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**MELBOURNE FACES GREATER COMPETITION, NEEDS TO TAKE GREATER ACTION TO HOLD ONTO ITS LEADERSHIP POSITION NOW UNDER PRESSURE**

- **Committee for Melbourne's third-annual global benchmarking report reveals ongoing challenges for the city in a range of key areas** – housing, business attraction and connectivity.
- **Melbourne continues to outshine its peers for culture:** ranking fourth out of 20 cities, Melbourne firmly holds its position as a destination of choice for food, arts, sports and entertainment.
- **Greater international competition from peer cities:** Melbourne faces tough competition from other mid-sized cities in nations that are experiencing faster economic growth and concentrated investment in future industries.
- **Rising costs contributed to a drop in inclusivity and wellbeing:** last year we ranked second, now we're 7<sup>th</sup>. Melbourne rates top 10 most unaffordable cities to purchase a home in the English-speaking world, and has the 3<sup>rd</sup> highest increase in utilities and bills out of 20 cities.
- **A big concern is more people get around by car.** Melburnians spend more time in traffic than most North Americans, and the pandemic related uptick in car use has been more than twice as big than in other cities.
- Today, more than 80 business and community leaders will come together at the **2024 Melbourne Summit with Deputy Premier Ben Carroll to discuss Australia's largest city and its future.**

The third annual independent *Benchmarking Melbourne 2024* report reveals the city is at risk of falling behind its international peers as a preferred choice to live, work and get around with ease.

Committee for Melbourne CEO, Mark Melvin said that while the city retains its strengths in sports, arts, parks and as a highly sought-after tourism destination, it's not enough to remain competitive on the world stage.

"The report shows Melbourne has a lot to be proud of, with our culture, healthcare, services, air quality and public space remaining some of the best in the world," Mr Melvin said.

"However, what we are seeing in this year's results is hungrier competition from our peer cities including London, Sydney, Tokyo and Singapore, as well as from cities acting as investment gateways across Asia and the Gulf.

"As other cities improve and adapt, we have fallen behind in areas including infrastructure and housing affordability.

"As Melbourne grows outwards, fewer Melburnians have access to public transport resulting in an over reliance on cars with 87 per cent of households owning at least one vehicle.

"During the worst cost-of-living crisis we've seen in many decades, it's taking on average \$11,000 - \$16,000 a year to run a car, which is five times more expensive than taking public transport.

"A significant opportunity presents itself through providing frequent, lower cost and more convenient public transport – a huge win for congestion, the environment and our hip pockets."

JLL Managing Director for Victoria, Kate Pilgrim said the report also highlighted the growing cost of doing business in Melbourne, with a higher tax rate than most of our peer cities.

"We know when it comes to organisations deciding where to set up shop, the key factors are access to skills, as well as tax and regulatory environments," Ms Pilgrim said.

"Melbourne's ability to retain talent and skills is relatively flat compared to the trends other cities are recording and our city ranks lower than peer cities for employee and corporate taxes.

## Media Release

“In the face of greater competition and with global skills mobility, we need to explore what we can do to help attract and retain residents to both live and work in our great city.”

Mr Melvin said the Committee for Melbourne acknowledges that both the Victorian Government and local councils like the City of Melbourne have undertaken significant programs of work to address challenges highlighted by the report.

“The new leadership of Premier Jacinta Allan and her deputy Ben Carroll represents a new opportunity for Victoria,” Mr Melvin said.

“The opening of Melbourne Metro and Westgate Tunnel in 2025 should ease growing congestion issues and bold climate policies, including 95 per cent emission target by 2030 is the right path for a sustainable infrastructure future. We know there is more coming in terms of housing accessibility and the right policy settings for businesses.

“We appreciate that government alone can’t solve these challenges, and that’s why we must continue to come together as business and community leaders to not just catch up but lead once again as the best place to live, work, invest and play.”

### ENDS

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**BACKGROUND:** The *Benchmarking Melbourne* report, authored by The Business of Cities, based in London, draws upon hundreds of sources ranging from economic data to perception surveys and public datasets to provide a detailed analysis of how Melbourne compares to other cities in Australia and around the world. Peer cities included Abu Dhabi, Amsterdam, Bangalore, Barcelona, Berlin, Boston, Brisbane, San Francisco, Kuala Lumpur, London, Manchester, Milan, Montreal, San Francisco, Seattle, Singapore, Sydney, Tel Aviv, Toronto and Vancouver. The data underlying the 2023 report was taken both during and outside of COVID-19 and should not be viewed as a reflection of how well Melbourne dealt with the pandemic, but rather, how its registered performance as a city compares to peer cities over the same period.

**Committee for Melbourne:** Committee for Melbourne is relentless in its pursuit of positive and enduring change for all Melburnians. With more than 150 members from major corporations, small and medium business, academic institutions, local government and not-for-profit entities and through embracing three key pillars – Future Economy, Infrastructure & Sustainability, and Liveability & Urban Optimisation – the Committee exists to ensure Melbourne’s challenges and opportunities are addressed to keep our city vital, inclusive, progressive and sustainable. The Committee is a not-for-profit, member-funded entity that is politically independent and impartial allowing us to freely and purposefully raise important issues. **To learn more visit:** [melbourne.org.au](http://melbourne.org.au)

**The Business of Cities:** Is an urban intelligence firm providing data and advice to 100 global cities and companies. Based principally in London, the firm has worked for more than 10 local, state and federal governments in Australia over the past decade, as well as peak leadership groups and planning commissions. **To learn more visit:** [www.thebusinessofcities.com](http://www.thebusinessofcities.com)

**BENCHMARKING MELBOURNE REPORT: HOW OUR CITY STACKS UP****Culture & experience: Melbourne remains a strong destination for consumers and event goers**

- 3rd biggest year-on-year climb in number of foreign visitors among the peer group, overtaking Boston and Kuala Lumpur (Mori Memorial Foundation).
- Melbourne is the 7th best city globally for food, thanks to its desirable brunch scene and impressive range of global cuisines (Condé Nast).
- Melbourne Airport was the first Australian airport to exceed pre-pandemic levels of international capacity, and international students were back to 83% of pre-Covid levels as of Q1 2023 (Melbourne Airport, CBD News).

**Transport connectivity and technology**

- Melbourne is more dependent on car travel than 70% of 60 measured cities globally, and all but 4 of its 16 peers (Google Insights).
- The size of its trams system is 1st among its peers, but the city is in the bottom half for access to bus stops (11th) and rail/metro stops (14th) (Open Street Map/Global Human Settlement Layer).
- The city is still in the top 40 cities in the world for mobile broadband speeds, although it has been overtaken by Toronto, Sydney and Amsterdam since 2022. As of January 2024, it is now 7th among peers (Ookla).

**Affordability & Housing**

- Melbourne is still among the top 10 most unaffordable English-speaking markets globally. It is now 9th globally, a slight improvement on 6th in 2021, while Sydney rates as the 2nd most expensive (Demographia).
- The city witnessed the fastest year-on-year increase in housing rent costs among 14 measured peers – and is now the 20th most expensive rental market among 48 global cities (Mori Memorial Foundation).
- The total rise in the cost of utilities and bills between 2022 and 2023 has been more than double that among peers (34% increase in Melbourne as compared to 14% among all peers) (Numbeo).
- Melbourne has recently sprawled faster than others. Its total built-up footprint has grown more than 10% faster than that of its peers and is now the 4th largest of its 20 peer cities (Demographia).

**Business attraction and resilience**

- Melbourne is 5th among 900 global cities for all-round economic, innovation, infrastructure and environment ingredients that make real estate investment attractive (Schroders).
- Melbourne has higher tax rates and ranks in the bottom half of cities globally for employee and corporate taxes. Among peers, it is 9th out of 19 (HSE Institute).
- Melbourne's productivity gap is growing. The gap to the average among peers is now 25%, up from 20% in 2021 (JLL).

**Environment**

- The 6th most economically and environmentally resilient among 25 major global cities because of its critical infrastructure systems and preparedness (EIU).
- Melbourne is 2nd, behind only Los Angeles among 51 cities for reliable and accessible water and sanitation services, and efforts to upgrade the water system (EIU).
- Melbourne has the highest reliance on coal for electricity generation among 16 OECD regions (state-level data) (OECD).

**Talent, innovation, students and skills**

- Melbourne is still among the top 10% of cities globally for how fast the supply of workers is forecast to grow over the next 10 years (JLL).
- 2<sup>nd</sup> among 165 cities for how highly students rate the experience of studying in the city (QS).
- Innovation ecosystem is only the 12<sup>th</sup> biggest among the 20 cities (Dealroom).