

# Research Matters

News from the Department of Sustainability and Environment's Urban and Regional Research

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## The Urban Development Program Forums 2004

Interested in where the 'hot-spots' of supply for residential and industrial land are likely to come from in the next 5 years and beyond? Want to know how many lots and dwelling units are likely to be produced in your municipal area in the short to medium term? Keen to find out where the pressure points are for land supply within the Urban Growth Boundary? Answers to these and many other demand and supply questions for residential and industrial land will be available in the forthcoming *Urban Development Program Report*.

Members of DSE's Urban and Regional Research team have been busily meeting with all 33 councils (all 31 Metropolitan Melbourne councils plus Geelong and Surf Coast), major developers, industry associations, infrastructure providers and other key stakeholders through the months of February, March and April. This consultation process has provided the backbone of research which has fed into preparations for this year's Urban Development Program Regional Forums.

Running between the 25th May and the 15th June, the Forums were held in the various regions (North, South, East, West and Inner) of metropolitan Melbourne, plus one for the Geelong and Surf Coast Region. At each Forum, stakeholders were brought together to seek endorsement of research recently undertaken, as well as provide further information on residential and industrial development projects.

For seasoned housing research analyst Rodney Wright the second round of UDP forums proceeded particularly smoothly. The effervescent broad-hectare specialist commented that: "This time round we've had tremendous support and input from our key stakeholders. What we have now is a concise and up-to-date framework to assist all players in the planning and development sectors make more informed decisions. Our job is to gauge what is happening on the ground, as well as



what is likely to happen, and whether the objectives of Melbourne 2030 are being met. The key message is to ensure we have adequate land stocks inside the Urban Growth Boundary to meet demand, although supply is certainly getting tight in particular growth areas."

The 2004 *Urban Development Program Report* is expected to be released in September. The 2003 *Urban Development Program Report* is available on-line at:

[www.dse.vic.gov.au/research](http://www.dse.vic.gov.au/research) and interactive mapping tools are available at: [www.land.vic.gov.au/udp](http://www.land.vic.gov.au/udp).

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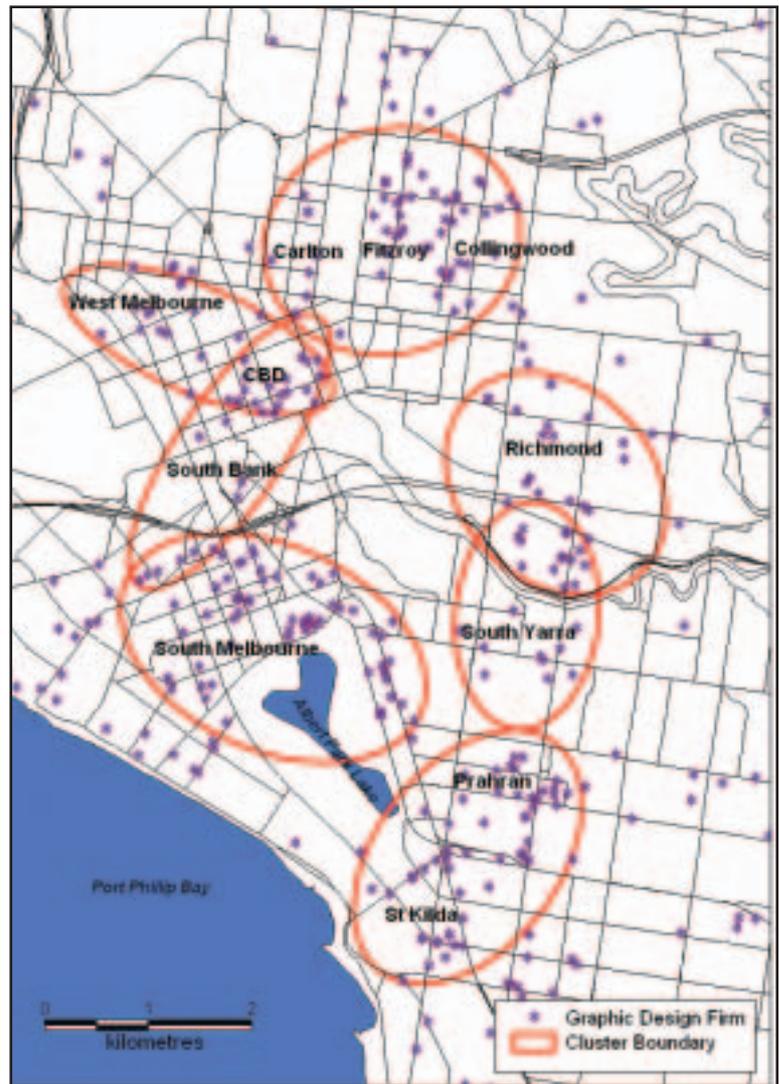
## Clusters of Advanced Service Businesses: do they exist?

There has been a great deal of work about the clustering of firms in small geographic areas since Alfred Marshall described "Industrial Districts" in the late nineteenth century. Recently there has been much research about the spatial, social and economic characteristics of industrial clusters. This work suggests firms derive a number of economic benefits from being located near one another or economies of agglomeration.

This work has also been applied to sectors of the service economy. However, there has been little research done on advanced service firms other than Finance, Insurance, and Real Estate or much work done about Melbourne. One example of an advanced service in Melbourne is graphic design.

The demand for graphic design services has increased due to high demand from other advanced services such as advertising and multi-media. This is evidenced by the large increase over recent years in the number of graphic design firms (600% increase between 1981 and 2001 in metropolitan Melbourne) and graphic designers (60% increase between 1996 and 2001 in metropolitan Melbourne).

Using a spatial analytical measure called Nearest Neighbour Analysis, seven clusters of graphic design firms have been identified in 2001. These clusters contained 271 firms or 37% of graphic design firms in metropolitan Melbourne. The remainder of the firms were scattered across the metropolitan area, particularly to the east and south of the CBD. The number of firms located within the clusters may seem small, however this is the result of using a narrowly defined statistical measure for the clusters. The firms that do cluster tend to be larger, in terms of employment, than those that lie outside of the clusters. Furthermore, the firms within the clusters are densely packed together with an average of 12 firms/km<sup>2</sup> compared to 0.5 firms/km<sup>2</sup> outside of the clusters.



The clusters have evolved over time. Starting with one cluster in South Melbourne in 1981, graphic designers have colonised new areas such as Prahran, Collingwood and West Melbourne. Only recently have graphic design firms started to concentrate in the CBD. This pattern of location is different to firms in Finance, Insurance, and Real Estate where studies of cities overseas have found these firms tend to locate in the CBD.

While there is evidence of geographic clustering this does not mean that firms receive agglomeration economies from clustering together. The next phase of the research will involve interviewing firms, both inside and outside the clusters, about their reasons for locating where they do, contacts, networks and the advantages they think their location gives them.

Peter Elliott is continuing his work on geospatial distributions of employment, industry and related issues in Victoria. Stay tuned for further updates in *Research Matters*.

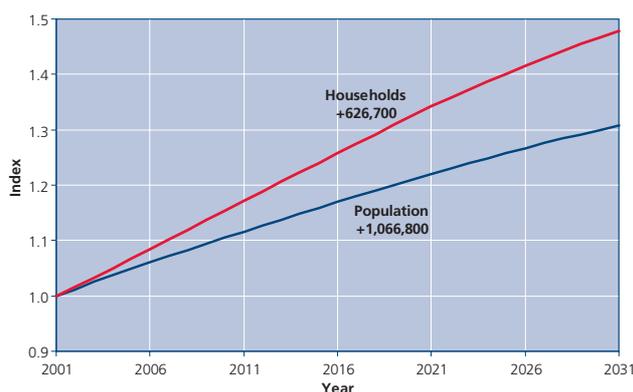
# Matters

## Victoria in Future 2004, coming soon

Many readers have been keenly awaiting the release of the *Victoria in Future 2004* population projections. The good news is that the projections are in the process of being finalised. The *VIF 2004* projections will include State and regional projections to 2051 and small-area population projections by age and sex to 2031. For those who cannot wait for the final projections a set of interim population projections based on preliminary 2001 population data from the ABS is currently available.

In another sneak preview of *VIF 2004* we can present you with the projected population and households for Melbourne. The total population of Melbourne is projected to grow from around 3,471,600 people at 30 June 2001 to 4,539,000 people at 30 June 2031. This represents growth of 1,067,000 people over the 30 years from 30 June 2001 to 30 June 2031. The number of households in Melbourne is projected to increase from 1,309,400 households in 2001 to 1,936,100 households in 2031. This represents a growth of 626,700 households over the projection period.

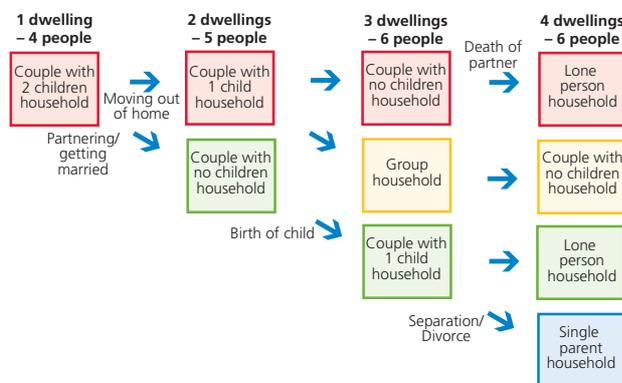
### Index of growth for population and households in Melbourne, 2001 to 2031



Source: DSE VIF 2004 population projections

The number of households in Melbourne is projected to increase at a faster rate than population growth between 2001 and 2031. The rate of household growth over the 30 year period from 2001 to 2031 in Melbourne will average 1.3 per cent per annum, significantly more than the projected average annual population growth rate of 0.9 per cent. An ageing population and a range of social changes are driving a reduction in average household size, accelerating this rapid growth in households. In fact, average household size in Melbourne, 2.61 in 2001, is projected to fall to 2.44 in 2016 and 2.31 in 2031.

It is important to note that much of the increase in households will not only come from migrants moving to Melbourne from interstate and overseas but from an ageing population and an increasing diversity in household arrangements. The diagram below demonstrates how the number of households and dwellings can increase significantly over time, and average household size decline, with only moderate population growth.



The traditional notion of a family life cycle where one leaves home, marries or partners and has children is becoming increasingly disrupted. The emerging household types are single parent families, couples without children and in particular, lone person households. Many of the 'new' one and two person households will not be young singles and couples forming their own new households, but will increasingly be middle aged and older couples (and former single parents) whose children have moved out of home. Many of the single person households will be divorcees and older persons whose partner has died.

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## NIMBYs, NOTEs, BANANAs, DINKs, DINKUMs, DINKI-DIs and ...?

Acronyms have become a popular way for characterising changes in our cities and regions. They are usually humorous but can be pointed. Some have become commonly used terms such NIMBY meaning 'Not In My Back Yard'. But typically, this is not enough; people just can't help adding to it. So recently NIMBY has been added to by NOTE ('Not Over There Either'). Perhaps with regards to negative attitudes to new development, the ultimate acronym came out of Boulder, Colorado in the 1980s – BANANA ('Build Absolutely Nothing Anywhere Near Anybody'). Similarly the long used DINK ('dual – or double – income no kids') has been extended to DINKUMs ('Double Income, No Kids, Unbelievable Mortgage') or DINKI-DI ('Double Income, No Kids, Dog Instead').

*Research Matters* invites you to submit an original acronym related to urban change and demographic issues. Please email your entries to [urbanregional.research@dse.vic.gov.au](mailto:urbanregional.research@dse.vic.gov.au). Entries close Friday 30 July 2004. Entries that are deemed most original and creative will be published in the next edition of *Research Matters*. The winning entry will receive a \$50 gift voucher from the DSE Information Centre. The editor's decision is final.

## Urban and Regional Research on-line

The Urban and Regional Research web page can be accessed at [www.dse.vic.gov.au/research](http://www.dse.vic.gov.au/research). The latest editions of *Research Matters*, *Residential Land Bulletin*, *Local Connections* and the *2004 Victorian Population Bulletin* can be found on the site.

### Know Your Area

*Know Your Area (KYA)*, a database that provides information about the people of an area and how they live is also available at [www.dse.vic.gov.au/research](http://www.dse.vic.gov.au/research). Recent data updates include residential land development data for the December quarter 2003 for metropolitan councils and unemployment data from the Department of Employment and Workplace Relations to December 2003 for Victorian Statistical Local Areas. If you would like to be notified when new data sets are added to KYA join the mailing list by contacting [christina.inbakaran@dse.vic.gov.au](mailto:christina.inbakaran@dse.vic.gov.au) or 9655 6054.

## Local Government Research Network – Mesh Blocks

On the 21st of May the *Local Government Research Network (LGRN)*, together with the Australian Bureau of Statistics (ABS), ran a seminar titled 'Mesh Blocks – Their Design and Your Needs'. Frank Blanchfield, Director of Geography at the ABS, explained how the ABS is in the process of developing a new set of boundaries for the output of Census and other data. The Census Collection District (CD) will be phased out and will no longer be used for data specification from 2011 onwards. In place of the CD will be smaller units which can be aggregated in different ways making them useful for journey to work destinations and outputs from other surveys.

All presentations from this meeting are on the *LGRN* website at [www.dse.vic.gov.au/lgrn](http://www.dse.vic.gov.au/lgrn). The ABS Information Paper Mesh Blocks (ABS Cat. no. 1209.0, free to download from [www.abs.gov.au](http://www.abs.gov.au)) summarises the recommendations of an expert panel advising the ABS on design criteria for Mesh Blocks. The ABS is looking for feedback from interested parties before 30th June 2004.

### Local Connections Online

The June Edition of *Local Connections* will include articles on research associated with Melbourne 2030 activities. We will also cover articles on any interesting research which organisations have been involved in during the year.

For further information on the *Local Government Research Network*, or to be included on the *Local Connections* mailing list please contact [christina.inbakaran@dse.vic.gov.au](mailto:christina.inbakaran@dse.vic.gov.au) or 9655 6054.

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