, Hiring and Real Estate $2.2b** (**11%**)

Top industry by exports is **Manufacturing $796m** (**15%**)

Business

18,959 Registered Businesses in 2022

62% of these businesses are **non-employing** and **37%** are **SMEs**

Business growth of **+2,979 additional businesses** between 2017-2022

Top industry by business is **Professional, Scientific & Technical Services 3,114 businesses** (**16%**)

Employment

77,921 Local Jobs in 2022

Top industry by employment is **Health Care and Social Assistance 17,330 jobs** (**22%**) and **Education and Training 10,741 jobs** (**14%**)

27% job containment rate of residents working in Whitehorse

70% of employed residents **commute outside the municipality for work** (**20%** travelling to the **Melbourne CBD**)

Visitor Economy

1,546 (**2.1%** of total) Total Employment

$282m (**1.3%** of total) Total Output

Year-ending March 2022: **426,679 visitors** (representing a **decrease of 234,479 or 35%** since March 2018).

Year-ending March 2022: **$129 million** in direct visitor spend (representing a **decrease of $272m or 68%** since March 2018).

Over this four-year period, **international visitation decreased by 74,186 or 97%,** and **international visitor spend decreased by $225m or**

Average spend per visitor: **daytrip $102**, domestic overnight **$859**, international **$2,951**

Population

169,346 Residents in 2021

+41,392 Residents projected by 2036 (growth of **1.5% p.a.**)

Growth is driven by **Parents and Homebuilders (30-49 years) +14,807** and **Students and Young Workforce (20-29 years) +5,832** age groups

Housing and Dwellings

71,716 Dwellings in 2021

+15,546 Dwellings projected by 2036 (growth of **1.3% p.a.**)

65% of dwellings are **separate houses,** while the proportion of **high-density apartments have doubled** since 2016

The largest household type is **couples with children** (**34%**)

Median house price is **$1.4m** (5-year growth of **+$350k** or **5.0% p.a.**)

Median apartment price is **$773k** (5-year growth of **+$200k** or **5.1% p.a.**)

Strategic Considerations

The following considerations will be used to inform the development of the future Investment and Economic Development Strategy, as they articulate the potential areas of focus, accounting for local strengths, issues and opportunities for Whitehorse.

The information outlined below is based solely on the demographic and economic data presented throughout this report. However, this is expected to progress and evolve following further investigation and consultation with stakeholders.

T1. HEADLINE STRATEGIC CONSIDERATIONS

1	**Engaged and Empowered Communities**	Ensure economic growth supports liveability outcomes and fosters inclusive and engaged communities.
2	**Thriving Activity Centres and Employment Precincts**	Sustain thriving activity centres and employment precincts to drive economic growth through business investment, local consumption and employment, as well as provide amenity for residents, workers and visitors.
3	**Business Support and Development**	Support the development of a productive and diverse business community to encourage business resilience and growth.
4	**A Sustainable and Innovative Economy**	Establish an innovative and environmentally sustainable economy that focuses on efficiencies to influence future strategic investments, and support economic, community and environmental outcomes.
5	**Visitor Economy Growth**	Growing the visitor economy is critical for economic development, as it supports business investment, local consumption and new local jobs, as well as promoting economic diversification.

1. INTRODUCTION

1.1. OVERVIEW

The City of Whitehorse is a major commercial and residential municipality located in Melbourne's east, approximately 15 km from Melbourne's CBD. The municipality is a mix of quiet residential streets and vibrant activity centres. Residents and businesses are supported by a range of quality facilities, services and amenity provided in Whitehorse, including major retail centres, tertiary institutions and state of the art health care facilities.

Whitehorse also comprises some of Melbourne's most liveable suburbs, which are accessible and well-connected via multiple transport nodes and surrounded by green open spaces and tree-lined streets.

Whitehorse's identity is largely driven by the significant culturally and linguistically diverse (CALD) community. This contributes to a thriving culture and lifestyle, providing a unique sense of place for residents, as well as facilitating international investment, tourism and migration to the area.

These attributes support liveability, employment and economic activity in Whitehorse, which is undergoing significant investment and growth. Although the impacts of the pandemic have created various challenges for the community and industry, Whitehorse is well-placed to leverage its attributes and pursue opportunities to achieve positive social and economic outcomes.

1.2. PROJECT SCOPE

The *Whitehorse Economic Analysis Report* provides an up-to-date overview of the key demographic and economic trends for the City of Whitehorse. This report was commissioned by Whitehorse City Council (and prepared by Urban Enterprise) to better understand the current economic environment, expected trends, as well as the implications for residents, industry, workers and visitors in the region.

The key findings from this analysis will provide the evidence base and context to support the development of a new *Investment and Economic Development Strategy (I&EDS) 2023-2027*.

Note: Some of the demographic and economic data outlined in this report will be updated following the release of census data in late-2022.

1.3. REPORT METHODOLOGY

The report was prepared using the following methodology:

- Analyse the **strategic and locational context** for Whitehorse, including the key attributes and assets that contribute to economic and employment outcomes.
- Examine the **macroeconomic conditions** to understand the broader outlook for the economy and implications for Whitehorse.
- Prepare a **demographic profile** for Whitehorse, identifying key population, housing and socio-economic indicators and trends that may impact economic development.
- Prepare an **economic profile** for Whitehorse, including key industry strengths, employment trends and business indicators.
- Provide an overview of the **visitor economy** and its role in contributing to growth.
- Identify the resultant strategic considerations for the municipality and potential areas of focus for future economic development, to inform the development of the I&EDS.

2. CITY OF WHITEHORSE

2.1. OVERVIEW

The following examines the City of Whitehorse, including its locational context, key infrastructure and assets, as well as the considerations relevant to economic development.

2.2. KEY FINDINGS

- Whitehorse is strategically located in Melbourne's inner-east, as a gateway to outer eastern council areas. This provides advantages for businesses and industry, including:
  - Proximity to consumption markets;
  - Access to export markets, including via road infrastructure that connects to central Melbourne and Regional Victoria, as well as proximity to rail, seaport (Port of Melbourne) and airport infrastructure; and
  - Access to labour in Melbourne's inner and surrounding eastern suburbs.
- Major economic and employment areas, including the Box Hill Metropolitan Activity Centre, Major Activity Centres and industrial precincts, are significant drivers of local consumption, business growth and investment attraction in the region. They are also key hubs that provide services (i.e. education and health) and amenity (i.e. hospitality) to residents, workers and visitors.
- These areas have the potential to bring substantial economic opportunities for Whitehorse through investment, business attraction and expansion, and jobs growth.
- This is complemented by a network of neighbourhood activity centres that support liveable communities, local consumption and jobs. This is underpinned by *Plan Melbourne's* (2017) objective of the '20-minute neighbourhood', which is based on the concept of residents accessing everyday needs within a 20-minute walk, cycle or local public transport trip from their home.
- Significant infrastructure investment is also planned in the municipality, which provide short-term economic stimulus as well as ongoing benefits to residents, industry and employers.
- It is important that Council capitalises on existing and emerging opportunities for growth and investment to meet the needs and expectations of the community. This should be examined and supported through the development of the I&EDS 2023-2027.

2.3. LOCAL CONTEXT

The Whitehorse Local Government Area (LGA) is strategically located 15km east of Melbourne's CBD and situated in Melbourne's inner-east (see Figure F2), centrally positioned between the CBD and outer ring eastern suburbs. It comprises 16 highly developed and densely populated suburbs, including Box Hill, Burwood, Blackburn and Nunawading.

The LGA is well-connected via major arterial roads including the Eastern Freeway, as well as other east-west transport routes including Maroondah Highway and Burwood Highway. This is complemented by an extensive public transport network consisting of major train stations (e.g. Box Hill), as well as tram and bus networks. These transport nodes provide good internal and external connections to central Melbourne, Regional Victoria, as well as visitor and export markets via Melbourne Airport and the Port of Melbourne.

The municipality, which has an estimated resident population of 169,346[2], is supported by a high-level of amenity and services including public open spaces, activity centres, health (e.g. Box Hill Hospital) and education (e.g. Box Hill Institute, Deakin University).

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[2] ABS Census 2021

These attributes – which are explored throughout this section – provide economic opportunity for business investment, workforce growth, as well as resident attraction.

F2. CITY OF WHITEHORSE
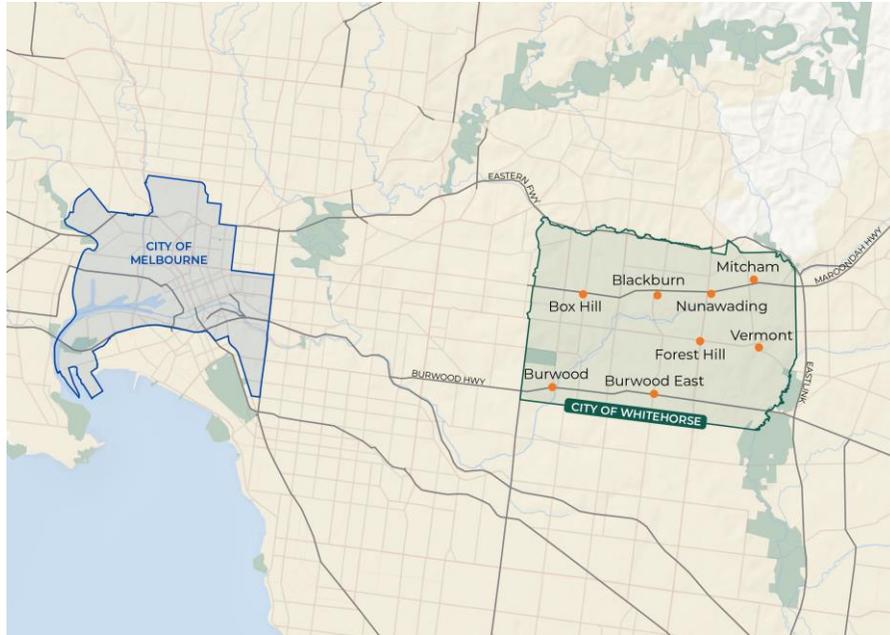
Source: Urban Enterprise, 2022

2.4. REGIONAL CONTEXT

Whitehorse is one of six municipalities that forms part of the *Eastern Region Group of Councils* (ERG). This group is a representative regional body that works collaboratively on issues of common significance, importance and priority through advocacy, integrated planning, shared services and joint procurement to benefit communities of the eastern metropolitan region.

F3. EASTERN REGION GROUP OF COUNCILS
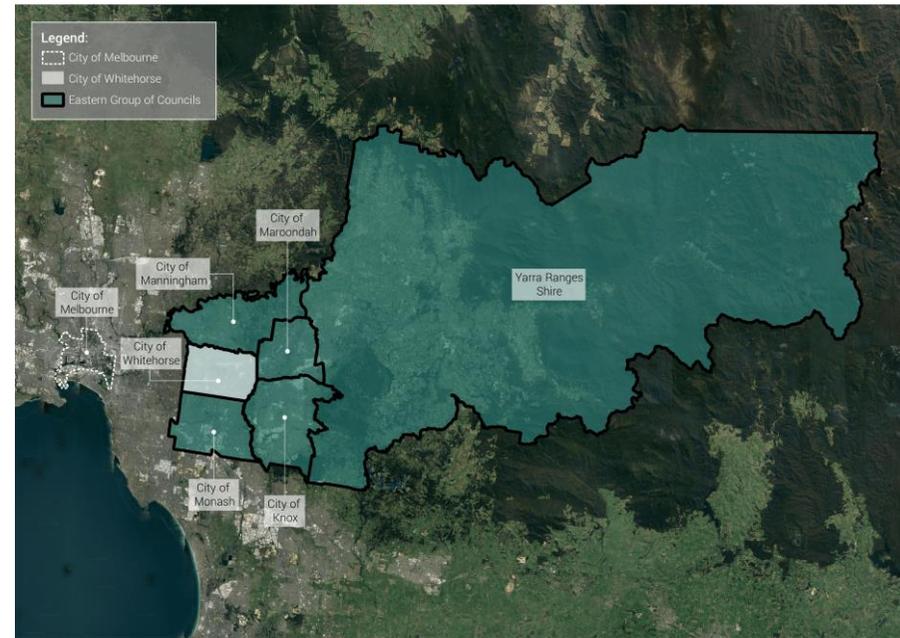
Source: Urban Enterprise, 2022

Where relevant, data for Whitehorse is benchmarked against the *ERG* to provide context and identify areas of competitive advantage.

Whitehorse's location as a 'gateway' between the CBD and eastern municipalities provides strategic economic advantages, including proximity to consumption markets and labour in central and inner-metro Melbourne.

2.5. KEY ASSETS, ECONOMIC AND EMPLOYMENT AREAS

The following figure (overleaf) illustrates the key economic and employment areas across the municipality. These areas provide key services and amenity to residents, workers and visitors, as well as supporting business activity, local consumption and economic development opportunities in Whitehorse.

Key assets and precincts for Whitehorse include the following:

- 1 Metropolitan Activity Centre (Box Hill);
- 4 Major Activity Centres at Nunawading (incorporating MegaMile), Burwood East, Burwood Heights – Tally Ho and Forest Hill Chase;
- 60 Neighbourhood Activity Centres, ranging from car-based shopping centres, large-scale and small to medium scale;
- Major higher education institutions such as Deakin University (Burwood Campus) and Box Hill Institute of TAFE;
- 6 hospitals, including Box Hill (public) and Epworth (private);
- 8 industrial precincts that supports businesses and employment across primary trade and production sectors, such as manufacturing, logistics and transport, as well as service industrial (e.g. mechanics) to assist residents;
- Key public transport nodes (including train, tram and bus routes) and road transport infrastructure; and
- Green open spaces.

Legend:

▢ City of Whitehorse

Metropolitan Activity Centre

▨ Box Hill

Major Activity Centres

▨ Nunawading (MegaMile)

▨ Burwood Heights

▨ Burwood East - Tally Ho

▨ Forrest Hill Chase

Neighbourhood Activity Centres

• Small-Medium Scale

• Large Scale

● Car Based Shopping Centres

Precincts

⬡ Education

✚ Health (Private)

✚ Health (Public)

Zoning

▢ Commercial 1 Zone

▢ Industrial 1 Zone

▢ Industrial 3 Zone

— Roads

— Toll Road

--- Tram Line

+++ Train Line

○ Train Station

▢ Parks

— Waterway

F4. WHITEHORSE ECONOMIC AND EMPLOYMENT AREAS
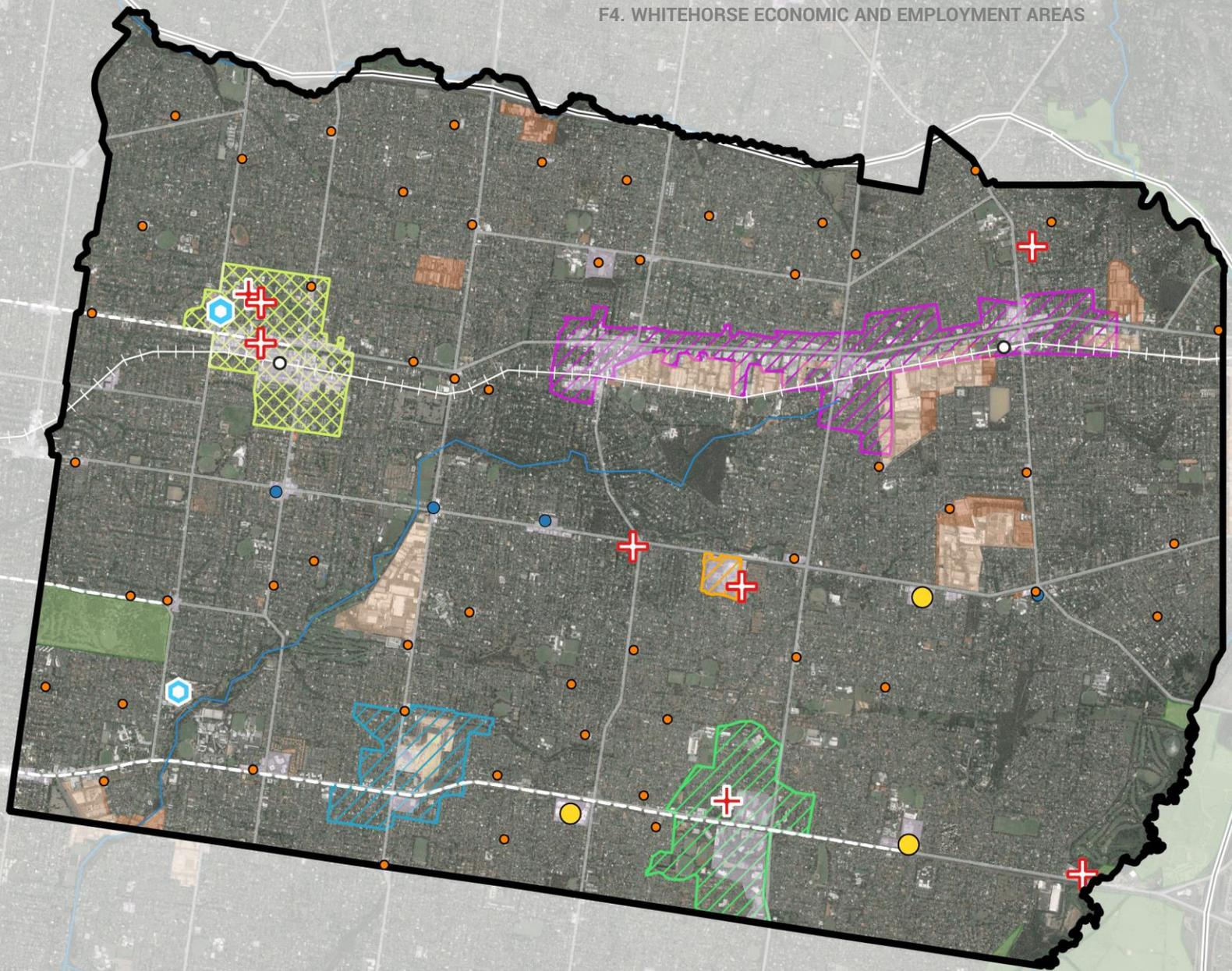
Source: Urban Enterprise, 2022

2.5.1. KEY ACTIVITY CENTRES

At a municipal level, Whitehorse is in the advantageous position of having an extensive activity centre network. This supports substantial business and employment activity, as well as providing key services (i.e. health, education), commercial office spaces, retail and hospitality.

As such, the activity centres provide a significant economic base which facilitates a diverse range of employment and business opportunities. It also supports liveable communities by servicing residents, employees as well as visitors to the region.

The following summarises the Metropolitan and Major Activity Centres in Whitehorse, including its role and key businesses.

Box Hill Metropolitan Activity Centre

Box Hill is designated under *Plan Melbourne* as a Metropolitan Activity Centre, with a focus on health and education.

This activity centre is recognised as the major employment hub and transport interchange for Melbourne's east. Key anchors and assets are illustrated in Figure F5 (opposite), which demonstrates the presence of major health, education, government, retail and civic institutions.

F5. BOX HILL METROPOLITAN ACTIVITY CENTRE

Source: Urban Enterprise, 2022

Figure F6 reinforces Box Hill's strengths, demonstrating that – when compared to other Metropolitan Activity Centres – industry composition is heavily weighted towards the health and education sectors (44%). Knowledge intensive industries currently represent a secondary focus area for the activity centre.

However, as the population and workforce increases, it will be critical that population-serving businesses, including retail and hospitality (currently 16%), expands to support residents, employees and visitors.

Box Hill will continue to remain a focus of growth, investment and development for Whitehorse and a key driver of future economic and employment growth.

The future role of Box Hill will also be defined by the response to the planned Suburban Rail Loop, which will help transform the activity centre into a major transport hub. This provides significant opportunity to attract business investment, residential and commercial developments, as well as enhanced services and amenity – which could help establish Box Hill as a significant commercial centre for the eastern Melbourne region.

Future growth in Box Hill should be strategically managed to support existing industry specialisations and harness future opportunities to attract investment and service residents and workers. This growth will be considered as part of the future I&EDS.

F6. INDUSTRY COMPOSITON, MELBOURNE METROPOLITAN ACTIVITY CENTRES

Knowledge-intensive: information media & telecommunications; financial & insurance services; rental, hiring & real estate services; professional, scientific & technical services; administrative & support services; public administration & safety

Health and Education: education & training; health care & social assistance

Population-serving: construction; retail trade; accommodation & food

Industrial: agriculture, forestry & fishing; mining; manufacturing; electricity, gas, water & waste; wholesale trade; transport, postal & warehousing

Source: Box Hill Metropolitan Activity Centre to 2036 DRAFT Structure Plan, SGS Economics & Planning, 2020

Nunawading (MegaMile) Major Activity Centre

The Nunawading activity centre is a major regional economic and jobs attractor due to the high presence of bulky goods retail. Council advises the Activity Centre is expected to be transformed into a sustainable urban village providing a mix of local and regional commercial, retail and community-focused activity. This will contribute to an enhanced retail and civic presence to promote a sense of place to meet the needs of the local community.

Burwood Heights Major Activity Centre

The Burwood Heights Activity Centre encompasses the RSPCA and Former Brickworks sites and hosts a mix of retail and commercial uses within a local shopping centre.

The activity centre is also surrounded by an established, low rise residential area, is located on the principal public transport network and is connected to regional linear open space networks.

The vision for Burwood Heights, identified in the *Burwood Heights Activity Centre Structure Plan (2006),* outlines the transition to an inclusive and vibrant Activity Centre which will consist of a wide array of uses that will be easy to access via public transport.

Burwood East - Tally Ho Major Activity Centre

Tally Ho is a key office park and technology hub for the eastern suburbs. It is outlined in the Melbourne Industrial and Commercial Land Use Plan as a regional employment node with substantial office space. Council seeks to maintain and enhance the economic role of Tally Ho by ensuring jobs continue to be created by businesses and services within the activity centre.

According to the *Tally Ho Urban Design Framework (2017)*, Council seeks to ensure the activity centre remains as both a regional hub for high tech commerce and a centre for locals. The framework aims to create a sustainable urban environment, encourage use of alternative modes of transport and increase the mix of uses and community facilities within the centre.

Forest Hill Chase Major Activity Centre

The Forest Hill Chase Activity Centre is a major shopping centre which provides convenience, retail (specialty and key anchor tenancies – Coles, Woolworths, target, etc.) and entertainment facilities. The centre's cinema and dining offering are key attractors and stimulate the night-time economy in the area. The *Forest Hill Chase Reinvention Story (2016)* report outlines the following pillars for the vision of the centre:

- Contemporary food and beverage precinct upgrades and additions;
- Unique entertainment offering upgrades;
- Refreshed customer touchpoints;
- More for families (e.g. new kids play areas); and
- Connection to community (e.g. social media improvements).

In addition, a retail shopping strip is located adjacent to the centre, with medium density residential dwellings surrounding it, providing local consumption opportunities for residents.

2.6. MAJOR INFRASTRUCTURE AND INVESTMENT PROJECTS

There is a significant number of public and private sector infrastructure projects that are planned, underway or have recently been completed in the City of Whitehorse.

Major infrastructure projects generate positive flow-on impacts for the regional economy, providing economic stimulus throughout planning, design and construction phases, as well as delivering economic, employment and community benefits once complete and operational.

A review of current major projects in Whitehorse, shows almost $100 million worth of major projects, in addition to the $200 billion Suburban Rail Loop (SRL) Project. The following summarises several large infrastructure projects expected to impact the Whitehorse economic and community:

SUBURBAN RAIL LOOP

Total Project Investment: $200 billion (Stage 1 and 2)

The Suburban Rail Loop (SRL) is a major Victorian infrastructure project involving a 90km rail line that will link every major rail line from the Frankston Line to the Werribee Line via Melbourne Airport, better connecting Victorians to jobs, retail, education, health services and each other.

The first stage of the project (SRL East) will run between Cheltenham and Box Hill and include two new stations at Box Hill and Burwood. The new underground SRL station at Box Hill will be one of the busiest and most well-connected stations in Melbourne, helping transform the area into a major economic and employment centre. While the new underground station at Burwood will deliver better access to Deakin University for thousands of staff and students and catalyse significant change and investment across the suburb.

The initial stage will be constructed between 2022 and 2035 and contribute 8,000 direct local jobs to the economy. SRL North (Stage 2) will run between Box Hill and Melbourne Airport and is expected to be completed in 2053.

North East Link program

Total Project Investment: $16 billion

North East Link (NEL) will complete the missing link between an upgraded Eastern Freeway and the M80 Ring Road, and is the largest investment in a road project in Victoria's history.

NEL will take up to 15,000 trucks off local roads resulting in reduced travel times for freight and associated industries. NEL is expected to reduce travel times by up to 35 minutes across the project corridor. NEL will increase accessibility to Whitehorse from surrounding municipalities, particularly from the north and east.

WHITEHORSE PERFORMING ARTS CENTRE REDEVELOPMENT

Total Project Investment: $78 million

Refurbishment of the Whitehorse Performing Arts Centre to include a 626-seat auditorium, 200-seat studio for smaller scale works, multipurpose rehearsal/dance studio, function centre, soundshell and improved car parking.

SPORTLINK REDEVELOPMENT

Total Project Investment: $8.6 million

The Sportlink redevelopment includes the construction of a roof over the outside courts that will transform the appearance and usage of the stadium's outdoor area. Additional features will also be added to the outdoor courts, including an upgraded acrylic court surface and new and improved lighting.

BOX HILL CENTRAL REDEVELOPMENT

Total Project Investment $377 million

Vicinity Centres are planning to revitalise Box Hill Central, transforming 5.5 hectares in the centre of Box Hill into a world class mixed-use and retail precinct supporting more than 6,000 workers and 3,800 residents by 2030. This will include:

- 3,350 sqm of new public space featuring a town square, amphitheatre and street extensions;
- A 25-level commercial office building in the heart of the town centre, next to Box Hill train station; and
- A 48-level residential building with 366 apartments, 7,000sqm of office space and retail on the ground level trading onto a revitalised main street.[3]

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[3] https://www.vicinity.com.au/about-us/newsroom/vicinity-news/approval-on-plans-for-box-hill-central-redevelopment

3. MACROECONOMIC CONTEXT

3.1. OVERVIEW

This section provides an overview of the broader economic conditions and outlook, as well as the macroeconomic trends that will influence the Whitehorse economy and have implications for residents, workers and businesses.

3.2. KEY FINDINGS

- The economic outlook for Victoria and Australia is relatively uncertain. Whilst there has been a strong period of growth – particularly consumption and investment – following the end of restrictions, this has been somewhat offset by recent economic conditions.

- Inflation, interest rate rises, and global economic uncertainty are impacting consumer sentiment, combined with supply chain disruptions impacting business operations. Council should continue to promote economic diversity and business resilience to respond to current and future shocks.

- Industry and labour force trends, underpinned by technological, economic, demographic and environmental factors, are affecting some of Whitehorse's key sectors, including healthcare, retail and manufacturing. It will be important for Whitehorse's business and industry base to be aware of such trends and be well placed to respond and adapt.

3.3. OUTLOOK FOR THE STATE AND NATIONAL ECONOMY

The upcoming I&EDS should consider the current economic context and conditions in Victoria and Australia. As assessment of indicators has been undertaken via a review of State and Federal Budget papers and economic statements for 2022-23. Key points are as follows[4]:

- The outlook for the Victorian economy is positive, with the economy forecast to grow by 3.25% across 2022-23. The Australian economy is moving beyond recovery to a consolidation phase. High vaccination rates, a gradual increase in migration and household savings have supported recent economic growth.

- However, this growth has been tempered by uncertainty surrounding recent national and global events, including the war in Ukraine, lockdowns in China and the east coast flood recovery effort. These events have exacerbated supply chain interruptions and decreased consumer sentiment domestically.

- Supply chain pressures and high commodity prices – which are also attributed to these global events – have caused inflation to rise from very low rates in 2020-21. Inflation in Victoria is forecast to remain high into the future, which could further decrease consumption levels nationwide.

- The flow-on impact of inflation has resulted in contractionary policies adopted by the Reserve Bank of Australia, specifically increases in interest rates, which are designed to reduce consumer spend and curb rising prices. As further interest rate increases are anticipated over the short term, the effects will be felt nationwide as the economy continues to contract.

- Unemployment is relatively low, with the unemployment rate falling to 3.75% in the September quarter of 2022, where it is expected to remain for several years. This could constrain ongoing efforts to reduce spending and inflation.

- Victoria's population growth has increased to a moderate rate of 1.2% in 2022-23, as net overseas and interstate migration begins to recover to pre-pandemic levels, The reopening of international borders is expected to support the recovery of the international education and tourism sector and help address workforce shortages.

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[4] Note: the following sources have been used: Victorian State Government Budget 2022/23 Budget Paper No. 2; Australian Commonwealth Budget 2022/23 Budget Paper No. 1; RBA Statement on Monetary Policy, May 2022 – Economic Outlook.

3.4. MACRO TRENDS INFLUENCING THE WHITEHORSE ECONOMY

COVID-19 AND BUSINESS RECOVERY

The COVID-19 pandemic has already had a significant impact on the global and national economy, with restrictions on business and travel affecting local communities and business trading.

Industries that are consumer facing and rely on population movements (i.e. retail, food and hospitality) have been more significantly impacted in terms of revenue reductions and job loss. While other industries, particularly essential services (i.e. health and education), have had to substantially alter its operations to comply with a 'COVID-safe' environment.

The potential emergence of new, more virulent or vaccine-resistant variants of COVID-19 is still a substantial downside risk to the domestic economy and future business operations.

As the Victorian economy recovers from the effects of the pandemic, COVID-19 still causes significant impacts on workforce availability at the state and local level. The industry-specific impacts of COVID-19 will be examined in this report, which will help Council target areas that require ongoing business and workforce support.

RISE OF REMOTE AND FLEXIBLE WORKING ARRANGEMENTS

COVID-19 has accelerated the rise of remote working, particularly for employees that work in traditional 'office-based' industries (including professional and financial services), that now have greater flexibility to work outside the traditional office environment. This has had a significant impact on Whitehorse, as professional services is one of the largest employing sectors.

As more residents work from home – due to flexible working arrangements – and the local population increases during work hours, this will benefit local businesses as daily demand for local goods and services (e.g. food, coffee) increases.

In addition, it provides opportunities for businesses to re-locate outside the CBD to areas closer to the business owners' place of residence. This could see an influx of businesses moving to Whitehorse.

Remote working trends and resident growth in Whitehorse will present opportunities for more business investment in Whitehorse, particularly in areas that are highly accessible (e.g. Box Hill).

DEMAND FOR CO-WORKING SPACES

Co-working spaces provide critical support infrastructure often required for small businesses. Demand for co-working spaces is growing, driven by a combination of tech and creative start-ups, the re-location of businesses away from the CBD, the growth in home-based businesses and rise in remote working arrangements.

This will become more important to Whitehorse as the demand for temporary business space and local working facilities expands, particularly in response to COVID-19 (which has decreased the importance of permanent business spaces and seen business re-locate outside the CBD seeking new destinations in suburban environments).

WORKFORCE SHORTAGES

Workforce shortages and limited access to a skilled 'job ready' labour force is a common issue faced by business and industry, which can adversely impact operational efficiency and growth. Shortages are attributed to a combination of:

- Increasing demand for certain job types that are required to keep pace with population-led growth demand for services;
- A shortfall of qualifications, skills and training relevant to demand; and
- COVID-19-related impacts such as border closures, which has reduced the supply of migrant and 'casual' workers (i.e. temporary visa holders, international students and working holiday makers).

Labour force shortages are monitored across Australia by the *National Skills Commission*, which identifies the following industries and fields as experiencing shortages, with strong demand prospects in the future:

- Financial services – accounting, corporate services, quality assurance, planning, engineering.

- Health care – pharmacy, sonographic, optometry, pathology, psychology, nursing.
- Manufacturing – fabrication, welding, trade workers, technicians
- Construction – electricians, locksmith.
- Hospitality – chef, cook, pastry chef, butcher, baker.
- Social assistance – aged, child and disabled care.

Many of the above industries, fields and occupations are relevant to the Whitehorse economy, given the industry and business base composition. Ongoing labour force and skills gaps present a risk to business productivity and growth prospects. Attracting skilled labour to Whitehorse and developing local skills is particularly important during a period when economic recovery is driving labour force needs, but population growth has plateaued.

GLOBAL ECONOMIC UNCERTAINTY

COVID-19 has also contributed to global supply side shortages and commodity price volatility, that have since been exacerbated by the Russia-Ukraine war, lockdowns in China and flooding events across the east coast of Australia. The trajectory and duration of these events remain unpredictable, leading to global economic uncertainty in the short term. Consumer confidence has also fallen recently amid this economic climate, as well as due to rising interest rates[53]

In the long term, the current price trends of energy and other commodities are expected to ease, and businesses will be able to invest to expand their capacity to respond to supply in a timely way[6].

There is an opportunity for Council to support business resilience during periods of economic uncertainty, and to provide strategic and policy support for diversification of the Whitehorse economy.

RISING INFLATION AND COST OF LIVING PRESSURES

Price pressures from global oil, new dwelling purchases and tradable goods have led to an end to the low inflation period that endured for so long. Increased cost of daily essentials and basic services, and reductions in real incomes are a threat to residents' overall liveability and confidence levels. PWC's Victoria City Pulse (2022) revealed that just 40% of Victorians feel financially secure. Inflation is expected to continue into the future, however the response from government, business and households is uncertain given the historically high levels of employment.

Decreased consumer sentiment has the potential to affect business activity in Whitehorse in the short term. To support businesses' ongoing ability to respond to economic shocks, there is an opportunity for council to:

- Provide continued business support;
- Offer incentives to attract new businesses to the region; and
- Implement measures to create a more productive business environment.

CONSTRUCTION TRENDS

Despite a record pipeline of construction expected in the residential sector[7], dwelling investment has more recently been constrained due to a nation-wide shortage of construction materials and skilled labour.

However, these supply-side issues are expected to gradually abate, allowing the elevated pipeline to be worked through[8]. Interest rate increases are expected to soften demand but also increase the number of insolvencies in the residential building sector.

A modest decline in the Australian non-residential building sector is expected to continue over the next three years[9]. Offices, tourism, and retail continue to be the most impacted by the pandemic with construction activity in these sectors significantly lower than long term averages[10].

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[5] RBA Statement on Monetary Policy, May 2022 – Economic Outlook

[7] Australian Commonwealth Budget 2022/23 Budget Paper No. 1 Strategy and Outlook

[8] Victorian Budget 2022/23 Budget Paper No. 2 – Strategy and Outlook

[9] Australian Construction Industry Forum Forecasts, May 2022

[10] Arcadis Australian Construction Market View, 2022

Arcadis' Australian Construction Market View (2022) predicts that from 2023 onwards, material and energy cost increases will ease, whilst labour shortages in the building sector are likely to become the defining challenge of the decade.

Construction and property are two of Whitehorse's largest industries, in terms of both employment and output. Given the uncertainty currently faced in this sector, industry diversification is important to avoid over-exposure to 'shocks' and achieve sustainable growth.

HOUSING MARKET

In the September 2022 quarter, Greater Melbourne's house sales volume trended down by 28.1% and the average days on market for a house increased by 9 days to 51 days. Similarly, the sales volume for apartments in Greater Melbourne decreased 27.8% in the same period[11]. Interest rate increases and rising construction costs (for new developments) are driving these trends[12]. An expected further interest rate increase is anticipated to dampen house prices and demand for new housing throughout 2023[13].

It will be important for Council to ensure there is available and affordable housing to support residents during periods of housing market decline. Planning processes should align with these objectives and displays support for increased residential land supply and higher density developments.

GROWTH OF ADVANCED MANUFACTURING

Manufacturing is critical to Australia's economy and is a vital part of responding during a crisis such as the COVID-19 pandemic. Manufacturing has been a key part of Australia's COVID-19 response, particularly in responding to the global supply chain impacts, and the need to produce certain goods locally. The Federal Government acknowledges the importance of the sector and recently prepared the Modern Manufacturing Strategy (2021); which is a whole-of government strategy aimed at helping manufactures scale-up and become more competitive and resilient. The Strategy identifies several factors that are critical to the future success of the industry:

- Access to skilled and productive labour;
- Investment in technology and innovation;
- Low energy costs;
- Efficient regulatory mechanisms; and
- Favourable trade arrangements.

The Strategy outlines six national manufacturing priorities, which include **Resources Technology and Minerals Processing, Food and Beverage, Medical Products, Recycling and Clean Energy, Defence and Space**.

Manufacturing is a significant industry in Whitehorse in terms of both output and export-value. There are opportunities for Whitehorse to attract investment in more advanced and emerging manufacturing activities, leveraging existing industrial land and industry strengths (e.g. medical and pharmaceutical production).

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[11] Knight Frank Australian Residential Review, Q4 2022
[12] NAB Quarterly Australian Residential Property Survey Q4, 2022

[13] Victorian Budget 2022/23 Budget Paper No. 2 – Strategy and Outlook

GROWING DEMAND FOR HEALTHCARE

As the population ages, there is growing demand for healthcare across Victoria and Australia. This also applies to Whitehorse, with significant increases projected in the '65 years and over' cohort. This will substantially increase demand for healthcare services, grow healthcare-related spending and impact workforce requirements.

Health Care and Social Assistance is the largest employing sector in Whitehorse and is projected to make the largest contribution to Australian employment growth over the next five years (increasing by 301,000 employees[14]), which will have implications for workforce demand in the municipality. There is opportunity for Council to support skilled labour attraction support this sector.

TRANSITION OF RETAIL

Retail spend can provide economic stimulus through direct expenditure and job creation, making it critical to local economic growth. It also provides important amenity to residents and visitors across the municipality.

Victorian household spending recovered strongly at the end of 2021[15], following eased public health restrictions, however the outlook for household consumption is unclear. Consumption growth has been supported by large increases in housing wealth and considerable savings buffers built by households during the pandemic. However, consumption may weaken over the short to medium-term if rising interest rates and inflation weigh on asset prices and discretionary spending more than anticipated[16].

The COVID-19 pandemic also resulted in a rapid and likely permanent shift in retail buyer behaviour towards online purchasing. According to Australia Post's E-Commerce Report (2021), 9 million Australian households shopped online in 2020 (82% of all households); an additional 1 million households compared with 2019. Online purchases increased by 57% in 2020, with Australians spending a record $50.46 billion online.

As a percentage of total retail purchases, online sales accounted for 16.3%. This level of online market share was not anticipated until 2023 or beyond. In addition, a shift towards working from home, regionalisation and 'shop local' campaigns has seen consumers access goods closer to their home and spend on products that are sourced or produced locally.

The strong growth in digital retailing and online purchases is expected to continue. In response to this disruption, brick and mortar stores are investing in facilities and services that improve consumer engagement and the in-store 'experience'.10 This includes a greater focus on hospitality, entertainment and meeting places co-located with retailers[17].

Retail strips with low vacancies are transitioning away from the standard food and beverage outlet. A greater variety of retail and personal services are increasingly occupying these spaces - these include: massage therapy, yoga and fitness studios, dentists and medical clinics.

Whitehorse's activity centres have faced challenging conditions over the past two years. The role of Council in supporting Whitehorse's activity centres will be to:

- Ensure there is sufficient retail amenity in the municipality to support the population;
- Work with traders to improve 'place-making' initiatives that include civic and recreational destinations for communities, with the aim of increasing foot traffic and community dwellers; and
- Communicate retail industry changes and trends to businesses, as well as support systems in place, to ensure they are well-equipped to respond.

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[14] Labour Market Insights, National Skills Commission, 2021

[15] Victorian State Government Budget 2022/23 Budget Paper No. 2 – Strategy and Outlook

[16] RBA Statement on Monetary Policy, May 2022 – Economic Outlook

[17] Asia Pacific Real Estate Market Outlook – Australia, CBRE 2021

CLIMATE RESILIENCE

Victoria's Climate Change Act (2017) aims to achieve net zero greenhouse gas emissions and a climate-resilient community and economy in order to mitigate and adapt to the impacts of climate change. The Victorian Government introduced the Victorian Renewable Energy Targets (VRET) to provide greater policy certainty and investor confidence for the renewable energy sector in Victoria.

In 2017, the State Government legislated renewable energy generation targets of 25% by 2020 and 40% by 2025, 50% by 2030 and net zero emissions by 2050. Meeting the VRET targets is driving demand and investment in new renewable energy projects across Victoria.

Beyond this, Victoria's Climate Change Strategy (2021) provides a roadmap to net-zero emissions by 2050. To achieve the emissions reduction targets, the state Government has outlined emissions reduction objectives for each sector. Those relevant to Whitehorse include:

- **Energy** – Accelerate Victoria's transition to a clean and efficient energy future. 50% of Victoria's electricity will be generated from renewable sources by 2030
- **Waste** – Halve the amount of organic waste directed to landfill by 2030 and support emerging waste and recycling industries and opportunities.
- **Industrial processes and product use** – Manage refrigeration and air conditioning equipment to reduce leakage of refrigerant gases.
- **Transport** – 50% sales for all new light vehicles will be Zero Emission Vehicles (ZEV) by 2030
- **Community** – 100% of schools, hospitals, trains and trams will be powered by 100% renewable energy by 2025.

Whitehorse's Interim Climate Response Plan (2020-2022) and Sustainability Strategy (2016-2022) currently guide Council's sustainability agenda and climate change action. These plans bring together a wide range of short to medium term council activity that reduces emissions and supports climate adaptation, including things that Council can control, partner and advocate for. Additionally, Whitehorse is currently developing an updated Sustainability Strategy to provide direction into the future.

CIRCULAR ECONOMY

The circular economy aims to reduce harmful environmental impacts of production and consumption through a more productive use of natural resources. The circular economy framework is based on three principles:

- Use innovative design to eliminate waste and pollution;
- Keep products and materials in use through re-use, repair and recycling processes; and
- Regenerate natural systems.

F7. RESOURCE FLOWS IN A CIRCULAR ECONOMY
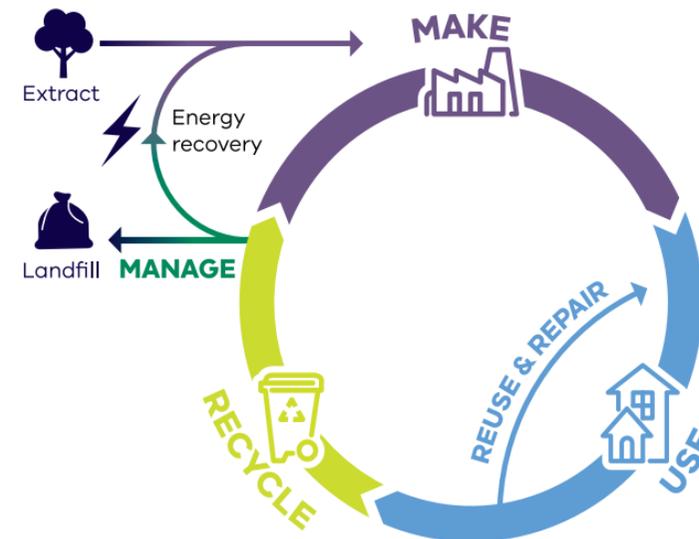
Source: Recycling Victoria: A New Economy, Sustainability Victoria, 2020.

Recycling Victoria: A New Economy (2020) is the Victorian Government's 10-year policy and action plan to establish reform in the waste and recycling sector and drive the transition to a circular economy. The policy outlines a series of actions to assist with the transition and achieve targets in waste reduction, including:

- **Waste to energy** - Encourage investment in appropriate waste to energy facilities that reduce the need for landfills
- **Invest in priority infrastructure** - to support increased recycling, respond to new bans on waste export and safely manage hazardous waste.
- **Reduce business waste** - A new Circular Economy Business Innovation Centre will help businesses reduce waste and generate more value with fewer resources.
- **Provide support for local communities and councils** - A new Supporting Victorian Communities and Councils program will support regional growth and community connectivity.

In response to planning policy objectives, the promotion and adoption of environmentally sustainable practices is playing an increasing role within economic development and influencing how Local Governments operate. There is an opportunity for Council to improve business, industrial and community energy and waste processes through strategic and policy support, engagement and advocacy, as well as financial incentives.

ADOPTING TECHNOLOGICAL ADVANCEMENTS AND INNOVATION

As technology continues to evolve, Local Governments should ensure their operations and processes remain in lockstep with technology and digital infrastructure to improve:

- Efficiency through automation of routine processes;
- Decision making through data collection and analytics; and
- Business and community access to information.

In relation to economic development, relevant opportunities include:

- Businesses accessing information via online portals (e.g. Google, LinkedIn, Facebook):
- Making data available via an Application Programming Interface (API) to local businesses and community members;
- Online business engagement through portals such as CRMs;
- Encouraging better approvals processes through the availability and access of information and concierge services.

Whitehorse City Council already deliver many of these services and have implemented these processes across departments. Council should continue supporting innovative processes underpinned by technology to support and attract businesses, workers and investors through communication, engagement, information sharing, networking and collaboration.

4. DEMOGRAPHIC PROFILE

4.1. OVERVIEW

A review of the Whitehorse demographic profile is explored throughout this section, focusing on key population, housing, labour force and socio-economic trends that have implications for future economic development. A snapshot of these trends and indicators is illustrated in Figure F8.

The data included in this section has been compiled by Urban Enterprise from a combination of sources, including, Profile ID, Forecast ID, ABS Census data and the Victorian Valuer-General.

4.2. KEY FINDINGS

- Whitehorse has recorded moderate population growth over the past five years. While projected growth in population (and dwellings) is expected to continue at relatively slow rates, high growth rates are forecast in the Box Hill area, which will impact localised demand for housing, services and infrastructure.

- Strongest growth is projected for younger couples and family cohorts (30-49 years) and students and young workers (20-29 years).

- Whitehorse has a culturally diverse population, which impacts the needs and expectations of the community. This provides challenges for Council in encouraging community engagement and inclusivity.

- High median house and unit/apartment prices and declining property sales reflect low levels of housing availability and affordability, which is a barrier for resident and worker attraction.

- Maintaining the relatively high-level of socio-economic advantage and ensuring community outcomes align with economic growth (e.g. income, employment, education) will be a key priority for Council.

F8. WHITEHORSE DEMOGRAPHIC SNAPSHOT

Population

| Current 2021 | 169,346 |
| Projected 2036 | 210,738 (+41,392) |

Socio-Economic Profile

SEIFA Score 2016 (Ranking)
1,049 (12th)
Ranking within Victorian LGAs (out of 79)

4.3%
Unemployment Rate June 2022

Top Occupations
1 Professionals (33%)
2 Managers (14%)
3 Clerical and Administrative Workers (13%)

Housing & Dwelling Profile

Dwelling Growth 2021 to 2036
▲ **15,546**

Dwelling Type
62% Separate House
38% Townhouses & Apartments

Tenure
1 Fully Owned (36%)
2 Mortgage (32%)
3 Private Renting (29%)

Top Household Composition
1 Couples with Children (34%)
2 Lone Person (25%)
3 Adult Couples without Children (25%)

Property Market Indicators
(2015 to 2021 average annual growth)

Sales

Houses
2,000 (▼)2.7%

Apartments
1,719 (▼)5.6%

Median Prices

Houses
$1.4m (▲)5.0%

Apartments
$773k (▲)5.1%

Unless otherwise indicated the data above is from the 2021 calendar year.

4.3. POPULATION PROFILE

4.3.1. POPULATION GROWTH

Historic Population Growth

Whitehorse, with a population of 169,346, is the most populous municipality across the ERG. As shown in Table T2, the historical population growth is in line with the average of the ERG, increasing at an average annual rate of 0.9% p.a. between 2016 and 2021. This is lower than the Greater Melbourne (1.9%) average, which could be attributed to a range of factors, including housing availability and affordability.

Population growth is driven by Box Hill (+2,953 or 5% p.a.), which contributed to over 40% of total growth in the municipality. Increased housing supply, particularly higher density developments, is a likely factor that has resulted in this highly localised growth.

T2. HISTORICAL POPULATION GROWTH 2016-2021

Suburb	2016	2021	Change	AAGR
City of Whitehorse	162,078	169,346	+7,268	0.9%
Blackburn	13,943	14,478	+535	0.8%
Blackburn North	7,439	7,627	+188	0.5%
Blackburn South	10,793	10,939	+146	0.3%
Box Hill	11,390	14,353	+2,963	4.7%
Box Hill North	11,871	12,337	+466	0.8%
Box Hill South	8,437	8,491	+54	0.1%
Burwood	15,021	15,147	+126	0.2%
Burwood East	10,269	10,675	+406	0.8%
Forest Hill	10,623	10,780	+157	0.3%
Mitcham	16,148	16,795	+647	0.8%
Mont Albert	4,843	4,948	+105	0.4%
Mont Albert North	5,501	5,609	+108	0.4%
Nunawading	11,880	12,413	+533	0.9%
Surrey Hills	13,606	13,655	+49	0.1%
Vermont	10,447	10,993	+546	1.0%
Vermont South	11,680	11,954	+274	0.5%
ERG				0.9%
Greater Melbourne				1.9%

Source: Census of Population and Housing, ABS, 2016 and 2021

Projected Population Growth

Figure F9 shows that Whitehorse's population is estimated to grow to 210,738 by 2036, representing an increase of 41,392 (1.5% p.a.). This increase is lower than the average growth rates expected across Greater Melbourne (1.9% p.a.).

The largest increases in population growth are expected to occur in Box Hill (+10,595), Burwood East (+6,398), Blackburn (+3,976) and Burwood (+2,803).

The population base and rate of growth is a key indicator for Council, as it impacts the current and future level of demand for infrastructure, housing, retail and social services (e.g. health, education, etc.).

Identifying localised areas of growth is important as it will have implications for the future location and supply of housing, infrastructure, services and amenity. Therefore, future strategies should take into account the needs of future growth areas and ensure ongoing population growth is sustainable.

Population projections are likely to change over time and will continue to be influenced by the ongoing impact of COVID-19 and other major global events on migration.

F9. PROJECTED POPULATION GROWTH 2021-2036
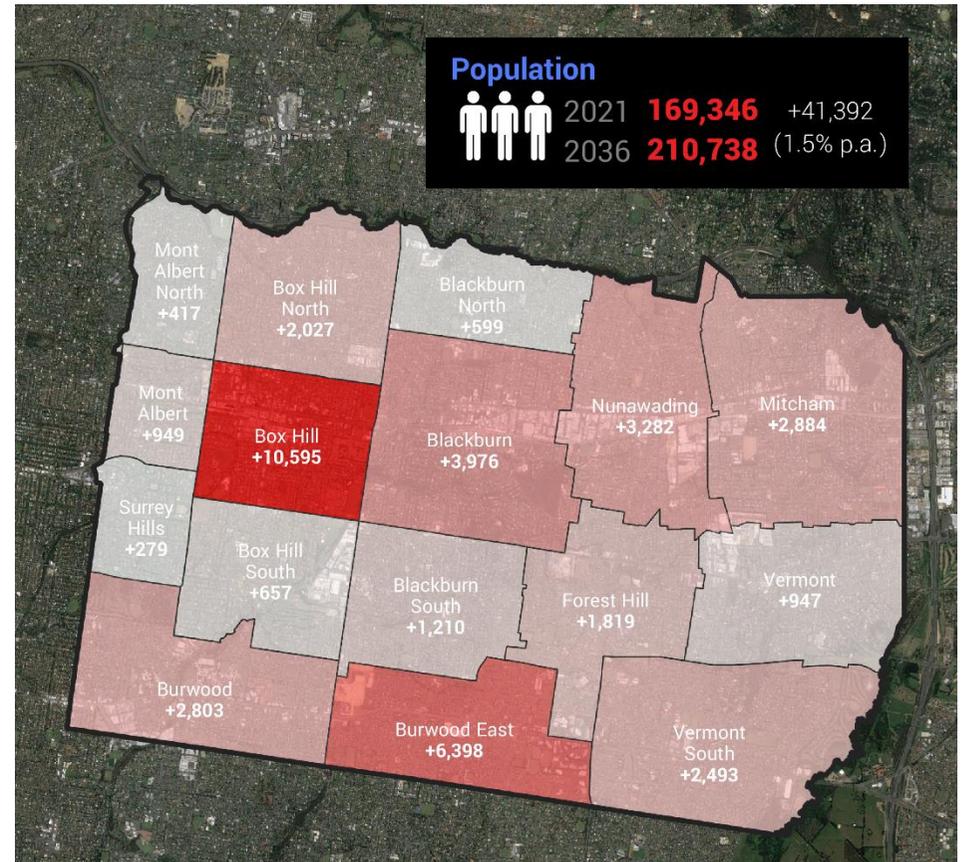
Source: Forecast Id, 2022; Census of Population and Housing, ABS, 2021

Note 1: the aggregate of the localised suburb populations does not equal total LGA growth, as these smaller geographies are subject to a greater level of revision compared to LGA data.

4.5. AGE PROFILE

The current median age for Whitehorse is 39 years, which is comparable to that of Greater Melbourne (37 years). Age projections shows that all age cohorts are expected to increase over the next 15 years (Figure F10), with the following observations identified:

- The largest growth is forecast for the 30-49 year cohorts, which represents parents and homebuilders. Growth in this demographic will increase the local labour force as well as influence demand for family-related health and education services.

- Significant growth is also expected for students and young workers (i.e. 20-29 years), which will increase demand for higher education and employment opportunities.

F10. FORECAST AGE PROFILE 2021-2036
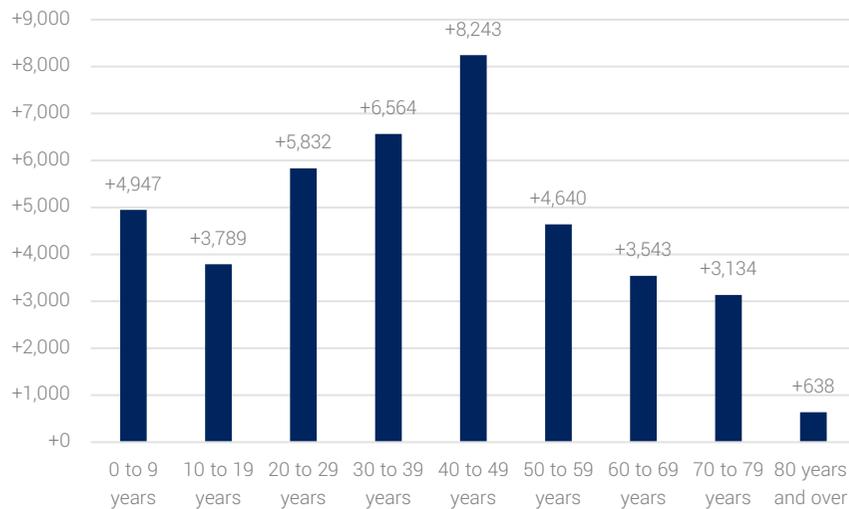
Source: Forecast Id, 2022; Census of Population and Housing, ABS, 2021

4.6. ETHNICITY

The Whitehorse community is strongly influenced by migration, with almost half of all residents born outside Australia. In particular, around 22,000 residents (13%) are born in China, followed by India (3.9%) and Malaysia (3.3%), making Whitehorse a popular location for migrants and residents of non-Australian ethnicity.

F11. WHITEHORSE TOP ETHNICITIES 2021

Source: Census of Population and Housing, ABS, 2021

As such, Whitehorse has a relatively higher proportion of residents who speak a language other than English at home (44%) compared to Greater Melbourne (39%). Over *one-fifth* of the population speak a form of Chinese at home (Mandarin or Cantonese).

As shown in Figure F12, Whitehorse's most culturally diverse suburbs are around the Box Hill and Burwood areas, where over half the number of households speak a non-English language. This could be driven by the location of Box Hill Institute and Deakin University, which comprises a large volume of international students.

Whitehorse is a popular location for migrants, particularly Asian ethnicities. This has contributed to a vibrant and culturally diverse municipality, which supports a range of culturally significant events, as well as variety in food and retail.

However, this also presents challenges for Council, as many residents and business owners from different nationalities will have diverse needs and expectations, particularly those that are not proficient in English. As such, fostering community engagement and inclusivity will be identified as a key area of focus for the future I&EDS.

F12. HOUSEHOLD WHERE A NON-ENGLISH LANGUAGE IS USED BY SUBURB, 2021
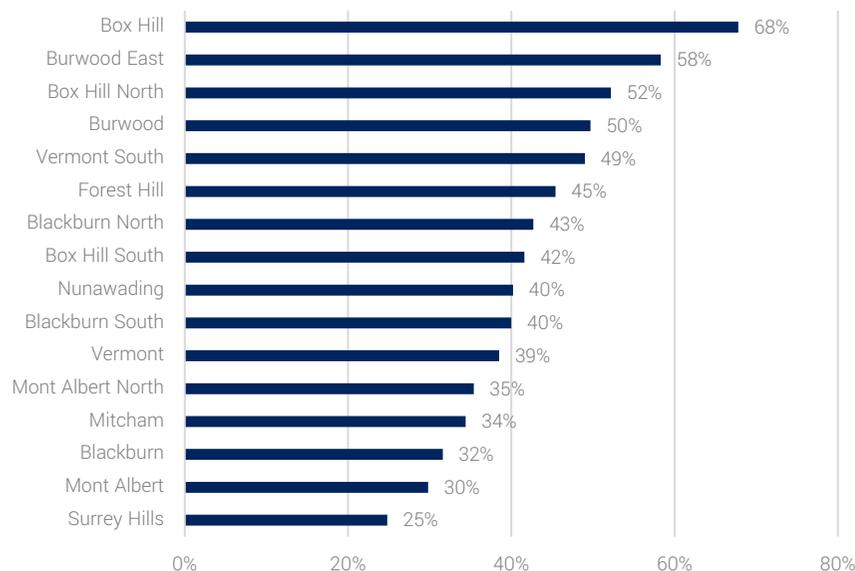
Source: Census of Population and Housing, ABS, 2021

4.7. HOUSING AND DWELLING PROFILE

4.7.1. DWELLING GROWTH

Table T3 presents the historical and projected dwelling growth for Whitehorse between 2016 and 2036, benchmarked against the ERG and Greater Melbourne. There are 71,716 dwellings (2021) in Whitehorse, with a high concentration of dwellings the suburbs of Box Hill, Mitcham, Burwood and Blackburn.

Between 2016 and 2021, there was a moderate increase in the number of dwellings (+5,834 or 1.7% p.a.). This growth was predominantly driven by Box Hill (+2,517). Dwelling growth was higher than the average of the ERG region, but lower than that of Greater Melbourne.

T3. HISTORICAL DWELLING GROWTH 2016-2021

Suburb	2016	2021	Change	AAGR
City of Whitehorse	65,882	71,716	+5,834	1.7%
Blackburn	5,755	6,220	+465	1.6%
Blackburn North	2,889	2,928	+39	0.3%
Blackburn South	4,242	4,468	+226	1.0%
Box Hill	5,287	7,804	+2,517	8.1%
Box Hill North	4,894	5,108	+214	0.9%
Box Hill South	3,436	3,546	+110	0.6%
Burwood	4,980	5,594	+614	2.4%
Burwood East	4,054	4,481	+427	2.0%
Forest Hill	4,364	4,547	+183	0.8%
Mitcham	6,811	7,039	+228	0.7%
Mont Albert	1,983	2,135	+152	1.5%
Mont Albert North	2,311	2,382	+71	0.6%
Nunawading	4,658	4,956	+298	1.2%
Surrey Hills	2,088	2,142	+54	0.5%
Vermont	3,852	3,934	+82	0.4%
Vermont South	4,261	4,449	+188	0.9%
ERG				0.9%
Greater Melbourne				1.9%

Source: Census of Population and Housing, ABS, 2016 and 2021

In terms of projected dwelling growth (see Figure F13), it is estimated that between, 2021 and 2036, there will be an additional 15,546 dwellings in Whitehorse (+1.3% p.a.). Similar to population, future dwelling growth will be concentrated in Box Hill (+5,012), which could be attributed to a projected increase in high-density housing.

F13. PROJECTED DWELLING GROWTH 2021-2036
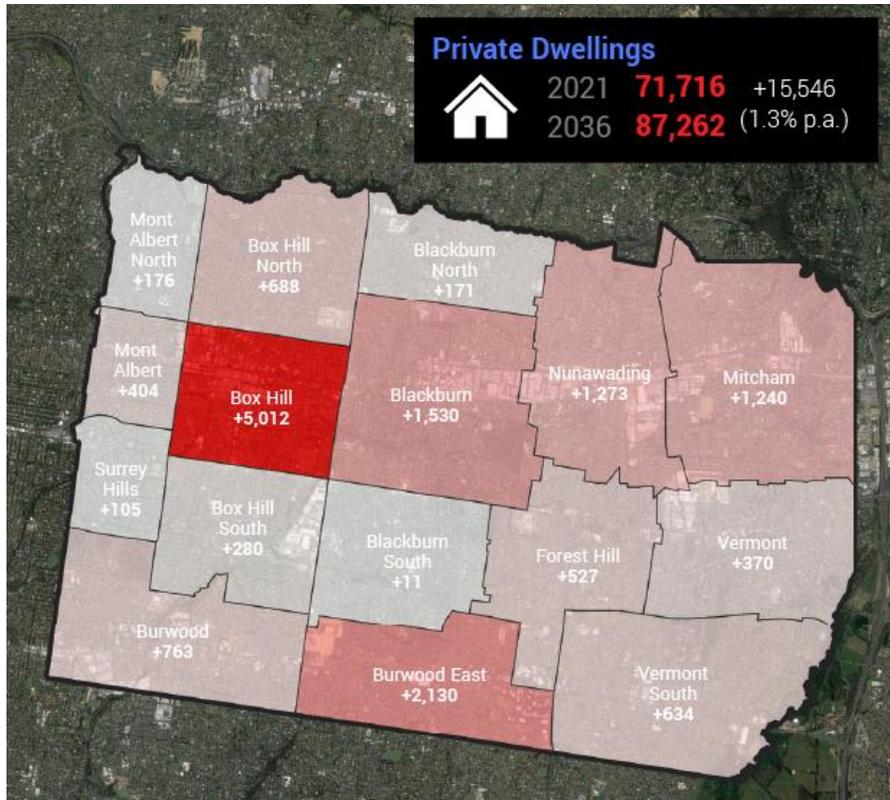
Source: Forecast Id, 2022; Census of Population and Housing, ABS, 2021 Note 1: the aggregate of the localised suburb dwelling counts does not equal total LGA growth, as these smaller geographies are subject to a greater level of revision compared to LGA data.

Table T4 provides historical dwelling approvals for Whitehorse between 2017 and 2022. During this period, there was an average of 1,658 dwellings approved in Whitehorse, including 398 houses and 1,257 units. Dwelling approvals have slowed over the period, with dwelling growth being driven by medium to high density housing, and the decline in low-density separate housing.

T4. DWELLING APPROVALS 2016-2021

Year	Houses	Units	Total
2017	520	1,244	1,768
2018	477	1,053	1,533
2019	374	1,349	1,724
2020	317	1,377	1,697
2021	326	1,455	1,786
2022	376	1,065	1,442
Average	398	1,257	1,658
AAGR	-6.3%	-3.1%	-4.0

Source: Building Approvals, ABS, 2017-2022

The provision of suitable housing that aligns with market expectations will contribute to resident attraction and economic development. Whitehorse is a highly developed municipality and is likely to see dwelling growth (and subsequent population growth) occur via higher density housing developments, including townhouses and apartments.

Identifying the types and location of dwelling growth is important for Council as this will impact future planning, infrastructure investment and land use. In addition, facilitating residential development and increasing dwellings will create flow-on economic and employments benefits for local builders, tradespeople and construction workers.

4.7.2. HOUSING DENSITY

As shown in Figure F14, the majority of current dwellings are low-density separate houses (65%). However, there was significant growth in the number and proportion of high-density flats and apartments between 2016 and 2021 (+6 percentage points), with a corresponding decline in the proportion of low and medium-density housing.

The shift towards more high-density housing is responding to demand for more affordable housing, as well as demand from students and young professional workers that wish to reside near higher education facilities and inner-metro Melbourne.

Higher density housing is a key driver of population growth, which could be supported by Council planning and development policies.

F14. HOUSING TENURE 2016-2021
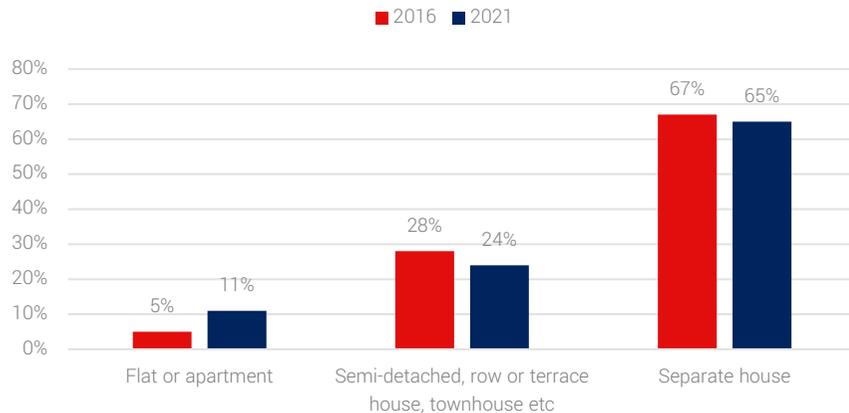
Source: Census of Population and Housing, ABS, 2016 and 2021

4.7.3. HOUSING TENURE

In terms of housing tenure, the figure below shows that around two-thirds of residents either fully own their home (36%) or have a mortgage (32%), which reflects the level of affluence in the municipality.

However, the recent and ongoing interest rate rises are anticipated to create cost of living pressures for a proportion of mortgaged households.

In addition, as the stock of higher density housing increases, it could be expected that the number of private rentals also increases over time (via student and young professional cohorts).

F15. HOUSING TENURE 2021
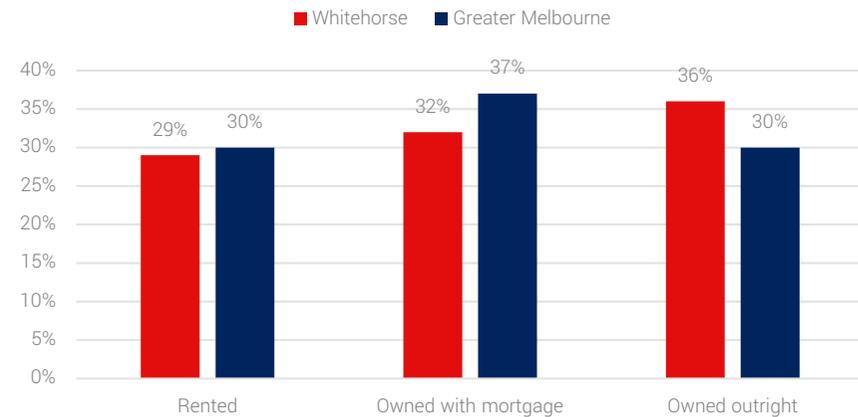
Source: Census of Population and Housing, ABS, 2021

4.7.4. HOUSEHOLD COMPOSITION

The largest household type in Whitehorse are couples with children (35%), followed by adult couples without children (25%) and lone person households (25%).

This indicates a relatively even spread of different household sizes that would create varied demand for low, medium and high-density housing.

Therefore, providing a range of dwelling types to meet current and future market needs is an important consideration for the municipality.

F16. HOUSEHOLD COMPOSITION 2021
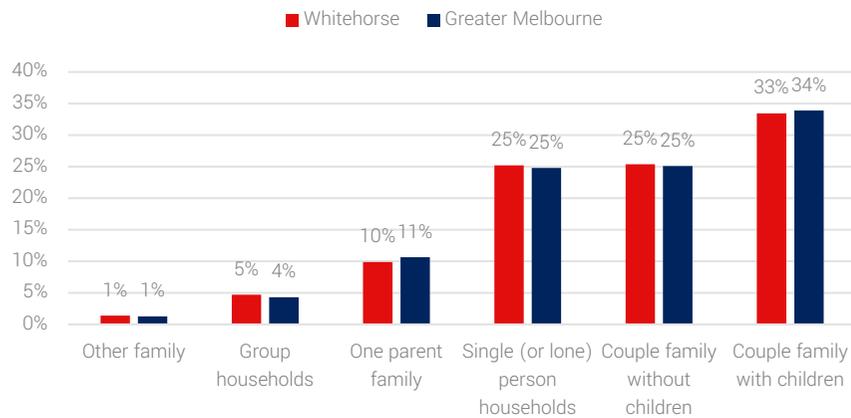
Source: Census of Population and Housing, ABS, 2021

4.8. PROPERTY MARKET

The following property market indicators demonstrates the recent demand for housing in Whitehorse, as well as price changes, which helps identify the level of housing availability and affordability (a key driver of population growth).

Data is categorised by housing type, including low-density houses, as well as medium to high-density units/apartments.

4.8.1. PROPERTY SALES

As shown in Table T5, housing and apartment sales in Whitehorse have declined in recent years at a rate faster than the Metropolitan Melbourne average.

Housing sales declined from a peak of 2,354 in 2015 (-2.7% p.a.) and unit sales decreased from 2,433 (-5.6% p.a.) over the same period. This could be attributed to decreases in housing affordability over the same period (see following section below).

T5. PROPERTY SALES 2015-2021

	2015	2021	AAGR
House Sales			
Whitehorse	2,354	2,000	-2.7%
Metropolitan Melbourne			0.6%
Unit/Apartment Sales			
Whitehorse	2,433	1,719	-5.6%
Metropolitan Melbourne			-4.1%

Source: A Guide to Property Values, Victorian Valuer General, 2016-2021

4.8.2. PROPERTY PRICES

Housing and apartment prices are significantly *greater* in Whitehorse, compared to Metropolitan Melbourne (see Tables ▯ and T7). In 2021, the median house price in Whitehorse increased to $1.4 million, compared to $875,000 for Melbourne. In addition, the median unit/apartment price of $772,800 is substantially higher than the Melbourne average of $630,000. In terms of price variability by suburb, the following observations has been identified:

- The median house price has grown to over $1 million for all suburbs, which is well in excess of the Melbourne average; and

- The most affordable unit/apartment dwellings are found in Box Hill – which is less than the Melbourne average and has experienced decreasing prices since 2016. This could be attributed to an increase in localised supply over recent years (despite decreasing turnover on a municipal level).

T6. MEDIAN HOUSE PRICE BY SUBURB, 2015-2021

Suburb	2015	2021	Change	AAGR
City of Whitehorse	$1,030,000	$1,380,000	$350,000	5.0%
Blackburn	$1,200,500	$1,638,500	$438,000	5.3%
Blackburn North	$921,500	$1,300,000	$378,500	5.9%
Blackburn South	$920,500	$1,338,500	$418,000	6.4%
Box Hill	$1,350,000	$1,630,500	$280,500	3.2%
Box Hill North	$1,060,000	$1,425,000	$365,000	5.1%
Box Hill South	$1,153,000	$1,553,000	$400,000	5.1%
Burwood	$1,190,000	$1,430,000	$240,000	3.1%
Burwood East	$982,500	$1,252,000	$269,500	4.1%
Forest Hill	$892,000	$1,208,500	$316,500	5.2%
Mitcham	$885,500	$1,212,500	$327,000	5.4%
Mont Albert	$1,863,000	$2,349,000	$486,000	3.9%
Mont Albert North	$1,400,000	$1,590,000	$190,000	2.1%
Nunawading	$880,000	$1,250,000	$370,000	6.0%
Surrey Hills	$1,750,000	$2,310,000	$560,000	4.7%
Vermont	$855,000	$1,226,500	$371,500	6.2%
Vermont South	$1,000,000	$1,420,000	$420,000	6.0%
Metropolitan Melbourne	$600,000	$875,000	$275,000	6.5%

Source: A Guide to Property Values, Victorian Valuer General, 2015-2021

T7. MEDIAN UNIT/APARTMENT PRICE BY SUBURB 2015-2021

Suburb	2016	2021	Change	AAGR
City of Whitehorse	$573,000	$772,800	$199,800	5.1%
Blackburn	$591,000	$850,000	$259,000	6.2%
Blackburn North	$715,500	$856,500	$141,000	3.0%
Blackburn South	$648,500	$722,500	$74,000	1.8%
Box Hill	$495,000	$540,000	$45,000	1.5%
Box Hill North	$752,000	$874,000	$122,000	2.5%
Box Hill South	$752,000	$996,000	$244,000	4.8%
Burwood	$596,000	$850,000	$254,000	6.1%
Burwood East	$600,000	$818,000	$218,000	5.3%
Forest Hill	$465,000	$800,000	$335,000	9.5%
Mitcham	$641,000	$820,000	$179,000	4.2%
Mont Albert	$637,500	$800,000	$162,500	3.9%
Mont Albert North	$870,000	$1,244,000	$374,000	6.1%
Nunawading	$593,500	$769,000	$175,500	4.4%
Surrey Hills	$695,000	$912,500	$217,500	4.6%
Vermont	$677,500	$907,000	$229,500	5.0%
Vermont South	$838,000	$735,000	-$103,000	-2.2%
Metropolitan Melbourne	$510,000	$630,000	$120,000	3.6%

Source: A Guide to Property Values, Victorian Valuer General, 2015-2021

4.8.3. HOUSING AFFORDABILITY

Figures F17 and F18 demonstrates housing affordability in terms of mortgage or rental stress, which is defined as mortgage or rental repayments as *greater or equal to 30% of household income*.

Key points to note include:

- Mortgage and rental affordability rates in Whitehorse are in line with the trends for Greater Melbourne;

- However, mortgage and rental stress is greater in the Whitehorse municipality, reflecting relatively lower rates of affordability; and

- Housing affordability has decreased over time, with the proportion of households under mortgage stress increasing by 13 percentage points and rental stress increasing by 22 percentage points between 2016 and 2021.

F17. MORTGAGE STRESS 2016-2021

■ Households where mortgage repayments are less than 30% of household income

■ Households with mortgage repayments greater than or equal to 30% of household income
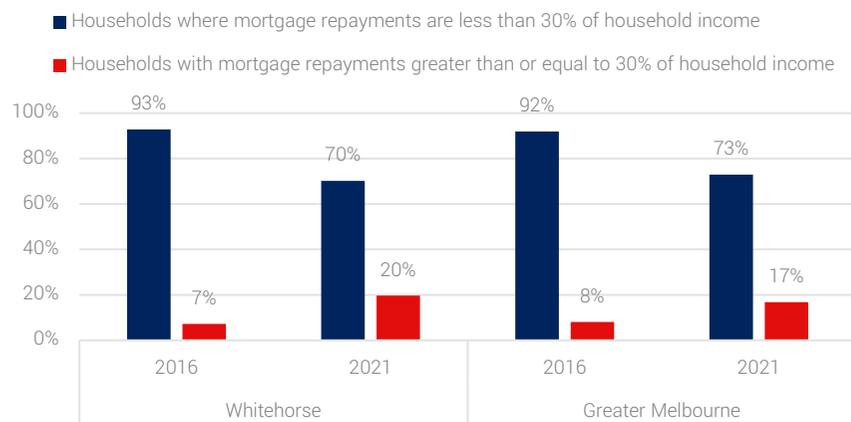
Source: Census of Population and Housing, ABS, 2016 and 2021

F18. RENTAL STRESS 2016-2021

■ Households where rent payments are less than 30% of household income

■ Households with rent payments greater than or equal to 30% of household income
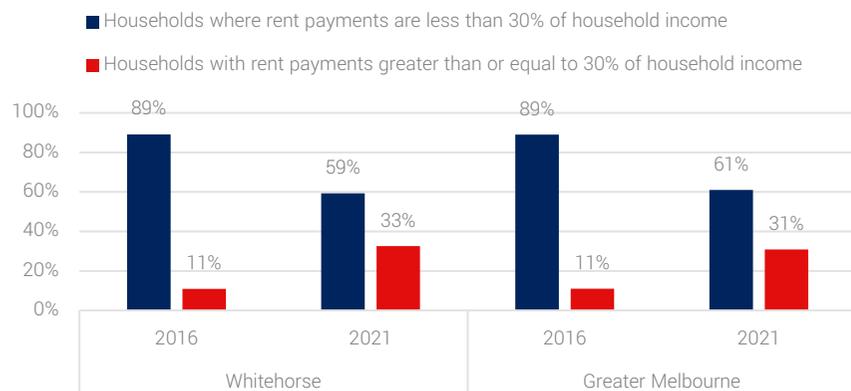
Source: Census of Population and Housing, ABS, 2016 and 2021

Housing affordability in Whitehorse (as with most inner-metropolitan areas) is likely to remain an issue, particularly if median prices continue to rise, combined with higher interest rates and repayment obligations.

To combat these issues and ensure a mix of residents, workers and students can re-locate to the municipality, Council should identify and/or promote opportunities to enhance affordability. This should include the provision of contemporary, diverse and affordable housing to meet the needs of a range of household types.

4.9. SOCIO-ECONOMIC PROFILE

The socio-economic profile of residents is typically identified through a combination of employment, income and education indicators. This information demonstrates the relative social and economic position of residents, which has implications for service and infrastructure provision.

4.9.1. SEIFA

The Socio-Economic Index for Areas (SEIFA) Index measures the relative level of socio-economic disadvantage based on a range of Census characteristics (e.g. education, income, employment). The national average index score is 1,000, with a score above 1,000 on the index indicating that an area has a *higher* level of advantage relative to the national average (and vice versa).

As shown in Table T8, with a score of 1,049, Whitehorse is the 12th most advantaged LGA in Victoria (and above the Melbourne average of 1,021). This is attributed to relatively high levels of household income and employment in highly skilled professions.

T8. SEIFA RANKINGS BY LGA 2016

LGA	SEIFA	Ranking within Victorian LGAs (79)
Manningham	1,066	9
Whitehorse	1,049	12
Knox	1,048	14
Maroondah	1,045	15
Monash	1,045	16
Yarra Ranges	1,040	18
Greater Melbourne	1,021	-

Source: Census of Population and Housing, ABS, 2016; Note: this data is derived from the 2016 census and will be updated after the 2021 census results are published.

Figure F19 presents SEIFA rankings for Whitehorse's suburbs. The most advantaged suburbs in Whitehorse are Surrey Hills (1,118), Mont Albert (1,096), Mont Albert North (1,086) and Blackburn (1,084). The only suburb with a SEIFA ranking below the national average (below 1,000) is Box Hill, with a score of 991.

Sustaining the liveability of all communities across Whitehorse – including reducing localised areas of disadvantage – will be an important area of consideration as part of a future I&EDS. This will help promote social equity and ensure that community outcomes are aligned with economic growth.

F19. SEIFA RANKINGS BY SUBURB 2016
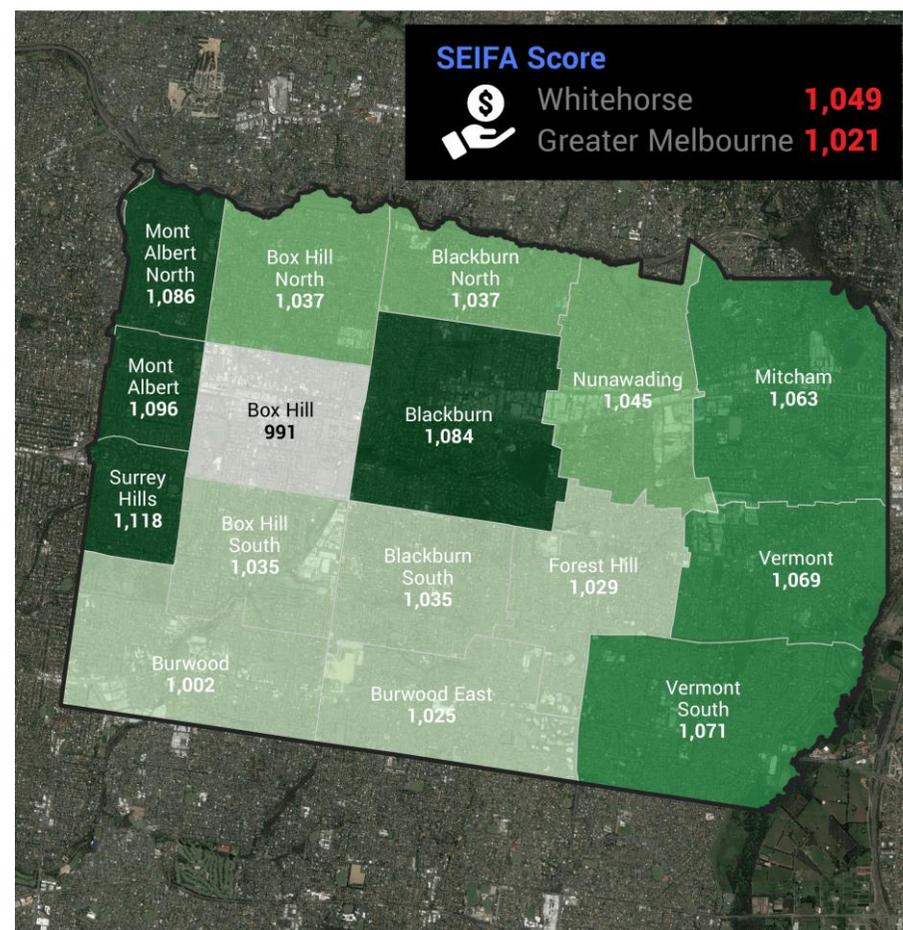
Source: Census of Population and Housing, ABS, 2016; Note: this data is derived from the 2016 census and will be updated after the 2021 census results are published.

4.9.2. HOUSEHOLD INCOME

As shown in Figure F20, median weekly household incomes in Whitehorse in 2021 ($1,841) are slightly lower when compared to the Greater Melbourne average ($1,901). Between 2016 and 2021, the income levels in Whitehorse grew by $334 (35% p.a. average). This was on-par but slightly lower than income growth in Greater Melbourne (+$359).

F20. MEDIAN WEEKLY HOUSEHOLD INCOME 2016-2021
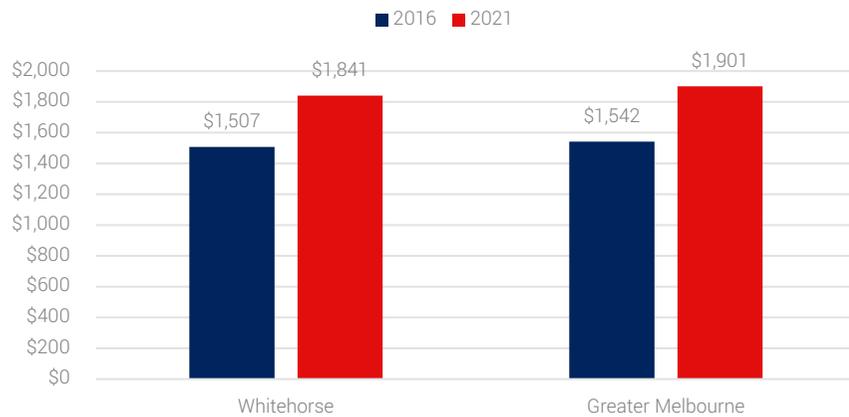
Source: Census of Population and Housing, ABS, 2016 and 2021

4.9.3. UNEMPLOYMENT

As shown in Figure F21, the current Whitehorse unemployment rate of 4.1% (June 2022) is slightly lower than the Greater Melbourne average (4.5%). Over the course of the pandemic across 2020, the Whitehorse unemployment rate was generally lower than the Melbourne average, which is likely a reflection of Whitehorse's

economic resilience and the ability for health, education and professional services to adapt to public health restrictions (i.e. remote working).

The continued recovery of unemployment levels back to pre-COVID levels will depend on local jobs growth and increased participation rates.

F21. UNEMPLOYMENT RATE
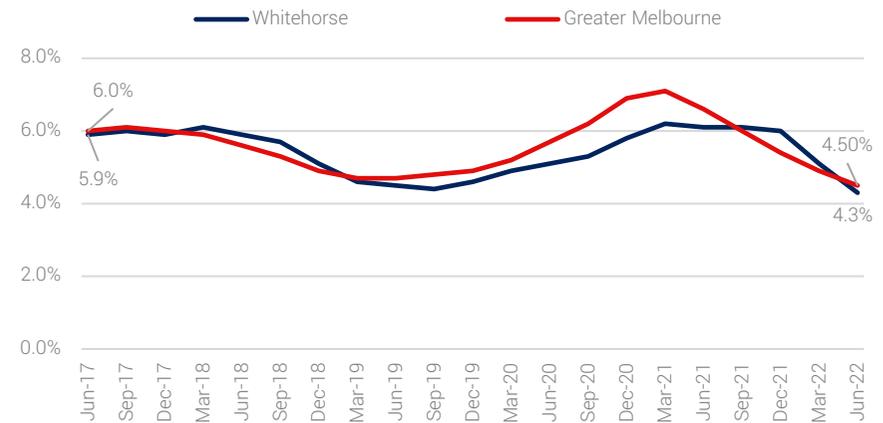
Source: Economy Id, 2021

As illustrated in Table T9 and T10, Whitehorse's labour force participation rate and unemployment rates for different groups are in line with that of Greater Melbourne.

T9. UNEMPLOYMENT RATE WHITEHORSE AND GREATER MELBOURNE, 2021

	Whitehorse	Greater Melbourne
Youth Unemployment Rate[18]	11.9%	12.2%
Female Unemployment Rate	5.1%	5.2%
Male Unemployment Rate	5.6%	5.4%

Source: Profile Id Social Atlas; Census of Population and Housing, ABS, 2021\

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[18] *Youth Unemployment Rate* refers to the proportion of the labour force aged 15-24 years old who are unemployed and actively seeking employment.

T10. LABOUR FORCE PARTICIPATION RATE, 2021

	Whitehorse	Greater Melbourne
Total Labour Force Participation Rate[19]	62%	64%
Female Labour Force Participation Rate	73%	72%
Male Labour Force Participation Rate	78%	79%

Source: Census of Population and Housing, ABS, 2021

4.9.4. OCCUPATION

Occupation type is a good indicator of the skills, qualifications and income of the local labour force. Figure F22 demonstrates a large portion of high-income occupations in Whitehorse, including professionals (33%) and managers (14%), both of which are higher than the Greater Melbourne average.

Conversely, there is lower proportion of traditional 'blue-collar' occupations in the municipality, including technicians/trades (10%), labourers (6%) and machinery operators and drivers (3%).

F22. OCCUPATION TYPE 2021

Source: Census of Population and Housing, ABS, 2021

Overall, socio-economic indicators shows that Whitehorse is a relatively wealthy and affluent municipality, demonstrated by income, employment and occupation type. Council's focus will be to sustain this level of prosperity and liveability, whilst ensuring all residents have equitable access to services, employment and amenity.

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[19] *Labour Force Participation Rate* refers to the proportion of the population aged 15 years or older who are employed or are actively seeking employment.

5. ECONOMIC PROFILE

5.1. OVERVIEW

This section provides a detailed profile of the Whitehorse economy, including industry specialisations and key economic, industry and employment indicators. A snapshot of the economic profile is shown in Figure F23. Data is benchmarked against the ERG and Greater Melbourne (where relevant), to illustrate areas of strength and comparative advantage.

The data included in this section has been compiled by Urban Enterprise from a combination of sources, including: REMPLAN, Economy ID, ABS Census data and Tourism Research Australia.

Note: Some of the demographic data outlined in this section will be updated following the release of census data in late-2022.

5.2. KEY FINDINGS

- The Whitehorse economy is driven by a combination of public sector and knowledge-based industries (public administration, health and education), as well as professional services and population-driven industries (retail, hospitality, construction).

- Another specialisation is industrial sectors (manufacturing, wholesale trade and transport + logistics), which are supported by the industrial precincts.

- Whitehorse provides an important source of labour for the Melbourne CBD and inner-metro suburbs – with 70% of resident workers commuting outside the municipality for work. Conversely, the Whitehorse business base attracts labour from surrounding eastern metropolitan councils.

- The large proportion of micro/small businesses will require ongoing support to promote business resilience, investment and growth, which could help achieve economic and employment outcomes.

- The visitor economy is driven by the VFR and international market, given the high proportion of CALD communities and tertiary institutions.

F23. WHITEHORSE ECONOMIC SNAPSHOT

$11.0b Gross Regional Product 2022

$20.5b Economic Output 2022

$5.3b Regional Export Value 2022

77,921 Local Jobs 2022

18,959 Registered Businesses 2022

27% Job Containment Rate

Top Industries

by Output
1. Construction $2,855m (14%)
2. Rental, Hiring & Real Estate Services $2,192m (11%)
3. Manufacturing $2,048m (10%)

by Employment
1. Health Care & Social Assistance 17,330 (22%)
2. Education and Training 10,741 (14%)
3. Retail Trade 7,745 (10%)

Business Counts 2022

by Industry
1. Professional, Scientific & Technical Services 3,114 (16%)
2. Construction 2,811 (15%)
3. Rental, Hiring & Real Estate Services 2,242 (12%)

by Employment
- **62%** Non-Employing Businesses
- **37%** Small to Medium Businesses (1-19 Employees)

Visitor Economy 2022

Average Visitor Spend per Trip (5-year average)

427K Total Visitation

$129m Total Visitor Spend

$102 Domestic Daytrip

$859 Domestic Overnight

$3K International

Unless otherwise indicated the data above is from the 2021 calendar year.

5.3. KEY ECONOMIC VARIABLES

Whitehorse has a high-value economy and generates the following key economic indicators:

- Gross Regional Product of $11.0 billion;
- 77,921 local jobs[20];
- 18,959 businesses;
- Economic output of $20.5 billion; and
- Export value of $5.3 billion.[21]

Definitions for key indicators can be found in the Glossary of terms.

This data for Whitehorse equates to approximately one-fifth of the entire economy for the Eastern Region Group of Councils.

5.4. INDUSTRY SPECIALISATIONS

An analysis of employment, output, export and business base by industry has been undertaken to categorise the industry specialisations for Whitehorse. This is used to identify the areas of strength and comparative advantages of the economy, which highlights potential areas of focus for future industry growth.

The Whitehorse economy is relatively diverse, with specialisations across the following four categories (see Figure F24).

- **Public sector and knowledge-based industries**. Provides key services that promotes community health, education, wellbeing and engagement.
- **Population-driven industries**. Industries that are directly impacted by resident (and visitor) demand and relies on local consumption.
- **Professional service industries**. Includes 'white-collar' professions that requires skilled workers with technical expertise and educational qualifications.
- **Industrial**. Primary industries and businesses that produce and support tradable goods.

F24. WHITEHORSE INDUSTRY SPECIALISATIONS

Public Sector & Knowledge-Based

Health Care & Social Assistance
Education & Training
Public Administration & Safety

Population-Driven

Construction + Property
Retail Trade
Accommodation & Food Services
(hospitality)

Professional Services

Professional, Scientific & Technical Services
Financial & Insurance Services
Information media & telecommunications

Industrial

Manufacturing
Wholesale Trade
Transport, Postal & Warehousing

Source: REMPLAN, 2023 (compiled by Urban Enterprise)

Combined, these industries make up around 87% Output, 90% Exports, 89% Local Jobs and 88% of businesses. As such, they are fundamental to the function and productivity of the local economy.

5.5. INDUSTRY PROFILES

Table T11 (overleaf) provides a detailed summary of all industry sectors and the contribution to key indicators such as output, employment and businesses.

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[20] This represents total jobs and is not converted into full-time equivalency

[21] REMPLAN, 2023; ABS Counts of Australian Businesses, 2022.

T11. INDUSTRY SUMMARY 2021

Industry	Output		Jobs		Regional Exports		Businesses	
	$m	%	No.	%	$m	%	No.	%
Construction	$2,855	14%	5,977	8%	$539	10%	2,811	15%
Rental, Hiring & Real Estate Services	$2,192	11%	1,387	2%	$161	3%	2,242	12%
Manufacturing	$2,048	10%	2,558	3%	$796	15%	450	2%
Professional, Scientific & Technical Services	$1,759	9%	6,448	8%	$271	5%	3,114	16%
Health Care & Social Assistance	$2,132	10%	17,330	22%	$711	14%	1,513	8%
Information Media & Telecommunications	$1,075	5%	1,659	2%	$379	7%	174	1%
Education & Training	$1,568	8%	10,741	14%	$740	14%	422	2%
Wholesale Trade	$883	4%	2,698	3%	$286	5%	1,110	6%
Financial & Insurance Services	$1,028	5%	1,747	2%	$191	4%	1,069	6%
Public Administration & Safety	$1,138	6%	5,061	6%	$179	3%	50	0.3%
Administrative & Support Services	$391	2%	2,288	3%	$38	1%	998	5%
Retail Trade	$861	4%	7,745	10%	$60	1%	1,538	8%
Electricity, Gas, Water & Waste Services	$929	5%	1,049	1%	$545	10%	45	0.2%
Other Services	$537	3%	4,136	5%	$196	4%	874	5%
Transport, Postal & Warehousing	$440	2%	1,546	2%	$86	2%	1,305	7%
Accommodation & Food Services	$395	2%	4,360	6%	$47	1%	869	5%
Arts & Recreation Services	$168	1%	1,078	1%	$13	0.3%	231	1%
Agriculture, Forestry & Fishing	$27	0.1%	90	0.1%	$7	0.1%	106	1%
Mining	$34	0.2%	23	0.0%	$19	0.4%	16	0.1%
Total	$20,460	100%	77,921	100%	$5,63	100%	18,959	100%

Source: REMPLAN, 2023; ABS Counts of Australian Businesses, 2022

Key:

Colour	Specialisation
	Public sector and knowledge-based
	Population-driven
	Professional services
	Industrial

Based on this information, the following industry sectors represent areas of strength for Whitehorse and drive economic and employment growth in the municipality:

- **Property (including Construction and Rental, Hiring & Real Estate Services)** – High output and business base.
- **Manufacturing** – High output and export value.
- **Professional, Scientific & Technical Services** – High business base, output and employment.
- **Health Care & Social Assistance** – High jobs and export value.
- **Education & Training** – High jobs and export value.
- **Retail Trade** – High jobs and business base.

The following provides a sub-sector analysis for these key industries, focusing on key economic indicators. Indicators are benchmarked with Eastern Region Group of Councils to understand the relative importance and specialised nature of the Whitehorse economy.

5.5.1. PROPERTY

Summary

The property industry, which includes the *Construction* and *Rental, Hiring & Real Estate Services* sectors, is the highest generator of economic output and contributor to the municipal business base.

Construction is the highest output-generating industry in Whitehorse and includes the second highest number of businesses in the municipality. Construction activities are weighted towards construction services for residential and commercial buildings, including carpentry, plumbing, electrical, plastering, painting, tiling and landscape construction.

Rental, Hiring and Real Estate is the second highest output-generating industry and includes the third highest number of businesses. Ownership of dwellings – including owner occupier rental income and body corporate fees – provides the largest economic contribution to this sector.

T12. PROPERTY SNAPSHOT

	Businesses	Output	Jobs
Construction	2,811	$2,855m (14% of ERG)	5,977 (14% of ERG)
Rental, Hiring and Real Estate	2,242	$2,192m (20% of ERG)	1,387 (23% of ERG)

Source: REMPLAN, 2023; ABS Counts of Australian Businesses, 2022

Residential and non-residential property development and servicing provides the greatest economic and business contribution to the municipality. The expansion of this industry is critical to achieving economic and employment outcomes, as well as ensuring there is sufficient commercial and residential property to service demand.

Given the strength of the sector, however, it is important that Council supports measures to protect this industry from external economic influences (e.g. rising interest rates, increasing cost of materials).

Sub-Sector Analysis

- Combined output (34% of ERG) and employment (37%) provides a significant contribution to property for ERG and is a key area of strength for Whitehorse.
- Within construction, services (including trades and labourers) account for the highest level of output ($1.2 billion) and employment (3,617 jobs).
- Within rental, hiring and real estate, ownership of dwellings accounts for the highest level of output ($1.6 billion).

T13. PROPERTY ANALYSIS

Sub-sector	Output		Jobs	
	$m	% of ERG	No.	% of ERG
Construction				
Residential Building Construction	$872	14%	1,281	14%
Non-Residential Building Construction	$427	15%	521	15%
Heavy & Civil Engineering Construction	$380	18%	558	18%
Construction Services	$1,176	13%	3,617	13%
Total	$2,855	14%	5,977	14%
Rental, Hiring and Real Estate				
Rental & Hiring Services	$96	23%	185	23%

Sub-sector	Output		Jobs	
	$m	% of ERG	No.	% of ERG
Ownership of Dwellings	$1,550	19%	39	27%
Non-Residential Property Operators & Real Estate Services	$546	23%	185	23%
Total	$2,192	20%	1,387	23%

Source: REMPLAN, 2023

5.5.2. MANUFACTURING

Summary

The manufacturing industry is the highest value industry in terms of regional exports and third-highest output generating industry. This sector is supported by the range of industrial precincts in the municipality and provides a unique point of difference compared to other metropolitan regions.

Primary sub-sector activities include technical equipment and appliance manufacturing and paper product manufacturing (attributed to The Sorbent Paper Company located in Box Hill).

T14. MANUFACTURING SNAPSHOT

Businesses	Output	Jobs
450	$2,048m (6% of ERG)	2,558 (7% of ERG)

Source: REMPLAN, 2023; ABS Counts of Australian Businesses, 2022

Whilst manufacturing is relatively high value for Whitehorse, the contribution across the ERG is relatively low. However, policies and initiatives to grow manufacturing (via investment in the industrial precincts) – including attraction of advanced manufacturing activities – is likely to stimulate economic growth through output and export value.

Manufacturing also provides flow-on benefits to businesses across the supply chain, particularly those that assist in transport and logistics, including *wholesale trade* and *transport, postal and warehousing*.

Sub-Sector Analysis

- Technical equipment and appliance manufacturing is an area of strength, employing the highest number of people (531) and generating the highest level of output ($842m).

- Paper product manufacturing is a competitive advantage for Whitehorse, as it accounts for around 12% of the sub-sectors total output and 24% of regional exports for the ERG.

T15. MANUFACTURING ANALYSIS

Sub-sector	Output		Jobs	
	$m	% of ERG	No.	% of ERG
Technical Equipment & Appliance Manufacturing	$842	10%	531	9%
Sawmill, Wood & Paper Product Manufacturing	$244	16%	336	14%
Metal & Metal Product Manufacturing	$221	7%	352	8%
Food Product Manufacturing	$138	4%	425	6%
Apparel Manufacturing	$129	3%	176	16%
Transport Equipment & Parts Manufacturing	$111	2%	86	2%
Basic Chemical Cleaning & Polymer Manufacturing	$99	4%	108	4%
Other Manufactured Products	$84	18%	108	18%
Pharmaceutical Product Manufacturing	$48	1%	32	1%
Non-Metallic Mineral Product Manufacturing	$42	5%	62	5%
Printing	$36	9%	189	9%
Furniture Manufacturing	$34	7%	128	7%
Beverage Product Manufacturing	$17	3%	25	3%
Total	$2,048	6%	2,558	7%

Source: REMPLAN, 2023

5.5.3. PROFESSIONAL, SCIENTIFIC AND TECHNICAL SERVICES

Summary

Professional, scientific and technical services represent the largest business base in Whitehorse, which contributes to a large volume of service provision for residents. This is driven by a range of highly skilled occupations including lawyers, architects, engineering, accounting, advertising, etc.

As such, the industry supports relatively high-income professions which generates employment outcomes and local consumption in Whitehorse. This sector has also seen a shift in recent years – driven by COVID – as many office-based businesses have relocated outside the CBD to suburban office destinations or transitioned to home-based businesses.

T16. PROFESSIONAL, SCIENTIFIC AND TECHNICAL SNAPSHOT

Businesses	Output	Jobs
3,114	$1,759m (23% of ERG)	6,448 (23% of ERG)

Source: REMPLAN, 2023; ABS Counts of Australian Businesses, 2022

Professional, scientific and technical services is a key industry driver of the Whitehorse economy. The provision of suitable office spaces and support for home-based businesses is critical to the growth of this sector, which will support future employment and economic outcomes.

Sub-Sector Analysis

- Both the *Professional, Scientific & Technical Services* and *Computer System Design & Related Services* sub-sectors are competitive advantages for Whitehorse – each accounts for a large proportion of the sub-sectors contribution to the regional economy.

- These sub-sectors are clear areas of strength that sustain the local business base, drive jobs and local business activity.

T17. PROFESSIONAL, SCIENTIFIC & TECHNICAL SERVICES ANALYSIS

Sub-sector	Output		Jobs	
	$m	% of ERG	No.	% of ERG
Professional, Scientific & Technical Services	$1,091	21%	4,365	21%
Computer System Design & Related Services	$667	28%	2,083	28%
Total	$1,759	23%	6,448	23%

Source: REMPLAN, 2023

5.5.4. HEALTH CARE AND SOCIAL ASSISTANCE

Summary

Health care and social assistance makes a substantial contribution to the Whitehorse economy, which is forecast to expand further in line with a growing and ageing population.

The presence of major hospital facilities, including Box Hill Hospital and Epworth Eastern, help make health care the largest employing industry in the municipality. These are some of the most significant and fastest growing health facilities in Melbourne's east. These facilities also help support a cluster of health-related businesses (e.g. Allied Health, GPs, Physiotherapy), as well as flow-on business activity for retail and hospitality. The health industry accounts for approximately one quarter of the ERGs employment and output within this sector.

T18. HEALTH CARE AND SOCIAL ASSISTANCE SNAPSHOT

Businesses	Output	Jobs
1,513	$2,132m (25% of ERG)	17,330 (25% of ERG)

Source: REMPLAN, 2023; ABS Counts of Australian Businesses, 2022

Health care is a major area of strength and competitive advantage for Whitehorse, particularly for employment and economic growth, including flow-on benefits to consumer-facing industries that support the employment base. It also provides critical services for residents (and visitors from outside the municipality), helping maintain liveability through health and wellbeing. As such, the growth and development of this industry should remain a key area of focus for Council.

Sub-Sector Analysis

- Health care services, which includes hospitals and related health activities, is one of the major drivers of output ($1.3 billion) and employment (10,882 jobs) in the municipality. This also accounts for over one-quarter of the sub-sectors total output and employment for the ERG.

- Residential care and social assistance is also prevalent in Whitehorse, with a notable number of aged care and disability providers – linked to health services – supported a large volume of jobs (6,448).

T19. HEALTH CARE & SOCIAL ASSISTANCE ANALYSIS

Sub-sector	Output		Jobs	
	$m	% of ERG	No.	% of ERG
Health Care Services	$1,324	26%	10,882	26%
Residential Care & Social Assistance Services	$809	24%	6,448	24%
Total	$2,132	25%	17,330	25%

Source: REMPLAN, 2023

5.5.5. EDUCATION & TRAINING

Summary

The education and training industry in Whitehorse is well-established as the second-highest employing industry in the municipality. The industry is driven by two major tertiary institutes – including Box Hill Institute and Deakin University – which is complemented by an extensive network of state, Catholic and independent primary and secondary schools.

The education and training industry accounts for approximately one-quarter of ERGs output and employment within this sector, as well as 41% of exports. In addition, the tertiary sector attracts over 100,000 students to the municipality[22], which generates local consumption and flow-on business activity for supporting retail and hospitality businesses.

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[22] Deakin University and Box Hill Institute Annual Reports, 2021

T20. EDUCATION AND TRAINING ANALYSIS

Businesses	Output	Jobs
422	$1,568m (24% of ERG)	10,741 (23% of ERG)

Source: REMPLAN, 2023 ABS Counts of Australian Businesses, 2022

Education and training is a key comparative advantage for Whitehorse and critical to future economic and employment growth in Whitehorse. The attraction of tertiary students to the area, including international students, drives local community and economic activity. Collaborating with these institutes can also benefit industry through:

- Provision of skills and workforce training to meet demand for labour; and

- Providing research and development resources to benefit new and emerging industries (e.g. advanced manufacturing, green economy, etc.).

Sub-Sector Analysis

- The vocational and tertiary education sub-sector drives the industry in terms of output ($858m), employment (4,194) and exports ($597m). This also accounts for around one-third of total output and employment for the ERG.

- School education also contributes a substantial proportion of total output ($612m) for Whitehorse and is the highest employing sub-sector (5,202 jobs).

T21. EDUCATION & TRAINING SECTOR ANALYSIS

Sub-sector	Output		Jobs	
	$m	% of ERG	No.	% of ERG
Pre-school, Primary, Secondary & Special Education	$612	19%	5,202	19%
Tech, Vocational & Tertiary Education	$858	29%	4,194	29%
Arts, Sports, Adult, Community & Other Education	$98	27%	1,345	27%
Total	$1,568	24%	10,741	23%

Source: REMPLAN, 2023

5.5.6. RETAIL TRADE

Summary

Retail trade is an important component of the municipal business base and local jobs. Businesses within this industry – which includes clothes, household goods, groceries and pharmacies – drive local consumption and provide important amenity for residents, businesses and workers.

The retail sector provides local economic stimulus (through local consumption and job creation) and can be a key motivating factor for new business investment and residential developments.

Retail in Whitehorse is sustained by the network of activity centres, primarily the Box Hill metropolitan activity centre, as well as the major activity centres in Nunawading (MegaMile), Burwood Heights, Burwood East – Tally Ho and Forest Hill Chase. This is complemented by the range of localised neighbourhood activity centres, which supports small businesses and contributes to resident lifestyle outcomes by providing key goods and services.

T22. RETAIL SNAPSHOT

Businesses	Output	Jobs
1,538	$861m (17% of ERG)	7,745 (17% of ERG)

Source: REMPLAN, 2023; ABS Counts of Australian Businesses, 2022

Retail trade is a critical supporting industry that facilitates economic activity, sustains the small business base and creates local jobs. It also supports large employing industries and businesses by providing critical goods and services to meet the needs of employees, as well as residents and visitors.

As such, supporting a thriving retail sector should be a key consideration for Council to achieve economic, employment and social outcomes for the Whitehorse community.

Sub-Sector Analysis

N/A – sub-sector analysis for retail trade is not provided in current datasets.

5.6. JOURNEY TO WORK

The following shows the location of work for both resident workers (i.e. employed residents of Whitehorse) and local workers (i.e. all people employed within the municipality).

This helps demonstrate both the availability of labour for local industry, as well as the propensity for residents to work inside the municipality.

5.6.1. IN-COMMUTING (LOCAL WORKER'S PLACE OF RESIDENCE)

Figure F25 shows that 30% (or around 22,000) of local workers are also residents of Whitehorse. However, around 70% (or 52,000) of local workers commute into Whitehorse from another municipality.

F25. IN-COMMUTING 2021
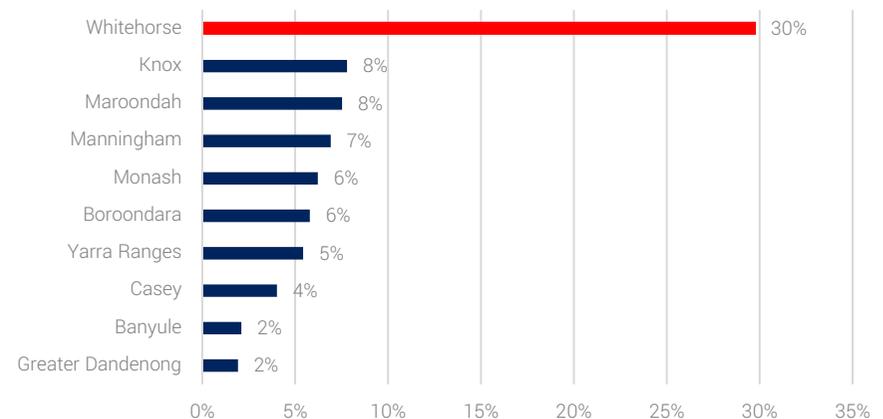
Source: Census of Population and Housing, ABS, 2021

### 5.6.2. OUT-COMMUTING (RESIDENTS' PLACE OF WORK)

Figure F26 illustrates the employment location of resident workers, which helps identify the 'job containment' rate (i.e. the proportion of residents that both live and work in the municipality).

Whitehorse has a job containment rate of 27%. This indicates that around 70% (or around 58,000) employed residents commute outside the municipality for work, with the majority of workers (19%) travelling to the Melbourne CBD.

There are many reasons for resident workers to commute outside Whitehorse, including the availability of jobs, the location of relevant industries and commuting times. In this instance, the proximity of the Melbourne CBD is a key attractor for resident workers.

However, due to the impact of COVID-19 and the rise of remote working – particularly for 'white collar' office-based industries – the job containment rate is likely to increase over the short to medium term as residents have the flexibility to work from home. Therefore, Council should continue to monitor the job containment rate over time and identify opportunities to support resident workers, as well as local businesses.

F26. OUT-COMMUTING 2016
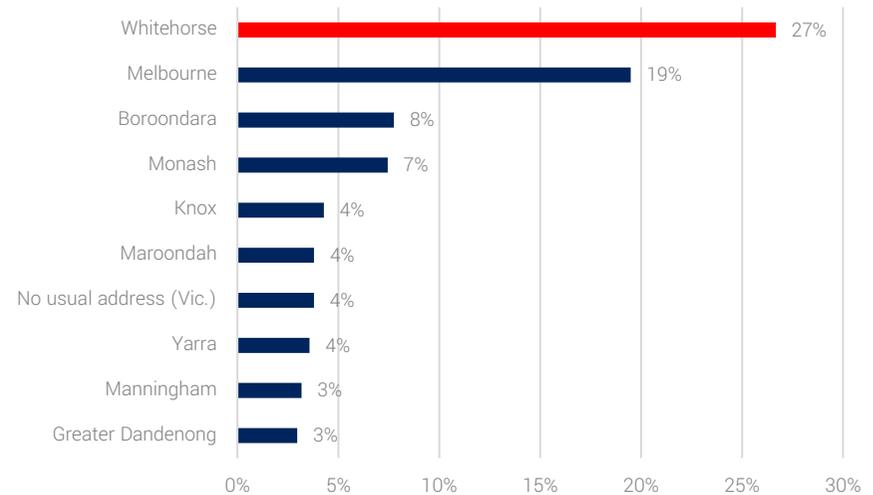
Source: Census of Population and Housing, ABS, 2021

As shown in Figure F27, the most common industries of employment for out-commuting residents are health care and social assistance (14%), professional services (12%) and education and training (10%), which are all high-employing sectors in Whitehorse.

F27. TOP INDUSTRY OF EMPLOYMENT, OUT-COMMUTING RESIDENTS 2021
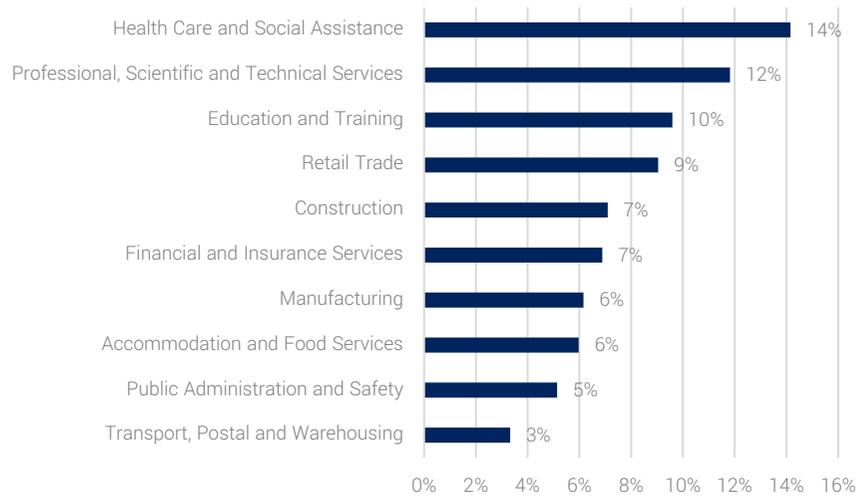
Source: Census of Population and Housing, ABS, 2021

Typically, a higher rate of job containment is preferred, as it can indicate that there are sufficient and suitable jobs available locally to support the local labour force. This also has a positive effect on local consumption, as more workers in Whitehorse will increase opportunities for local spend to support local traders.

Whilst Whitehorse provides an important source of labour for the Melbourne CBD and eastern suburbs, it is also a large attractor of labour from other municipalities, particularly from surrounding inner-eastern areas. Large employing industries, such as health and education, play a significant role in labour force attraction.

5.7. BUSINESS PROFILE

5.7.1. BUSINESS BY INDUSTRY

As shown in Table T11 (Section 5.5), there are 18,979 businesses registered in Whitehorse. The key industries that contribute to business base include:

- **Professional, Scientific & Technical Services** – 3,114 businesses (16%);
- **Construction** – 2,811 (15%);
- **Rental, Hiring & Real Estate Services** – 2,242 (12%);
- **Retail Trade** – 1,538 (8%); and
- **Health Care & Social Assistance** – 1,513 (8%).

These industries reflect areas of strength for Whitehorse in terms of business attraction and local employment opportunities and, therefore, should be supported to sustain positive economic outcomes for the municipality.

Conversely, this also demonstrates some gaps in industries that could form part of a future Council focus for business attraction, including industrial (e.g. manufacturing), public sector and knowledge based industries (e.g. public administration) and hospitality (e.g. accommodation and food services). Further consultation with local businesses will help identify business attraction opportunities.

5.7.2. BUSINESS BY EMPLOYMENT

Identifying businesses by employee size shows the potential economic return of businesses, based on the ability to generate employment within Whitehorse. As shown in the table below, 98% of the business base are considered 'non-employing' or Small to Medium Enterprises (SMEs) that employ less than 20 people.

The non-employing businesses, which include sole traders, typically comprises the home-based business sector, which has grown since the onset of COVID. While key

large employing businesses in the municipality include The Sorbent Paper Company, as well as the Australian Tax Office.

T23. BUSINESS BY EMPLOYMENT 2021

	Non employing	1-19 Employees	20-199 Employees	200+ Employees
Businesses (no.)	11,720	6,951	270	18
Businesses (%)[23]	62%	37%	1%	0.1%

Source: ABS Counts of Australian Businesses 2022

Providing targeted support for non-employing and SMEs is important as these businesses typically lack the resources to capitalise on growth opportunities.

Therefore, with suitable business development support, Council could promote business growth and investment which could lead to local job creation. This support could include attraction of start-ups and digital enterprises, which are typically low-employing businesses, yet could contribute to industry diversity and broader economic and social outcomes.

5.7.3. BUSINESS GROWTH

Table T24 details business growth by industry between 2017 and 2022, which demonstrates recent areas of business investment and general industry attraction.

During this period, an additional 2,979 (+19%) businesses were registered in Whitehorse. The highest growing industry was professional services (+630), which is attributed to the recent relocation of businesses from the CBD to more suburban environments (leading to growth in home-based businesses). Business growth was also driven by non-employing businesses (+2,041) and SMEs (+922).

Conversely, some key industries experienced decline over this period, notably Manufacturing (-13). Further investigation is needed to identify the cause of this and opportunities to promote business attraction.

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[23] Note: May not equal 100% due to rounding

Business growth should be monitored on an ongoing basis by Council, as this could influence the type of business support provided to facilitate business investment and employment growth.

T24. BUSINESS GROWTH 2017-2021

Industry	Change 2017-2021
Professional, Scientific and Technical Services	+630
Transport, Postal and Warehousing	+602
Construction	+447
Rental, Hiring and Real Estate Services	+419
Health Care and Social Assistance	+369
Retail Trade	+362
Administrative and Support Services	+306
Other Services	+276
Education and Training	+141
Accommodation and Food Services	+120
Wholesale Trade	+111
Arts and Recreation Services	+66
Electricity, Gas, Water and Waste Services	+20
Mining	+8
Information Media and Telecommunications	+6
Public Administration and Safety	+6
Manufacturing	-13
Agriculture, Forestry and Fishing	-16
Currently Unknown	-194
Financial and Insurance Services	-685
Total	+2,979

Source: ABS Counts of Australian Businesses 2017-2022

5.8. VISITOR ECONOMY PROFILE

5.8.1. ECONOMIC CONTRIBUTION

The Whitehorse visitor economy provides an important contribution to the local economy. This includes total employment of 1,546 (2.1% of total) and total output of $282 million (1.3% of total)[24].

The benefits from the visitor economy, which are derived from visitor spend, flows through the economy including direct and indirect impacts on retail, service sectors, hospitality and transport (amongst others).

Industry growth is achieved through provision of quality and contemporary products, experiences and infrastructure, which is designed to attract visitors and maximise spending opportunities. For Whitehorse, its strengths as a destination are based on a combination of:

- Retail and hospitality, which are provided through its key activity centres;
- Health and education services, which facilitates 'health tourism' and the attraction of regional and international students;
- Cultural diversity, which supports arts and culture (including events) and attracts visiting friends and relatives of migrant communities.

Importantly, the municipality is in an advantageous position to leverage its location and key assets to grow the tourism industry.

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[24] REMPLAN, 2021

5.8.2. VISITATION AND EXPENDITURE TRENDS

Overview

For the year ending March 2022, Whitehorse received around **427,000 visitors**, which generated total spend of **$129 million**. However, as shown in Table T25, which compares current visitation against 2018 levels (i.e. pre-COVID), the visitor economy experienced significant changes. Key points are summarised as follows:

- Between 2018 and 2022, visitation to Whitehorse *decreased* by around 235,000 visitors (or -35%). This is attributed to the recent restrictions in population movements across 2021, which impacted both daytrip and overnight visitation.

- Subsequent visitor expenditure *decreased* by a total of $272 million (or -68%), impacting consumer-facing businesses and tourism operators (i.e. retail, food, accommodation and hospitality).

- The decline in the value of the visitor economy was driven by the international visitor market. Due to the pandemic, which restricted entry to international students and visiting friends and relatives (VFR) of the large ethnic communities, international visitation declined by 97%, which led to a significant decrease in spend in the order of $225 million. As such, the international market has shifted from being the highest value (58% of total expenditure) in 2018 to the lowest value (5%) in 2022.

- In addition, both domestic daytrip and overnight visitation (and spend) has also decreased by about one-third, contributing to the contraction of the visitor economy.

As the international borders open and migration resumes, it is expected that the international market will grow over the short to medium term. This will be supported by growth in international students, with enrolments anticipated to exceed pre-COVID levels in 2023 (based on discussions with tertiary institutions). As such, Council should identify opportunities to leverage international tourism and grow the visitor economic back to pre-COVID levels.

This could be supported through development of events, festivals and supporting products/experiences, to ensure the benefits of tourism flow through the economy via direct expenditure and job creation.

T25. VISITATION AND EXPENDITURE TRENDS

	2018	2022	Change (No.)	Change (%)
Visitation				
Domestic Daytrip	440,311	320,257	-120,054	-27%
Domestic Overnight	144,255	104,016	-40,239	-28%
International	76,592	2,406	-74,186	-97%
Total	661,158	426,679	-234,479	-35%
Expenditure				
Domestic Daytrip	$45m	$33m	-$12m	-27%
Domestic Overnight	$124m	$89m	-$35m	-28%
International	$232m	$7m	-$225m	-97%
Total	$401m	$129m	-$272m	-68%

Source: TRA NVS and IVS, 2018-2022 (YE March); Expenditure calculated based on average spend per visitor, REMPLAN Economy Profile

In addition, the decline in international visitors, particularly international students and VFR, has shifted the country of origin of visitors. In 2018, the largest country of origin was China (39% of total international visitors), however this has recently declined to 11% in 2022 (see Figure 26). While it is expected that this will increase following the return of international visitors, further engagement with the community will help identify opportunities to attract this high volume and high value visitor market.

F28. INTERNATIONAL COUNTRY OF ORIGIN 2018 AND 2022

2018 | 2022

China 39% | India 33%

India 10% | NZ 17%

Malaysia 9% | China 11%

Source: TRA NVS and IVS, 2018-2022 (YE March)

Average Spend

The following demonstrates that average spend rates for domestic visitors to Whitehorse are *lower* than for the Melbourne average, while average spend for international visitors are slightly higher.

As domestic visitors currently generate majority of spend in the municipality, Council and industry should identify opportunities to increase yield through provision of quality products and commissionable experiences.

Given the high level of yield generated by overnight visitors, the development of the tourism industry should be targeted at the overnight market – or converting daytrips into overnight stays – to increase the value of tourism.

T26. VISITOR SPEND (5-YEAR AVERAGE) 2015-2019

Visitor Type	Whitehorse	Melbourne
Domestic Daytrip	$102	$126
Domestic Overnight	$859	$939
International	$3,025	$2,951

Source: Source: TRA NVS and IVS, 2018-2022 (YE March); Expenditure calculated based on average spend per visitor, REMPLAN Economy Profile

5.8.3. VISITATION BY LOCATION

Figure F29 shows the most popular visitor destinations by SA2 region (which is used as a proxy for suburb).

As visitor data is collected via surveys conducted by Tourism Research Australia (TRA), to account for small sample sizes and increase the reliability of results, the following presents visitor data as a **5-year average** from 2018-2022.

Box Hill accounts for an overwhelming majority of visitors (around one-third), attributed to its large migrant community and Box Hill Institute (which attracts internationals), as well as the high level of visitor amenity and services provided via the activity centre.

Encouraging dispersal of visitors across Whitehorse is important for the sustainable growth of the visitor economy, as it helps generate economic activity in a range of locations to support local business.

F29. VISITATION BY SA2 REGION (5-YEAR AVERAGE) 2018-2022
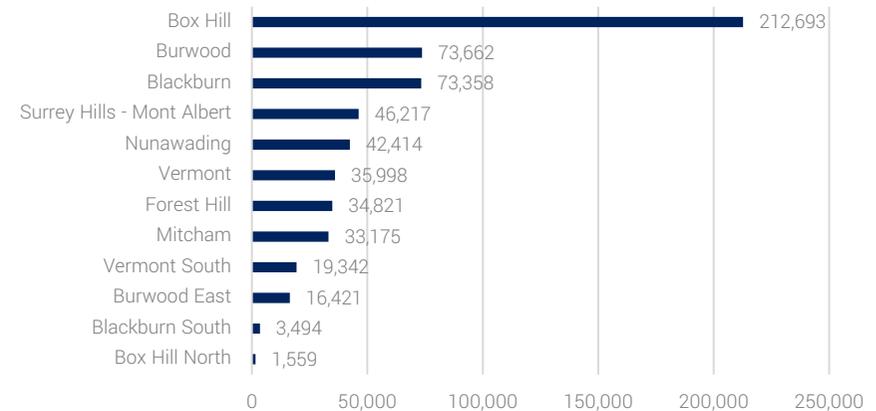
Source: TRA NVS and IVS, 2018-2022 (YE March)

5.8.4. PURPOSE OF VISIT

As shown the figure below, almost half of all visitors to the municipality are VFR, which is the primary motivator for visitation to the municipality (particularly interstate and international visitors to the migrant communities).

Holiday visitors have the lowest proportion, which demonstrates the popularity of the destination is driven by residents, education and health (included in 'other' reason), as well as business.

F30. PURPOSE OF VISIT (5-YEAR AVERAGE) 2018-2022

Source: TRA NVS and IVS, 2018-2022 (YE March);

F31. ACCOMMODATION (5-YEAR AVERAGE) 2018-2022
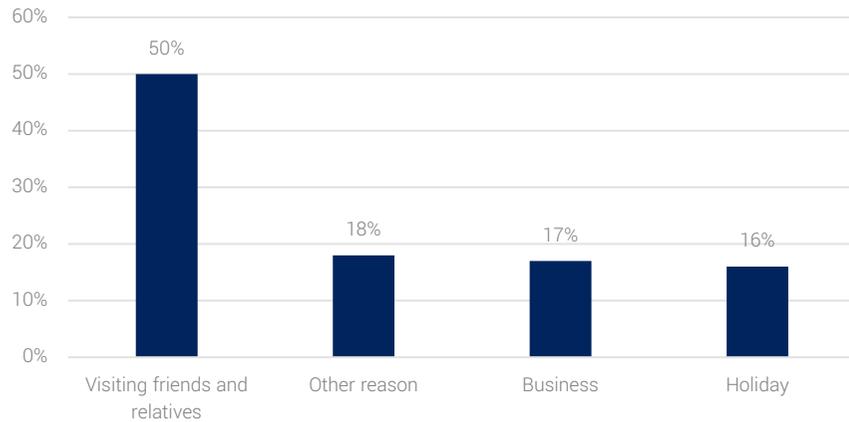
Source: TRA NVS and IVS, 2018-2022 (YE March)

5.8.5. ACCOMMODATION

The majority of accommodation used by both domestic and international overnight visitors is a 'friends or relatives' property, which again aligns with the large VFR market.

As this is non-commercial accommodation, it constrains the level of visitor spend that could be generated by overnight stays. Therefore, the provision of quality commercial accommodation offerings could help grow the overnight market and increase yield.

6. STRATEGIC CONSIDERATIONS

6.1. OVERVIEW

This section provides an overview of emerging strategic considerations that have been identified through research and analysis detailed in this report.

These considerations will be used to inform the development of the future Investment and Economic Development Strategy, as they articulate the potential areas of focus, accounting for local strengths, issues and opportunities for Whitehorse.

The information outlined below is based solely on the demographic and economic data presented throughout this report. However, this is expected to progress and evolve following further investigation and consultation with stakeholders.

A list of headline considerations are summarised in Table T27, and are discussed on the following pages

T27. HEADLINE STRATEGIC CONSIDERATIONS

1	Engaged and Empowered Communities	Ensure economic growth supports liveability outcomes and fosters inclusive and engaged communities.
2	Thriving Activity Centres and Employment Precincts	Sustain thriving activity centres and employment precincts to drive economic growth through business investment, local consumption and employment, as well as provide amenity for residents, workers and visitors.
3	Business Support and Development	Support the development of a productive and diverse business community to encourage business resilience and growth.
4	A Sustainable and Innovative Economy	Establish an innovative and environmentally sustainable economy that focuses on efficiencies to influence future strategic investments, and support economic, community and environmental outcomes.
5	Visitor Economy Growth	Growing the visitor economy is critical for economic development, as it supports business investment, local consumption and new local jobs, as well as promoting economic diversification.

6.2. HEADLINE STRATEGIC CONSIDERATIONS

6.2.1. ENGAGED AND EMPOWERED COMMUNITIES

Whitehorse has a diverse and unique population, which is heavily influenced by the proportion of CALD and migrant communities. Whilst this contributes to a vibrant community, through variety in culture, food and events, it also presents challenges for maintaining engagement and inclusivity of residents. A well-supported and connected population base is a contributing factor to economic growth and prosperity.

In addition, it is vital that residents continue to have access to high-quality services (e.g. education, health), infrastructure, housing and amenity, as these indicators support Council aims for community wellbeing.

Therefore, for future growth to be sustainable, economic development should be aligned with liveability outcomes. This will ensure residents have opportunities to access services, employment and consume locally to support the business base.

Key Considerations:

- Promote community engagement and inclusivity, particularly for CALD communities.
- Promote social equity and ensure residents have access to essential services, employment opportunities and housing.
- Develop arts and culture experiences, particularly through community events, to showcase diverse cultures and communities.
- Promote higher density living in strategic areas to meet demand for residents and workers (offset affordability/availability issues).
- Efficient road and public transport to promote access to businesses and employment areas.

- Provide high-quality recreational product and community infrastructure, including sport/recreation facilities, community centres, etc.
- Ensure access to quality education, health and aged care services to promote community health and wellbeing.

> Potential Progress Measures to Monitor Performance:
> - Population growth above historical growth rates
> - Improved localised SEIFA rankings for suburbs
> - Housing stock diversity
> - Median house prices and sales data

6.2.2. THRIVING ACTIVITY CENTRES AND EMPLOYMENT PRECINCTS

Whitehorse has a strong network of activity centres, including a metropolitan activity centre in Box Hill, four major activity centres (Nunawading, Burwood Heights, Burwood East – Tally Ho and Forest Hill Chase), and 60 neighbourhood activity centres providing local amenity.

There are also eight industrial precincts that support jobs and business activity throughout the municipality.

These areas are critical to economic growth and liveability, as they:

- Supporting local businesses and employment across the municipality;
- Provide key health (e.g. Box Hill Hospital) and education (e.g. Box Hill Institute, Deakin University) services, which are significant drivers of economic and employment;
- Provide key retail, hospitality and personal services to meet the needs of residents, visitors and workers;
- Contribute to local consumption and business activity;
- Support a 'live local' environment; and
- Contribute to visitor amenity as a driver of visitation.

Supporting these precincts will help generate substantial social and economic outcomes, particularly business investment, employment and consumption, which will drive future growth.

This could include initiatives to enhance the user experience (e.g. streetscaping), as well as measures to enable precinct activation (e.g. business investment) and generate commercial activity.

Key Considerations:

- Encourage a genuine mix of uses in Major and Metropolitan Activity Centres to foster investment across a range of sectors, including retail, hospitality, office, health, education, community, entertainment and civic.
- Support investment in industrial precincts – through appropriate development and planning – to promote investment in primary industries and trade.
- Leveraging the proposed Suburban Rail Loop and new stations in the Box Hill Activity Centre and Burwood, to enhance the role of these precincts as key commercial and transport hubs, to benefit businesses and the local economy.
- Identify and support the strategic roles of the Major Activity Centres, to meet the needs of consumers and industry.
- Foster collaboration amongst businesses to coordinate activities that enhances shopping precincts, increases utilisation and grows commercial activity.
- Support for placemaking and activation initiatives across activity centres to increase dwell time, stimulate consumption and support business trading.
- Support for retail businesses to adapt and thrive in a changing environment.
- Identify clustering opportunities to create future areas of strength and support business investment and workforce attraction.

6.2.3. BUSINESS SUPPORT, INVESTMENT AND DEVELOPMENT

The Whitehorse business base is diverse and contributes to the following industry specialisations:

- **Public sector and knowledge-based industries** (Health Care & Social Assistance, Education & Training, Public Administration & Safety).
- **Population-driven industries** (Construction, Property, Retail Trade, Accommodation & Food Services).
- **Professional service industries** (Professional, Scientific & Technical Services, Financial & Insurance Services, Information media & telecommunications).
- **Industrial** (Manufacturing, Wholesale Trade, Transport, Postal & Warehousing).

One of Council's core roles in economic development is to promote opportunities for business investment across industries well-suited to Whitehorse (including established industries and gaps where businesses are under-represented). This is crucial to achieve positive economic outcomes including business investment and employment growth.

It is important that Council focuses on supporting existing businesses, as well as attracting new, diverse industries, to help establish a more innovative and diverse business base. This will help contribute to a more sustainable economy, as a diverse industry builds economic resilience and avoids over-exposure to macro shocks (such as increasing interest rates).

Therefore, establishing partnerships on a local, regional, national and global scale will help position Whitehorse as a desirable destination for business investment, particularly across emerging industries.

Key Considerations:

- Targeted support for the large volume of non-employing businesses and SMEs– including engagement, communication, promotion, networking and training to promote business resilience, productivity and growth.
- Attract businesses seeking to decentralise/re-locate away from the CBD.
- Leverage rise in remote working and home-based businesses to grow the local labour force and attract increased investment in temporary office infrastructure (e.g. co-working spaces).
- Support businesses with access to skilled labour (and help overcome workforce shortages).
- Target new, innovative and diverse industry sectors that are suited to Whitehorse to support investment, employment growth and diversity.

6.2.4. A SUSTAINABLE AND INNOVATIVE ECONOMY

An innovative and sustainable economy is one that harnesses the advancements in data and technology to make evidence-based decisions, as well as adopting environmentally beneficial practices to help improve efficiency in business operations and achieve long-term growth.

This is a key area of focus to help improve future decision-making and strategic infrastructure investments. Innovation and sustainability have a growing importance for economic development, driven by:

- Supporting advancements in key industries, including technology-based manufacturing, health and education;
- Increasing circular economy opportunities to re-use waste (i.e. outputs) as a resource (i.e. inputs), which promotes business efficiencies; and
- Government policy support for environmentally sustainable practices and achieving waste reduction goals.

Whitehorse is well placed to use new technologies and support businesses to become more environmentally sustainable, which could benefit the community and industry.

Key Considerations:

- **Collaborate with the existing tertiary institutions and research and development resources to deliver technological advancements and support future industries.**
- **Identify global trends and emerging, innovative industries that could be attracting to Whitehorse.**
- **Deliver infrastructure that is innovative and based on available evidence to maximise its effectiveness for residents and businesses.**
- **Invest in smart technologies that improves future planning and decision-making.**
- **Encourage business sustainability through promotion and adoption of circular economy practices.**

> **Potential Progress Measures to Monitor Performance:**
>
> - Improvements in strategic (and SMART) infrastructure investments generated by Council
> - Expanding the jobs base to new and emerging industries
> - Reduction in waste generated by businesses
> - Increased uptake of renewable energy sources (e.g. solar)

6.2.5. VISITOR ECONOMY GROWTH

A strong visitor economy provides important economic stimulus through direct spend that flows through a variety of industries (i.e. retail, hospitality, accommodation, transport). Tourism is also critical for economic growth, as it stimulates business investment, supports new local jobs and promotes economic diversification.

The visitor economy has experienced a substantial decline due to recent COVID restrictions, particularly the reduction of international visitation, which is a key driver of tourism through the VFR market and international students.

Growth in the visitor economy could be achieved through investment in products and experiences that enhances Whitehorse's attraction as a destination, including:

- Provision of contemporary commercial accommodation to attract overnight stays;
- Leveraging the activity centres to improve visitor amenity, including through high quality food, retail and entertainment, which will help increase visitation and local spend; and
- Harnessing the diversity of the Whitehorse community to establish unique arts and cultural activities and events;

Key Considerations:

- **Visitation to Whitehorse is driven by the VFR market, which links tourism to its multi-cultural communities. This should be leveraged to further develop the tourism industry, through a diversity of products, experiences and events.**

- Support growth of the international student market to pre-COVID levels, which will grow the value of the visitor economy and increase local consumption.

- Development of community events and festivals could motivate future visitation and spend in the area.

- Capitalise on the Major and Metropolitan Activity Centres, which create opportunities for visitation and spend (particularly through the retail, hospitality, health and education sectors).

- Identify opportunities that can add value to the visitor economy – in particular, the economic pillars of health (7% of domestic) and education (23% of international) which are key drivers of visitation to be maximised.

- Identify target visitor markets and promote Whitehorse – in collaboration with local industry and operators.

- Support (and advocate for) private sector investment in product, experiences and infrastructure that meet the needs of existing visitors and future target markets.

Potential Progress Measures to Monitor Performance:

- Increases in visitation, visitor spend and average spend per visitor

- Increases in overnight stays

- Increases in business and employment growth in the retail and hospitality sectors

- Increases in private sector investment for supporting visitor infrastructure (i.e. accommodation)

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