LOOKING FORWARD
LOOKING BACK

COMMITTEE FOR MELBOURNE
Our goal is to make Melbourne a great place for everyone who lives and works here.

Thank you for your valuable contributions over the past year. We have had some remarkable wins with the Committee’s advocacy work contributing to significant outcomes in public transport, long-term visionary planning, improved governance, consideration of value capture funding innovations and freight and logistics issues, increased use of Public Private Partnerships (PPPs) to deliver infrastructure projects, and transport concessions for international students.

The recently announced free tram travel in the CBD and Docklands reminds us that while it takes time to see the results of the Committee’s advocacy work, it is well worthwhile. The election promise made by both sides of government is virtually word-for-word a proposal that was presented to governments by one of the Committee’s 2008-09 Future Focus Group project teams.

In the year ahead, we will again tap your expert knowledge to tackle some critical ‘big picture’ issues. We will produce a comprehensive piece of work on Melbourne’s future economic drivers, combining it with our cultural, environmental and ‘liveability’ strengths, to showcase Melbourne as an attractive and competitive place to both live and do business. We will:

- Look at Melbourne’s future position as a globally competitive city to identify our competitive advantages and how we can better protect and develop these sectors
- Look at productivity and how well we perform in maximising our outputs
- Continue to advocate for more innovative infrastructure funding models, particularly for public transport
- Address key issues such as high density housing and successfully connecting new developments to jobs and services
- Identify a set of guiding principles focused on the long-term development, planning and prioritisation of infrastructure, and
- Work to ensure we maintain our position as the world’s most liveable city by maximising access to jobs, housing, transport and services, while strengthening our strong cultural advantages.

Your contribution to our steering groups, discussion forums, task forces and networking events is a vital part of helping us achieve our goals. I look forward to working with you over the coming months as we strive to make Melbourne a better place for all Melburnians.

Kate Roffey
CEO
A globally competitive and productive Melbourne

In positioning Melbourne for future prosperity, we need to be aware of the opportunities Victoria can exploit to drive economic growth.

While we have traditionally relied on manufacturing, mining and agriculture as our economic drivers, the world, and our place in it, is changing. This is not a bad thing. Melbourne has many strong sectors with the potential to play a significant role in our future, including:

- E-Health
- International education
- Wealth management
- Advanced manufacturing
- Medical tourism
- Major events and conferences
- Professional services
- Food security
- Medical research and innovation
- Technical innovation

The Committee will undertake a comprehensive piece of work around Melbourne’s future position as a globally competitive city. We will identify our competitive advantages, and more importantly, improve our understanding of how we can better protect and develop these sectors.

A focus on productivity, with a view to getting the most out of our resources, is essential. As a key part of this work, we will also investigate our relative position in productivity terms. A realistic assessment of our performance in key economic areas is an important part of our future growth.

Infrastructure funding – public transport

Following our work on funding and financing of infrastructure as raised in Moving Melbourne, the Committee is now progressing the issue of innovative funding for public transport.

Working with key member organisations, the Committee will address the challenge of funding public transport, and in particular the Melbourne Metro train project. The Metro Train project is the key to unlocking the full capacity of our train network. The complexity of completing this task in full, which includes high capacity signalling, dealing with grade separations, in addition to upgrading the train system itself, means this project falls into many billions of dollars.

Public transport initiatives often become poor cousins in the funding cycle largely due to the difficulties governments perceive in funding rail and trams, with their complex operational requirements and ongoing costs, versus roads. The Committee will continue to investigate options such as increased borrowing by government, sale of brownfield assets to seed ongoing funding pools, value capture mechanisms, beneficiary contribution schemes and user pays contributions as means to increase the funding pool for projects that do not readily lend themselves to private investment. As a crucial element in ensuring Melbourne’s productivity and livability for the future, we cannot afford to lag behind in the delivery of public transport initiatives.
Independent and long-term prioritisation of infrastructure

Our rapidly growing population is placing much greater demands on our infrastructure than may have been envisaged. In addition, the demands on government revenue are increasing in areas like health and education, therefore limiting the money available to spend on very expensive infrastructure builds. If we do not find a way to sensibly accelerate our rate of infrastructure build, eventually we will see a drop in productivity and lower standards of living over time.

While we are all aware there is a pressing need to address this problem, it is generally agreed the current attitudes and processes tend to focus on political cycles and hence, lead to relatively short-term plans, instead of the long-term planning and prioritisation required.

As part of our commitment to focusing on the future development of Melbourne, the Committee aims to identify a set of guiding principles that will encourage us to move to a system of long-term prioritisation of infrastructure projects. To be most effective, quality and independent advice must be aligned with a clear, long-term vision, be independent, bi-partisan, transparent, rigorous and cross-sectorial, and must focus on facilitating economic development.
Urban infill versus growth corridor expansion is not a new issue, however we are yet to find a suitable balance. The 50,000 lot land supply recently announced for Melbourne’s western, northern and south-eastern corridors deals with the issue of providing additional land in lieu of many established suburbs not accepting the challenge to infill. However, these areas often lack the volume and connectivity of essential infrastructure, jobs and community support facilities required for optimisation.

We will continue to address some of the key issues around urban optimisation, including the need to densify to use our existing infrastructure more effectively, identifying key principles required to successfully connect new developments to jobs and services, and gaining a better understanding of how we best build for the needs of our growing population.

While a strong economy and an engaged workforce is the cornerstone of a strong city, the quality of the business environment is not the only consideration. Cities with reputations for a high quality of life are most successful in remaining competitive because they successfully blend economic considerations with cultural, environmental, and ‘liveability’ strengths.

Liveability means different things to different people, but there is no doubt our sport, arts, cultural diversity, heritage, clean air and green spaces make Melbourne an attractive place to live, work and do business. In addition to identifying our key economic advantages, we will work to better understand how various sectors contribute to our liveability, and how we can better marry up our liveability and economic strengths.
The Committee’s ongoing advocacy has contributed to a number of significant outcomes.

**Free Trams in the CBD**

The recently announced free tram travel in the CBD and Docklands election promise reflects a proposal presented to governments by the Committee’s 2008-09 Future Focus Group project team.

That proposal called for a removal of the fare for tram travel commencing and finishing within the Melbourne CBD region to enhance Melbourne’s livability and to make the CBD a more enjoyable place to visit, work, learn and live. By removing ticketing confusion, reducing congestion and pollution, improving pedestrian and cyclist safety, free CBD tram travel provides both residents and tourists with easier access to the city.

It took some time, but this is a clear example of the way in which the Committee makes a difference when we remain committed to a cause and persistent in our advocacy efforts.

**Infrastructure funding innovation - value capture**

Following Committee for Melbourne’s release of *Moving Melbourne*, significant traction has been gained.

The recent announcement of the Station Precinct Engagement Program - whereby crown land will be sold to developers, and part of the value captured from that sale will go back to the development of improved infrastructure - is exactly the style of funding mechanism raised in *Moving Melbourne*.

As was succinctly summarised by the State Parliament Public Accounts and Estimates Committee in its final report on the Inquiry into Effective Decision Making for the Successful Delivery of Significant Infrastructure:

“CfM has taken on a leadership role on researching and disseminating information about possible funding schemes for infrastructure projects.”

**Infrastructure funding innovation - PPPs**

In response to the Department of Treasury and Finance review of Victoria’s PPP framework, and in conjunction with our innovative funding model work, the Committee encouraged more use of PPPs in the infrastructure delivery task. The Committee advocated strongly for a scaled down version of the PPP model that has the benefit of simplifying the PPP process and PPP contracts, and the serious consideration by governments of unsolicited proposals.

The recent approval by the Napthine Government of the development of the Dandenong Rail Corridor as the first successful unsolicited PPP proposal highlights success in paving a way for more innovative PPP opportunities.

**Metropolitan Planning Authority: a new metropolitan governance model**

One of the central recommendations of the Committee’s *Melbourne Beyond 5 Million* work was a need for a visionary, 50-year strategy for the development of Melbourne’s future economy, urban environment and infrastructure.
As a key element of our Plan Melbourne submission, the Committee has advocated for an improved governance framework to better coordinate and integrate land use planning, infrastructure, economic and community development across metropolitan Melbourne. The Metropolitan Planning Authority has now been established as a statutory authority that will oversee the coordination and implementation of the new metropolitan plan.

Freight and logistics

Committee representation directly to the Ministerial Freight Advisory Council highlighted a number of key issues that have been picked up in the Victorian Freight and Logistics Plan, including:

- Consideration of metropolitan rail more seriously in the freight task
- Protecting the curfew free status of our airports as a priority
- Developing more effective intermodal solutions
- Effectively connecting Hastings to distribution channels
- Addressing Victoria’s freight and logistics productivity, which, according to key industry groups, is poor compared to international standards
- Making the changes necessary to move to 24/7 operations along the supply chain.

Grade separations

The Committee has been a long-term advocate of the need to undertake grade separation work across greater metropolitan Melbourne, not only for reasons of safety, but also to maximise movement of on-road vehicles as well as trains.

Over the past year there have been significant commitments made from both sides of government on this issue. The coalition has already undertaken work on several key crossings, including the Mitcham, Rooks and Springvale Road crossings, and committed to the removal of several more. The opposition, as part of the election policy platform, has announced grade separation of 50 crossings as a matter of priority. We have made a strong case for change through our advocacy, but with over 170 level crossings in and around Melbourne, we are only part way to a final solution.

Higher education – international students

We have advocated strongly to improve the Melbourne brand as it relates to onshore international students, who bring over $4 billion of annual economic benefit to Victoria through spending on course fees, accommodation, food, retail and travel. As a significant economic driver, it is essential Melbourne remains a highly attractive international student destination as more aggressive competitors tap into this lucrative market.

Lack of transport concessions for international students has been a long-term detractor of our appeal. Consistent advocacy efforts have encouraged government to establish a trial public transport concession arrangement for international students who purchase annual passes. While more work is required, this is a solid step forward in improving our attractiveness.
DEVELOPING MELBOURNE’S FUTURE LEADERS

In November 2013, 40 more future leaders joined a 300-strong alumni, after graduating from the Committee’s two-year business leadership program, the Future Focus Group. Participants in the program are challenged to advance the Committee’s vision through projects that create a positive and lasting difference to Melbourne and its community. Some of the most notable past Future Focus Group projects include Open House Melbourne, CityTram (Free CBD Tram Travel) and the Frankston TimeBank. The program provides a unique and enduring learning experience by granting access to senior business and civic leaders.

KEY SUBMISSIONS

Melbourne let’s talk about the future
Ministerial Advisory Committee on the Metropolitan Planning Strategy

Plan Melbourne – The Metropolitan Planning Strategy Draft Paper
Department of Transport, Planning & Local Infrastructure

Inquiry into Effective Decision Making for the Successful Delivery of Significant Infrastructure Projects
Public Accounts & Estimates Committee

Victorian Freight and Logistics Plan
Department of Transport, Planning & Local Infrastructure

Public Infrastructure Inquiry
Productivity Commission

Future Direction for Victorian PPPs
Department of Treasury & Finance

Inquiry into the Role of Public Transport in Delivering Productivity Outcomes
Senate Standing Committee on Rural and Regional Affairs and Transport

Inquiry into the Infrastructure Australia Amendment Bill 2013
Senate Standing Committee on Rural and Regional Affairs and Transport

Review of Plan Melbourne Monitoring and Reporting Framework
Department of Transport, Planning & Local Infrastructure