

16 January 2009

The Hon. John Lenders MP
The Treasurer of Victoria
1 Treasury Place
GPO Box 4379QQ
Melbourne Victoria 3001



Submission to the Victorian State Government's public Consultation on 2009-10 budget priorities

Dear Mr. Lenders,

Thank you for the opportunity to provide the Committee for Melbourne's submission to the pre-budget planning process. In 2009, the Committee will be considering issues impacting the shape of Melbourne. Our Members want to engage in discussions regarding the future economy of Victoria and how it can support the ongoing liveability of our city.

The wealth of expertise and resources of our Members should be leveraged by the State Government for ideas to assist with current economic priorities. For example, many of our Members would have valuable input into innovative ways to fund major infrastructure projects.

For the purpose of this pre-budget submission, we will focus on the outcomes from our taskforce activities to date. From this we highlight areas for investment arising from our taskforce work to help enhance Victoria's economic prosperity and liveability.

TRANSPORT

Sustaining Melbourne's liveability and prosperity depends on a number of factors, foremost of which is its transport system.

We support the outcomes contained in the State Government's *Victorian Transport Plan*. However, we encourage the government to reconsider the road tunnel linking traffic travelling both east and west of Melbourne.

Our Transport Taskforce supports linking the Eastern Freeway to the CityLink/Tullamarine Freeway. This concept includes a transit way and increased connectivity between the Eastern Freeway corridor and the inner metropolitan area, including the Port of Melbourne. For more information on this concept, please visit our

website to download our submission to the EWNA Report,
(<http://www.melbourne.org.au/media-centre/reports-and-submissions>)

HIGHER EDUCATION

The State Government needs to be more proactive and invest in Victoria's Higher Education industry or risk losing an integral asset for the future of our State.

As you know, Higher Education is a vital industry for Victoria and one of its largest exports. It is a key driver of research and development, the provider of a skilled workforce and a major contributor to the State's liveability and socio-cultural fabric. The Higher Education sector underpins a culture and framework for innovation and provides the foundation of future interest in, and investment into Victoria, through the foreign student alumni.

Nevertheless, we have under-invested in this important industry and despite our current strong ranking as a study destination; we have concluded that our Higher Education industry is at a tipping point. Our Higher Education Taskforce concluded that this was due to a number of factors such as:

- Declining levels of government investment;
- Low private sector engagement and investment;
- Regulatory constraints;
- Outdated structures and administration; and
- Increasing overseas competition.

The Committee conducted a survey of international students as recently as October 2008. The results demonstrate that while international students are generally satisfied with the quality of the education provided, they are disappointed with the experience they have in Melbourne.

We believe that the urgency and scale of the issues facing this industry require immediate State Government attention. We acknowledge that the funding of higher education institutions is a Federal Government issue. Given the importance of the industry to our State at so many levels, we recommend that the State Government become actively involved in ensuring the future of this industry.

Specific initiatives that have been recommended by the Committee for Melbourne and which should be supported by government include:

Public Transport Student Concession Fares

This initiative aims to enable international students to be eligible for student concession fares on public transport. Our research shows that living costs are a major factor in determining where students will study. Additionally, the issue of public transport student concession fares has been noted as the most public way in which

we discriminate international students from Australian students. This issue affects both the cost and experience levels considered by prospective international students when deciding where to study and needs urgent consideration.

To give some context, many study destinations such as Berlin and Paris provide free public transport for international students. NSW and Victoria are the only states in Australia that do not provide student concession fares.

The cost of providing student concession fares for international students varies depending on the model used. The estimations vary between \$2million per annum to \$14million per annum. This cost should be balanced with the more than \$1billion of value provided per annum to the Victorian economy by international students. At the least, we believe, the State Government has a leadership role to pay in ensuring that this issue is addressed. Whether this is by providing all of the funding or negotiating an outcome for the funding to be shared between those stakeholders who derive the most value from international students.

Airport Welcome Booth

The Committee, through one of its emerging leadership groups, has initiated a pilot project to ensure that international students are appropriately welcomed to Melbourne upon their arrival. It is estimated that up to 40,000 students arrive into Melbourne Airport during a two week period in February. A proportion of those students are met at the airport by their university and others make their own way to their new home. This is not an encouraging or supportive start to their experience in Melbourne.

Accordingly, in collaboration with Melbourne Airport, the City of Melbourne, DIIRD, and the higher education institutions, we will pilot a welcome booth to be located in Melbourne Airport's arrivals hall from 16 February, 2009. This booth will be manned by current students to provide a welcome to international students. Providing general information about Melbourne, the booth will also detail important information on transport, accommodation and services. It will also act as an initial point of contact for students and stepping stone to providing a positive start to their experience in Melbourne.

The cost of this project is estimated to be \$100,000 per annum and we believe that the State Government should become a major supporter of this initiative.

Postgraduate Scholarships

We want to attract the best and brightest students to Victoria, particularly across disciplines that profile Victoria's capabilities. The State Government should fund 100 postgraduate scholarships for international students across disciplines and institutions. This would represent an investment of approximately \$5million per annum and underpin the State's innovation focus.

Culture Card

To encourage international students to enjoy our culture and enhance their experience in Victoria, we recommend that a package be designed to welcome them to our cultural icons and experiences. We have called this concept the 'Culture Card', which can be distributed to international students on their arrival.

The 'Culture Card' would highlight places and events that students should visit. Ideally entry would be for free or at a discounted rate. Organisations including; Museum Victoria, National Gallery of Victoria, Melbourne Zoo, Parks Victoria, the Concert Hall, and the AFL would be pleased to participate in this initiative. We have also spoken to a sample of higher education institutions that can also make a commitment to organising transport to help students utilise the 'Culture Card'.

We recommend that Tourism Victoria work with the Committee for Melbourne and other Victorian organisations to establish the 'Culture Card', and in doing so, improve the experience of international students.

CLIMATE CHANGE

We acknowledge the commitments the State Government has made to initiatives with the intent to both adapt to and mitigate against climate change. The Committee's Climate Change Taskforce released its report in July last year, with 20 recommendations across six focus areas. In our report, our Members accepted that Victoria faces profound climate change impacts. This also presents opportunity for Victoria and Victorians to respond effectively to climate change and leverage its capabilities and resources to create new technologies and industries.

Of the recommendations contained in the report, the following have relevance for your budget consideration. For more information about these recommendations, please visit our website to download our report entitled, FutureMap: Melbourne 2030, (<http://www.melbourne.org.au/media-centre/reports-and-submissions>)

Retrofitting Buildings

With a significant proportion of greenhouse gas emissions coming from the way we use our existing buildings, the State Government must be proactive in educating and supporting the retrofit of our buildings. We commend the State Government for commencing a retrofit program on a selection of its buildings. The State Government should use this program to implement best practice and innovative products and services. Such retrofit programs should then be used to build case studies to inform and motivate other building owners and tenants.

Given the lack of liquidity in the credit markets, which may impact on capital available for retrofit programs in the private sector, the State Government should consider establishing a fund available to building owners and tenants for retrofit works.

Low Emission Coal Energy

Coal is a significant natural asset for Victoria. It is also a major source of greenhouse gas emissions. The State Government can position Victoria to be at the forefront of developing world-leading low emission coal technology. This will enable Victoria to continue to utilise this asset to produce relatively cheap energy and address an important climate change issue. Additionally, we will have vital technology to export nationally and internationally.

The State Government could also support a prestigious 'Low/Zero Net Emissions Award'. This award would recognise the efforts of companies in implementing best practice carbon management strategies that achieve genuine net emissions reductions. This program can provide further education and motivation throughout the business and private sector.

Transport

Transport represents a considerable proportion of greenhouse gas emissions in Victoria. Increased road transport, freight movements and light passenger vehicles being used for personal travel are all contributing to our growing greenhouse gas emissions.

The Climate Change Taskforce identified two initiatives that should be considered for funding by State Government.

The State Government can encourage travel behaviour change within our corporations by expanding the travel management associations program, providing valuable and relevant advice to business. The Committee's Members are already working with the Department of Transport under the 'TravelSmart' program, building capability and knowledge. If the funding for this program is extended, then more of our Members and other businesses will be able to access this service and reduce emissions through more effective staff travel programs.

The State Government must invest more into public transport infrastructure to help reduce emissions. The improvements to our public transport system should include expanded coverage, frequency, speed and reliability. Until there are viable alternatives to personal car travel, we will not be able to increase the number of Melbournians moving on public transport.

Social Equity

Some sectors of the community are more vulnerable to climate change than others. Low income households and communities face disadvantages arising directly from climate change and from policies aimed at mitigating climate change. The State Government should accelerate public funding availability through capital grant or

rebates for low income home owners to undertake energy efficient capital works and for low income renters to purchase energy efficient home products.

There are a large number of government and private sector schemes already available to low income households. There is a willingness to undertake energy efficient work and purchase more energy efficient products by this demographic, as these initiatives result in energy cost reductions for the household. At the moment however, we are not seeing the desired uptake of these initiatives because it is difficult or confusing to access the relevant information.

Our Members suggest that the State Government should fund a website that simply and clearly brings together all of the schemes and products available to low income households. This website will direct them to the best organisation in order to assist them in pursuing these schemes and products. The cost of such a website is relatively low and will bring support change rather than the confusion which currently deters action.

Asia Pacific Institute for Sustainable Cities

For the first time in human history more people are living in cities than in rural areas. In Australia, 80 per cent of our population live in cities, and is the most urbanised continent in the world. This Institute would engage with industry, academia, civil society and government to facilitate projects which will aid Victoria's and the region's mitigation and adaptation to sustainability. This collaboration would help the State pursue its innovation ambitions and showcase the capability of our Higher Education industry. This initiative is worthy of State Government support.

MOVING GALLERIES

Moving Galleries is a travelling exhibition of art and poetry. It enables emerging Victorian artists and poets, as well as the Victorian general public to showcase their talent, enhances the travel experience for Melbourne's train commuters, and builds on Melbourne's reputation as a cultural and creative capital.

Moving Galleries is a joint venture between the Committee for Melbourne, the Department of Transport (DoT) and Connex. The project's funding from DoT will end in December 2009 and funding is critical to the ongoing operation of this worthwhile initiative.

We have begun discussions with DoT and the Minister's office; however we would like to take this opportunity to request further funding. The initial grant from DoT was for \$430,000 over a three year period. This money is used to cover costs of running the art and poetry competition; producing the exhibitions; the creation and upkeep of a basic website; limited production of merchandise and a part-time employee to manage the program. Connex pays for the installation of the exhibition on its trains and the

Committee for Melbourne provides office administration and infrastructure for the program.

There has been very positive feedback for the Moving Galleries project from various communities of Melbourne and Victoria, commuters, the art and poetry community, as well as consistent and positive media coverage.

We will be seeking another round of triennial funding for the project from the Department of Transport to ensure the continuation of Moving Galleries from January 2010 onwards. We will seek a higher amount due to higher production costs, greater human resource needs and design work. Essentially we seek it to ensure that the project is established as an icon of Melbourne and Victoria.

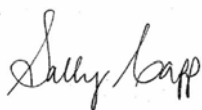
CONCLUSION

In these times of global financial crisis and its repercussions across the economies of the world, we acknowledge that the priority for the State Government should be a swift and effective response to deal with those issues and protect Victoria's future.

Accordingly, we believe the State Government needs to demonstrate leadership on job creation. This stimulus is required as a foundation for stabilising and growing our economy.

Thank you once again for the opportunity to participate in the State Government's public consultation on 2009-10 budget priorities.

Yours sincerely,

A handwritten signature in cursive script that reads "Sally Capp".

Sally Capp
CEO