



# Revitalised. Energised.

Revitalising Central Dandenong  
Development Opportunities.

## IMPORTANT NOTICE

If you are a party other than Development Victoria, MacroPlan:

owes you no duty (whether in contract or in tort or under statute or otherwise) with respect to or in connection with the attached report or any part thereof; and will have no liability to you for any loss or damage suffered or costs incurred by you or any other person arising out of or in connection with the provision to you of the attached report or any part thereof, however the loss or damage is caused, including, but not limited to, as a result of negligence.

If you are a party other than Development Victoria and you choose to rely upon the attached report or any part thereof, you do so entirely at your own risk.

## CONTACT US

Level 16, 330 Collins St  
Melbourne, VIC 3000  
03 9600 0500  
[www.macroplan.com.au](http://www.macroplan.com.au)

## Table of contents

Background	4
Local Context – Dandenong	5
Melbourne – Australia’s most liveable city	8
Planning Context	9
Community Perceptions	11
Investment	12
Development Activities	14
Population and Demographics	17
Economy and Industry	19
Employment and Skills	20
Worker Demographics	21
Highlights	22

## Background

### Revitalising Central Dandenong

Development Victoria is the responsible Victorian Government agency tasked with the delivery of the Revitalising Central Dandenong initiative (RCD). The RCD project is being delivered in collaboration with the City of Greater Dandenong and the private sector and it aims to rejuvenate and consolidate Central Dandenong as the capital of the growing south-east region. The RCD project commenced in 2006 with a \$290 million investment by the Victorian Government in enabling infrastructure and seed projects. With a life cycle of 20 years, the project aims to leverage over \$1.2 billion in private investment and create up to 5,000 jobs in Central Dandenong.

To date, RCD has attracted more than \$500 million in private investment, with further investment planned in the future.

In early September, the Minister for Planning approved the plans of Orion Group's \$40 million mixed use development on Site 10 of the RCD project area. Development Victoria's RCD project team is working through a robust market engagement strategy, in collaboration with other parts of the Victorian Government and City of Greater Dandenong, to progress the redevelopment of the remaining sites at RCD. The next phase of the project will be critical in stimulating the economic growth and development of the Dandenong region.





## Local Context - Dandenong

### Dandenong

Dandenong is located 35 km from the Melbourne CBD, and is the gateway to the south-east growth corridor of Melbourne. This is a rapidly growing region and the *South-East Growth Corridor Plan* (the Plan) which indicates the extensive amount of land designated for future residential, industrial and business uses. The Plan was developed by Victorian Planning Authority (VPA). The area covered by the Plan is envisaged to eventually accommodate an additional resident population of 230,000 and provide for at least 86,000 jobs.

Dandenong is amongst Melbourne's oldest metropolitan cities, and possesses one of the largest retail and commercial centres in Melbourne. Dandenong is also responsible for roughly half of Victoria's total manufacturing output, making it one of Victoria's leading urban renewal locations.

Dandenong is connected to a range of major transport thoroughfares, including Princes Highway/Dandenong Road, Monash Freeway and Eastlink.

The Dandenong LOGIS development project has established Dandenong's importance as a National Employment Cluster. The project is Victoria's first integrated eco-industrial business park and is planned to create around 5,000 jobs and attract \$480 million of private investment.

Dandenong is also well-connected to public transport via the Pakenham railway line, with services running every 10 minutes during weekdays, connecting directly to the City Loop and major CBD public transport infrastructure.



Source: Plan Melbourne 2017-2050 (Mar 2017)

## Local Context – Dandenong

### Train network

Dandenong Station is located in central Dandenong, a short distance south-west of the Dandenong Market and Dandenong Plaza.

Dandenong Station serviced 2.3 million passengers in 2016/17, with around 7,800 passengers entering the station each weekday.

Dandenong Station is located on the Pakenham line, which is one of the busiest lines in Melbourne.

The Sky Rail Project, which is set for completion in 2018, is a \$1.6 billion development, removing the nine dangerous and congested level crossings between Caulfield and Dandenong, improving efficiencies along the network.

Train services now operate once every ten minutes between Dandenong and the Melbourne CBD on weekdays.

### Road network

Many of the roads in Dandenong form part of a critical junction in the traffic movements of the South-East of Melbourne.

The Princes Highway, which merges with the South Gippsland Highway to the west, forms a critical trunk traffic corridor which plays an important role in traffic movement and freight transportation, particularly within the nearby industrial precinct.

Additionally, the South Gippsland Freeway to the east can be used to access the Monash Freeway. Eastlink is also located a short distance west of Central Dandenong.

The section of the Princes Highway which runs through Central Dandenong features around 35,000 vehicles per day, according to the latest VicRoads data (2017).

### Education/health facilities

There are a number of education facilities located around Central Dandenong, including Dandenong High School; Dandenong North Primary School; Dandenong Primary School; Dandenong West Primary School; St Mary's Primary School; Dandenong South Primary School; Emerson School; and St Gerald's Primary School. Deakin University Leaning Centre is also located within Central Dandenong, which allows students to study at the University without traveling to a campus.

Dandenong Hospital is located a short distance north of Central Dandenong, with a range of supporting medical/health facilities located in close proximity.





## Local Context – Dandenong

### Retail

Dandenong Plaza is the regional shopping centre which serves Dandenong and the broad surrounding region. The centre contains 43,000 sqm of retail floorspace and is anchored by Target and Kmart discount department stores and Woolworths, Coles and Aldi supermarkets. The centre also contains 11 mini-major tenants, with the largest mini-majors including TK Maxx, JB Hi-Fi Home and Rebel Sport.

Dandenong Market is the second largest market in Melbourne and attracts visitors from all over south-east Melbourne. The market opened in 1866 and has undergone a number of redevelopments throughout its history. The market is owned by the City of Greater Dandenong which has invested \$26 million in the most recent redevelopment from 2005-2011. The market is divided into sections including fruit and vegetables, the meat fish and deli hall, the pantry, the bazaar, market square and other retailers including Aldi, Mandarin Asian Grocer, and Spice Inn Groceries.

Other retail facilities in Central Dandenong are predominately located at Palm Plaza, in small arcades such as Dandenong Hub or in the surrounding streets.

Westfield Fountain Gate is another regional centre located in south-eastern Melbourne, some 9.5 km from Central Dandenong. It is situated in the suburb of Narre Warren at the intersection of the Monash Freeway and the Princes Highway. Westfield Fountain Gate is anchored by a department store (Myer), three discount department stores (Big W, Target, Kmart), Harris Scarfe and four supermarkets (Coles, Woolworths, Aldi, NQR). Westfield estimated that over 16 million people visit Fountain Gate annually.



## Melbourne – Australia's most liveable city

### Melbourne's Economic Context

Over the past decade, Melbourne has emerged as an internationally-significant hub for knowledge-based jobs and the innovation economy. Competitive advantage in tertiary education, health, advanced manufacturing and professional services has been largely responsible for growth in jobs and economic output.

- There are approximately 2.1 million jobs within Melbourne's metropolitan region. Melbourne will require an estimated 1.5 million new jobs over the next 35 years to 2051.
- Priority investment sectors identified in Plan Melbourne include:
  - Medical technology & pharmaceuticals;
  - New energy technologies;
  - Food and fibre;
  - Transport technologies;
  - Defence technologies;
  - Construction technologies;
  - International education;
  - Professional services.
- These sectors are estimated to have the potential to create up to \$70 billion in additional economic output by 2025, creating over 400,000 jobs.

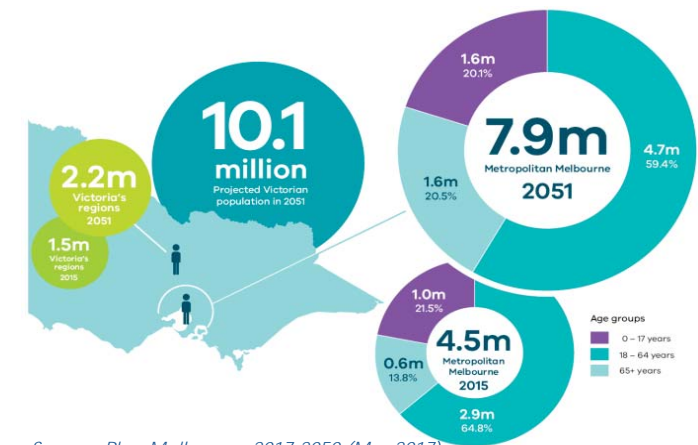
### Population Growth

Melbourne's population increased by over 550,000 residents over the most recent intercensal period (2011-2016), at an average rate of 2.5% per annum, in comparison with 1.6% for Australia over the same period. Interstate and international migration has been a major driver of population growth in Melbourne over this period.

From 2015 to 2051, Melbourne is projected to grow by approximately 3.4 million people to reach eight million.

By 2051, Victoria's population is forecast to reach 10.1 million residents. This will create demand for an additional 1.6 million dwellings and 1.5 million jobs.

### Victoria's Projected Population Growth



Source: Plan Melbourne 2017-2050 (Mar 2017)



## Planning Context

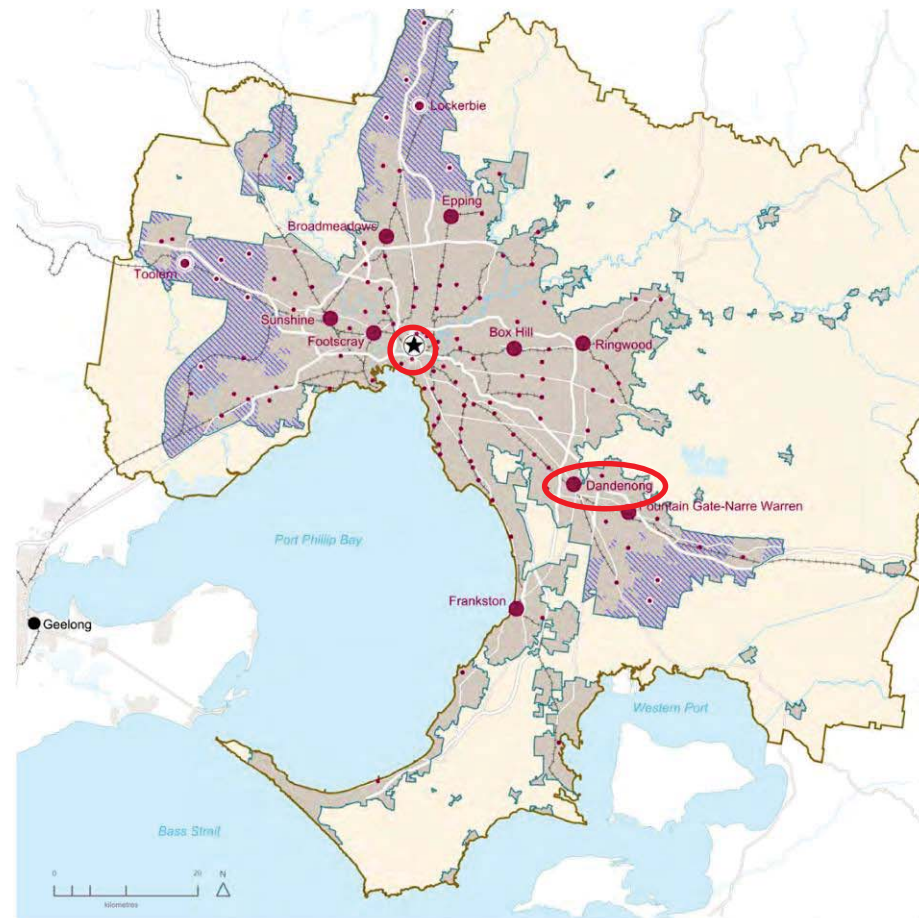
### Plan Melbourne

Plan Melbourne is the Victorian Government's long term vision for metropolitan Melbourne. It identifies Central Dandenong as a Metropolitan Activity Centre (MAC) and Dandenong South as a National Employment and Innovation Cluster (NEIC). MAC is the second highest ranking level in the activity centre hierarchy, immediately below the Melbourne Central City.

Plan Melbourne has designated nine MACs, including Dandenong. These activity centres are planned to be easily accessible by public transport and to be the focus of access to goods and services in the region, and are defined as "higher-order centres with diverse employment options, services and housing stock, supported by good transport connections" (p.139).

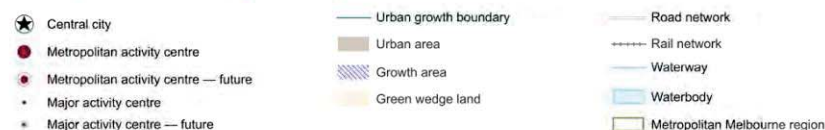
The recognition of Dandenong as a MAC acknowledges the key role that Dandenong plays in Melbourne's south-east, particularly because of its high level of public transport and road network connectivity, which make it ideal as a hub for investment, employment, high amenity and future population growth.

Plan Melbourne also identified three existing NEIC's – at Monash, Parkville and Dandenong South – which "are designated geographic concentrations of interconnected businesses and institutions that make a major contribution to the national economy and Melbourne's position as a global city" (p.43). The focus for each of these areas is to improve access to a diversity of employment opportunities and knowledge jobs. The Metropolitan Planning Authority (MPA) estimates that there are currently over 55,000 workers within the Dandenong South NEIC.



**Map 14**

### Metropolitan and major activity centres



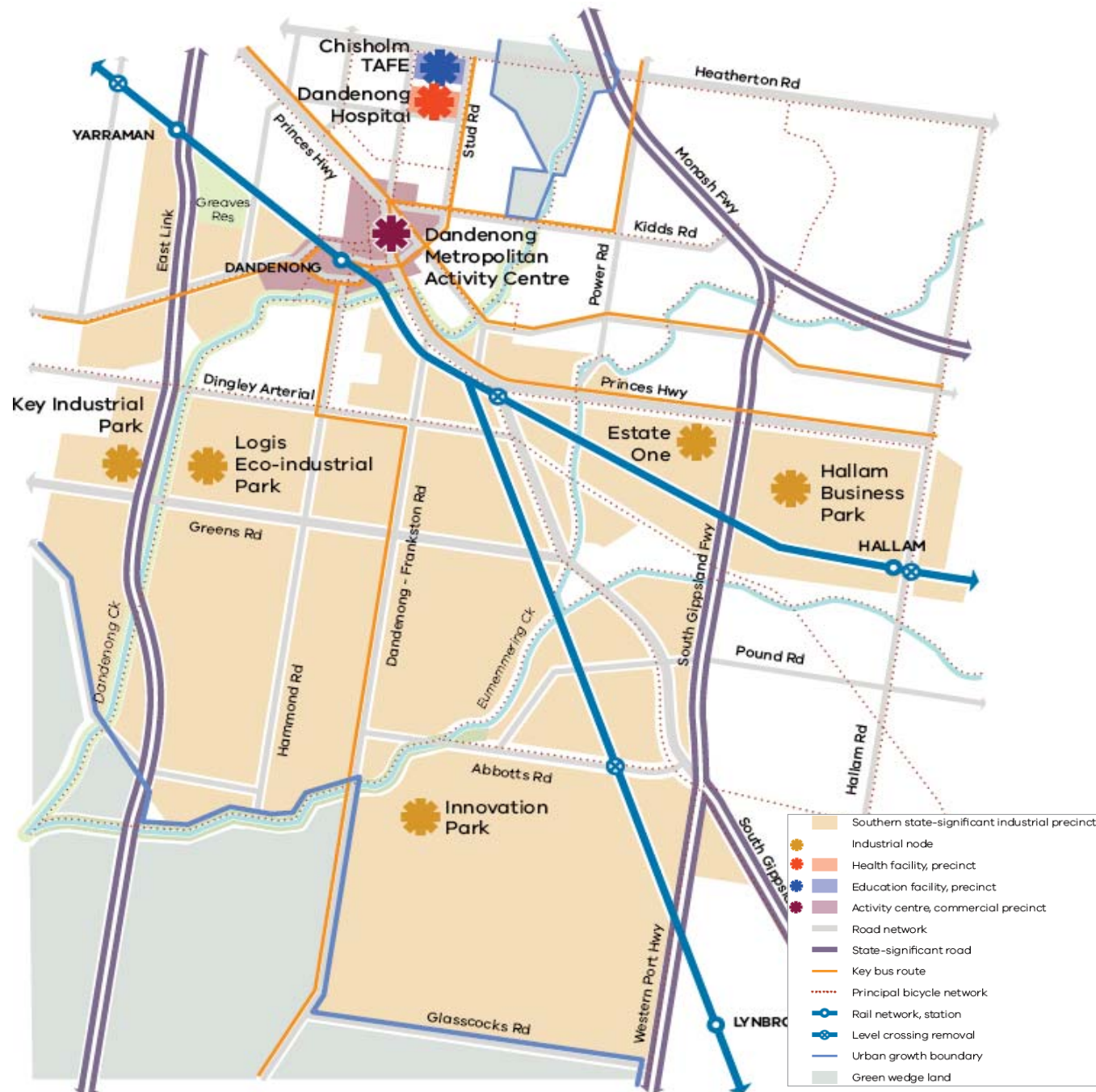
Source: Plan Melbourne 2017-2050 (Mar 2017)

## Planning Context

### Dandenong National Employment and Innovation Cluster (NEIC)

The Dandenong NEIC incorporates the Southern State Significant Industrial Precinct (SSIP) in Dandenong South, in addition to the Dandenong Metropolitan Activity Centre.

- Dandenong is one of seven identified NEIC's in Victoria, and the only NEIC to incorporate a State Significant Industrial Precinct.
- The cluster incorporates approximately 66,300 jobs, and is a significant regional employment hub.
- Dandenong NEIC is one of Australia's largest manufacturing areas, and is increasingly supporting knowledge-based manufacturing uses.
- Other key sectors include health, education, retail, wholesale trade and transport, postal and warehousing activities.
- The Dandenong MAC is well supported by health and education infrastructure, including Dandenong Hospital and Chisholm TAFE to the north.
- Logis Eco-industrial Park is a landmark development, reflecting the structural economic transition away from traditional manufacturing activities. Other major industrial developments include the Innovation Park, Hallam Business Park and Key Industrial Park.
- Dandenong NEIC is highly connected to the surrounding region, comprising the core of a larger economic cluster including Braeside, Carrum Downs, Pakenham, Knox and Bayswater. This economic region supports approximately 148,000 jobs.





## Community Perceptions

Independent research with residents and businesses in Dandenong found that perceptions of Dandenong's aesthetics have improved and the outlook for Dandenong is positive, with 83% of residents and 73% of businesses stating that Central Dandenong will be better on completion of the Revitalising Central Dandenong (RCD) project.

Compared to a study in 2011, there has been an improvement across a range of measures amongst residents, who tended to rate the following more positively in 2017:

- Public transport
- Restaurants/cafes
- Parks and gardens
- The design and layout of the city
- Upmarket shops and restaurants

Multiculturalism is embraced within the city, with cultural diversity and grocery shopping the higher rated aspects of Dandenong amongst residents. For businesses, location and accessibility remain key drawcards for the area.



## Awareness of Revitalisation

Eight in ten residents surveyed (81%) have noticed that changes have occurred in Central Dandenong over the past five years. A slightly higher proportion of residents (89%) have noticed changes in Dandenong in the last 10 years.

Most commonly, people have noticed the main street revamp, a lot of building and development and new council offices.

The outlook for the RCD precinct is very positive, with half of all Dandenong and South-East Corridor residents (52%) who are aware of the RCD project indicating that the area will be a lot better once the project is completed.

Close to three in four businesses have a positive outlook for Central Dandenong on completion of the RCD project (73%).

The work on Lonsdale Street and the Government buildings have had a positive effect on the aesthetic of the city. Both new and established businesses, and developers, note the improvements to the local amenity and public realm.

*"I like Dandenong - we could have chosen elsewhere but the surrounding suburbs don't have what Dandenong has. I love the multiculturalism - and the fact that I can walk to the market!"*

**- Established business / resident**

*"I love that I can live where I work."*

**- Established business**

*"The development has been great, a really good revitalisation of the city... In my teenage years, it didn't look as good as it does now".*

**- New business**



## Investment

### Central Dandenong

The following map gives an overview of a number of larger investments which have been made, or are planned to happen in the near future, in and around Central Dandenong.

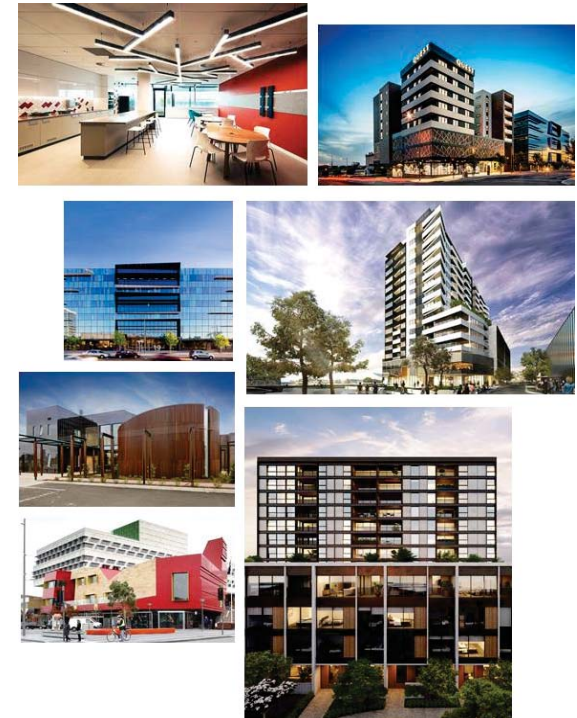
Significant projects which have already been completed include:

- Australian Tax Office building, which was completed in October 2015 (\$75 million) – under the RCD initiative;
- Dandenong Government Services Building, completed in early 2012 (\$68 million) – under the RCD initiative;
- City of Greater Dandenong's new municipal building (\$50 million) – under the RCD initiative;
- Mosaic Apartments, which includes 325 dwellings (\$23 million);
- Stockmans Bridge, which opened in 2010 (\$29.5 million) – under the RCD initiative;
- Dandenong Market redevelopment (\$26 million);
- Drum Theatre (\$13 million);
- Quest Apartments development on Walker Street, which opened in 2016 (\$18 million) – under the RCD initiative; and
- Southern Cross Care development, located to the south-east of Central Dandenong (\$19.5 million).

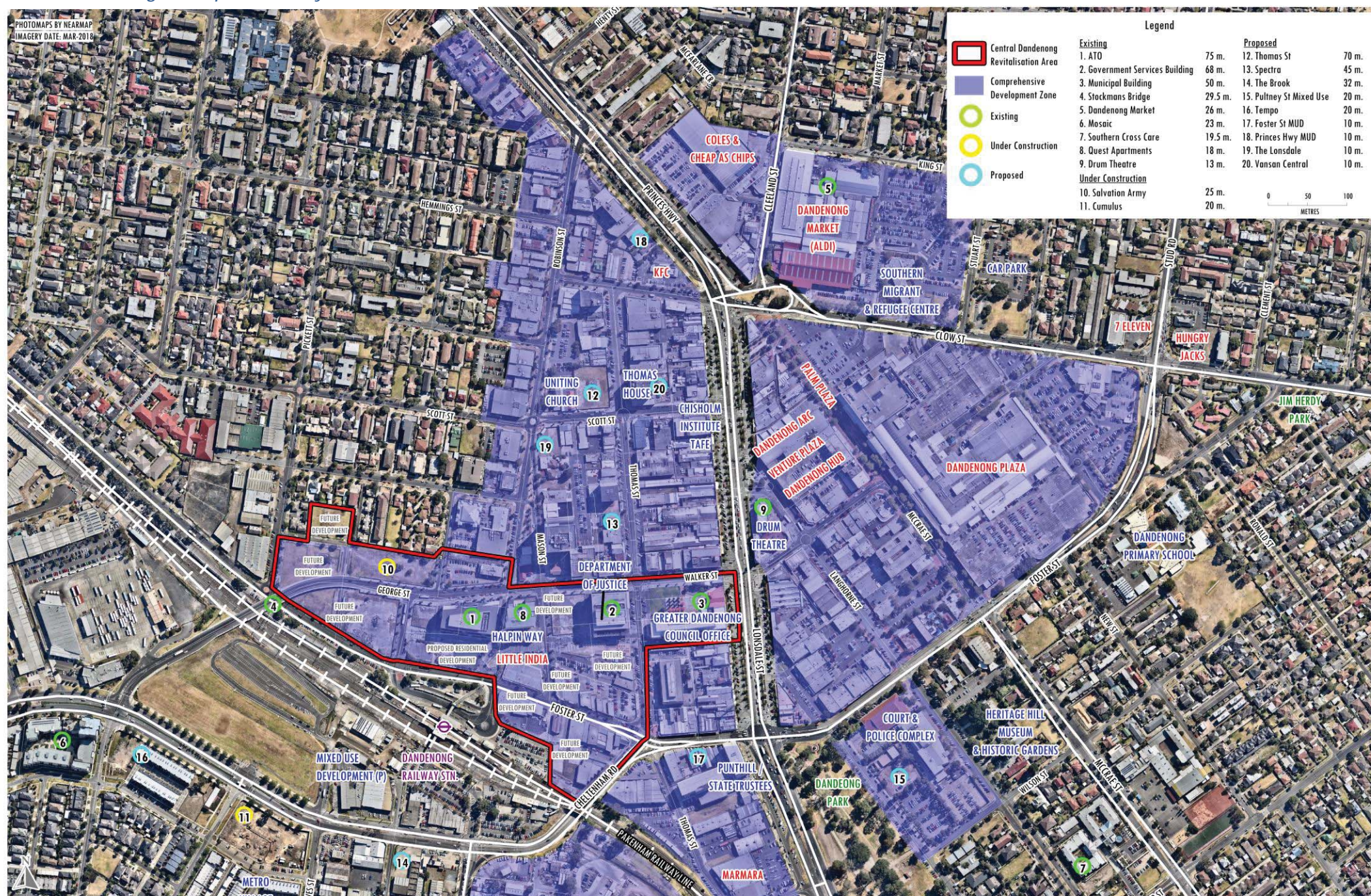
Projects currently awaiting commencement of construction works in the RCD project area include the Salvation Army regional headquarters on George Street (\$25 million) and the Orion Group's mixed use development on Foster Street (\$40 million).

Future significant projects planned for Central Dandenong, which are close to commencement or have development approval, include:

- Thomas Street residential and retail development, with 198 apartments, retail and commercial (\$70 million);
- Spectra retail/residential/hotel development in Thomas Street, with 108 dwellings and 98 hotel rooms (\$45 million);
- The Brook retail/residential development, which will deliver 108 dwellings to the south-west of Central Dandenong (\$32 million) – currently deferred;
- Pultney Street mixed use development, with 74 apartments, offices and retail (\$20 million);
- Tempo Apartments, with 89 apartments and retail facilities located south-west of Central Dandenong (\$20 million) – currently deferred;
- Princes Highway mixed use development, with 66 apartments, offices and retail (\$10 million); and
- The Lonsdale mixed use development, with 112 apartments, offices and retail (\$10 million).









## Development Activities

### Residential Sales Rates

Dandenong has been relatively consistent in its residential sales volume during the past decade, averaging 271 house sales and 355 unit sales per year from 2007-2017.

Unit sales in 2015 and 2016 significantly exceeded the long-term average, increasing to 394 in 2015 and growing to 411 in 2016. This reflects the increase in residential apartment developments, which appear to be selling consistently and strongly despite growing competition between developments.

During the same period, Dandenong North averaged 60 unit sales per year, while Dandenong South averaged 23 unit sales per year – this indicates that the momentum of the market is predominantly centralised within the main CBD precinct and surrounding areas.

The notable difference between recorded residential sales and dwelling approvals also suggests that there is still a high number of transactions relating to established dwellings, which generally cater to different buyer groups than residential apartments. Apartment sales rates are expected to fluctuate based on supply and competition, with early-entrants to the market likely to be advantaged in the short-term due to lower rates of competing supply.

### Residential Price Growth

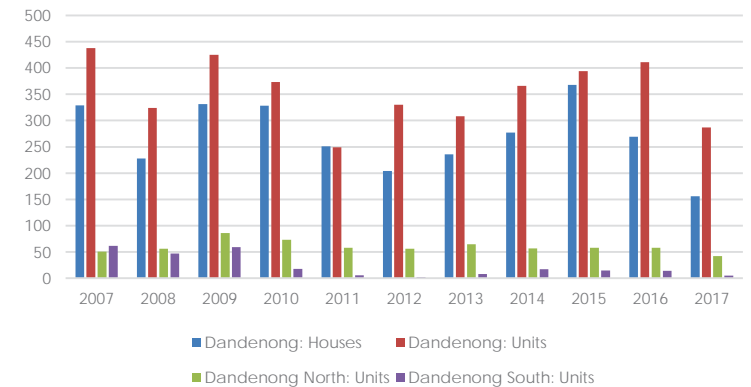
Strong locational attributes have resulted in Dandenong experiencing a sustained period of upward price growth, while remaining an affordable entry-point into Melbourne's booming property market.

The 2017 median unit price in Dandenong was \$325,000. Dandenong's median unit price was \$65,000 lower than the median unit price for Greater Dandenong, recorded at \$390,000 in 2017. This significantly improves first-home buyers access to new apartments in Dandenong, as a key affordable location with premium public transport access.

Units in Dandenong have grown at an annual average growth rate of 4.5%, compared with 7.6% for houses. Notably, after several years of relatively flat price growth from 2011-2015, 2015-2017 recorded a notable median price increase of \$20,000.

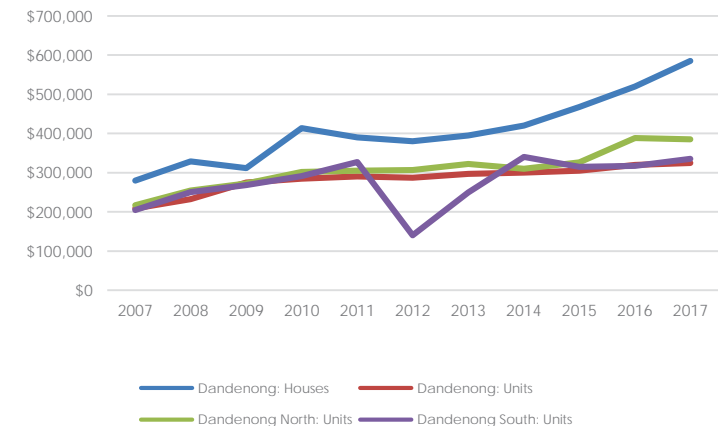
Since 2007, median unit price in Greater Dandenong has increased by 73% - this represents strong value uplift, and suggests that there is a clear price-premium associated with locations to the north of the municipality. Over the same period, the median unit price in Dandenong increased by 56% or \$143,000 in real terms.

*Sales Volume, Selected Suburbs (2007-2017)*



Source: Corelogic RP Data

*Median Price, Selected Suburbs (2007-2017)*



Source: Corelogic RP Data



## Development Activities

### Building Approvals

Building Approvals can be considered a proxy indicator of new residential supply, as a building approval is only recorded at the final stage of approval for a residential dwelling prior to construction.

Since the 2011-12 financial year (FY), Dandenong has recorded approximately 1,552 residential building approvals while Dandenong North recorded an additional 280 residential building approvals.

Total residential building approvals in Dandenong averaged 259 per year from 2011-12FY to 2016-17FY. 71% of all residential building approvals comprised of either townhouses or apartments, which indicates that Dandenong has emerged quickly as a growing location for medium / high density development.

From 2011-12FY to 2016-17FY, Dandenong averaged 185 'other residential' building approvals per year.

The following map illustrates the recent New Dwelling Approvals throughout Dandenong and the surrounding area (sourced from ABS)

### Rental Yields

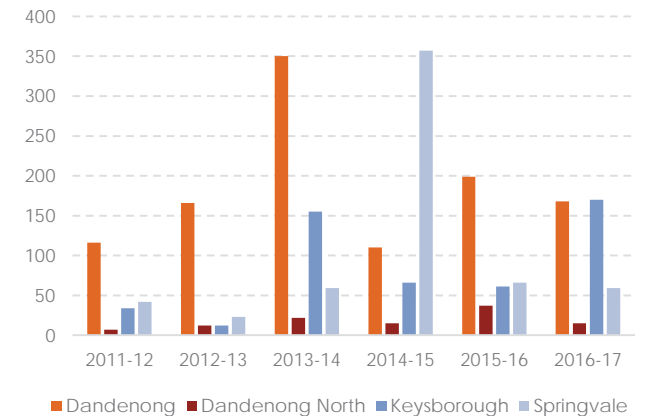
The graph adjacent depicts rental price data from the Department of Human Services Rental Report (June qtr, 2017). The report indicates that in the June quarter of 2017, Dandenong's median rental price was \$330 per week.

From 2000 to 2017, average growth in rental yields for one, two and three-bedroom flats ranged from 5.1 - 5.5% per annum. In the longer term, growth in median rental rates has been relatively consistent across all apartment configurations, and no significant rental price premium has been witnessed for larger property types in comparison to smaller bedroom configurations.

Over the past five years from 2012-2017 (year to date), rental yields have compressed to range from 2.5 - 2.8% average annual growth. It is noted that the impact of new apartment supply is unlikely to be fully realised in rental data, noting that there remains a large number of aging, established dwellings within the rental pool.

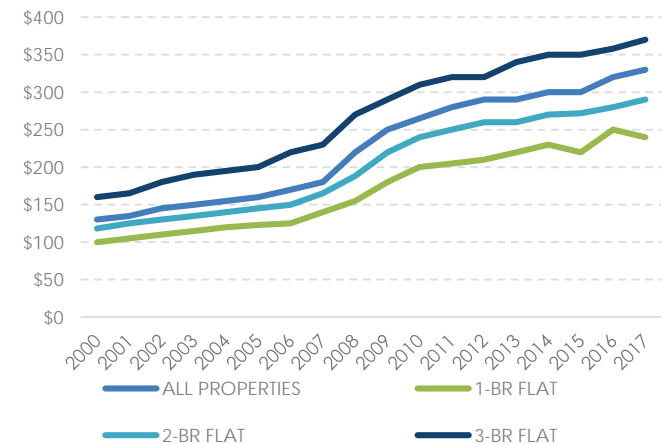
Given the recent increase in modern, high-quality apartment stock, it could be expected that the rental market may begin to adopt a price-premium for new dwellings with premium position and walkable access to public transport.

### Dwelling Approvals: Units & Townhouses

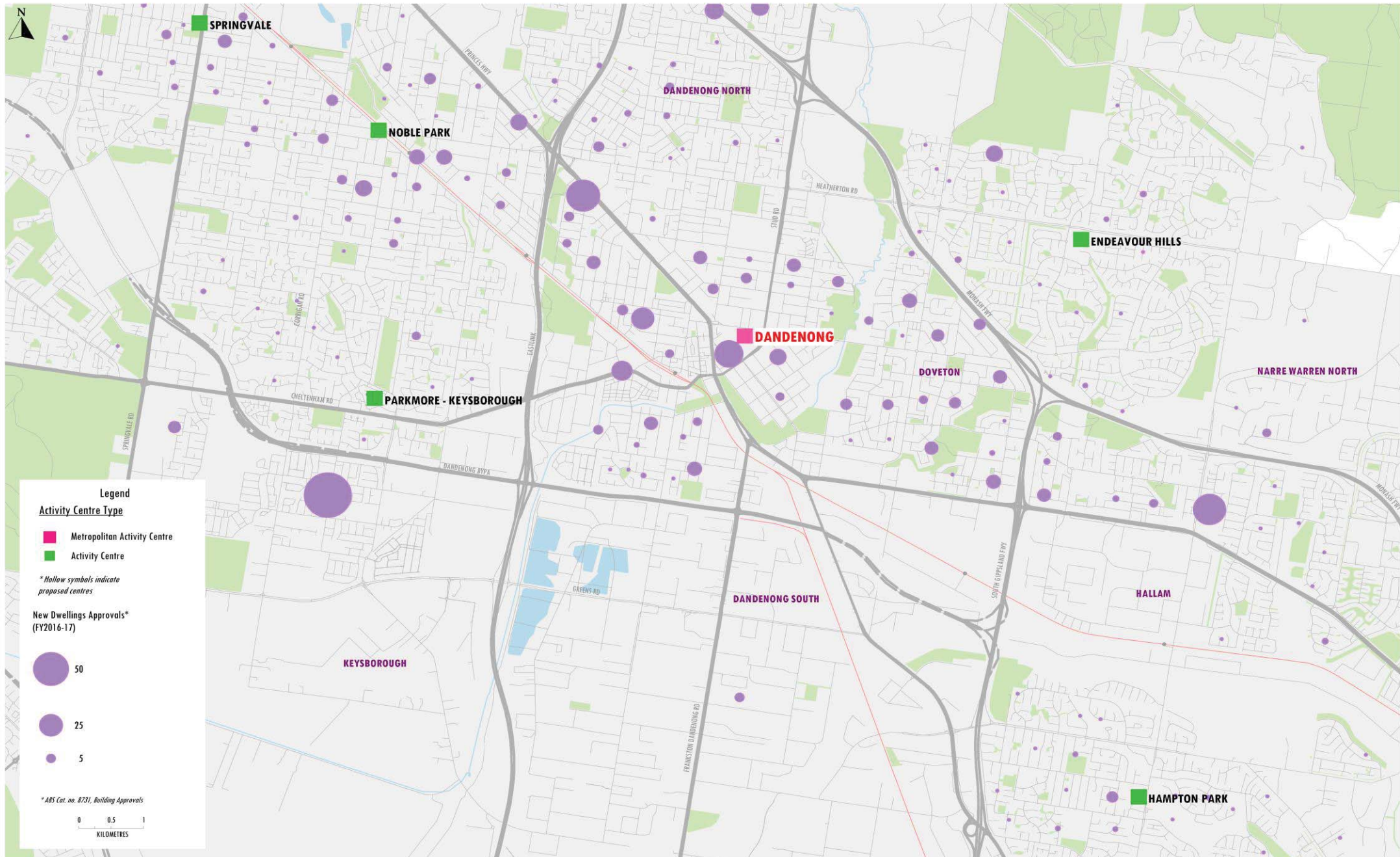


Source: ABS

### Rental Yields by property type, Dandenong



Source: DHS



## Population and Demographics

### Population and Growth

In 2017, the Estimated Resident Population (ERP, ABS) of Dandenong (SA2) was 33,453.

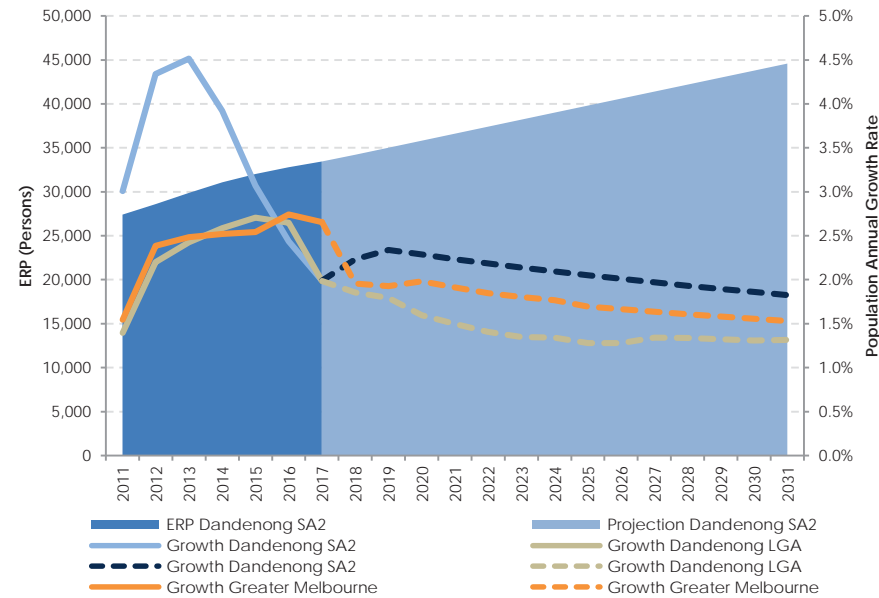
From 2011 to 2016, the population of Dandenong (SA2) grew by 1,078 people per annum, or an annual rate of 3.7%. Over the same period, Greater Dandenong (LGA) grew at an annual average rate of 2.5%.

Population growth within Dandenong is expected to remain steady over the period to 2031, with an annual growth rate of around 1.8%, which is above the level projected for Greater Melbourne. *Victoria in Future (VIF)* 2016 population forecasts indicate that Dandenong is expected to grow by approximately 17,117 residents at an average rate of 1,141 new residents per year.

This suggests that State Government planners and economists project a significant and sustained period of population growth in Dandenong – which is likely to lead to ongoing demand for new residential dwellings.

Projections also suggest that Dandenong's role as a regional CBD is likely to continue to grow, despite Dandenong being surrounded by some of Victoria's largest outer metropolitan growth areas. The key implication of this is simple – major residential development in Dandenong will continue to be a driving factor in its emergence as a CBD of the south-east region.

Population Growth, Dandenong, 2011-31



Source: ABS Census 2016; Victoria In Future 2016



## Population and Demographics

### Resident Demographic Profile

The adjacent table provides an overview of the resident socio-demographic profile of Dandenong SA2 and Greater Melbourne, compared with the Melbourne metropolitan and Australian averages, as at Census 2016. Key insights are summarised below:

- Generally, the socio-demographic profile in Dandenong SA2 is different from Greater Dandenong and metropolitan Melbourne.
- Dandenong SA2 has relatively young age profile, with a median age of 35.7 years, with an above average representation of residents aged 20-39 years (37.7%) compared with Greater Dandenong (33.1%) and metropolitan Melbourne (31%). The proportion of population aged 40 years and above is lower than in Greater Dandenong and metropolitan Melbourne.
- With a large number of young people, median household income in Dandenong SA2 is significantly lower compared with Greater Dandenong and metropolitan Melbourne.

- Dandenong SA2 and Greater Dandenong have noticeably high proportion of Asian population (43.7% and 42.4% respectively).
- Traditional families (i.e. couples with dependent children) are the most prevalent household type in Dandenong SA2, accounting for 49.3% of the population, which is above the Greater Dandenong and metropolitan Melbourne levels. There is also an above average representation of lone person households.
- Housing ownership (owned outright and owned with a mortgage) in Dandenong SA2 is less than 50% while over 50% of households are renters.

Dandenong has a young resident population with a diverse mix of family types, ethnic backgrounds and educational qualifications.

Dandenong - socio-demographic profile, 2016				
Census item	Dandenong SA2	Greater Dandenong	Melb Metro avg.	Aust. avg.
Per capita income	\$24,191	\$27,570	\$41,365	\$39,800
Var. from Melb Metro bmark	-41.5%	-33.3%		
Avg. household income	\$67,202	\$79,637	\$108,488	\$101,610
Var. from Melb Metro bmark	-38.1%	-26.6%		
Avg. household size	2.8	2.9	2.6	2.6
<u>Age distribution (% of population)</u>				
Aged 0-14	18.9%	18.1%	18.3%	18.7%
Aged 15-19	5.4%	6.0%	6.0%	6.1%
Aged 20-29	19.1%	16.8%	15.5%	13.8%
Aged 30-39	18.7%	16.3%	15.5%	14.0%
Aged 40-49	11.8%	12.5%	13.9%	13.5%
Aged 50-59	9.4%	11.2%	12.0%	12.7%
Aged 60+	16.7%	19.2%	18.8%	21.1%
Average age	35.7	37.3	37.6	38.6
<u>Housing status (% of households)</u>				
Owner (total)	43.0%	62.9%	68.5%	67.4%
• Owner (outright)	22.8%	31.5%	31.4%	31.9%
• Owner (with mortgage)	20.2%	31.4%	37.1%	35.5%
Renter	56.5%	36.5%	30.9%	31.8%
<u>Birthplace (% of population)</u>				
Australian born	31.8%	38.4%	63.9%	71.9%
Overseas born	68.2%	61.6%	36.1%	28.1%
• Asia	43.7%	42.4%	17.3%	11.2%
• Europe	12.9%	10.2%	11.0%	9.6%
• Other	11.6%	9.0%	7.8%	7.4%
<u>Family type (% of population)</u>				
Couple with dep't child.	49.3%	47.3%	47.8%	44.8%
Couple with non-dep't child.	5.9%	9.4%	8.3%	7.7%
Couple without child.	17.0%	18.0%	20.7%	22.8%
One parent with dep't child.	9.9%	10.0%	7.8%	8.8%
One parent w non-dep't child.	4.4%	5.1%	3.9%	3.7%
Lone person	11.5%	8.5%	10.2%	11.0%

Source: ABS Census of Population & Housing, 2016; MacroPlan Dimasi

## Economy and Industry

### Gross Regional Product

In 2017, the Gross Regional Product (GRP) of Greater Dandenong was estimated at \$13.738 billion, which is an increase of 22% over the 2016 level of \$11.251.

GRP has fluctuated over the past decade, reflecting a level of economic instability and transition within the Manufacturing sector. As an established industrial precinct, Greater Dandenong is disproportionately affected by global trends towards the decline of 'traditional' manufacturing and subsequent shift towards high-tech manufacturing and supply chain activities.

- Despite fluctuations in Greater Dandenong's GRP, average annual GRP growth was recorded at 4.9% over the past decade (REMPAN, 2017). This indicates a relatively significant level of economic resilience within the region.



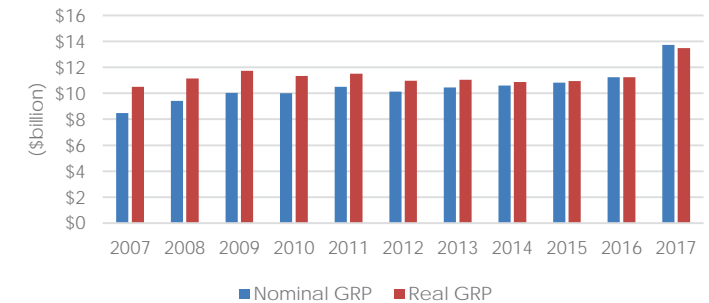
### Output by Industry

In 2017, Greater Dandenong's total economic output was estimated at \$35.7 billion. This equates to approximately 32% of total economic output in the Southern subregion.

- Manufacturing accounted for 43% of economic output, or \$15.2 billion, which is lower than 2016 levels.
- Other major sectors include Construction (12.8% of economic output, or \$4.6b), Wholesale Trade (8.3%, or \$3.0b), Rental, Hiring & Real Estate Services (6.6% or \$2.3b), and Transport, Postal & Warehousing (6.0%, or \$2.1b).

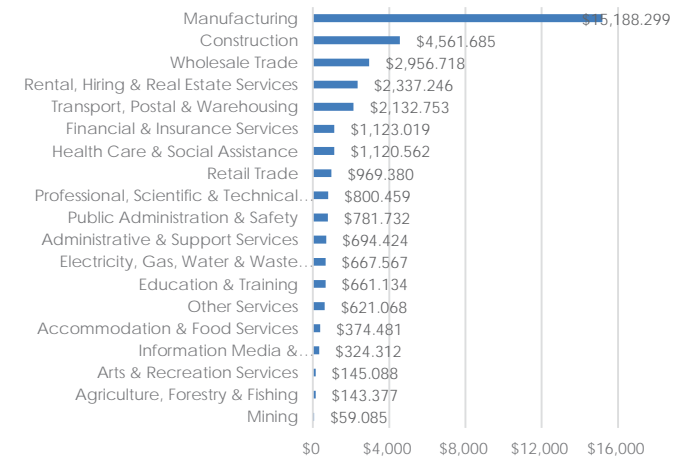


### GRP: City of Greater Dandenong



Source: REMPLAN

### Economic Output: City of Greater Dandenong (\$)



Source: REMPLAN

## Employment and Skills

### Overview

This section assesses employment trends for the City of Greater Dandenong and Southern subregion. This reflects the large catchment area of both the Dandenong NEIC and the Southern State Significant Industrial Precinct – both of which contain substantially more workers than the local labour force, and draw from a regional catchment of up to 148,000 jobs (Plan Melbourne, 2017).

Key findings include:

- The local labour force draws heavily from the surrounding region, with an estimated 66,300 jobs within the Dandenong NEIC. There are strong connections to other nearby employment areas in Pakenham, Braeside, Carrum Downs and Knox which contribute to the size and scale of the Dandenong NEIC.
- Unemployment rates are above the Victorian and regional average in Greater Dandenong. The Manufacturing sector is experiencing transitional change towards knowledge-based manufacturing, which may be producing flow-on impacts for less skilled employees.
- The Southern subregion has a substantial labour force, with over 561,674 workers. There is significant capacity to continue to develop employment densities to provide jobs closer to where people live.

### Labour Force and Unemployment

Department of Employment data indicates that at the March quarter of 2018, Greater Dandenong had an estimated labour force of 81,198 workers (SALM, 2018).

This equated to approximately 14.5% of the regional labour force, with an estimated 561,674 workers within the Southern subregion.

- Dandenong contains 15,525 workers, or 18.8% of the Greater Dandenong labour force.
- This figure reflects the broad economic role of the Dandenong NEIC, which attracts workers from surrounding areas and agglomerates them within a large-scale, high-capacity industrial node.

### Unemployment

In the March quarter of 2018, the unemployment rate in Greater Dandenong was 10.2%.

- To a certain extent, above-average unemployment rates in Dandenong reflect the above-average level of socio-economic disadvantage present amongst residents of the region – in addition to social factors, such as a higher share of overseas migrants and higher proportions of unqualified or less qualified workers.

### Employment by Industry

Similarly to economic output in Greater Dandenong, Manufacturing comprised the largest employing sector in 2016 with 22,694 or 23.1% of the total labour force.

Other major employing sectors include:

- Health Care & Social Assistance: 9,888 jobs (10.1%)
- Construction: 9,852 jobs (10%)
- Retail Trade: 9,262 jobs (9.4%)
- Wholesale Trade: 8,510 jobs (8.7%)

### Employment by Industry: City of Greater Dandenong



Source: REMPLAN



## Worker Demographics

### Workers

The workforce population within the Dandenong SA2 is estimated at around 65,654 workers, based on the 2016 ABS Worker Population Profile, which has increased from 50,790 since the 2011 ABS Worker Population Profile, an increase of around 30%.

The key points to note regarding the local workforce include:

- The majority of workers in Dandenong are male, with the proportion of males significantly higher than the metropolitan Melbourne average.
- The average age of workers in Dandenong is higher than the metropolitan Melbourne average, with a lower than average proportion of workers aged 20-29 years.
- In terms of occupation, the workforce population is skewed towards tradespersons & technicians and clerical & service workers.
- There has been a large decline in the level of labourers & transport workers in Dandenong over the inter-censal period, from 26.7% to 12.2%, and a subsequent increase in the level of tradespersons & technicians, from 15.1% to 32.2%. This reflects the migration away from manufacturing and towards construction in the region.

- The majority of workers travel to work by car.
- The key industries of employment in the catchment are Manufacturing; Wholesale Trade; Health Care & Social Assistance; Transport, Postal & Warehousing; Construction; and Retail Trade.
- Employment in Manufacturing and Wholesale Trade has declined over the inter-censal period, while employment in the other key sectors has increased.

Worker population profile				
Characteristics	2011		2016	
	Dandenong SA2	Melb metro avg.	Dandenong SA2	Melb metro avg.
<u>Industry of employment</u>				
Manufacturing	34.6%	11.4%	28.2%	8.4%
Wholesale trade	12.0%	5.3%	10.3%	3.8%
Health care and social assistance	8.6%	11.6%	9.7%	12.7%
Transport, postal and warehousing	8.2%	4.9%	9.3%	5.3%
Construction	5.0%	6.2%	8.3%	7.1%
Retail trade	7.6%	11.1%	7.9%	10.9%

Source: ABS Worker Population Profile 2011, 2016; MacroPlan Dimasi

Worker population profile				
Characteristics	2011		2016	
	Dandenong SA2	Melb metro avg.	Dandenong SA2	Melb metro avg.
<b>Worker population</b>	<b>50,790</b>	<b>1,756,400</b>	<b>65,654</b>	<b>2,046,233</b>
<u>Gender</u>				
Male	64.4%	52.0%	65.7%	51.9%
Female	35.6%	48.0%	34.4%	48.1%
<u>Age distribution</u>				
Aged 15-19	2.3%	4.4%	2.2%	4.2%
Aged 20-29	17.6%	22.0%	18.1%	21.9%
Aged 30-49	50.1%	47.1%	48.1%	47.1%
Aged 50-64	27.6%	23.7%	28.3%	23.3%
Aged 65+	2.4%	2.9%	3.4%	3.6%
Average age	42.4	40.7	42.1	40.1
<u>Occupation</u>				
Managers	14.0%	13.4%	13.4%	13.8%
Professionals	14.9%	25.8%	14.6%	26.0%
Clerical and service workers	21.7%	25.5%	20.5%	25.0%
Sales workers	7.6%	10.1%	7.2%	10.1%
Tradespersons and technicians	15.1%	12.0%	32.2%	17.4%
Labourers & transport workers	26.7%	13.1%	12.2%	7.8%
<u>Personal income</u>				
Less than \$20,799	8.5%	15.4%	6.4%	12.2%
\$20,800 - \$41,599	29.6%	26.0%	23.1%	22.8%
\$41,600 - \$64,999	34.8%	26.9%	36.3%	26.5%
\$65,000 - \$103,999	20.0%	20.6%	24.7%	24.1%
\$104,000 or more	7.1%	11.1%	9.5%	14.4%
Average income	58,162	61,314	64,364	69,526
<u>Mode of transport</u>				
Train	1.8%	10.6%	1.8%	11.8%
Tram (& light rail)	0.0%	2.3%	0.0%	2.6%
Bus	1.4%	1.5%	1.1%	1.4%
Car driver	81.6%	60.3%	82.8%	60.0%
Car passenger	4.6%	4.2%	4.3%	3.8%
Bicycle	0.3%	1.4%	0.2%	1.4%
Other	3.1%	6.1%	3.4%	6.0%
Non travel	7.2%	13.6%	6.3%	13.0%

Source: ABS Worker Population Profile 2011, 2016; MacroPlan Dimasi

## Highlights

- Development Victoria's *Revitalising Central Dandenong (RCD)* initiative aims to rejuvenate and consolidate Dandenong as the capital of the growing south-east region.
- Significant projects which have already been completed in Central Dandenong include the Australian Tax Office building, the Dandenong Government Services Building and the City of Greater Dandenong's new municipal building. The Salvation Army regional headquarters development is expected to commence construction by early 2019, while a number of large mixed use developments are currently in the planning pipeline.
- The investment to date and the planned developments in Central Dandenong will ensure that it continues to evolve and grow.
- Plan Melbourne identifies Central Dandenong as a Metropolitan Activity Centre, which acknowledges the key role that Dandenong plays in Melbourne's south-east, particularly because of its high level of public transport and road network connectivity, which make it ideal as a hub for investment, employment, high amenity and future population growth.
- Independent research with residents and businesses found that eight in ten respondents have noticed changes that have occurred in Central Dandenong over the past five years, with half indicating that the area will be a lot better once the RCD project is completed. Close to three in four businesses have a positive outlook for Central Dandenong on completion of the RCD project.
- Dandenong's population will continue to grow, stimulating demand for population-serving enterprises and enhancing demand for local jobs that will stimulate the economy.
- Dandenong has a young resident population with a diverse mix of family types, ethnic backgrounds and educational qualifications.
- Greater Dandenong is in the heart of an economic corridor that includes over 148,500 jobs. The labour force is evolving through growth in Health Care, Construction and Retail Trade.
- Strong locational attributes have resulted in Dandenong experiencing a sustained period of upward price growth, while remaining an affordable entry-point into Melbourne's booming property market.

