



AUGUST 2024

# KINGSTON ECONOMIC DEVELOPMENT STRATEGY



Kingston  
**Business**

*Supporting you and your business*

# Strategy Snapshot

The Strategy strives to deliver successful economic outcomes according to four themes:

## Theme 1 Strong Local Economy

Objective: Kingston's economy continues to see economic growth as our industries diversify and leverage new opportunities.

## Theme 2: Business location of choice

Objective: Our network of businesses, skilled workers and engaged leaders fosters a highly desirable place to locate and do business.

## Theme 3: Destination for experiences

Objective: Kingston's diverse calendar of events, local food and shops and unique natural assets attracts residents and visitors alike.

## Theme 4: Inviting and lively centres

Objective: Our centres promote and enhance our city's liveability, wellbeing and accessibility through collaborative design, activation and building on each centre's individual strengths.

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# Introduction

## Strategy purpose

The City of Kingston is a thriving and well-established economy that continues to make a significant contribution to the GDP of Melbourne and the Victorian economy. It is also home to a diverse multicultural population and an increasingly educated and skilled workforce.

Kingston's prosperity is intrinsically tied to local businesses' ability to continuously evolve, innovate and prosper – leveraging local strengths, adapting to new and emerging opportunities, and growing local employment which connects with the local community.

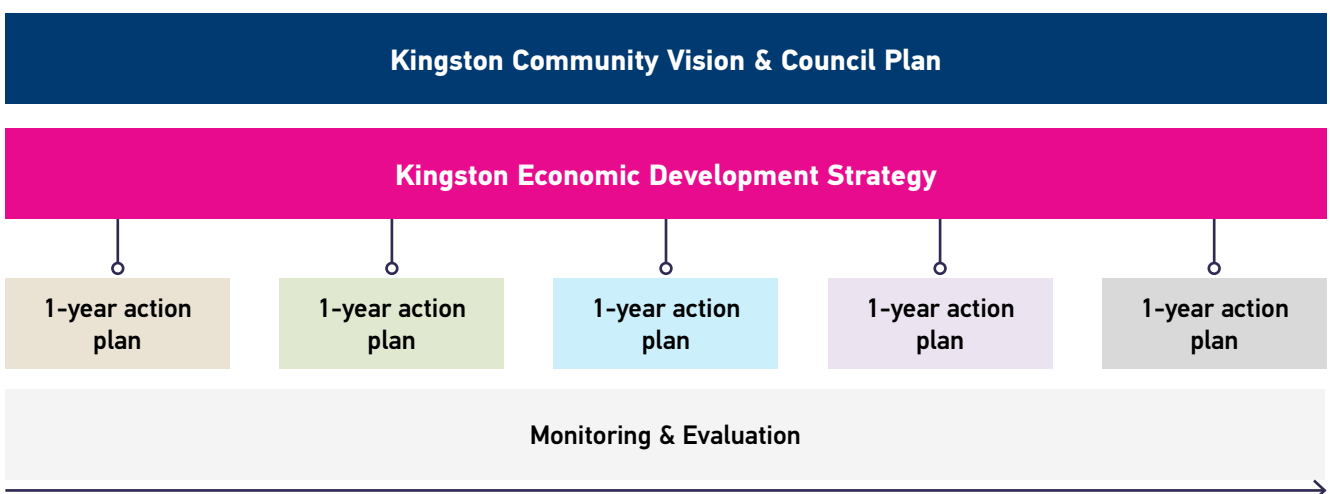
The purpose of this Economic Development Strategy (the Strategy) is to set out clear directions for how Council will work alongside local business, industry groups, strategic regional partnerships and other levels of government to grow our economy for the benefit of the local community in the years to come.

## About the Strategy

The Strategy is intended to be a long-term guiding document, with a focus on foundational themes and overarching objectives. Year-on-year action plans will accompany the Strategy to enable responsive implementation in the short term. A monitoring and evaluation framework is also included so that progress can be tracked against the Strategy's vision and objectives on an ongoing basis and inform priorities for each action plan (Figure 1).

Prior to the development of the Strategy, the Kingston Future Directions Paper took a deep dive into the current state of our economy, trends influencing transformation and change, and economic needs. Feedback on the Paper collected through industry and stakeholder interviews and more than 300 community survey responses has directly shaped the Strategy and Year One Action Plan.

**Figure 1: Strategy components and alignment**



## Delivering on strategic objectives

The Economic Development Strategy sits beneath the Council Plan and Community Vision.

**Council's vision for Kingston is an inclusive, resilient community with a thriving economy, where we all share a safe, sustainable environment.**

### Kingston Community Vision & Council Plan

#### Community Vision

**“Kingston is a resilient, inclusive and diverse community. We are building the most liveable and sustainable city in Victoria. We champion and nurture our green and open spaces creating a safe, healthy environment. Our shared legacy connects our community, embracing innovation, making Kingston the place to live.”**

### Kingston Economic Development Strategy

**Thriving Kingston businesses is one of the principles identified under the vision.**

The Strategy will support the achievement of these visions and deliver on a wide range of strategic objectives set by other plans and strategies.



# Community & business in Kingston



Kingston is already an exceptional place to live and do business. Our municipality is rich in human, environmental, and economic assets that all contribute to the thriving hub of activity we are today, such as:



A strong and diverse business community that Council continues to support and develop



A highly-skilled and highly-educated workforce to support long-established and emerging industries



Local centres and precincts offering convenient access to jobs, services world class shopping, and dining and entertainment options



Picturesque coastlines, parks, and gold courses enjoyed by locals and visitors alike



A thriving arts and cultural scene, from performances and workshops to festivals



Australia's leading flight training airport at Moorabbin

All of this is strategically situated 20 kilometres from the Melbourne CBD and well-connected via major road and rail corridors that will be enhanced in the coming years.

# Kingston economic summary

## Large economic hub

10th largest economy in Victoria



\$12.4b

Gross Regional Product



18.5k

Businesses



94k

Local Jobs

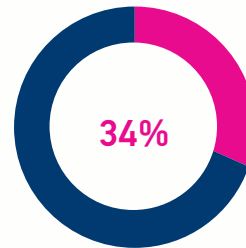


86k

Workers

## Large industrial base

Industrial related sectors account for 34% of jobs in Kingston



Top 3 Non-Industrial related

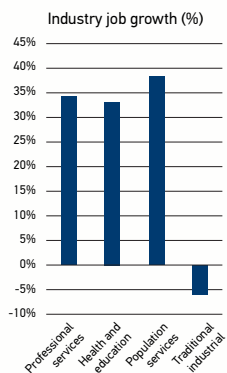
Retail trade 12%

Construction 12%

Healthcare 9%

## Economic transition underway

Shift to service sector and skills based economy



Between 2016 and 2021:

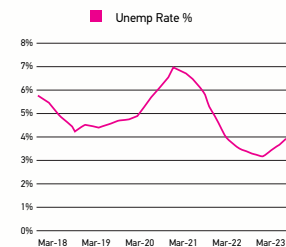
- 72% of job growth was in service sector industries.
- 40% of job growth was in professionals or manager occupations.
- Almost 8 out of every 10 new jobs required a bachelor or higher degree.

## COVID-19 had a significant impact

But recovery is underway

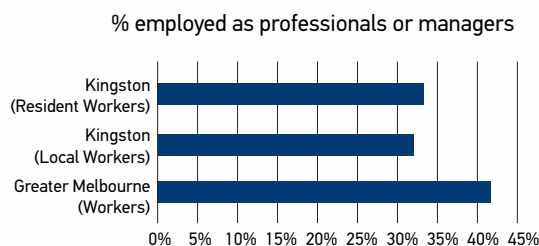
Large impact over overseas arrivals  
Local industries most impacted (jobs)

- Arts and Recreation
- Other Services
- Hospitality
- Retail Trade



## Mismatch between skills and local jobs available

Residents have higher skills and qualifications compared to local jobs available

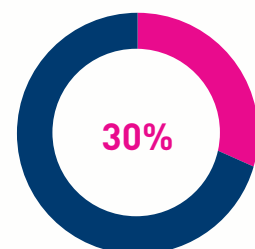


## This means many residents seek employment elsewhere

Top 5 workplace locations for residents

% work and live in Kingston LGA

1. Kingston
2. Melbourne
3. Greater Dandenong
4. Monash
5. Bayside



Source: SGS Economics and Planning 2024, based on ABS data

# What is economic development?

Economic development focuses on enhancing the circular nature of the economy, so that the local community gets the maximum benefit from business investment and growth. Growth in economic activity - such as new spending on goods or services - allows businesses within Kingston to invest in new equipment and materials from other businesses, and hire more people and pay higher wages (Figure 2).

In Kingston, growth has been driven by a transition to a broader base of service-based industries, led by the care and knowledge economies. While traditional industrial industries such as manufacturing continue to see declines in employment, they still provide some of the largest contributions to the local economy in terms of output. Retail trade has continued to play an increasingly important role in the local economy, underpinned by Kingston's activity centres and the anchor of the Southland shopping centre.

This economic growth gives those businesses and workers the opportunity to also invest back into the economy. The more these connections stay within the Kingston economy, the more flow on impacts that are created – further helping to stimulate local economic development.

Greater economic activity also translates to higher government revenues, providing Kingston City Council with more resources to invest in better quality services for the local community.

**Figure 2: Economic Development cycle**





# Components of a regenerative local economy

It is widely recognised that the areas of tourism, economic development, investment attraction, and placemaking are strongly linked and key to the success of a thriving and sustainable local economy.

1. **Economic development** seeks to focus government and industry investment in a way that feeds back into the local community - creating local jobs, wealth and wellbeing outcomes.
2. **Investment attraction** brings new capital and businesses into the local economy that help to drive innovation, new markets, business connections, export opportunities, and job creation.
3. **Visitor economy** helps showcase Kingston's natural and economic assets and brings spending from visitors outside of the LGA to help to further stimulate local business sectors such as hospitality, retail and entertainment services – creating a more vibrant and diversified offer for local residents.
4. **Placemaking** creates public spaces that promote social interaction and community engagement, attracting visitors, encouraging them to stay longer, and enhancing the quality of life for residents.

This Strategy embraces the interdependence of these components and is structured around these four key themes.



# Council's role

The complex nature of the local economy means that Council does not have all the powers and resources necessary to ensure growth and prosperity on its own. Other parties, including State and Commonwealth agencies, the private sector and not for profit organisations have a major part to play, and Council's role may be that of provider, planner, facilitator, and advocate.

Firstly, Council sets out a shared vision for the ongoing prosperity of the municipality and the strategies required to achieve it. Council also directly supports local businesses by providing services such as business advice, training, capacity-building initiatives, promotion campaigns, and hosting local events to help stimulate the local economy and meet business community expectations.

Outside of this direct action, Council facilitates and promotes behaviours which positively contribute to economic growth and prosperity, like 'buy local' campaigns. Council also advocates for funding and delivery of services and infrastructure not directly under its purview.

**Table 1: Council's Roles**

Role	Responsibilities
Provider	Council funds and delivers services and infrastructure (often shared between Council and other agencies).
Planner	Council develops short- and long-term local policy and strategy for the municipality.
Facilitator	Council facilitates outcomes for its community through building partnerships, promoting opportunities, and building the capacity of community members and organisations.
Advocate	Council advocates on behalf of the community to other tiers of government.



## THEME 1

# Strong local economy

# Kingston's economy continues to see economic growth as industries diversify and leverage new opportunities.

## Rationale

- Kingston's economy has long relied on its traditional industrial base, while a wider economic transformation has seen a shift to population and knowledge-based services as the core driver of economic growth and productivity.
- This shift has fundamentally changed Kingston's industrial economy, not making it redundant, rather it is central to a new economic wave focused on research, innovative, sustainability, Industry 4.0 and the security of local supply chains and production capabilities.
- An emerging health, education and business services economy, which leverages the growing number of highly skills local workers, provides a bridge between this transforming sector and the new markets, opportunities and innovation areas which it seeks to tap into.
- Strengthening these local connections and supply chains helps to further boost the circular nature of the economy. Currently Kingston's annual imports (both goods and services) value in the billions, capturing a small portion of this spend locally can make a big impact to economic prosperity. The food manufacturing industry and hospitality sectors are an example of an area of the local economy that may benefit from increased local connections.
- A strong local economy is also an inclusive economy, where hard work and success is rewarded, and there are opportunities for employment, retraining and pathways to development and grow.
- In the coming years, climate change will not only bring challenges, increasing the need for a more resilient economy, but it will also bring opportunities through de-carbonisation and increased investment in the circular economy.

## Strategies for a strong local economy

- 1.1 Guide the transition of the traditional industrial sector with emerging industry 4.0 trends.
- 1.2 Develop as an inclusive economy with accessible pathways to local employment, including social enterprise.
- 1.3 Support adaptation to the impacts of climate change, as well as taking advantage of decarbonisation and circular economy imperatives
- 1.4 Facilitate local supply chain investment and procurement.



## THEME 2

# A business location of choice

# **Our network of businesses, skilled workers and engaged leaders fosters a highly desirable place to locate and do business.**

## **Rationale**

- Kingston's population is continuing to grow, and with it, competition for land is increasing. This makes protecting employment land within the municipality, while it goes through a period of major transition and renewal, highly important for the continued prosperity of the business community.
- Nearly all businesses in Kingston are local small and medium sized enterprises. Kingston's economy hinges on its ability to ensure these local business owners and entrepreneurs have the opportunity to continue to grow, expand and thrive locally.
- A culture of collaboration helps to grow partnerships, seed new ideas, drive innovative, create shared branding opportunities and attract new business and investment across the municipality.

## **Strategies for a strong local economy**

- 2.1. Implement best-practice employment land policy and regulations.
- 2.2. Nurture emerging entrepreneurs and social entrepreneurs and build on a small business environment supportive of growth and development.
- 2.3. Foster relationships between businesses to build skills, connections, and capacity.
- 2.4. Promote the strengths and unique opportunities that Kingston's economy offers.



## THEME 3

# A destination for experiences

# Kingston's diverse calendar of events, local food and shops and unique natural assets attracts residents and visitors alike.

## Rationale

- While tourism currently represents a small share of Kingston's economy, there is room to grow and expand the visitor offer in way that supports local business and benefits the local community.
- Kingston is known for its extensive bay beaches from Mentone to Carrum and the popular Mordialloc pier, ideal for fishing, boating, swimming, and recreation with panoramic views of Port Phillip Bay. The area is also home to top-level golf courses. Kingston's lesser-known green wedge offers recreational spaces, featuring several waterways through preserved green areas, adding significant natural value to the region.
- Kingston boasts a wide variety of shopping precincts including the larger shopping centres of Westfield Southland and Moorabbin DFO. Moorabbin is home to Kingston's Arts Centre which hosts various events, performances, and exhibitions throughout the year.
- A successful economy balances daytime activities with a vibrant night-time economy which includes artistic and commercial sectors, start-ups, non-profits, and cultural institutions, focusing on entertainment, food, and drink, supported by multiple transport options. Kingston's night time economy would benefit by building on it's strengths in suitable, key activity centres through the promotion of compatible offerings including dining, entertainment and extending an already successful calendar of events.

## Strategies for a strong local economy

- 3.1. Sustainably grow the local night-time economy offer.
- 3.2. Continue to develop a compelling visitor offer with a strategic and integrated approach to showcase our unique attractions.





## THEME 4

# Inviting and lively places

**Through successful placemaking, our centres and other public spaces promote and enhance our city's liveability, wellbeing and accessibility through collaborative design, activation and building on each centre's individual strengths.**

## **Rationale**

- Some of Kingston's centres are successfully thriving as destinations in their own right, while others have struggled to foster a strong sense of place as business and consumer needs change.
- COVID-19 accelerated the shift away from brick-and-mortar shopping towards online and experience-based retail and services. Kingston has a strong historical retail base, this has directly impacted on the performance of commercial centres, with some becoming less and less activated.
- Kingston's placemaking initiatives have already demonstrated success through a range of events and there are opportunities to build on these offerings to further align centres with future needs.

## **Strategies for a strong local economy**

- 4.1. Establish distinguished offers and differentiation that recognise and celebrate Kingston's centres and places.
- 4.2. Prioritise safety, accessibility, and the health and wellbeing of people to ensure spaces can be enjoyed as intended.
- 4.3. Build on existing successes by expanding digital reach, brand awareness, and flagship events.
- 4.4. Balance placemaking investment and programming across the municipality to ensure all communities have access to high-quality, attractive places and activities.
- 4.5. Support collaboration and collective visioning and investment through internal capacity-building, knowledge-sharing, and strengthening of trader networks.
- 4.6. Continue to liaise with government and business stakeholders to leverage major investments (e.g. Suburban Rail Loop and level crossing removals) for local benefit.



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