



CITY OF BAYSWATER

**MORLEY ACTIVITY CENTRE STRUCTURE
PLAN**

ECONOMIC DEVELOPMENT STRATEGY

JANUARY 2015

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CONTENTS

1	EXECUTIVE SUMMARY	1
1.1	A Vision for Economic Development in Morley	1
1.2	Key Actions	1
1.3	Report Structure	2
2	INTRODUCTION	3
2.1	Purpose of the Morley Activity Centre Economic Development Strategy	3
2.2	How This Strategy Should Be Used	3
2.3	Morley Activity Centre Structure Plan	4
2.4	Review of Morley Activity Centre Structure Plan: Economic Analysis (Urbis)	4
3	VISION	7
3.1	Morley Activity Centre Vision	7
3.2	Principles to Support the Vision	8
4	MORLEY ACTIVITY CENTRE CURRENT CONTEXT	10
4.1	Understanding Capacity and Drivers	10
4.2	Capacity for Growth	10
4.3	Morley Activity Centre Capacity for Growth	11
4.4	Potential Future Drivers of Growth	14
5	SWOT ANALYSIS	16
5.1	Strengths	16
5.2	Weaknesses	16
5.3	Opportunities	18
5.4	Threats	20
6	A STAGED RESPONSE	21
6.1	Growth Stages	21
6.2	Future Activity	23

7	ACTIONS	26
7.1	Amenity	26
7.2	Accessibility	29
7.3	Activity	32
7.4	De-risking	36
8	IMPLEMENTATION	38
8.1	Economic Development Strategy Logic Flow	38
8.2	What Actions Can Implement a Vision?	38
9	GLOSSARY	41

1 EXECUTIVE SUMMARY

1.1 A VISION FOR ECONOMIC DEVELOPMENT IN MORLEY

Morley Activity Centre is located around 8km from the Perth CBD and is classified as a Strategic Metropolitan Activity Centre under Directions 2031.

The Morley Activity Centre Economic Development Strategy has been commissioned by the City of Bayswater as part of the Morley Activity Centre Structure Plan. The vision for the centre is:

'The Morley Activity Centre will be a vibrant place to visit, a dynamic marketplace to do business, and home to a diverse and connected community.'

Transformative change is necessary to fulfill the future vision for Morley Activity Centre. The capacity of the centre to change and the drivers of change need to be well understood, with focussed actions developed to shift the centre from the current path of development to the desired future.

In order for the centre to offer a competitive value proposition in the wider activity centre network, significant points of difference need to be developed. The City of Bayswater will actively engage with stakeholders and the community to promote activity within the Centre, with barriers to land development and redevelopment addressed.

Ultimately Morley Activity Centre needs to develop a single value proposition that is the best example of its type in Perth.

1.2 KEY ACTIONS

In order to achieve the vision set for Morley Activity Centre, a series of economic development interventions be actioned over the short, medium and long-term. Based on the information currently available, and the scope of work for this Strategy, the actions detailed below are considered the highest priorities for Morley at the present time. Actions have been suggested across four principles of economic development:

- Amenity - Creating an attractive physical environment within which economic activity can take place
- Accessibility - Facilitating the movement of residents, workers and visitors to and within the centre
- Activity - Taking advantage of existing activity and diversifying into new activity
- De-risking - Responsibly addressing the barriers to investment that may impact upon the achievement of the Morley vision

Figure 1. Key actions

Area of Focus	Actions	Action Type	Timeframe
Amenity	Town square	Works program	0-5 years
	Streetscape upgrades	Make plans	0-5 years
	City Park	Make plans	0-5 years
	Underground power	Investigate feasibility	0-5 years
Accessibility	Dedicated bus lanes	Investigate feasibility	0-5 years
	Morley broadband network	Investigate feasibility	5-10 years
	Wayfinding signage	Make plans	0-5 years
	Negotiate with PTA for additional high-frequency services to key destinations (e.g. train stations) for higher resident and worker population	Future action	5-10 years
Activity	Soft activation (outdoor events, temporary land uses)	Make plans	0-5 years
	Retail floorspace expansion	Works program	0-5 years
	Multi-purpose community precinct (health, recreation, library, childcare, kindergarten)	Investigate feasibility	5-10 years
	Develop activity in education sector	Investigate feasibility	5-10 years
	Develop activity in health sector	Investigate feasibility	5-10 years
	Attract strategic industries	Future actions	10 years+
De-risking	Monitor market for office floorspace to determine ideal timing to actively seek out developers and key tenants	Works program	Ongoing
	Partner with private sector for catalyst mixed use or residential development	Investigate feasibility	0-5 years
	Investigate changing development controls from restricting land uses to restricting business models	Investigate feasibility	Ongoing

Source: Pracsys 2014

1.3 REPORT STRUCTURE

This report is structured in the following way:

- Part 1 - Executive Summary
- Part 2 - Introduction
- Part 3 - Vision
- Part 4 - Morley Activity Centre Current Context
- Part 5 - SWOT Analysis
- Part 6 - A Staged Response
- Part 7 - Actions
- Part 8 - Implementation

2 INTRODUCTION

The following section describes what an economic development strategy is, the purpose of this economic development strategy and how it is intended to be used.

2.1 PURPOSE OF THE MORLEY ACTIVITY CENTRE ECONOMIC DEVELOPMENT STRATEGY

The Morley Activity Centre Economic Development Strategy (economic development strategy) has been commissioned by the City of Bayswater as part of the Morley Activity Centre Structure Plan.

The purpose of this economic development strategy is to:

- Understand the current economic state of Morley Activity Centre;
- Determine the desired future economic state of Morley Activity Centre;
- Set goals for the desired economic future of Morley Activity Centre; and
- Outline actions to be taken to achieve the set goals and thus move from the current state to the desired future state.

2.2 HOW THIS STRATEGY SHOULD BE USED

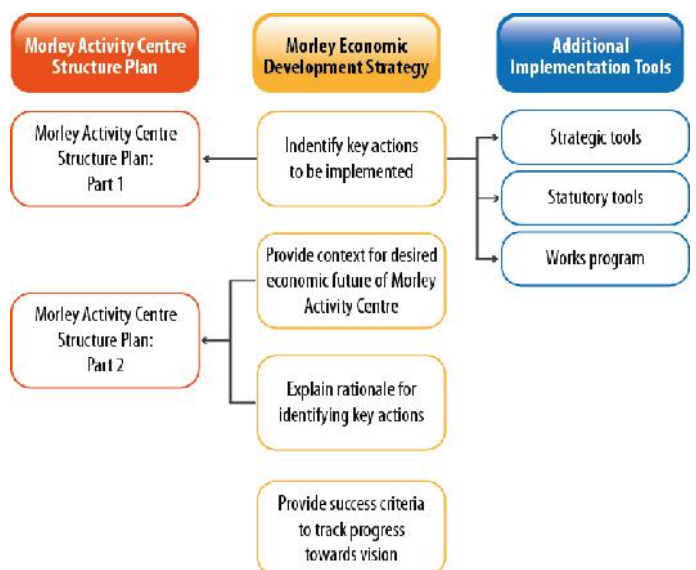
This economic development strategy is intended to be used in three ways:

- To inform the Morley Activity Centre Structure Plan Part 1: Statutory Section. Actions identified as necessary to implementing the economic development strategy should be included in the Statutory Section if the structure plan is considered the most appropriate and effective control.

- To inform the Morley Activity Centre Structure Plan Part 2: Explanatory Text. The rationale behind identifying actions to be included in Part 1 of the structure plan should be summarised in the explanatory text.
- To form a stand-alone document to guide the future economic development of Morley Activity Centre. The Morley Activity Centre Structure Plan is an important tool for implementing the future development of Morley Activity Centre, however in many cases other tools and courses of action available to the City of Bayswater may be identified as more effective in implementing the goals of the economic development strategy.

This is illustrated in Figure 2.

Figure 2. Using the economic development strategy



Source: Pracsys 2014

2.3 MORLEY ACTIVITY CENTRE STRUCTURE PLAN

Morley Activity Centre is located around 8km from the Perth CBD and is classified as a Strategic Metropolitan Activity Centre under Directions 2031. Strategic metropolitan centres are defined in SPP 4.2 as:

'...the main regional activity centres. They are multipurpose centres that provide a diversity of uses. These centres provide the full range of economic and community services necessary for the communities in their catchments.'

Figure 3 shows the context of Morley Activity Centre in the wider Perth Metropolitan Region activity centres network and the main focus of each centre.

While the activity centres shown are at varying levels of the hierarchy, the majority of high level activity centres, including Morley Activity Centre, currently have a strong retail function more in line with lower level activity centres. Galleria Shopping Centre forms the retail core of Morley Activity Centre, with additional retail in showrooms and light industrial land uses surrounding the shopping centre.

In the activity centres hierarchy, this type of centre is second only to Perth Capital City in terms of catchment population size, residential density targets, and diversity and intensity of commercial activity. Morley is therefore expected to function at a high level in terms of:

- Service population catchment;
- Accessibility and transport connectivity;
- Full range of retail and office floor-space; and
- Residential density.

In order for Morley Activity Centre to reach its potential as a strategic metropolitan centre the function will need to diversify beyond the current focus on retail and population-driven activity to include higher quality employment and strategic activity.

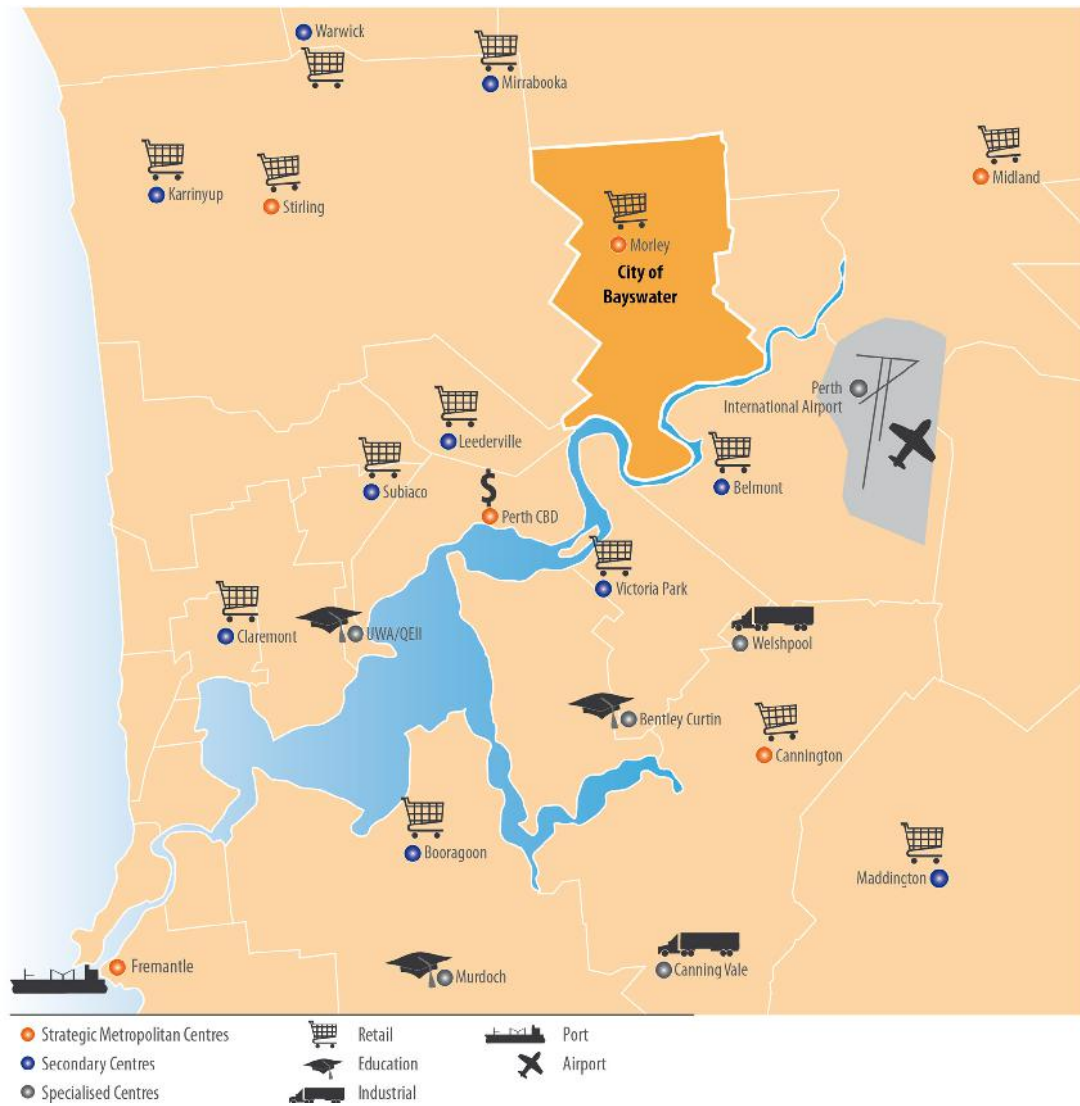
An activity centre structure plan is required under SPP 4.2 for Morley Activity Centre to guide the future development of the activity centre. The structure plan will outline the future vision to 2031, the spatial plan and types of activities desired. This economic development strategy will be used to inform the vision, goals and actions outlined in the structure plan and will be included as an appendix to the structure plan.

2.4 REVIEW OF MORLEY ACTIVITY CENTRE STRUCTURE PLAN: ECONOMIC ANALYSIS (URBIS)

Urbis were contracted by Federation Centres to provide an economic analysis to support an expansion of Galleria Shopping Centre. The retail floorspace component of the analysis was reviewed to test whether the proposed additional retail floorspace was expected to be supportable, and ground-truth the assumptions made in modelling the future retail floorspace.

A gravity model was used to test the viability of the projected future retail floorspace for Galleria Shopping Centre, using independent supply and demand assumptions. The results were used to update the City of Bayswater Commercial, Retail and Industrial Analysis, which documents full details of the methodology and assumptions used. Impacts on other activity centres within the

Figure 3. Morley Strategic Metropolitan Centre map



Source: Pracsys 2014

City of Bayswater were considered as part of the Pracsys modelling. No modelling was undertaken to test the impacts on activity centres further afield.

The results of the modelling undertaken by both Pracsys and Urbis indicate that greater than 200,000 m² of retail floorspace can be supported by 2031, if current assumptions for population to floorspace ratios hold true. The supply and demand assumptions used by Urbis were considered to be reasonable and defensible.

Pracsys modelling also indicates that the attractiveness of the Galleria Shopping Centre floorspace should be improved in the short term to capture a greater proportion of expenditure in the catchment. Without an improvement to the attractiveness of the shopping centre, aspirations for the future scale of the retail within Morley Activity Centre may not be supportable. Further developing the retail offer at Morley Activity Centre is considered an essential lever for continued economic growth and economic development of the centre. Increasing the attractiveness can be achieved through an expansion of floorspace or improvement to the value proposition (e.g. unique tenants, more amenable shopping environment, co-location with complementary activities, excellent accessibility). This is particularly important given a number of other shopping centres competing for expenditure in the same catchment are also set to expand in the near future (including Carousel, Midland Gate and Karrinyup).

3 VISION

3.1 MORLEY ACTIVITY CENTRE VISION

An activity centre structure plan is required under SPP 4.2 for Morley Activity Centre to guide the future development of the activity centre. The structure plan will outline the future vision to 2031, the spatial plan and types of activities desired. This economic development strategy will be used to inform the vision, goals and actions outlined in the structure plan and will be included as an appendix to the structure plan.

The high-level vision for Morley Activity Centre outlined in the structure plan is:

'The Morley Activity Centre will be a vibrant place to visit, a dynamic marketplace to do business, and home to a diverse and connected community.'

This is expanded into the following vision statement:

'The Morley Activity Centre will grow into a lively and bustling place for business and shopping serving the north east metropolitan region of Perth. Investment will grow steadily, stimulated by Morley's high-level strategic role in the metropolitan region. This will bring intensity and diversity of both employment and housing.'

A high frequency regional bus service will bring business owners and employees to work from surrounding suburbs as well as visitors and local residents. Morley will also be connected to the Perth CBD and other key places by a light rail system connecting the city for business. The activity centre will be home to over 10,000 people and 10,000 jobs.'

In the evenings, the streets will be busy with people dining alfresco, catching up with friends for a coffee or a movie, before walking home to their apartments nearby. People will be arriving by bus at the end of the day and doing last minute shopping or grabbing a quick dinner before heading home. It will be safe and pleasant to walk along the streets and window shop or stroll through the lush parks and greenspace network. Morley will become the City of Bayswater's social, economic and civic centre.'

In order for the aspirations for the high-level strategic role to be achieved, significant and targeted economic growth needs to occur. Morley Activity Centre needs to mature from the current form of a big-box retail based centre sleeved with bulky goods and light industrial land uses to a truly diverse, productive, active, liveable centre.

A vision is a high level description of a desired end state, or what success looks like. A vision answers the following questions:

- Where are we now?
- Where do we want to be?
- Why do we want to get there?

A vision infers disruptive change is required to move from the current path of development to the desired future. In order to move from the current path of development intervention is required. This brings a fourth question, 'how will we get there?'. To direct and manage appropriate interventions to fulfill a vision, a strategy can be developed with specific goals, principles and success criteria. These should all be measurable and quantifiable so progress towards the desired end state can be measured, and adjustments made if progress towards the desired end state is slower than desired.

3.2 PRINCIPLES TO SUPPORT THE VISION

To support the vision for Morley Activity Centre, a series of principles to target specific areas of intervention have been set. These principles are designed to create the ideal environment to attract the types of activities and investment into the centre that will fulfill the vision.

3.2.1 Amenity

Urban amenity is used to describe features of the physical urban environment that provide comfort, convenience or a pleasant experience, or that do not negatively impact on these. Urban amenity can have a significant impact on economic development of an activity centre as it will affect trip generation and length of stay for people using the centre, and the decision of firms to locate within the centre. It can be considered a pre-condition required to facilitate economic transactions. Poor amenity is likely to increase leakage from the catchment for retail and entertainment transactions as people may choose to travel further to access comparable goods and services. It can also limit the economic activation of tenancies as people making a trip for one purpose who are having an unpleasant or neutral experience tend to leave an area quickly rather than staying and undertaking additional transactions.

For an urban activity centre good amenity includes:

- Physical comfort and protection from the elements (e.g. sun, heat, rain, wind, emissions)
- Mitigates the potential health impacts of living in an intense urban environment (e.g. air pollution, crowding)

- Incorporates elements of a restorative natural environment (e.g. trees, vegetation, water bodies)
- Positive balance of attractive features to unattractive features (e.g. landscaping, articulated building facades, public art, lack of graffiti and rubbish)
- Feeling of safety from both traffic and people

3.2.2 Accessibility

Accessibility refers to how people get to and from the centre, and move from place to place within the centre. Accessibility is one of the most important tenets of economic development potential for a high level activity centre. Fast, cheap and convenient access through a variety of means to the supply chain of firms and to their customers is one of the fundamental location decisions of firms. Access can be physical or virtual. The cost of accessing a centre can be a significant cost to a firm. An activity centre that can be accessed through a variety of means is likely to have greater resilience against price shocks for transport means, as access type can be changed when one means becomes too expensive. Examples of how access affects a firm's performance in an activity centre include ability of workers to get to work at the centre, ability of customers to get to goods or services, and ability of products to be delivered from suppliers to firms.

For a strategic metropolitan centre a high level of access is required. This includes:

- High frequency public transport to other major centres, employment nodes and residential areas (usually a heavy rail station)

- Limited access and parking via car
- Access for loading vehicles
- Safe on or off-road cyclepaths connecting to key end of trip facilities
- Continuous and safe footpath network throughout the centre

3.2.3 Activity

The types, quality, concentration, diversity and intensity of different user behaviours within a defined area create a place experience. The user groups include residents, workers, visitors and enterprises. These behaviours can be understood by examining the transactions that occur between users, or between users and their environment. Transactions can be broadly classified into three general typologies. These are:

- Economic - activities that primarily result in a transfer of goods and services in return for payment (e.g. retail trade, enterprises employing staff)
- Social – activities that are primarily focused on the informal exchange of information and company (e.g. catching up with friends, parents playing with their children)
- Environment – activities that are primarily focused on users engaging with their physical environment (e.g. users enjoying public art, reading a book in the park)

In reality every transaction has an element of each of these typologies, although one is usually dominant. In the context of an analysis of commercial, retail and industrial activity the types of transactions being undertaken, the drivers of these, and the interactions

of different types of transaction should be understood to develop a strategic direction for future activity.

A strategic metropolitan centre is expected to support high levels of intense, diverse activity, characterised by a full range of population-driven goods and services as well as strategic (export-oriented) goods and services. Activity should be inclusive for all ages and population segments.

3.2.4 De-risking

Reducing the risk that new investors will take in locating in the centre is important for the economic success of Morley Activity Centre. This is particularly so, given the magnitude of the changes that need to occur in order for the centre to mature from its current form a mature, strategic metropolitan centre. First movers to the centre will likely face a high degree of risk due to an unproven and unaware market. To attract them in the first place, and to give them a greater chance of being successful, the risk of business failure needs to be responsibly reduced.

A series of actions designed to assist in reducing risk in the short-term have been devised. Additional actions to reduce risk in the future as the centre continues to evolve will need to respond to the state of the centre at that time.

4 MORLEY ACTIVITY CENTRE CURRENT CONTEXT

The following section provides a capacity-driver analysis to assess the future potential of Morley Activity Centre. The analysis assesses:

- The current form of the centre
- The desired future performance of the centre
- Identifies goals for the future economic growth of the centre
- Identifies current gaps in the capacity for growth and the drivers for growth

4.1 UNDERSTANDING CAPACITY AND DRIVERS

Central to the understanding of a regional economy's current and future economic performance are the interrelated concepts of 'capacity' and 'drivers' of economic development. Drivers refer to the trends and behaviours that determine demand for goods and services. Capacity, on the other hand, describes the ability of an area to take advantage of these drivers for the benefit of the local economy. The capacity of and drivers for disruptive change away from the current

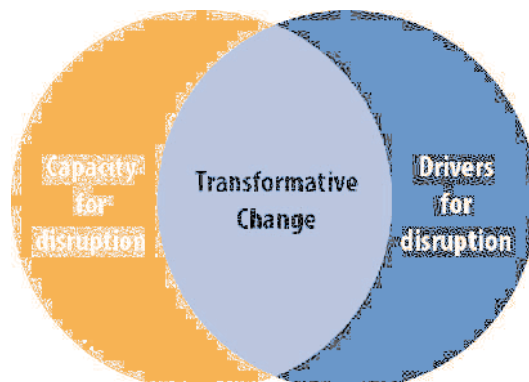
path of development in an activity centre need to be considered in order to understand its future potential for a competitive advantage and deliver the goals set out in the vision (see Figure 4). Having the capacity for change or the drivers for change in isolation are not sufficient to effect economic development.

4.2 CAPACITY FOR GROWTH

Capacity for economic growth is the ability of an area to take advantage of economic drivers for the benefit of the local economy. Economic capacity is the sum of environmental, human, produced and social pools of capital (see Figure 5). In order to take advantage of capacity for growth the systems governing the components of capacity need to be elastic enough to accommodate change where drivers push.




The nature of each capital pool is that it is depleted over time without ongoing investment and active development. A key element of any economic development strategy should be the understanding of the region's existing capital base, accompanied by identification of where capacity development is required to achieve the vision of the strategy.

Figure 4. Effecting transformative change



Source: Pracsys 2013

Figure 5. Types of Capital

Capital Type	Definition	Examples
 Natural Capital	The renewable and non-renewable resources which enter the production process and satisfy consumption needs, as well as environmental assets that have amenity and productive use, and are essential for the life support system.	<ul style="list-style-type: none"> • Natural resources • Iconic landmarks • Climate
 Produced Capital	The 'man-made' means of production including physical machinery, equipment and infrastructure, and virtual networks including financial assets.	<ul style="list-style-type: none"> • Ports • Rail • Roads • Housing • Businesses • Venture capital systems
 Human Capital	The knowledge, skills, competencies and attributes embodied in individuals that facilitate the creation of personal wellbeing. Shared norms, values and understandings that facilitate cooperation within or among regional stakeholders.	<ul style="list-style-type: none"> • Labour force • Skilled workforce • Specific demographic attributes • Formal and informal relationships • Social safety nets and support structures • Social infrastructure

Source: Pracsys 2014

4.3 MORLEY ACTIVITY CENTRE CAPACITY FOR GROWTH

The capacity for growth in Morley Activity Centre in terms of natural, produced and human capital is detailed in the following section.

4.3.1 Growth from Natural Capital

Four dimensions of natural capital were assessed for Morley Activity Centre (see Figure 6):

- Land
- Climate
- Green spaces
- Natural features

Figure 6. Natural Capital

Capital Category	Current Elements	Current Examples	Proposed in Structure Plan
Land	Undeveloped land supply Land suitable for redevelopment	Minimal undeveloped land Significant tracts of land currently used for light industrial/showrooms	Light industrial land uses will become non-conforming uses under structure plan
Climate	Regional climate and local microclimate	Urban heat island effect expected to be high within Morley Activity Centre	Potential for mitigation of the urban heat island through structure plan measures encouraged but untested
Green space	Parks Tree canopy cover Soft landscaping Remnant bushland	Nora Hughes Park Pat O'Hara Reserve	Russell St landscaped boulevard New City Park Pat O'Hara Reserve incorporated into activity centre
Natural features	Views Water bodies Natural landmarks	No natural views, water bodies or natural landmarks	New City Park to turn drainage sump into living stream

Source: Pracsys 2014

4.3.2 Growth from Produced Capital

Six dimensions of produced capital were assessed for Morley Activity Centre (see Figure 7):

- Transport network
- Enterprises
- Built form
- Urban amenities
- Education
- Recreation

Figure 7. Produced Capital

Capital Category	Current Elements	Current Examples	Proposed in Structure Plan
Transport network	Car network/parking Cycle network/end of trip facilities Footpath network Bus network Information networks	At-grade car parking Morley Bus Station Road network	Deck car parking Pedestrian connections to bus station and Coventry Markets Russell Street dedicated bus lanes
Enterprises	Retail Offices Medical Manufacturing Dining/entertainment Accommodation	Galleria Shopping Centre Coventry Markets City of Bayswater administration Large format retail Light industrial	Commitment to expansion of Galleria Shopping Centre Opportunities for restaurants and small retailers
Built form	Housing Buildings	Galleria Shopping Centre Coventry Markets Showrooms Small warehouses Low density housing Large front setbacks/road reserves	Commitment to expansion of Galleria Shopping Centre Potential for higher density housing
Urban amenities	Street furniture Public art Civic developments	Bench seats Walrus/sea lion sculptures	Civic square (Progress St/Bishop St) Activated street frontages
Education	Schools Training centres	John Forrest Secondary College Morley Primary School	
Recreation infrastructure	Recreation centres Sporting venues	Pat O'Hara recreation facility Small sport/recreation studios Indoor play centre Rollerdrome	Les Hansman Community Centre City park

Source: Pracsys 2014

4.3.3 Growth from Human Capital

Two dimensions of human capital were assessed for Morley Activity Centre (see Figure 8):

- Labourforce and skilled workforce
- Organisations and major investors

Figure 8. Human Capital

Capital Category	Current Elements	Current Examples	Proposed in Structure Plan
Labourforce and skilled workforce	Residential population Workforce	Retail workforce Commuter traffic	Increased retail workforce
Organisations and major investors	Government, business and social organisations	City of Bayswater Community organisations Federation Centres Small Business Development Corporation Small Business Centre Department of Industry Central Eastern Business Association Centrelink	Commitment to major capital works by Federation Centres

Source: Pracsys 2014




4.4 POTENTIAL FUTURE DRIVERS OF GROWTH

Drivers of economic growth are the trends and behaviours that trigger change in the value of goods and services produced (see Figure 9). Drivers of change can be considered as either 'push' or 'pull' drivers. A 'push' driver induces an increase in the value of demand for goods and services, such as an increase in population or an increase in a particular type of good being consumed. A 'pull' driver induces an increase in the value of the supply of goods and services, such as an improvement in the competitiveness of a shopping centre or a greater willingness to facilitate consumption of a particular type of good.

In an ever-changing world, predicting future drivers for economic development can be challenging. Any attempt needs to consider the impact of four different distinct driver categories. These are:

- Critical uncertainties – the 'known unknowns' that clearly will impact upon the Perth and Peel region (e.g. the future spot price for iron ore)
- Trends – past experiences which can be extrapolated forward with a higher degree of certainty (e.g. births, deaths and migration)
- Wild cards – major disruptions to established systems that result in dramatic change (e.g. the impact of the internet on retail, healthcare and education)

Figure 9. Drivers of Change

Drivers of Change	Definition	Examples
	Demand for goods, services and floorspace and land	Changes in demand (e.g. business and consumer expenditure/behavior, population and business numbers)
	Supply of goods, services and floorspace and land	Change in competitive environment (e.g. competition from other activity centres, online retail, overseas business)
	Willingness of stakeholders to invest in change	<ul style="list-style-type: none"> • Land owners • Business owners • Local, State and Federal government • Local community

Source: Pracsys 2014

- Predetermined elements – factors that can be anticipated with a reasonable degree of certainty (e.g. promised infrastructure to be delivered within the same electoral period)

Economic development systems should be able to respond to predictable trends and predetermined elements, whilst providing for a structured process to deal with the opportunities and implications of critical uncertainties and wild cards.

Figure 10 sets out a range of elements related to capacity for change and drivers of change in activity centres. When setting an activity centre vision, identifying the difference between capacity and drivers provides an understanding of what changes are possible in the centre and the burden of investment required to make these changes a reality. This is particularly important where a vision for a centre is set where either the capacity or drivers are constrained.

Figure 10. Drivers of Change

Element of Change	Current Elements	Current Examples	Proposed in Structure Plan
Demand for goods, services and floorspace and land	Catchment population for retail Market for residential land	Galleria retail catchment Catchment for large format retail and bulky goods	Galleria expansion of retail floorspace increasing size of population catchment, and therefore demand High density residential area within structure plan to accommodate over 10,000 residents
Supply of goods, services and floorspace and land	Retail floorspace Office floorspace Entertainment floorspace Recreation floorspace Health-related floorspace	Galleria retail floorspace Coventry markets Cinemas Restaurants, cafes and bars Light industrial land uses	Galleria expansion of retail floorspace increasing supply Progress Street precinct to provide more floorspace for retail, services, cafes and restaurants Reduced supply of light industrial land uses will increase supply of land for other uses, such as to accommodate total of 10,000 jobs
Willingness of stakeholders to invest in change	Land owners Tenants Local government State government agencies	Galleria (owned by Federation Centres) Coventry Markets (owned by Strzelecki Group) Bunnings City of Bayswater Public Transport Authority Main Roads WA	City of Bayswater committed to urban form improvements (City Park, Russell St), a redevelopment project (Les Hansman Centre) and derestricting planning impediments Federation Centres committed to Galleria redevelopment

Source: Pracsys 2014

5 SWOT ANALYSIS

From the capacity-driver analysis, the following (SWOT) analysis for Morley Activity Centre has been produced. The capacity-driver analysis shows the current state of the centre. The SWOT analysis assesses the gap between the current state and the desired future state.

Due to the current immature nature of the centre, and the location of the centre within the wider activity centres network, there are few currently existing strengths and opportunities to take advantage of to develop a competitive advantage for strategic employment. Interventions to mature Morley Activity Centre need to focus on developing the right environment for firms and residents to locate there.

5.1 STRENGTHS

In the context of the vision for Morley Activity Centre, the strengths on which to develop diverse industries and intense employment and residential areas are limited. This is a function of the current immaturity of the centre. The current strengths, listed below, are those that would be expected from a large retail-driven centre characterised by car access.

The current strengths are:

- Current scale of activity within the centre
- Existing large-scale retail agglomeration in Galleria and Coventry Markets
- Existing residential catchment to drive population-driven activity
- Passing trade on major transport routes (including Morley Bus Station)
- An agglomeration in bakery product manufacturing

- Land costs are comparatively low compared to other strategic metropolitan centres (see Figure 11)

Figure 11. Average property prices

Activity Centre	Residential Land \$/m ²	Commercial Building \$/m ²
Morley	\$937	\$2,338
Stirling	\$1,168	\$3,333
Midland	\$827	N/A

Source: REIWA 2014

5.2 WEAKNESSES

Morley Activity Centre has a significant number of weaknesses in its current form. Economic development of the centre relies on mitigating as many of these weaknesses as possible, although it is unrealistic that all the weaknesses can be dealt with. Unmitigated, weaknesses will form barriers to the ability of Morley Activity Centre to compete with surrounding activity centres. Removing these barriers is the first stage to fulfilling the vision for Morley Activity Centre. Developing and capitalising on its strengths is the second stage, during which true economic development can occur.

The current weaknesses are:

- Poor urban form throughout the centre is a significant barrier to residential development and attracting activity

- No existing comparative advantage or industry agglomeration identified¹(see Figure 12)
- Low employment in health, welfare and community services and in office/business
- No railway station proximate to Morley to enable accessibility
- No current drivers for suburban office floorspace aside from catchment population (see Figure 13)
- No identified prospects of attracting a large-scale employer of knowledge-intensive consumer services or export oriented activity in the short to medium term (e.g. hospital, university, mining sector offices)
- Markets for many of the land uses proposed in the vision are untested, therefore risk for first movers is very high (e.g. high density residential, restaurants, small bars)
- City of Bayswater has little control over land within the centre
- Fragmented land ownership and strata titling limit redevelopment
- Lack of underground power limits potential for tree canopy cover and other streetscape improvements
- Lack of natural features means Morley will be competing with more attractive areas nearby for higher density residential developments
- Poor pedestrian environment
- No off-road cycling network or connections to railway PSP or other major destinations
- No connection to NBN limits attractiveness to potential residents and businesses to locate in activity centre
- No business support association specifically for Morley Activity Centre
- Minimal redevelopment of light industrial land within the centre for other uses

1 Economic Concentration Factors (ECF): represents the concentration of a particular industry within a region compared with that industry's strength within the state. By employing more workers than the national average, the industry is producing more goods and services than the region can consume and can therefore export the excess product out of the region. Measurement of economic concentration factors is useful in urban economic analysis as it provides a strong indication of the agglomeration of an industry or group of industries.

Figure 12. City of Bayswater top ten industries by ECF (2011)

Industry	ECF 2006	ECF 2011	Change	Employment (no. jobs)
Non-Financial Intangible Assets (except Copyrights) Leasing	-	14.85	14.85	7
Road Transport, nfd	-	9.90	9.90	4
Motor Vehicle and Motor Vehicle Parts Retailing, nfd	4.00	9.50	5.51	4
Primary Metal and Metal Product Manufacturing, nfd	5.66	9.38	3.72	12
Reproduction of Recorded Media	-	7.81	7.81	5
Polymer Product and Rubber Product Manufacturing, nfd	4.38	5.48	1.10	6
Bakery Product Manufacturing	5.03	5.21	0.18	347
Professional and Scientific Equipment Manufacturing	6.59	4.80	-1.79	112
Sound Recording and Music Publishing	4.64	4.45	-0.18	9
Rental and Hiring Services (except Real Estate), nfd	0.84	4.35	3.50	9

Source: ABS 2006 and 2011 Census of Population and Housing

Figure 13. City of Bayswater population-driven office floorspace demand

Year	Estimated Floorspace Demand (m ²)
2011	69,046
2016	71,308
2021	74,535
2026	80,517
2031	86,515

Source: Pracsys 2014

5.3 OPPORTUNITIES

A number of opportunities have been identified for Morley Activity Centre to develop from a retail-based centre into a true strategic metropolitan centre. Interventions have been designed to take advantage of the identified opportunities and move the centre towards fulfilling the vision.

The current opportunities are:

- Build on the existing retail agglomeration with additional population-driven activities (see Figures 14 and 15)
- Engage with land owners to push for redevelopment of light industrial land uses
- Proposed heavy rail connection or potential light rail connection will significantly improve accessibility to the centre, and provide the basis for the development of future value propositions relevant to Morley Activity Centre
- Improve urban amenity through redevelopment of sites owned by City of Bayswater and other major stakeholders (e.g. Galleria, Coventry Markets)

- Improve urban form to capture more expenditure from existing passing trade (e.g. bus station patrons, recreation centre patrons)
- Improve connections to Perth Airport in the medium to long term
- Support the value proposition of the expanded retail at the centre to assist it compete with offers at nearby centres
- Ensure controls for land uses or business models allowed within the centre are as derestricted and flexible as practicable
- Focus on expansion of office floorspace to meet the market for Morley Activity Centre (i.e. to meet higher order population-driven needs)
- Be aware of the value proposition from other similar centres nearby and be aware of the limitations of Morley Activity Centre’s comparative value proposition
- Target the residential market for the aging population in the greater Morley catchment (see Figure 16). The City of Bayswater is already engaged directly in residential aged care elsewhere in the City
- Provide cycling infrastructure to facilitate access to the centre by commuter and recreational cyclists, as recommended in the City of Bayswater Local Bike Plan and Morley City Centre Transport Assessment

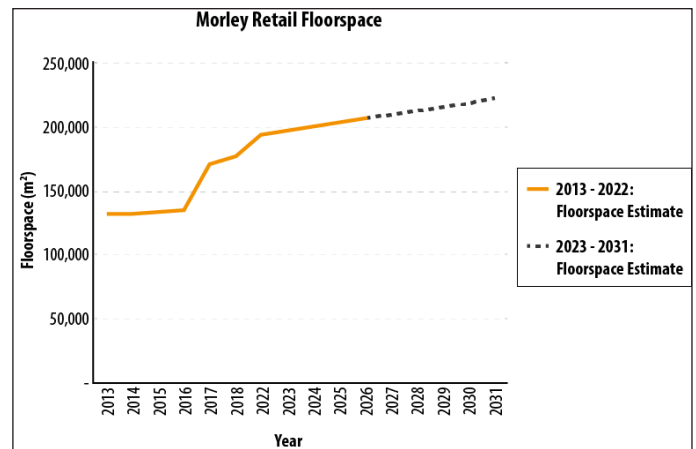
Figure 14. Morley retail market potential*

2013 Estimated Total Retail Floorspace (m ²)	2022 Estimated Total Retail Floorspace (m ²)	2022 Maximum Supportable Retail Floorspace (m ²)
131,620	168,000	193,770

Source: Pracsys 2014

*Note: These figures have been produced using a gravity model and demand and supply data inputs.

Figure 15. Morley retail floorspace estimate (2031)**



Year	2013	2017	2022	2026	2031
Maximum Supportable Retail Floorspace (m ²)	131,620	170,730	193,770	206,330	221,699

Source: Pracsys 2014

**Note: Retail floorspace estimates from 2013 to 2022 have been produced using a gravity model, and demand and supply inputs. Retail floorspace estimates from 2023 to 2031 have been produced using the current ratio of population to retail floorspace to estimate future supportable retail floorspace. No new supply data has been used. This model assumes that the population to retail floorspace ratio will remain the same in the future, which is considered very unlikely due to the expectation that retail distribution business models will continue to change significantly. However, it is considered unlikely given current trends that the amount of retail floorspace required in the future will be greater than this estimate.

Figure 16. Estimated number of aged care places required for future Morley Activity Centre residents

Type of Care	2011	2016	2021	2026	2031
High Care	165	193	228	263	305
Low Care	165	193	228	263	305
Community Care	147	171	202	233	271

Source: Department of Social Services 2014

5.4 THREATS

Unlike weaknesses, threats to economic development of Morley Activity Centre are generally related to development, trends and characteristics outside the activity centre. Given Morley Activity Centre's current function within the wider Perth Metropolitan Region activity centre network, a number of threats to fulfilling the vision for Morley Activity Centre have been identified. These are:

- Retail expansions at other activity centres have potential to capture expenditure from the Morley Activity Centre catchment if they have a more favourable value proposition (e.g. Cannington, Midland)
- Competition from other activity centres for population-driven and strategic activity (including Perth Airport, Cannington and Midland)
- Some competing activity centres have a more permissible development control framework, which is more attractive to prospective developers/firms (i.e. Perth Airport)
- There is a significant amount of office floorspace currently being built in the Perth CBD. At the same time, demand for office floorspace across Perth is declining due current economic conditions. Demand for suburban office floorspace, which is already low, is expected to further decline as a result

6 A STAGED RESPONSE

6.1 GROWTH STAGES

Maturation to a genuinely diverse centre with 10,000 residents and 10,000 jobs is a long-term prospect likely to continue beyond the life of the structure plan. Given the capacity for change, drivers for change and the key challenges Morley Activity Centre is expected to face in fulfilling the activity centre vision and mature, three growth stages for interventions to focus on have been identified:

- Increase population-driven activity
- Develop urbanisation economy
- Develop localisation economy

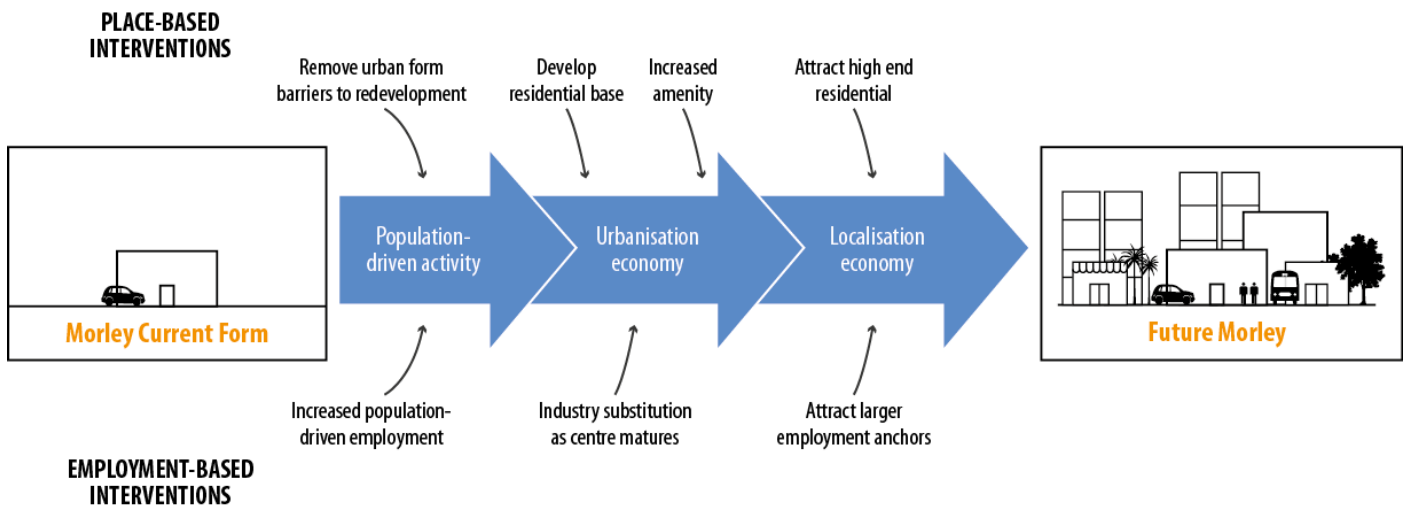
The potential growth stages are illustrated in Figure 17. Stages have been categorised as being driven by place-based interventions or employment-based interventions. The reality is the two types of interventions interact to push the Morley Activity Centre onto each next growth stage. Improving the quality of place is important to attracting strategic employment, and higher quality employment is important to a diverse, intense activity centre.

6.1.1 Growth Stage 1: Increase Population-Driven Activity

Time-frame: short to medium-term (0 – 5 years)

Population-driven activity includes retail, entertainment, restaurants and cafes, recreation venues, personal services, health services, schools and so on. In the short term it is expected floorspace and employment in these sectors will increase. Initially the employment resulting from this type of activity is expected to be primarily low-knowledge with a view to building on the activity base to high-knowledge population-driven activities in the future.

Figure 17. Morley Activity Centre Growth Stages



Source: Pracsys 2014

Increasing the population-driven activity² of the centre is a short to medium-term growth stage designed to:

- Build on the existing competitive advantage of Galleria Shopping Centre
- Expand the existing residential catchment
- Reduce leakage from the existing residential catchment
- Leverage the current trip generation to the centre for retail to generate trips for additional purposes, such as entertainment or to access consumer services

Interventions to increase the amount of population-driven activity will need to make Morley Activity Centre a more attractive place for businesses to locate and for residential development.

6.1.2 Growth Stage 2: Develop existing Urbanisation Economy

Timeframe: medium term (5-10 years)

Further development of Morley Activity Centre's urbanisation economy³ will diversify the economy beyond reliance on retail. This is a medium-term growth stage that will leverage the advantages of the existing large-scale retail floorspace within the centre, primarily

² Population-driven industries or jobs are directly related to servicing the needs of a specific catchment population. As such its location will be largely determined by the location of population growth, as well as activity centre hierarchy and maturity. Consumer services, producers services and knowledge intensive consumers are collectively referred to as population-driven.

³ Urbanisation agglomerations of activity result from the general benefits that a firm will gain from locating in a particular urban environment. This includes access to general labour pools, access to financial and commercial services, and proximity to transport and communications networks. Urbanisation economies can develop as a result of population growth and the sheer scale of an activity centre. An example is the development of agglomerations of retail activity that naturally develop as a response to the consumption demands of a population.

contained within Galleria, Coventry Markets and in large format retail/bulky goods retail. The following objectives are suggested to further develop the urbanisation economy:

- Increase the size of the residential catchment within the activity centre through providing higher density residential development
- Provide additional retail, entertainment and knowledge-intensive consumer services to provide for the wants and needs of the future activity centre residents and increase trip generation from outside the activity centre
- Improve virtual and physical accessibility to and within the centre to remove this as a barrier for firms located in the centre

6.1.3 Growth Stage 3: Develop Localisation Economy

Timeframe: long term (10 years+)

Development of a localisation economy⁴ at Morley Activity Centre will be characterised by an agglomeration of similar strategic activities. In order to best position the activity centre to develop a localisation economy, a combination of strategies to remove barriers to firms locating there and increase attractiveness of the centre to firms locating there should be employed. Strategic activity is typically comprised of firms that can locate anywhere, given close enough proximity to their supply chain.

⁴ Localisation economies are the result of a number of firms and enterprises (including research institutions, not-for-profits and government departments) in complementary industries and supply chains locating in the same area. Localisation economies are the result one or more of three factors. These are:

- Availability of specific skilled and specialised labour;
- Availability of specialised/essential inputs at a more competitive value due to economies of scale; and
- Increased efficiency in knowledge transfer/technology spillovers/collaborations and partnerships due to proximity of partners.

Attracting sufficient strategic activity to form a localisation economy is a long-term growth stage, given the current immaturity of the centre and lack of existing strategic activity around which a localisation economy could be built, such as a university or export industry major office. Objectives and interventions that are part of this economic development strategy are intended to build an environment favourable to strategic activity, rather than pre-empt the types of industries that may locate in the centre in the future. Monitoring of comparative advantages that may develop in the future is recommended to ensure that these advantages can be supported by the City of Bayswater.

6.2 FUTURE ACTIVITY

6.2.1 SPP 4.2 Diversity Target

State Planning Strategy 4.2: Activity Centres for Perth and Peel (SPP 4.2) requires that activity centre structure plans demonstrate the subject area has the capacity to meet the appropriate floorspace diversity target for the centre type and scale, and contribute meaningfully to the applicable sub-regional employment self-sufficiency target.

Strategic metropolitan centres with a total net lettable area (NLA) of floorspace greater than 50,000 m² are required to demonstrate capacity to meet a target of 50% shop-retail floorspace to other land uses. The current and potential future breakdown of floorspace and employment by planning land use category (PLUC) is shown in Figure 18.

Figure 18. Morley Activity Centre employment and floorspace

Planning Land Use Category (PLUC)	Current Floorspace (2008)	Current Employment (2008)	Future Floorspace (2031)	Future Employment (2031)
Primary/Rural	0	0	0	0
Manufacturing/Processing/ Fabrication	9,258	585	6,950	425
Storage/Distribution	16,215	138	12,150	105
Service Industry	31,521	344	23,650	260
Shop/Retail	94,795	3,085	201,400	6,555
Other Retail	20,433	390	15,300	290
Office/Business	22,187	854	44,400	1,710
Health/Welfare/Community Services	6,028	161	18,100	485
Entertainment/Recreation/Culture	13,327	203	16,000	245
Residential (non-private)	102	0	102	0
Utilities/Communications	3,233	29	3,250	30
Total*	217,099	5,769	341,200	10,105
Diversity Ratio	44% Shop/Retail 56% mix of uses	N/A	59% Shop/Retail 41% mix of uses	N/A

Source: Land Use and Employment Survey 2008, Pracsys 2014

*Note: Excludes Vacant Floor Area (VFA)

The 2031 future floorspace and employment scenario has been developed using a top-down approach, assuming the target of 10,000 jobs in Morley Activity Centre is achieved, and retail floorspace at and around the Galleria is expanded to meet projected demand. Assumptions for this scenario, based on the aspirations for the activity centre, are set out in Figure 19.

The 2031 scenario follows the pattern of economic development set out in the growth stages of this strategy. By 2031 it is expected that Stages 1 and 2 will be complete and the activity centre will be beginning Stage 3. A significant increase in population-driven activity and growth in knowledge-intensive consumer services is expected to have occurred by this stage.

Given that increasing the scale of the retail offer is the only competitive advantage that can currently be leveraged, it is expected that a significant increase in the amount of retail floorspace and employment will occur in the short to medium term. This has implications for the diversity ratio, which is expected to change from the current 44% shop/retail to 56% mix of uses to 59% shop/retail to 41% mix of uses by 2031. The expected loss of floorspace from some other categories, such as Other Retail (showrooms, etc.) and Manufacturing/Processing/Fabrication, is also expected as land is redeveloped for residential uses. The loss of floorspace in these categories will reduce the diversity of the activity centre in terms of the SPP 4.2 calculation, but in reality it is a critical step for the maturation of the centre into one that meets the aspirations of SPP 4.2.

Beyond 2031, the centre has potential to continue maturing to become a genuine strategic metropolitan centre if the right levers are used to stimulate economic development and attract strategic activity.

Figure 19. Assumptions for 2031 scenario

Assumption	Rationale
Jobs target of 10,000 reached	A key part of the vision for Morley Activity Centre is to reach a target of 10,000 employees.
Shop/retail floorspace at Galleria and surrounds expanded	Retail floorspace modelling and the current commitment of Federation Centres to expand the Galleria Shopping Centre are expected to result in sufficient demand for around 200,000 m ² retail floorspace by 2031.
Current ratios of floorspace to population remain constant	It is expected some ratios of floorspace to population will result in lower amounts of floorspace required in the future, as the population expands and the increased cost of land drives more efficient use of floorspace. However, as the scale of any change in ratios is currently unknown, keeping the current ratios constant is expected to show the highest amount of floorspace required.
Current ratios of floorspace to employment remain constant	It is expected that the increasing cost of land and changing technology will result in different ratios of floorspace to employment for some land uses in the future, as some types of floorspace become more intensive (e.g. retail) and others become less intensive (e.g. manufacturing). However, as the scale of any change in ratios is currently unknown, keeping the current ratios constant is considered more accurate.
Amount of floorspace used for Manufacturing/Processing/Fabrication, Storage/Distribution, Service Industry and Other Retail is reduced by 25%	The aspirations for the activity centre to accommodate more intensive land uses, and the limits placed on these types of land uses in many precincts, are expected to result in less floorspace being used for these PLUC in the future. A conservative reduction of 25% has been used.
Amount of floorspace used for Office/Business increases by 200%	Around 11,000 m ² additional population-driven office is expected to be required across the City of Bayswater by 2022. If the majority of this is developed within Morley Activity Centre, and aspirations for increasing the amount of strategic office activities are met, the amount of office/business floorspace could double in size.
Amount of floorspace used for Health/Welfare/Community Services increases by 300%	An increased resident population within Morley Activity Centre, in the wider catchment, and an aging population are expected to result in increased demand for floorspace in Health/Welfare/Community Services. Aspirations to improve the quality of employment within Morley Activity Centre by focusing on health and education business development in the medium term also have the potential to drive demand for increased floorspace in this category.
Amount of floorspace used for Entertainment/Recreation/Culture increases by 25%	To meet the aspirations for the vision of Morley Activity Centre, it is expected that additional floorspace in Entertainment/Recreation/Culture will be required for the resident and visitor populations. A conservative estimate of 25% additional floorspace has been used.
Amount of floorspace used for Residential (non-private) and Utilities/Communications remains constant	Aspirations for future Residential (non-private) floorspace are unknown. Amount of floorspace currently being used for Utilities/Communications was assumed to remain constant in the future, as it is expected that these will still be required to service the future population.

Source: Pracsys 2014

6.2.2 Directions 2031 Employment Self-Sufficiency Target

For the City of Bayswater to contribute meaningfully to meeting the employment self-sufficiency target for the Central Sub-Region, modelling determined the implied employment target for the City of Bayswater is an additional 1,802 jobs (see Figure 20). This target will be exceeded with the first expansion of floorspace at the Galleria alone. This implies that while Directions 2031 aspires to increase employment in the outer sub-regions rather than the central sub-region, there are still strong drivers for investment, goods and services, and employment growth, within the central sub-region. Given that the initial increase in employment will be driven by a need to service the local population’s demand for goods and services and reduce leakage outside the catchment, allowing this to occur is considered a higher priority in the short to medium term than trying to force employment growth to the outer sub-regions where drivers are currently lacking.

Figure 20. City of Bayswater Directions 2031 implied employment targets

Activity Centre	Estimated Employment 2011 (Jobs)	Target Employment 2026 (Jobs)	Gap (Jobs)
Morley	4,672	5,415	743
Bayswater/ Bassendean (Ashfield) Industrial Area	7,542	8,100	558
Maylands	2,118	2,504	386
Noranda	798	913	115
Total	15,130	16,932	1,802

Source: ABS Journey to Work 2011; Pracsys 2013

7 ACTIONS

In order to achieve the vision set for Morley Activity Centre, a series of economic development interventions need to be actioned. Based on the information currently available and the scope of work for this economic development strategy, the actions detailed below are considered the highest priorities for Morley Activity Centre at the present time. Actions have been suggested for the four principles of economic development:

- Amenity
- Accessibility
- Activity
- De-risking

Each of the actions consider:

- Description - what the action is
- Rationale - why the action is relevant to the economic development of Morley Activity Centre
- Key Stakeholders - who is primarily responsible for undertaking the action
- Risk - an indicator of the probability of success and the financial risk of undertaking the action
- Action type
 - o Works program - immediate action
 - o Make plans - determine best way to carry out action
 - o Investigate feasibility - assess whether the action is appropriate, able to be funded and likely to succeed
 - o Future action - will need to be undertaken in the future once time is right

- o Continous - ongoing action
- Timeframe - whether the action is short term (0-5 years), medium term (5-10 years) or long term (10+ years)
- Success criteria - The expected results or impacts. In implementing any strategy, it is important to set success criteria to periodically assess changes in performance against the vision. Progress towards the vision of a strategy can be determined, and adjustments made if original interventions are not proving to be successful, or if they are no longer relevant.

7.1 AMENITY

Interventions to improve the amenity of Morley Activity Centre are detailed below.

Action 1: Town square

Description: Civic square at the terminus of Progress and Bishop Streets as key public space.

Rationale: Provide an attractive, pleasant outdoor meeting space which interfaces directly with new retail and entertainment offerings. This will bring activity centre residents, visitors and workers into the public and private realm outside the shopping centre, and provide for economic, social and environmental transactions in a single place.

Key Stakeholders: Federation Centres, City of Bayswater

Risk:

Probability of not succeeding: **low**

- A ready user base exists in customers to Galleria Shopping Centre. Design of the space will need to ensure the user base are effectively captured.

Financial risk: **medium**

- While capital costs may be provided by Federation Centres as a major development requirement, operational costs going forward need to be considered and budgeted for. This should potentially include resources to program the space regularly over an extended period of time.

Action Type: Works program (subject to the Galleria Shopping Centre expansion)

Timeframe: 0-5 years

Success Criteria:

- Delivery of a town square
- Full occupancy of tenancies fronting town square
- Enhance Morley Activity Centre user's experience
- Activate new retail, entertainment and office floorspace
- Increase trip generation and length of stay, resulting in an increase in multi-purpose trips by users

Action 2: Streetscape upgrades

Description: Upgrade streetscape throughout centre to ensure they facilitate a pleasant and safe user experience and encourage multiple transactions per visit.

Rationale: Improve the general amenity of the transient spaces within the centre and provide an additional environment for transactions (economic, social and environmental) to take place.

Key Stakeholders: City of Bayswater, individual land owners

Risk:

Probability of not succeeding: **low**

- As the existing streetscape forms a significant barrier to economic development, removing this barrier is considered very likely to be successful if resources are adequately allocated to addressing the problem.

Financial risk: **medium**

- Need to ensure maintenance of upgraded streetscapes is funded through additional rates from new residential tenants and firms. The most equitable way to fund this needs to be explored.

Action Type: Start planning

Timeframe: 0-5 years

Success Criteria:

- Streetscape enhancement plan prepared
- Works program to implement streetscape enhancement plan prepared
- Works program executed
- Increase in number of occupied buildings and tenancies directly interfacing with streets
- Increase in numbers of pedestrians traversing the centre
- Reduce the effects of the urban heat island
- Create a more positive first impression when people arrive at the centre
- Provide a pleasant and safe environment for people to undertake transactions and to move between destinations within the centre
- Prioritise pedestrian, cyclist and public transport traffic over car traffic
- Facilitate development of additional floorspace in new settings by encouraging more wallets walking past windows
- Facilitate reinvestment in existing floorspace
- Provide infrastructure to allow people from all user groups (residents, visitors, workers) and user subsets (e.g. families, the elderly, pet owners) to pleasantly and safely use the centre

Action 3: City Park

Description: New city park west of Russell Street around 'living stream' drainage reserve

Rationale: Provide a green space for outdoor recreation to assist in attracting a residential market to the activity centre, and for use by workers and visitors.

Key Stakeholders: Water Corporation, City of Bayswater

Risk:

Probability of not succeeding: **medium**

- Return on the investment depends on attracting a residential market to Morley Activity Centre. There are a range of other factors which will influence the timing and scale of this, such as the value of comparable properties elsewhere in Perth, and the overall demand for residential properties in Perth.

Financial risk: **medium**

- There are many unknowns associated with developing a drainage reserve into a functioning park.

Action Type: Start planning

Timeframe: 0-5 years

Success Criteria:

- Development of a green space in the location specified suitable for a range of recreation options for all activity centre user groups
- Provide a pleasant and safe environment for activity centre users to undertake

social and environmental transactions and to move between destinations within the centre

- Continued positive perception and community ownership of the park
- Reduce the effects of the urban heat island
- Restorative landscape

Action 4: Underground power

Description: Provide underground power throughout the centre

Rationale: Lack of underground power will significantly limit the effectiveness of the streetscape upgrades in improving amenity.

Key Stakeholders: City of Bayswater, Western Power, land owners

Risk:

Probability of not succeeding: **high**

- Removing overhead powerlines as a barrier to streetscape enhancement is expected to be a significant factor in the improvement of streetscape amenity.

Financial risk: **high**

- Retrofitting underground powerlines is a significant expense in the short term, with the return not necessarily in monetary terms.
- Bringing forward Western Power’s works program to deliver this outcome may potentially also have significant financial implications for the City and existing residents and tenants.

Action Type: Investigate feasibility

Timeframe: 0-5 years

Success Criteria:

- Underground powerlines throughout activity centre

7.2 ACCESSIBILITY

Actions to improve the accessibility of Morley Activity Centre are detailed below.

Action 5: Dedicated bus lanes

Description: Full-time bus lanes provided to Russell Street

Rationale: Prioritise public transport over car transport to ensure using public transport is a viable option.

Key Stakeholders: City of Bayswater, Public Transport Authority

Risk:

Probability of not succeeding: **medium**

- Action has been investigated as part of Morley Activity Centre Structure Plan, however further investigation is required to get buy-in from all stakeholders.

Financial risk: **unknown**

- As the project has not yet been costed, the financial risks are unknown.

Action Type: Investigate feasibility

Timeframe: 5-15 years

Success Criteria:

- Full-time bus lanes provided to Russell Street

- Trip times for buses reduced

Action 6: Wayfinding signage

Description: Attractive, legible wayfinding signage installed throughout the centre to guide pedestrians to access key destinations and traverse the centre

Rationale: Difficulty navigating the centre in its current, car-dominated form is a barrier to pedestrian movement, and therefore to facilitating multi-purpose trips and capturing expenditure.

Key Stakeholders: City of Bayswater

Risk:

Probability of not succeeding: **low**

- Installing wayfinding signage where none exists is expected to significantly improve pedestrian navigation of the centre.
- There are significant other factors that also influence pedestrian movement that will influence the success of the signage in improving pedestrian navigation.

Financial risk: **medium**

- Budgeting for the capital and operational costs of wayfinding signage will be a new expense for the administration of the area. It may be difficult to quantify a financial return from this, especially in the short term.

Action Type: Make plans

Timeframe: 0-5 years

Success Criteria:

- Installation of wayfinding signage
- Improvement to the pedestrian legibility of the centre

Action 7: Morley high-speed internet

Description: Provide internet connections to all Morley Activity Centre residents and firms that represents a significant improvement in speed and reliability than what is currently available in the centre, and as a minimum comparable to what is expected to be available in competing centres in the medium term.

Rationale: Providing high-speed internet connections to premises within Morley Activity Centre has the potential to be a significant point of difference for the centre, capable of influencing the location decisions of firms and residents. Given the National Broadband Network (NBN) currently has no rollout plans for Morley Activity Centre, investigating alternative new technologies and alternative methods to access high speed internet within the centre may be required.

Key Stakeholders: City of Bayswater, Telstra

Risk:

Probability of not succeeding: **high**

- Impact on attracting desired residents and types of firms to the centre as a result of installing a high-speed internet connection currently unknown. This should be thoroughly investigated prior to undertaking any other actions.

Financial risk: **high**

- Costs of implementing a high-speed internet connection on a small scale likely to be very high.

Action Type: Investigate feasibility

Timeframe: 5-15 years

Success Criteria:

- Provision of high-speed internet connections to all activity centre residents and firms
- Branding of the activity centre as a place technologically capable of performing as a strategic metropolitan centre
- Attraction of residents and firms to the centre as a direct result of the implementation of the Morley broadband network

Action 8: Advocate with PTA for additional high-efficiency services

Description: Undertake to advocate with the Public Transport Authority to have additional high-frequency public transport services provided to facilitate faster and more convenient access for all users to and from the centre, to key destinations. Destinations may include the Midland Railway Line, future rail stations, Perth CBD, Perth Airport and the residential areas around Morley Activity Centre.

Rationale: A higher resident and worker population are expected to require additional options to transport if the activity centre is to function as expected for a strategic metropolitan centre. Public transport access is a key element of the location decisions of

residents and firms, and will affect the ability of residents, workers and visitors to commute to and from the centre. Currently there are some high frequency bus services to Perth CBD, a key destination, however the efficiency of this trip needs to be increased, and additional services to other key destinations. Service options may include buses and light rail.

Key Stakeholders: City of Bayswater, Public Transport Authority

Risk:

Probability of not succeeding: **low**

- While some level of buy-in from PTA is required, it is expected cooperation and forward-planning between government will be facilitated.

Financial risk: **low**

- Negotiation with PTA can be carried out by existing City of Bayswater staff.

Action Type: Future action

Timeframe: 5-15 years

Success Criteria:

- Engagement with PTA
- Commitment from PTA to provide additional services providing agreed levels of employment and residents are reached

7.3 ACTIVITY

Actions to improve the activity hosted within Morley Activity Centre are detailed below.

Action 9: Soft activation

Description: Facilitate provision of outdoor events, temporary land uses, festivals and community activities within Morley to encourage users to engage with the centre more regularly, for a wider range of uses.

Rationale: Increasing the volume of transactions in a place relies on not just providing floorspace or public space, but on giving people additional reasons to visit and stay in a place. Events within the centre have the potential to increase the volume and quality of transactions in a place, even whilst the amount of floorspace remains the same.

Key Stakeholders: City of Bayswater, local community groups, local businesses

Risk:

Probability of not succeeding: **low**

- Place activation outside Galleria Shopping Centre and Coventry Markets is currently low. Events are therefore expected to significantly impact upon the day-to-day value proposition of the activity centre.

Financial risk: **medium**

- Providing soft activation at Morley Activity Centre is largely untested, therefore the potential return for investors in the event is unknown. It will likely require significant resources both to organise the City's own events and to support community-generated events.

Action Type: Make plans

Timeframe: 0-5 years

Success Criteria:

- Public recognition of an event as the 'best of type' in Perth
- Calendar of regular outdoor events with attendance in line with aspirations
- Positive community sentiment resulting directly from events
- Increase in volume of transactions from businesses intended to benefit from events

Action 10: Morley retail floorspace expansion

Description: Expansion and improvement of the quality of retail and other floorspace within Morley Activity Centre

Rationale: The existing scale of retail floorspace within Morley is the primary trip generator for the activity centre. Expanding the existing floorspace and upgrading the retail is an opportunity to consolidate Morley's retail value proposition within the wider activity centres network.

Key Stakeholders: City of Bayswater, Federation Centres, local businesses, landowners

Risk:

Probability of not succeeding: **low**

- The demand for additional retail floorspace within the catchment has been assessed, with the owner demonstrating a willingness to invest in expansion

Financial risk: **low (for City of Bayswater)**

- The financial risk for City of Bayswater is minimal, as they are not expected to finance the expansion.

Action Type: Works program

Timeframe: 0-5 years

Success Criteria:

- Expansion of retail floorspace
- Additional trip generation to the activity centre

Action 11: Multi-purpose community venue

Description: A venue to provide for the needs of the current and future resident community, in line with consumer expectations for high-density living. This may include providing activities such as health, recreation, a library, childcare, a kindergarten, etc.

Rationale: In high-density residential areas there is an expectation that residents can conveniently access their daily and weekly needs within walking distance of their home. Providing community services within a venue designed at a pedestrian scale is likely to be a significant factor in the location decisions of residents and therefore the investment decisions of developers.

Key Stakeholders: City of Bayswater

Risk:

Probability of not succeeding: **medium**

- A robust demand assessment and business case should be undertaken

prior to further scoping and developing a multi-purpose community precinct

Financial risk: **high**

- Many of the services provided within a community venue are difficult to gain a financial return on.
- If the community venue precedes a substantial resident population, there is a risk that the infrastructure will be underutilised in the short term.

Action Type: Investigate feasibility

Timeframe: 5-15 years

Success Criteria:

- Demand assessment for the provision of community activities within a venue.
- Business case to determine the feasibility of providing community activities.
- Construction of a community precinct.

Action 12: Develop activity in education sector

Description: Provide additional schools or vocational education opportunities within the centre

Rationale: Developing the education sector within the centre is a step towards attracting higher quality employment and pushing the maturity of the centre towards that expected of a strategic metropolitan centre.

The future resident population will need additional primary and secondary education options within the centre. There is currently a gap in the provision of education for the future

10,000 residents, with additional public and private options needed.

There is also potential for unique vocational training opportunities to be provided, such as a training restaurant focusing on the development of a skilled service industry workforce

Key Stakeholders: City of Bayswater, Department of Education

Risk:

Probability of not succeeding: **medium**

- Education infrastructure investment is often reactive – responding to existing demand rather than anticipating new demand. The City therefore will need to be proactive in identifying and securing sites to address demand prior to public and private providers investing.

Financial risk: **high**

- Delay in identification and an inability to secure sites will potentially dramatically increase the overall cost of infrastructure to meet future needs

Action Type: Investigate feasibility

Timeframe: 5-15 years

Success Criteria:

- Investigation of potential for expansion of the education sector within the centre
- Delivery of additional education opportunities for residents within the activity centre catchment
- Achievement of additional employment within the education sector within the activity centre boundaries

Action 13: Develop activity in health sector

Description: Provide for additional health services within the centre

Rationale: Developing the health sector within the activity centre is a step towards attracting higher quality employment and pushing the maturity of the centre towards that expected of a strategic metropolitan centre.

The planned future resident population of 10,000 residents will require additional health services located within the centre (e.g. approximately 10 more general practitioners)⁵. Additional demand can also be expected for allied health services. The aging population of the wider Morley Activity Centre catchment is also a factor likely to increase demand for health services in the area.

Key Stakeholders: City of Bayswater, Department of Health

Risk:

Probability of not succeeding: **medium**

- Attracting a relatively untested health market to the centre carries a number of unknown risks that will need to be identified and dealt with over time

Financial risk: **unknown**

- Further investigation is required into the various types of health activity that could be provided in the centre before the financial risks are known.

⁵ Based on current population to GP ratios

Action Type: Investigate feasibility

Timeframe: 5-15 years

Success Criteria:

- Investigation of potential for expansion of the health sector within the centre
- Assessment of expected future demand for health services for the centre catchment
- Identification of potential service providers
- Additional health opportunities for residents within the activity centre catchment
- Additional employment within the health sector within the activity centre boundaries

Action 14: Attract strategic industries

Description: Attraction of strategic activity to the centre. This is characterised by activity that exports goods and/or services beyond the metropolitan area of Perth.

Rationale: Attraction of strategic industries to the centre is necessary for Morley Activity Centre to function as a strategic metropolitan centre. Given no comparative advantage has been currently identified for strategic industry, the City will need to be open to possible opportunities for future strategic activity will come from any industry sector.

Key Stakeholders: City of Bayswater

Risk:

Probability of not succeeding: **high**

- Attracting an untested market to the centre carries a number of unknown and first-mover risks.

Financial risk: **high**

- The centre's current activity mix is likely currently too immature for large scale investment in strategic industry in Morley without significant financial risk. The City may therefore need to actively share the risks in this investment with first-movers to facilitate investment decisions.

Action Type: Future actions

Timeframe: 15 years+

Success Criteria:

- Program to monitor potential to attract strategic activity
- Actions devised to attract strategic activity
- Increase in employment in strategic industries within the centre

7.4 DE-RISKING

A series of actions designed to assist in reducing risk in the short-term have been devised. Additional actions to reduce risk in the future as the centre continues to evolve will need to respond to the state of the centre at that time.

Action 15: Monitor market for office floorspace

Description: Determine ideal timing to actively seek out developers and key tenants for the office floorspace market.

Rationale: Aside from population-driven office floorspace, there are currently no identified drivers for office floorspace in Morley Activity Centre. Demand for office floorspace within Morley Activity Centre should be monitored so should an opportunity to expand current provision, it can be taken advantage of.

Key Stakeholders: City of Bayswater

Risk:

Probability of not succeeding: **low**

- Monitoring the office floorspace market carries little risk

Financial risk: **low**

- It is expected this task can be undertaken by existing City of Bayswater staff

Action Type: Works program

Timeframe: Continuous

Success Criteria:

- Development of a monitoring program to periodically assess demand for office floorspace within Morley Activity Centre
- Develop a market communications program to attract potential developers of office floorspace to the centre

Action 16: Partner with private sector for catalyst mixed use or residential development

Description: Develop a partnership with the private sector to deliver a catalyst mixed use or residential development.

Rationale: The market for high-density residential properties, and mixed-use properties that includes residential, within Morley Activity Centre is currently largely untested. The risk for a first-mover is therefore high. Seeking out and partnering with a developer to deliver a catalyst high density residential or mixed use property is expected to result in the market being tested sooner rather than later, and set the standard for future developments.

Key Stakeholders: City of Bayswater

Risk:

Probability of not succeeding: **high**

- Attracting an untested market to the centre carries a number of unknown risks, some of which will be borne by the City as a partner in the project.

Financial risk: **low**

- The amount of investment required by City of Bayswater to partner with

a residential developer is currently unknown.

Action Type: Investigate feasibility

Timeframe: 0-5 years

Success Criteria:

- Identification of potential sites (particularly appropriate sites owned by the City)
- Engagement with potential development partners
- Agreement with a development partner to provide a catalyst development within Morley Activity Centre

Action 17: De-restrict land uses

Description: Remove limitations on land uses allowed within the Morley Activity Centre by considering changing the means of regulation from land uses to business models.

Rationale: Technological advances, increased land prices and the need for businesses to be more competitive are some of the trends inducing some traditional business models to change. In the future using land uses to regulate what activities may or may not occur within an area may become less relevant. At the same time, controlling for the negative externalities resulting from business operations, regardless of land use definition, may become more relevant. Land use and zoning regulations need to evolve along with business models. This may be an important point of difference between Morley Activity Centre and similar activity centres.

Key Stakeholders: City of Bayswater

Risk:

Probability of not succeeding: **high**

- Changing development controls from land uses to business model would represent a significant shift in the way the planning scheme operates. There may be limited appetite for this.

Financial risk: **medium**

- City of Bayswater staff are expected to be able to undertake all work required, although specialist guidance may be necessary.

Action Type: Investigate feasibility

Timeframe: 0-5 years

Success Criteria:

- Assess whether business models, rather than land use, can be realistically used to control development.

8 IMPLEMENTATION

The following section provides an overview of implementing this economic development strategy.

8.1 ECONOMIC DEVELOPMENT STRATEGY LOGIC FLOW

An Economic Development Strategy roadmap has been developed to guide the implementation of this economic development strategy (see Figure 21). The roadmap has three phases:

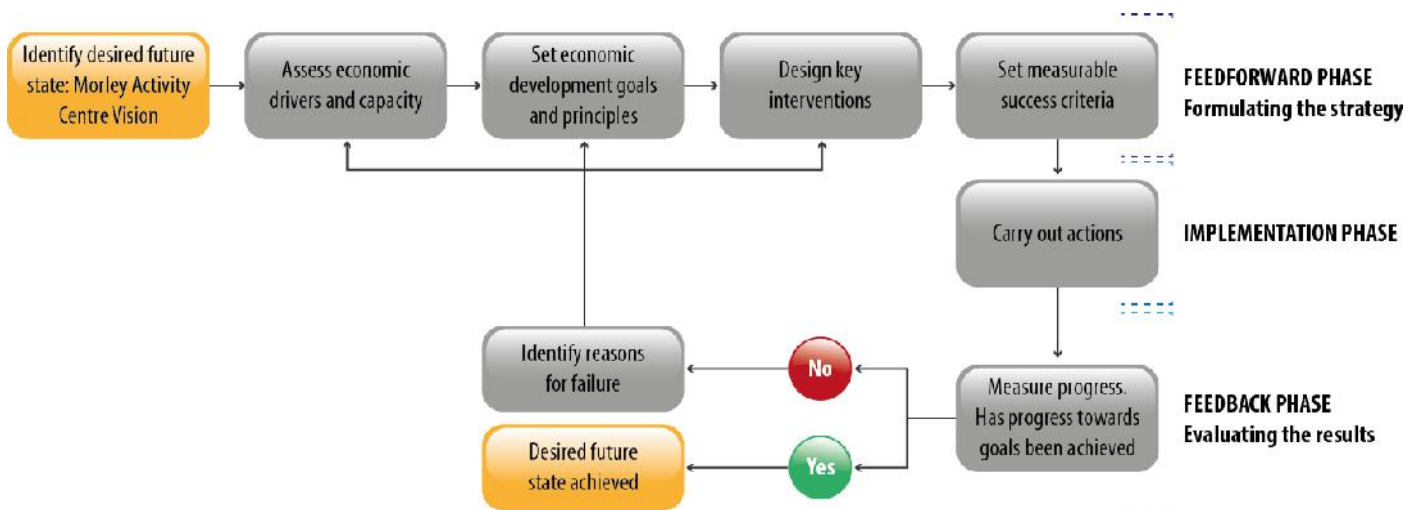
- Feedforward phase: the desired future state is defined and a strategy to change from the current state to the future state is formulated. This includes designing key interventions and setting measurable success criteria to monitor progress towards the future state.
- Implementation phase: the actions set out in the strategy are carried out.

- Feedback phase: the results of the implementation actions are evaluated using the set success criteria to measure progress towards the desired future state. This should occur periodically throughout the life of the strategy so adjustments to the key interventions can be made if progress towards the desired future state is not satisfactory.

8.2 WHAT ACTIONS CAN IMPLEMENT A VISION?

When developing the actions to implement the Morley Activity Centre Structure Plan vision, the level of control over each action is critical to the potential impact or success of the action, and therefore the achievement of the vision. There are three different levels of control over assets, resources or inputs:

Figure 21. Economic Development Strategy roadmap

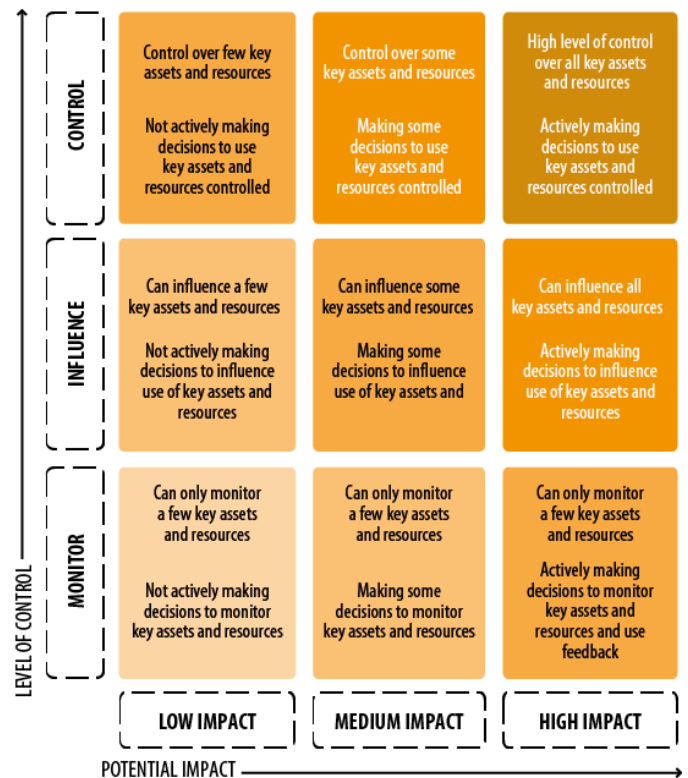


Source: Pracsys 2014

- Control - complete ownership over assets, resources or inputs, and the ability to decide how they should be used. Examples of this are ownership of property, control over the provisions in a planning scheme, or the authority to approve or refuse development applications.
- Influence - the ability to influence how assets, resources or inputs are used. Examples are the influence of form-based codes on building form, the influence of zoning on land use, or the encouragement of a transport authority to provide particular services to the local catchment.
- Monitor - no control or influence on how assets, resources or inputs are used. The use of these can only be monitored to provide feedback on change. Examples are the number of motor vehicles owned by residents, the tenants of a shopping centre, or the state of the global economy.

The amount of control, and the degree to which this is used to actively make decisions to invest in key assets, use resources or change inputs will affect the potential impact of a strategy. As illustrated in Figure 22, to provide the best chance at success a strategy should aim to optimise the level of control, influence, and ability to monitor assets, resources and inputs. This will involve making active decisions about the use of assets, resources and inputs, determining ways in which others assets, resources and inputs can be influenced, and developing systems to monitor and provide useful feedback on changes in areas outside of any control or influence.

Figure 22. Control-influence-monitor matrix



Source: Pracsys 2013

The implications of this for implementation of the Morley Economic Development Strategy is that the City needs to be cognisant of the role that it can play in intervening in the proposed economic development actions. The City will likely have the greatest impact on the future economy of Morley where it has direct control over its own assets. Where it seeks to influence others behaviour it needs to be conscious that this does not only mean statutory mechanisms, but also incentives where appropriate. There are also time when it will be appropriate for the City of Bayswater to monitor the behaviour of others and to provide this information to relevant decision-makers.

Whilst consideration of the specific roles of different City business units in supporting the Strategy is outlined in this scope of work, the proposed actions detailed in Chapter 7 seek to provide high-level guidance to the City as to whether a control, influence or monitor response (or a combination of each) is most likely to be appropriate.

9 GLOSSARY

Consumer services

Consumer services have a high transaction frequency and must locate in close proximity to their customer base in order to deal directly with them. Like retail tenancies, consumer services often locate in centres to minimise trip generation and benefit from convenience good attractors. Consumer services can include real estate agents, travel agents, shoe repair, dry cleaning services and beauty salons.

Economic activation

From a centre design and ongoing management perspective, there are certain economic activation principles that can be implemented to ensure that the place is as user-friendly as possible to maximise the number and length of visits.

Economic activation is defined as the frequency and concentration of social and economic transactions carried out by the diverse user groups of a place. A successful place must understand what its user groups need and want and provide an environment that both attracts and retains people.

Economic concentration factors

An economic concentration factor (ECF) represents the concentration of a particular industry within a region compared with that industry's strength within the state (or nation). An ECF of 1.0 means that an industry has the same concentration in the region as it does the state. An ECF of greater than 1.0 identifies industries that employ more workers in the region than the national average for that same industry. By employing more workers than the national average, the industry is producing

more goods and services than the region can consume and can therefore export the excess product out of the region.

Measurement of economic concentration factors is useful in urban economic analysis as it provides a strong indication of the agglomeration of an industry or group of industries. Care must be taken as the metric gives no indication of the relative size of the industry, i.e. a region may have a very high ECF with a small number of employees if the industry is small, whilst a low ECF in a large industry may still equate to a significant proportion of employees.

Economic development

Economic development results from strategic industry drawing in greater income from external markets through the export of goods and/or services.

Economic growth

Economic growth results from changes in the quantity or characteristics of the population being serviced by population-driven activity.

Employment self-sufficiency

Employment self-sufficiency (ESS) is defined as the proportion of jobs located in a geographic area (region, corridor, local government) relative to the residents in that same area who are employed in the workforce. For example, if the area has 1,000 employed residents and 450 local jobs available, the employment self-sufficiency rate is 45%.

Export-oriented activity

Export refers to jobs in industries in the subject area of study has a comparative advantage - deemed strategic due to growth and development through exports and the inflow of funds. Export jobs are producer services, however they occur in strategic industries such as mining, oil and gas and defence. Export jobs are likely to be hands on, involving the physical construction of a marine vessel or operation of machinery on a mine site - as opposed to the mathematical or scientific analysis carried out by KIPS. Strategic industries tend to require physical infrastructure, such as ports, airports or universities.

Knowledge intensive consumer services

Knowledge intensive consumer services are those specialist services that deal directly with consumers, yet typically have a higher productivity and lower transaction frequency. KICS provide a skilled service to consumers that usually requires a higher level of education or training. Depending on the scale of their catchment, KICS may choose to locate within major or regional centres, or larger business districts with greater soft infrastructure and amenity levels. Examples of KICS include general practitioners, accountants, veterinarians and legal services.

Knowledge intensive producer services

Knowledge intensive producer services involve businesses dealing directly with other businesses, rather than consumers. Transactions are less frequent, however generally have a higher monetary value, due to the intellectual property or knowledge involved. KIPS businesses often locate near their client

businesses, although with low transaction frequency and good communications infrastructure, they are to an extent 'footloose'. This means they can choose to locate in places with relevant physical infrastructure, high retail amenity, or soft infrastructure such as access to a solid education base. Examples of KIPS are engineers, architects, medical scientists and computer software developers.

Localisation economies

Localisation economies are the result of a number of firms and enterprises (including research institutions, not-for-profit organisations and government departments) in complementary industries and supply chains locating in the same area. Localisation economies are the result of one or more of three factors. These are:

- Availability of specific skilled and specialised labour
- Availability of specialised/essential inputs at a more competitive value due to economies of scale
- Increased efficiency in knowledge transfer/technology, spillovers/collaborations and partnerships due to proximity of partners

Population-driven activity

Population-driven activity refers to industries or jobs directly related to servicing the needs of a specific catchment population. As such its location will be largely determined by the location of population growth, as well as activity centre hierarchy and maturity. Consumer services, producers services and knowledge intensive consumers are collectively referred to as population-driven.

Producer services

Producer services deal directly with other businesses, rather than consumers. Like retail; wholesale producer services must locate close to the businesses they serve, due to the frequency of transactions required. For example, the Coles distribution warehouses must occupy a central location in order to carry out daily delivery of goods to supermarkets. Producer service industries include manufacturing, construction, and distribution.

Strategic activity

Strategic economic activity occurs through the development of agglomerations of economic activity. Such agglomerations result from the development of localisation and/or urbanisation economies.

Urban form

Urban form refers to the pattern of development in a city, considering aspects like density, use of land, transportation, degree to which development is scattered or contiguous. It includes not only the physical form but also the underlying social, economic and demographic processes that shape it and render it a distinct character.

Urbanisation economies

Urbanisation agglomerations of activity result from the general benefits that a firm will gain from locating in a particular urban environment. This includes access to general labour pools, access to financial and commercial services and proximity to transport and communication networks.

