ECONOMIC DEVELOPMENT

This Clause provides local content to support Clause 17 (Economic Development) of the State Planning Policy Framework.

21.07-1

Activity Centres

Overview

Bayside has a hierarchy of Activity Centres, some of which are located entirely within Bayside and some which are shared with other municipalities. The hierarchy consists of:

- **Major Activity Centres** – Suburban centres that provide access to a wide range of goods and services. They have different attributes and provide different functions, with some serving larger subregional catchments. Plan Melbourne 2017-2050 identifies 121 major activity centres.

- **Neighbourhood Activity Centres** – those centres with between 2,000 – 10,000sqm of floorspace. These centres generally serve the weekly shopping needs of their population catchment.

- **Small Neighbourhood Activity Centres** – smaller centres serving the day to day needs of residents who are within walking distance. These centres usually consist of small grocers, milk-bars, a takeaway restaurant and perhaps a café.

- **Small Commercial Activity Centres – Mixed Use** are smaller centres that do not play a convenience role. These centres usually consist of office/business spaces and specialist retail services.

- **Small Commercial Activity Centres – Highway Oriented** are smaller centres which usually consist of homemaker and peripheral sales, services and small offices which require a high exposure, main road location.

**Major Activity Centres**

Bayside contains four Major Activity Centres that sit completely within the municipal boundaries: Bay Street, Brighton; Church Street, Brighton; Hampton Street and Sandringham.

The Cheltenham-Southland Major Activity Centre, located within the City of Kingston, has an impact on the economy of Bayside, performing a significant regional shopping role and placing significant pressure on the retail performance of Bayside’s activity centres.

Bayside also shares the Hampton East Activity Centre, forming part of the broader Moorabbin Major Activity Centre, with both Kingston and Glen Eira City Councils, the Cheltenham Activity Centre with Kingston City Council and the Elsternwick Activity Centre with Glen Eira City Council, though the Bayside component of these activity centres is primarily residential.

Whilst being designated as Major Activity Centres, Bayside’s centres are uniquely distinct in that they are primarily nodes of population serving activities. Compared to other Major Activity Centres, Bayside’s centres have considerably less supermarket floorspace and much higher specialty store floorspace contributing to the primarily retail focused role of the centres. High-end hospitality and niche fashion in particular are presented distinctively across the centres which results in a greater supply of specialty stores than the local population can support. Future retail opportunities will emerge in areas where increased population growth will occur due to the presence of new mixed use developments, areas close to transport and services and areas with a high walkability and sense of place, allowing the centres to compete with the Southland and other larger centres.

Office growth in activity centres will be primarily population serving businesses such as real estate agents, insurance and other service providers.

**Neighbourhood Activity Centres**

Bayside also contains four Neighbourhood Activity Centres: Martin Street, Brighton; Highett; Black Rock and Beaumaris Concourse.
The Major Activity Centres and Neighbourhood Activity Centres are predominantly and predominately focused around traditional shopping strips and the majority provide good access to public transport. As well as providing a commercial, entertainment, administrative and employment focus for local residents, these centres provide a niche market around food, fashion, antiques, cafes, personal and professional services. These Activity Centres have developed as ‘villages’ meeting the day to day needs of the local community.

Small Neighbourhood Activity Centres

In addition to these larger centres, there are numerous Small Neighbourhood Activity Centres, which serve mainly the day to day convenience needs of surrounding residents.

Generally speaking, Bayside’s activity centres are best practice examples of local activity centres performing well and providing high quality offerings without the conventional anchors often present in large activity centres of similar size. The opportunity is to add to what is already good about these places by improving the commercial and retail offer beyond core business hours, particularly in relation to healthcare, gymnasiums and restaurants.

Bayside’s Activity Centres are well positioned to capitalise on the shift in the economy towards the professional services as most of Bayside’s residents possess the skills and qualifications to find employment in these sectors. The challenge is to ensure there is sufficient commercial floorspace available in activity centres and the Bayside Business District to accommodate these services and so provide more local employment opportunities.

With an ageing population, there will be increasing demand for health care services. Whilst Bayside does not have a major regional hospital, it has some successful smaller hospitals and clinics which are a combination of specialisations and general practices. There are opportunities to support the growth of this sector by encouraging specialist health businesses and institutions to co-locate with existing health facilities, particularly Sandringham Hospital and the Cabrini Hospital. Hampton East also presents opportunities given the proximity to the proposed Holmesglen Private Hospital on South Road in the City of Kingston.

The Major Activity Centres and Neighbourhood Activity Centres will play an increasingly important role in accommodating residential growth within the municipality and it is important to ensure there is sufficient capacity and an appropriate range of commercial services to meet the needs of residents. It is critical to ensure that redevelopment in activity centres does not occur at the expense of commercial floorspace, by ensuring that development does not result in a loss of commercial floorspace.

Key Issues

- Ensuring there is sufficient commercial capacity and a range of services to meet the needs of the Bayside population and visitors.
- The role and viability of Activity Centres will be strengthened by residential development, however, it is important to maintain core retail functions and an appropriate retail mix.
- Residential development in activity centres needs to ensure increased retail and commercial floorspace is provided.
- Policy must plan for supporting the shift in the economy towards professional services.
- Land use in activity centres and the BBD should respond to demographic change and the healthcare needs of an aging population.
- Improving the attractiveness of Activity Centres as night time destinations in a manner appropriate to their suburban location.
- The viability of activity centres and the potential for tourism is strongly linked to functionality and the physical appearance of buildings and the streetscape.
- Balancing the need to serve local demands for retail and associated services, while developing the opportunity to serve visitors/tourists.
• The ‘village feel’ and variety of goods and services in activity centres is a strength of commercial activity in Bayside.

• Maintaining vibrant activity centres with core retail functions and an appropriate retail mix in the context of competition from larger centres and new forms of retailing.

• Ensuring the land use composition and scale of development in the Small Activity Centres represents the role, scale and setting of the centre.

**Objective 1**

To promote sustainable development of activity centres within a local and regional context.

**Strategies**

• Ensure new retail and commercial development supports and strengthens the activity centre hierarchy in Bayside.

• Encourage a diversity of retail, commercial and community activities in activity centres to serve the needs of the local community and support tourism.

• Encourage night time business activity in Major Activity Centres and Neighbourhood Activity Centres, particularly grocers, healthcare, gymnasiums and restaurants.

• Retain, strengthen and diversify the retail core in each Major Activity Centre and large Neighbourhood Activity Centre.

• Locate major retail developments that may serve a wider catchment area in the retail core of Major Activity Centres, applying a sequential test approach to new out of centre retail developments.

• Facilitate high quality commercial, residential and mixed use development within and adjacent to the retail core and on large sites in Major Activity Centres.

• Provide increases to commercial floorspace for redevelopment in activity centres, particularly for professional services.

• Encourage community services that cater to the needs of residents and visitors to be located in activity centres.

• Ensure the individual strengths of each centre are maintained.

• Encourage new health businesses and institutions to co-locate with existing health facilities, particularly Sandringham Hospital and the Cabrini Hospital.

• Encourage new economic development which maintains and enhances the supply of and access to a range of employment and training opportunities.

• Prohibit the establishment of gaming machines in activity centres.

**Objective 2**

To ensure new development contributes to the economic viability of activity centres.

**Strategies**

• Ensure commercial development in smaller activity centres provides incremental increases in commercial floorspace at the ground floor.

• Retain an active commercial street frontage at ground floor level with residential above providing passive surveillance of public areas.

• Support the local convenience retailing role of Small Neighbourhood Activity Centres by facilitating commercial floorspace growth.

• Encourage uses and development that facilitates day and evening activities.
- Encourage uses which provide for community interaction at a local level.
- For Small Commercial Activity Centres – Mixed Use, encourage the provision of local commercial and retail space for small businesses, specialist retail and local services.

**Bayside Business District**

**Overview**
The Bay Road/Reserve Road area of Sandringham, Highett and Cheltenham, also called The Bayside Business District (BBD) is the major focal point for future business development and employment in Bayside. It is centrally located within the south-eastern metropolitan region and has ready access to Nepean Highway and the Melbourne-Frankston train line. It also has some important connections to employment precincts in the Cities of Kingston and Greater Dandenong. These linkages provide businesses in the BBD with important access to a large pool of manufacturing and logistics businesses in their relative supply chains.

The vast majority of Bayside’s commercial floorspace growth will be directed towards the BBD given its well-positioned location. Increased retail and residential development in activity centres can lead to increased demand for certain types of commercial offices which can meet the needs of residents living in, around and within close proximity to activity centres. This allows businesses to market themselves to the same shoppers which would visit retail facilities in those activity centres.

Residential development in surrounding areas has increased the potential for land use conflict. This, along with economic restructuring has resulted in a shift in emphasis from a purely ‘industrial area’ towards a more diverse composition of business services including warehousing and corporate offices. Whilst it continues to operate successfully as a precinct for industrial, wholesale and warehousing purposes, it has the potential to transition towards an advanced business services precinct which better suits its location.

The Bayside Business District will be nationally competitive and provide employment opportunities for advanced business services of the highest calibre, to not only local residents, but also residents of the surrounding region. Businesses attracted to the precinct will become key components of the supply chains of the future and generate significant wealth for the local and regional economy.

The opportunities to strengthen connections between the Southland and Highett Activity Centres and the BBD will assist to attract innovative advanced business services to the BBD and leverage off the marketability and growth of the Southland Activity Centre. Employees working in the BBD will benefit from convenient access to public transport and other services with the centres working together as interconnected nodes rather than competing for similar land use and development.

**Key Issues**
- The Bayside Business District contributes significantly to the economic diversity of the municipality.
- There is a need to facilitate and promote the development of this employment area as an advanced business services cluster that accommodates the needs of modern industry, but also office and other associated business activity.
- Broadening the employment base by focussing on advanced business services in accordance with the shift in economy from manufacturing towards professional services will deliver the vision for the BBD.
- The BBD is to integrate seamlessly into the urban fabric of the municipality.
- There is a need to ensure that the BBD retains a separate focus from Bayside’s activity centres, by ensuring retail and convenience uses do not locate in the BBD unless part of a larger office development and servicing workers.
Economic restructuring is changing the profile of industry and the proportion of businesses and jobs in the traditional ‘industrial’ sector of the economy is declining, whilst the proportion in the ‘non-industrial’ sector is increasing. This will continue to have significant implications for the long-term viability of business activity in traditional industrial areas.

Objective

To transform the Bayside Business District (BBD) from a traditional industrial precinct into an advanced business services precinct of a quality and profile which will enable it to fulfil an identifiable niche in the south-east region of Melbourne.

Strategies

- Support the development of innovative advanced business services in the BBD.
- Maintain the mix of lot sizes within the BBD to accommodate businesses with large floor space demands and to attract a substantial anchor business or corporate offices.
- Discourage large format retail uses from locating the in the BBD.
- Discourage the subdivision of vacant land in the BBD.
- Encourage sustainable building design in the BBD.
- Provide for redevelopment opportunities for high-tech businesses and development which create significant employment opportunities for a skilled resident workforce that will benefit from proximity to employment and various local recreation facilities.
- Restrict the establishment of gaming machines in the Bayside Business District to sites zoned Mixed Use or Commercial 1.

Tourism

Overview

Tourism has been associated with Bayside since Sandringham, Brighton and Beaumaris were established as coastal holiday towns shortly following European settlement of Melbourne. The tourist attractions primarily relate to the bay, with the iconic bathing boxes, swimming, cycling, walking and sailing activities, as well as shopping, heritage homes and sites of natural significance. Bayside has a significant focus on golfing, with seven golf courses, both public and private, some of international significance.

Key Issues

- Tourism has the potential to become one of Bayside’s principal industries tied to the city’s natural strengths and the projected growth of the tourism industry in Victoria.
- Tourism is emerging as a significant industry in Bayside, and contributes to both the economic and social development of the community, as well as having other environmental, social and cultural benefits.
- As the tourism industry grows, new and expanded infrastructure, services, facilities and attractions are developed which not only service the needs of tourists, but also residents.
- Poor management of tourism may result in overcrowding, environmental degradation, stressed car parking/road networks and loss of an area’s traditional identity; particularly along the coast, in Bayside’s remnant natural vegetation reserves and in retail precincts.
- Potential impacts associated with tourism need to be carefully managed to ensure that environmentally sensitive coastal areas and the inherent character of Bayside are retained and enhanced. This requires quality management of property and open space development.
- Bayside’s strength as a regional tourist destination is based on the range of environmental, recreational and educational activities along the coast.
Capturing the tourism potential of Beach Road as a scenic boulevard together with opportunities for accommodation, entertainment and shopping associated with beach activities.

**Objective 1**
To maximise the economic, social and cultural benefits of tourism for Bayside.

**Strategies**
- Encourage development of tourist facilities and services which are compatible with and add value to existing built form and natural attractions.

**Objective 2**
To strengthen and reinforce the role of Beach Road/Esplanade as a tourist boulevard.

**Strategies**
- Enhance the scenic and landscape qualities of Beach Road/Esplanade.
- Improve the management of urban design and landscaping adjacent to Beach Road/Esplanade.
- Ensure a consistent approach to the design of Beach Road/Esplanade infrastructure.
- Improve the management of local/regional traffic issues associated with the function of Beach Road/Esplanade as a main road.
- Encourage the diversion of freight/heavy traffic from Beach Road to the Nepean Highway.

**Objective 3**
To minimise the impact of tourism on the natural environment and inherent character of an area.

**Strategies**
- Facilitate tourism that respects the residential, heritage, leisure and environmental goals for the municipality.
- Facilitate tourism that respects the residential, heritage, leisure and environmental goals for the municipality.
- Encourage development of tourist facilities and services which are compatible with and add value to existing built form and natural attractions.
- Improve the management of urban design and landscaping adjacent to Beach Road.

**Discretionary Uses in residential areas**

**Objective**
To ensure the proper integration of appropriate discretionary uses into residential areas.

**Strategies**
- Ensure the integration of appropriate discretionary uses into preferred locations in residential areas.

**Implementation**
The strategies contained in this clause will be implemented through the planning scheme through the following:-
Policy guidelines

Activity Centres

- Provide detailed guidance on the use and development of the Activity Centres in a Local Area Plan contained in Clause 21.11 where available.
- Use the Highett Structure Plan 2004 to guide the preferred future pattern of development in and surrounding the Highett Shopping Centre.
- Use the Beaumaris Concourse Structure Plan, February 2005 to guide future development.
- Use the Hampton East (Moorabbin) Structure Plan, February 2016 to guide future development.
- Use the Martin Street Structure Plan (March 2016) to guide future development within the activity centre

Bayside Business District

- Prepare a Development Plan to provide detailed guidance on the future development of the Bayside Business District In accordance with the recommendations of the Bayside Retail, Commercial and Employment Strategy 2016.
- Use local policies to guide use and development within the Bayside Business District (Bayside Business District, Clause 21.11-9, Bayside Business District Policy, Clause 22.04).

Tourism

- Use the Bayside Coastal Strategy, 1997 to guide use and development along Beach Road/The Esplanade.
- Implement the Bayside Arts Strategy, 1998
- Assess applications for discretionary uses in residential areas against the ‘Discretionary Uses in Residential Areas’ Policy (Clause 22.07).

Application of zones and overlays

Activity Centres

- Apply the Commercial 1 Zone (C1Z) to the core of activity centres to encourage a concentration of complementary retail, commercial, community and residential uses.
- Apply the Activity Centre Zone (ACZ) to activity centre precincts where commercial uses, such as offices and consulting rooms, are encouraged.
- Apply the Design and Development Overlay to Small Neighbourhood Activity Centres and Small Commercial Activity Centres to ensure the sustainable development of these centres.

Bayside Business District

- Apply the Environmental Audit Overlay to all land in a residential zone or a Mixed Use Zone in Highett and Sandringham that was formerly in an Industrial 1 or Industrial 3 Zone.

Tourism

- Apply the Public Park and Recreation Zone to the coastal reserve.

Other actions

Activity Centres

- Adopt special rating schemes to promote Major Activity Centres.
Tourism
- Encourage the promotion of Bayside as a visitor destination by identifying and marketing the unique and popular aspects of the municipality.
- Continue to support the Bayside Business Network.

Further strategic work

Activity Centres
- Investigate the potential to apply the Activity Centre Zone on a limited basis to ensure future redevelopment provides sufficient space for commercial land use within the Major Activity Centres.
- Investigate the potential for specific sites in close proximity to Sandringham Hospital to provide for health care services.

Bayside Business District
- Ensure the Southland and Highett Structure Plans take into account the future planning and development of the Bayside Business District.
- Develop measures to protect the existing mix of lot sizes within the Bayside Business District to provide for substantial businesses with large floor space demands.
- Investigate the need for a Transport and Mobility Plan to enhance access.
- Prepare a Development Plan or Master Plan to assist in attracting advanced business services to the area.

Tourism
- Develop and implement a Bayside Tourism Strategy in partnership with key stakeholders.
- Prepare coastal master plans to provide details of park layout and facilities.

Reference Documents

Activity Centres
Hampton East (Moorabbin) Structure Plan (February 2016)
Sandringham Village – Final Structure Plan (November 2006)
Bay Street Centre – Final Structure Plan (November 2006)
Church Street Centre – Final Structure Plan (November 2006)
Hampton Street Centre – Final Structure Plan (November 2006)
Bayside Small Activity Centres Strategy (2014)
Highett Structure Plan, 2004
Martin Street Structure Plan (March 2016)
Bayside Retail, Commercial, and Employment Strategy (August 2016)

Bayside Business District
Bayside Retail, Commercial, and Employment Strategy (August 2016)
Tourism
City of Bayside – Draft Municipal Tourism Direction, July 1997
Tourism Strategy Discussion Paper (Bayside City Council February 1999)