

CITY OF MELBOURNE VICTORIAN ELECTION 2022 ADVOCACY PRIORITIES



CITY OF MELBOURNE

20 January 2022

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Acknowledgement of Traditional Owners

The City of Melbourne respectfully acknowledges the Traditional Owners of the land, the Wurundjeri Woi Wurrung and Bunurong Boon Wurrung peoples of the Eastern Kulin and pays respect to their Elders past, present and emerging. We are committed to our reconciliation journey, because at its heart, reconciliation is about strengthening relationships between Aboriginal and non-Aboriginal peoples, for the benefit of all Victorians.

QUICK FACTS ABOUT MELBOURNE

The diversity of the municipality is evident in our demographic and urban profile:

Resident Population



183,756
residents

49%
males

51%
females

56%
born overseas

48%
speak a language
other than English

910,800
people live, work, study or
socialise in the municipality

79,230
overseas students

1,653
same-sex couple households

468
Aboriginal people

1.7%
live with a disability

100
people sleeping rough*

* This is lower than historic numbers due to a proportion currently being provided temporary hotel emergency accommodation during the COVID-19 pandemic.

Economic environment

Melbourne contributes
24% to the Victorian economy

16,700
businesses

497,200
jobs

3.7%
unemployment rate

32%
of households experience
rental and mortgage stress

33%
experience food insecurity



Council Plan 2021-25

The Council Plan 2021-25 sets out our strategic direction and commitment to the community for the next four years. Based on six strategic objectives for our city, this is our detailed plan for our city's revitalisation and considers the needs of all people who access and experience the City of Melbourne municipality. For more information visit melbourne.vic.gov.au/council-plan



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FOREWORD FROM THE LORD MAYOR



At the City of Melbourne we have ambitious plans to drive economic recovery, embolden our city following the impacts of COVID-19 and prosper well into the future.

Before COVID-19, the City of Melbourne was the engine room of Victoria's economy. Our economy had just topped a record \$104 billion in Gross Local Product. Almost one million people a day were pulsing through Melbourne's centre.

Ours was a thriving economy built around knowledge, professional and financial services. Our hospitality, events, retail, arts, tourism and education sectors were the envy of the nation. A city centre designed to bring people together.

Our pre-COVID challenge was to successfully manage the growing pains of a decades-long booming economy. Since then we have diverted all our attention to stimulating and driving growth, and reactivating our city.

Melbourne has been disproportionately impacted by the pandemic and we need a proportionate response.

The strong foundations of our city economy remain and we are seeing green shoots as our recovery begins, but there is more to be done to encourage investment and support jobs.

Coordinated and consistent support is needed to ensure we bounce back swiftly and strongly.

Our vision for the City of Melbourne is to be a city of possibility. Where the world meets and the extraordinary happens.

Our city must be a place where people can feel hopeful and positive about their future, a place where anything is possible.

We need to be bold and ambitious to respond to the challenges ahead.

However, we cannot realise this vision alone. It will take all levels of government working together to return the city to its coveted status as an economic powerhouse and one of the world's most liveable cities.

This document identifies City of Melbourne's advocacy priorities where the city ambition needs to be matched by other levels of government.

This submission includes measures critical to the short term and casts our minds to the future, where the need for city-shaping projects will produce a double dividend – jobs and stimulus as we build them, while making our city more liveable, prosperous and resilient in the long term.

The City of Melbourne looks forward to working with all levels of government to create durable partnerships to see these advocacy priorities come to fruition.

We know that the benefits of growth don't stop at the city boundary. When the capital booms, the whole state booms.

A handwritten signature in black ink that reads "Sally Capp". The signature is written in a cursive, flowing style.

Lord Mayor
Sally Capp

Summary of recommendations

ECONOMIC RECOVERY	
1	Return office workers to the city: implement a return to the office policy for public servants.
2	Extend stamp duty concessions and exemptions: extend stamp duty concessions and exemptions for CBD properties for an additional 12 months.
3	Continue to support businesses: ongoing support for businesses within the CBD to assist with recovery from the COVID-19 pandemic.
4	Redevelop Central Pier, Docklands: demolish Central Pier and urgently build a light-weight activation for interim use.
5	Facilitate and attract return of international students: position Melbourne as one of the world's great student cities by delivering a program that improves student experience.
6	Overcome labour and skills shortages: funding for a city initiative that supports TAFE providers to rapidly equip young people looking for work and supports businesses looking for staff.
CITY-SHAPING	
7	Deliver Greenline: fast-track delivery of Greenline with staged co-funding.
8	Fix City Road, Southbank: fix City Road and fully fund the City Road Master Plan.
9	Public transport to Fishermans Bend: build Fishermans Bend precinct tram connections, complete a business case for Melbourne Metro 2 rail tunnel, and protect the land required to construct it.
10	Support development of the First Nations Precinct: fund the First Nations Precinct feasibility study.
11	Revitalise Moonee Ponds Creek: fully fund and deliver key enhancements to Moonee Ponds Creek.
CLIMATE CHANGE & RENEWABLE ENERGY	
12	Co-fund Power Melbourne: provide funding to deploy mid-scale distributed batteries across inner-Melbourne.

ECONOMIC RECOVERY



1. RETURN OFFICE WORKERS TO THE CITY

Recommendation

Implement a return to the office policy for public servants.

COVID-19 has led to a significant reduction in the central city's daily population, crippling many businesses that rely heavily on a transient daily population.

In mid-2020, pedestrian numbers were 90 per cent lower than the same period in 2019. While there has been an improvement since mid-2020, pedestrian numbers remain below pre-COVID levels.

Industry sectors that rely on office workers and visitors have been hit particularly hard.

Returning workers to the central city will relieve many of these pain points for central city businesses.

The Victorian and National roadmaps provide a clear pathway to allow workers to return to the office.

All levels of government must show leadership. We must strike a balance between new ways of working and taking action to revitalise the central city economy. Return to work guidance must be undertaken in consultation with employees and their representatives, and meet public health guidelines.

As the largest central city employer, the Victorian Government must lead the way and facilitate the return of public servants to the office. Before COVID-19, 52 per cent of the Victorian public service sector was based in Melbourne's CBD. That's around 26,000 office workers.

The Victorian Government has re-introduced arrangements requiring public servants to work at least three days a week in the office. In spite of this, State Government office buildings are not as activated as they should be. It is time for the Victorian Public Service to step up and bring their workers back - considering foot traffic data around Victorian Government offices has been down by up to 60 per cent of pre-COVID levels.

City of Melbourne has requested that the Australian Government implement the same measures for its smaller central city workforce.

Other measures to be considered to facilitate return to the office include:

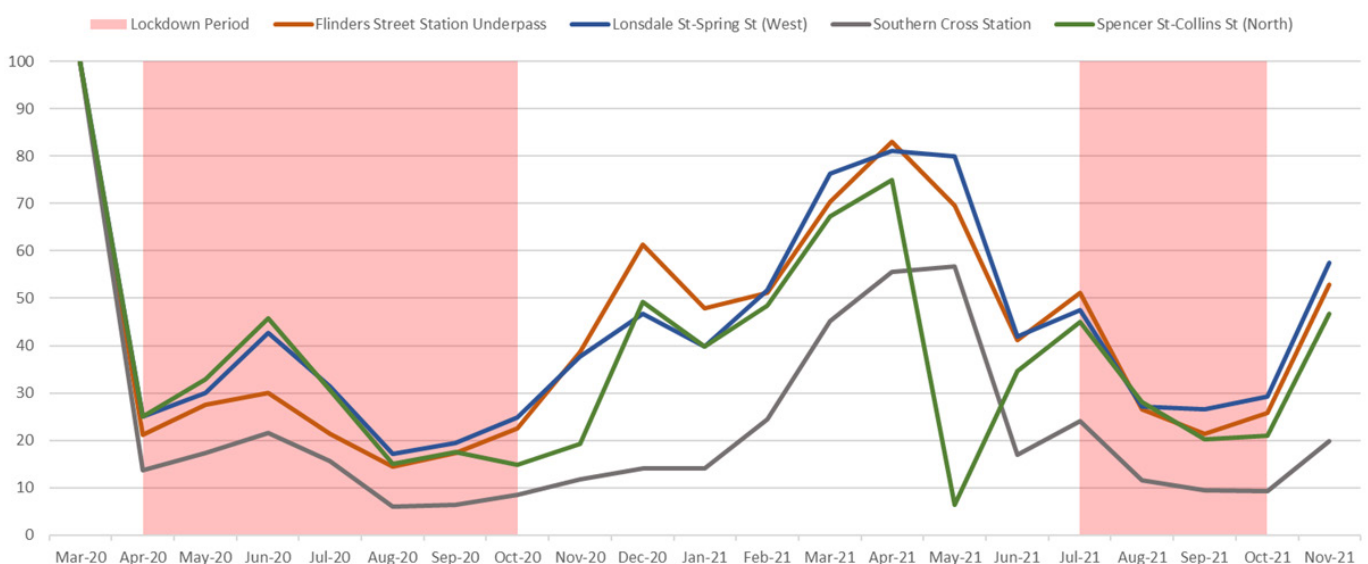
- off peak fare discount on public transport
- accelerated rollout of rapid antigen testing protocols for workplaces and events.

The Victorian Government should implement return to the office policies for public servants.

Additional resources

Data Vic (2020) [Victorian Public Sector Employees - Work location](#)

Figure 1: Average Daily Pedestrian Activity - Indexed to March 2020



2. EXTEND STAMP DUTY CONCESSIONS AND EXEMPTIONS

Recommendation

Extend stamp duty concessions and exemptions for CBD properties for an additional 12 months.

Before COVID-19, Melbourne was among the fastest-growing cities in the developed world. Ongoing border closures and restrictions have significantly affected our populations of international students, migrants, visitors and residents. These factors combined have put significant pressure on the city's property market.

Right now there is historically low demand for residential apartments in the City of Melbourne. New apartment sales have reduced to 30 per cent of pre-COVID levels. Unsuccessful settlements have pushed apartment stock overhang to an all-time high. Real Estate Institute of Victoria (REIV) estimates that there are 6000 apartments in the city for sale or rent.

It is critical to drive up demand for property in the central city. This is assisted by the Victorian Government's temporary stamp duty concessions and exemptions for residential property purchases with a dutiable value of up to \$1 million. This initiative is due to end on 30 June 2022, but it has not yet achieved its full potential due to prolonged lockdowns.

The traditional buyer journey lasts nine months on average, but this journey is no longer linear due to the dynamic nature of COVID-19 restrictions. Restrictions limiting property inspections and auctions have increased buyer hesitancy, and sellers have put off listing their properties until conditions stabilise. This has ultimately prolonged the buyer life cycle.

As Melbourne's lockdowns end, REA Group found Melbourne's new listings are increasing by 60 per cent week-on-week. This rapid increase reinforces how stagnant the market has been in the first quarter of the financial year. There hasn't yet been a genuine opportunity for buyers to take advantage of the stamp duty concessions designed to drive back demand.

Zenith Media research indicates that potential apartment buyers anticipate purchasing within six months to three years, showing how critical it is to extend the temporary stamp duty concessions and exemptions. Half of those who are considering buying in the next year report that they would be influenced by the stamp duty concessions. Still, only 16 per cent of those surveyed were aware of the concessions.

City of Melbourne is actively promoting the extension of stamp duty concessions and exemptions through 'Live Melbourne', a major advertising campaign. Live Melbourne seeks to encourage more people to make the city home.

The Victorian Government should extend stamp duty concessions and exemptions for CBD properties for an additional 12 months.



3. CONTINUE TO SUPPORT BUSINESSES

Recommendation

Ongoing support for businesses within the CBD to assist with recovery from the COVID-19 pandemic.

Before COVID-19, Melbourne was recognised as one of the world's most competitive and resilient economies, with a gross local product of \$104 billion in 2019. This equated to 37 per cent of the Greater Melbourne economy and 24 per cent of the Victorian economy.

COVID-19 has hit the City of Melbourne's economy harder than other parts of Australia. Modelling undertaken by PwC Australia projected that the municipal economy would lose 79,000 jobs and up to \$110 billion in output over the next five years.

Victoria's recovery hinges on the city's recovery. Prolonged lockdowns have altered the way Melburnians live, work and play. Businesses will need support to adapt and grow.

The City of Melbourne appreciates the support received from the Victorian Government through the Melbourne City Revitalisation Fund (MCRF) and continues to work diligently to maximise city revitalisation.

However, businesses require further ongoing direct support to remain competitive, attract investment, stimulate trade and increase visitation.

To recover, a significant package of support is required to stimulate economic growth over the medium term. This will deliver on key strategic priorities articulated in the City of Melbourne's Economic Development Strategy, including:

- repurposing vacant spaces into affordable commercial and creative workspaces, including the ongoing activation of vacant shopfronts
- establishing a CBD revitalisation program that is designed to encourage business-led local and international events and activations
- support for technology sectors that are potentially competitive globally, such as biotech, medtech, fintech, edtech and advanced manufacturing
- investment in innovation districts such as City North, Arden and Fishermans Bend.

The City of Melbourne's *Economic Development Strategy* finds that if action is taken to support business and accelerate new investment, the city can start a new trend of economic growth, including:

- a \$150 billion economy by 2031 (up from \$104 billion in 2019)
- 600,000 jobs by 2031 (up from 497,000 in 2019)
- less than 5 per cent of shops vacant by 2023 (down from 15+ per cent currently).

The Victorian Government should take additional measures to stimulate the economy by continuing its support for businesses within the CBD.

Additional resources

City of Melbourne (2021) [Economic Development Strategy](#)

4. REDEVELOP CENTRAL PIER, DOCKLANDS

Recommendation

Demolish Central Pier and urgently build a light-weight activation for interim use.

The pandemic has hit Docklands hard. An audit of street-level retail in October 2021 showed the vacancy rate in Victoria Harbour is 24.8 per cent. In nearby NewQuay, the vacancy rate is 24.5 per cent. Pedestrian activity across the precinct was down 86 per cent in February 2021, compared with the same time the previous year. COVID-19 has compounded the challenge of activating and increasing vibrancy in Docklands.

Central Pier was closed permanently in August 2019 by the Victorian Government. Central Pier is currently boarded up and in poor structural condition. This contributes to the perception that Docklands is a precinct in decline rather than a vibrant waterside location. Docklands Chamber of Commerce estimates the closure of Central Pier has resulted in a loss of between 1 million and 1.5 million visitors to Docklands each year. The precinct also faces new challenges after the recent liquidation of the Melbourne Star Observation Wheel. Both were major landmarks that attracted many visitors to Docklands.

A report commissioned by the City of Melbourne into the economic impact of Central Pier's closure found that if remedial action is not taken, the cost to the city economy will be significant over time. Losses to total economic output are set to reach roughly \$800 million and 1500 jobs after 5 years.

Docklands is missing a central destination, a point of activation that can draw people past Marvel Stadium and connect the precinct from north to south along Harbour Esplanade.

A revitalised Central Pier has all the elements required to help boost the local economy. It can host events and businesses, provide employment and exciting visitor experiences, and connect the city to the water.

Given the urgency to revitalise Docklands, and also to ensure the long-term success of the precinct, the City of Melbourne is advocating to the Victorian and Australian governments for Central Pier to be redeveloped in two stages.

- Stage 1: Victorian Government demolish Central Pier and build a light-weight hospitality / events activation for interim use.
- Stage 2: in partnership with the Australian Government, the Victorian Government fund the long-term redevelopment of Central Pier.

Major redevelopment of Central Pier will require partnership between all levels of government and private sector.

Central Pier has the potential to:

- create a new destination to activate Docklands and become a hub for locals and visitors
- preserve and reinstate heritage while creating new investment opportunities and community benefits, including new open space on Harbour Esplanade
- create new jobs and a revived use that embraces the waterfront
- provide a new vision and offering for Docklands.

The report into the economic impact of Central Pier's closure also found that there is \$13.77 million of economic impact for every \$10 million spent rebuilding the pier. Assuming the cost of the pier is \$560 million, there would be a \$771.21 million benefit in terms of the direct and indirect impacts of construction.

The Victorian Government should demolish Central Pier and urgently build a light-weight activation for interim use, and partner with the Australian Government in its long-term redevelopment.

KEY FACTS

Project value	\$500m to \$1b
Ask	\$500m to \$1b*
Jobs	1946 to 3891
Phase	Business case

*Project value and ask are pending business case and design solution

5. FACILITATE AND ATTRACT RETURN OF INTERNATIONAL STUDENTS

Recommendation

Partner with City of Melbourne to position Melbourne as one of the world's great student cities by delivering a program that improves student experience.

Recent announcements from the Australian and Victorian governments about the return of international visitors and students are welcomed by the City of Melbourne. Yet further attraction measures are required to ensure that international students return to Melbourne in strong numbers.

International students help to make Melbourne an exciting, vibrant and globally engaged city. They are employees, business operators, tenants, consumers, volunteers and neighbours. Before COVID-19, international students made up 39 per cent of Carlton residents, 38 per cent of CBD residents, 15 per cent of Southbank residents and 14 per cent of Docklands residents.

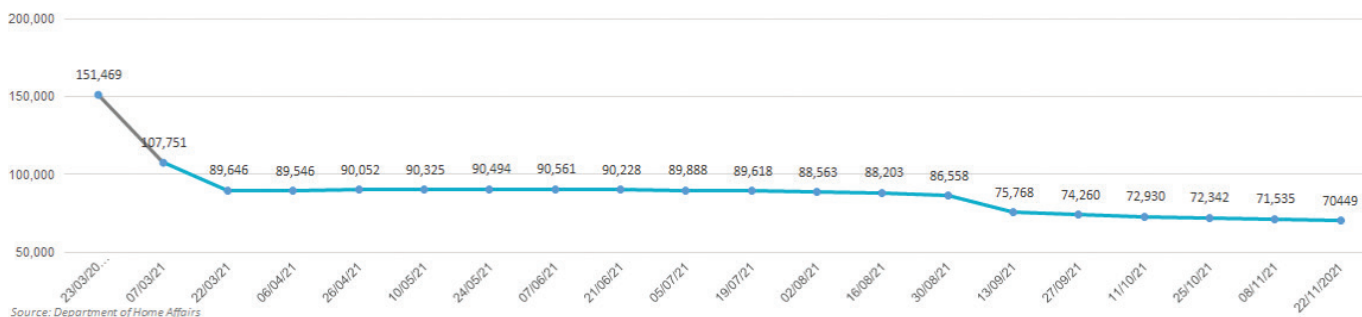
The strong return of international students is critical for the city's recovery in the short to medium term. Melbourne's economy will benefit from international students returning, not just directly in the higher education sector - which has endured massive job losses since Australia closed its borders, but also from the flow-on economic benefits of student spending on housing, food, services and more.

The lack of international students (along with working holiday-makers and skilled visa holders) contributes to a significant critical shortage of workers in the hospitality sector. This is impeding the pace of business recovery following lockdown.

According to student visa data from the Department of Home Affairs, there were approximately 74,260 international students in Victoria on 30 September 2021. This represents around 51 per cent fewer students than at the end of March 2020. Around 47,000 students enrolled with Victorian education providers are currently studying offshore.

The Victorian Government should partner with City of Melbourne to position Melbourne as one of the world's great student cities by delivering a program that improves student experience. This would include welcoming students back to Melbourne, offering students unique Melbourne experiences, providing support services, delivering employment pathways and promoting Melbourne to students through a communications campaign.

Figure 2: Primary student visa holders in Australia - staying in Victoria



6. OVERCOME LABOUR AND SKILLS SHORTAGES

Recommendation

Funding for a city initiative that supports TAFE providers to rapidly equip young people looking for work, and supports businesses looking for staff.

The growing resilience of Victoria does pave the way for an optimistic road ahead. And yet labour and skills shortages across inner-Melbourne – particularly in the hospitality and entertainment sectors – are placing limitations on Melbourne's economic recovery.

International students and skilled migrants are a critical driver of our city's vibrancy as well as economic activity, and they are invaluable employees and consumers. Border restrictions are emphasising their importance, as without them it is a challenge to meet the skills and workforce needs of a reviving city.

There is a reduction in available labour due in part to fewer international students, and many casual workers are moving to other sectors where demand for labour is stronger and employment conditions are more favourable.

The National Security Committee's decision to defer the return of fully vaccinated international students, skilled migrants, and humanitarian visa holders until 15 December, is a testament to the importance of balancing workforce planning and upskilling across Victoria.

It is estimated that there are about 53.5 per cent fewer international students in Melbourne than immediately before the pandemic. Younger people represent the bulk of this reduction as they typically filled casual jobs in the hospitality and entertainment sectors.

Meanwhile, the effects of COVID-19 on the inner-Melbourne economy have been devastating for young people. Victoria's current unemployment rate among young people aged between 15 and 24 has grown to 15.3 per cent in October 2021 (some 70,800 people). An additional 65,700 young people were neither studying full-time, nor in the labour force.

It is more important than ever to implement solutions now to empower Victoria's young people and address labour and skills shortages. This will assist Melbourne's economy to reach even greater heights and increase young people's economic prospects and wellbeing.

The Victorian Government should urgently fund an initiative that supports TAFE courses, providing young people with micro-credentials that match the skills employers are demanding. This should focus on the hospitality and entertainment sectors, which are both experiencing significant skills bottlenecks and labour shortages.

CITY-SHAPING



7. DELIVER THE CITY SHAPING GREENLINE

Recommendation

Fast-track delivery of Greenline with staged co-funding.

Greenline is a city-shaping opportunity for the north bank of the Yarra River – Birrarung. It has the potential to boost the economy, celebrate Melbourne’s unique identity, advance reconciliation, and help the city to thrive in a post-COVID world.

The northern riverfront of the Yarra River – Birrarung runs alongside the Melbourne Cricket Ground, past Birrarung Marr to the Melbourne Convention and Exhibition Centre, through Docklands and beyond.

It has a rich history and distinctive features including parks, bridges, heritage vaults and railway viaducts, and should be considered an important part of the City of Melbourne’s identity. In recent history it has endured pollution, disconnectedness and lack of amenity, especially when compared with the revitalised, Southbank.

Just as Southbank and Federation Square energised Melbourne at the turn of the century, the Greenline transformation of the north bank will usher in a new era for the river at a time we need it most. Early forecasting indicates that through a proposed investment of up to \$300 million, Greenline is expected to deliver more than \$1 billion in economic activity and create up to 1000 jobs during construction.

Greenline will create one of the largest networks of green spaces in Melbourne. It will be an immersive landscape that invites public participation, play and education along 4km of the river’s edge, connecting Birrarung Marr with the North Wharf in Docklands. It will provide a continuous, uninterrupted journey along the north bank for workers, tourists and residents to enjoy. The revitalised and reimagined riverfront will provide more generous space that unlocks amenity and new economies, and creates areas for education and respite.

New pedestrian boardwalks, parks, native plantings and a celebration of our Aboriginal heritage and culture will help to create a world-class river precinct which will attract more visitors and investment to our city.

Greenline seeks to increase canopy cover by 40 per cent along the north bank. It will also integrate carbon planning into project development to ensure sustainable outcomes. The increase in safe and inclusive connected open spaces will inspire more people to cycle and walk.

This project will support Victoria’s economic recovery from the COVID-19 pandemic and build Melbourne’s social and economic resilience.

Delivery of this much-needed revitalisation project can be fast-tracked if it is carried out in partnership with the Victorian Government.

The City of Melbourne also seeks to create an iconic First Nations Precinct at Federation Square. This project remains at the pre-feasibility stage. However, it is important to note the significance of this project, that given Greenline and the proposed First Nations Precinct are geographically adjacent, and both celebrate our Aboriginal heritage and advance reconciliation.

The City of Melbourne seeks co-funding for two-thirds of the project costs from the Victorian and Australian governments, to be staged over the life of the project. The City of Melbourne will accommodate the remainder of the project costs through direct funding or partnerships.

KEY FACTS

Project value	\$300m
Ask	\$100m – Commonwealth Government \$100m – Victorian Government
Jobs	1000
Phase	Implementation Plan
Expected completion	2028

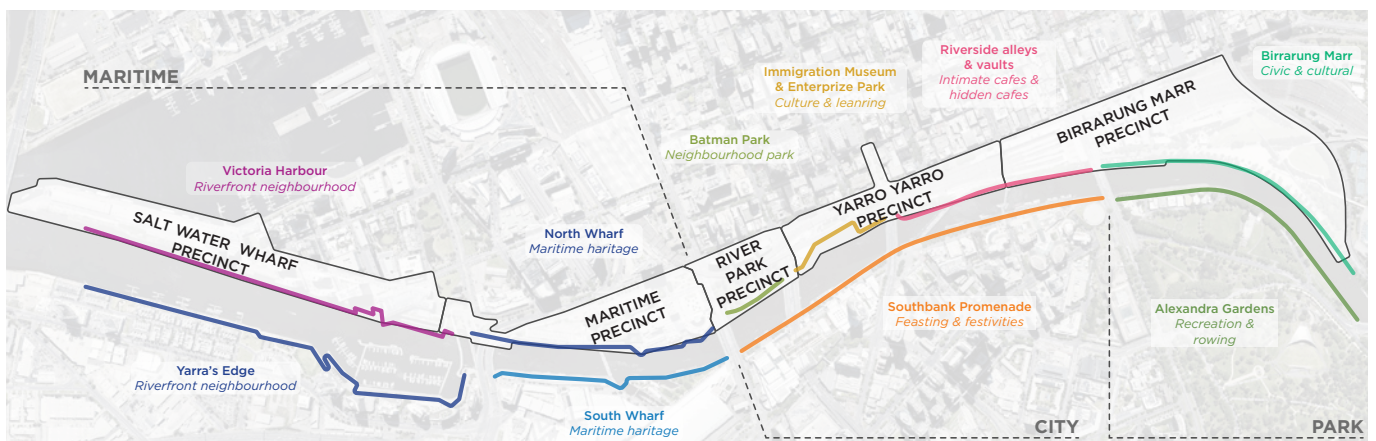
Additional resources

City of Melbourne (2021) [Draft Greenline Implementation Plan](#)

Image 1: Draft artist's impression



Image 2: Greenline precinct overview



8. FIX CITY ROAD, SOUTHBANK

Recommendation

Fix City Road in Southbank and fully fund the City Road Master Plan.

As Southbank transforms into a high-density central-city neighbourhood, the role of City Road needs to change to ensure that it is a pleasant place to be, as well as a street that is easy and safe to get around.

City Road is a difficult street to cross. It is poorly landscaped, noisy and in some areas unsafe. This makes it difficult for pedestrians and cyclists to get around. Bus and tram stops are in poor condition.

There were 154 people involved in vehicle collisions along the City Road corridor from 2014 to 2019, resulting in 40 serious injuries and 87 other injuries.

The changes will allow City Road to welcome significantly more pedestrians so that people can quickly and safely access their jobs, homes and other services. By 2032, we can expect more than 20,000 people (up from 4000 in 2011) to walk to work every day around City Road and Southbank. City Road will become safer for pedestrians and cyclists, with more space and protection from traffic, particularly around intersections.

The City of Melbourne has delivered a range of upgrades, to City Road and the surrounding precinct including improved connectivity and redevelopment of the Kings Way undercroft as a community space.

Remaining improvements are required, including:

- upgrades to the City Road carriageway, including additional signalised pedestrian crossings
- construction of bike lanes and changes to current parking arrangements
- upgrades to the intersection of City Road and Southbank Boulevard, which have been delivered through the Transforming Southbank Boulevard project
- streetscape upgrades including footpaths, street trees and public lighting.

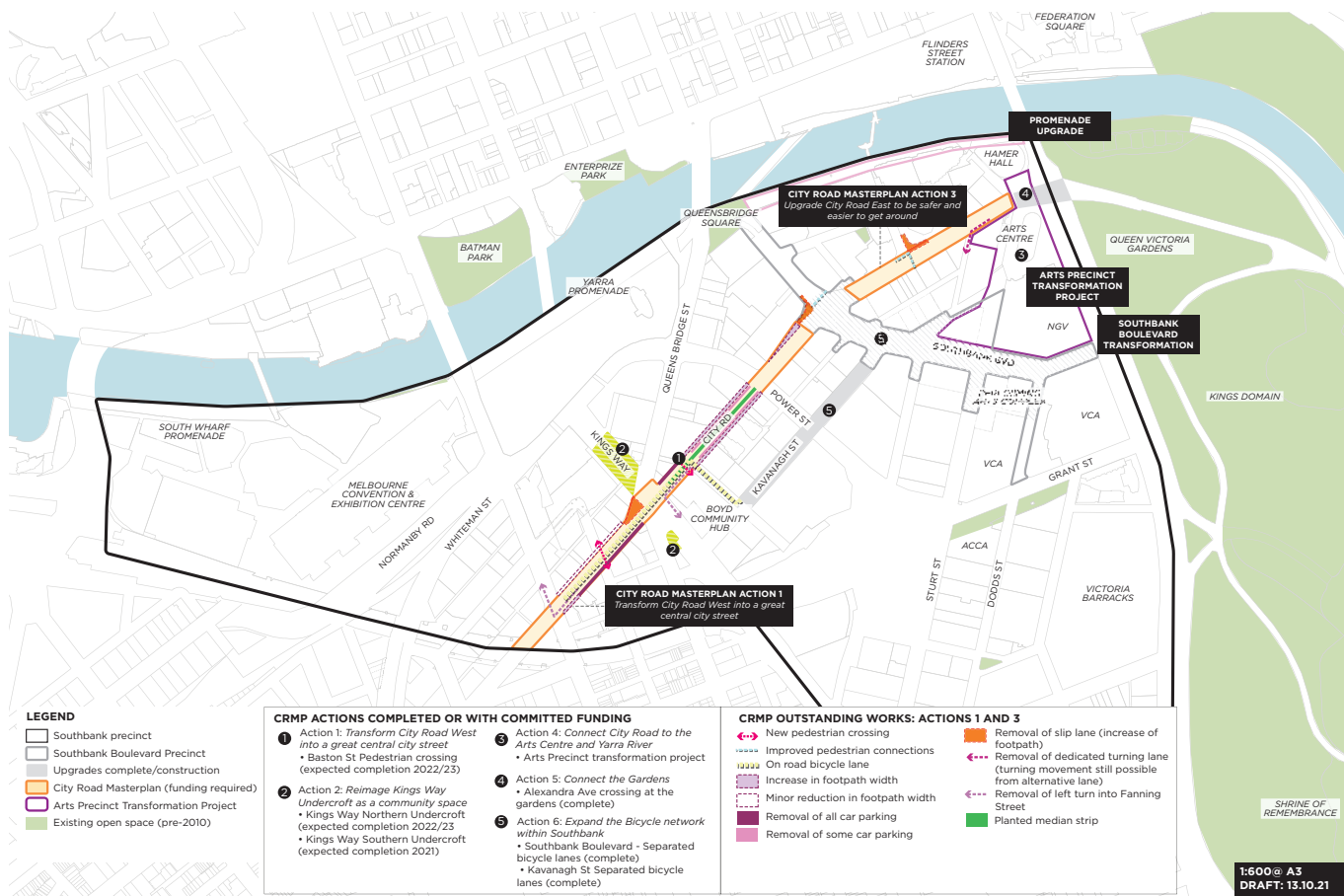
The City Road Master Plan aims to transform City Road into a safe and welcoming place for everyone. It must balance its role as an important transport corridor and ensure it is a people-friendly place that supports local street life.

The Victorian Government should fully fund the required upgrades to City Road.

Additional resources

City of Melbourne (2021) [City Road Master Plan](#)

Image 3: City Road Masterplan Implementation



9. PUBLIC TRANSPORT TO FISHERMANS BEND

Recommendation

- Build Fishermans Bend precinct tram connections.
- Complete a business case for the Melbourne Metro 2 rail tunnel project, and protect the land required to construct it.

Fishermans Bend is Australia's largest urban renewal area. It is more than twice the size of the Hoddle Grid. The vision for the Fishermans Bend National Employment and Innovation Cluster (NEIC) is to transform the area into a world-leading advanced manufacturing precinct. By 2050, it will be home to about 80,000 residents and employ up to 80,000 people.

Despite Fishermans Bend's proximity to the central city, public transport access is inferior, and the peninsular nature of the precinct constrains connectivity. The NEIC's only current public transport options are indirect and infrequent buses. Before the pandemic, buses connecting Southern Cross Station with Fishermans Bend were often at capacity during peak hours.

Workers, students and residents need a high-quality public transport service that is safe, efficient and sustainable. While bus services are increasing, they are constrained by an indirect crossing of the Yarra River – Birrarung, lack of dedicated road space, and lack of priority at intersections.

The overall vision for the precinct can only be realised through several new transport connections:

- A tram route across the Yarra River – Birrarung on Turner Street.
- A new metropolitan train station at the former General Motors Holden site, delivered as part of Melbourne Metro 2.

Build Fishermans Bend precinct tram connections

Funding ask

\$1 billion to \$1.5 billion

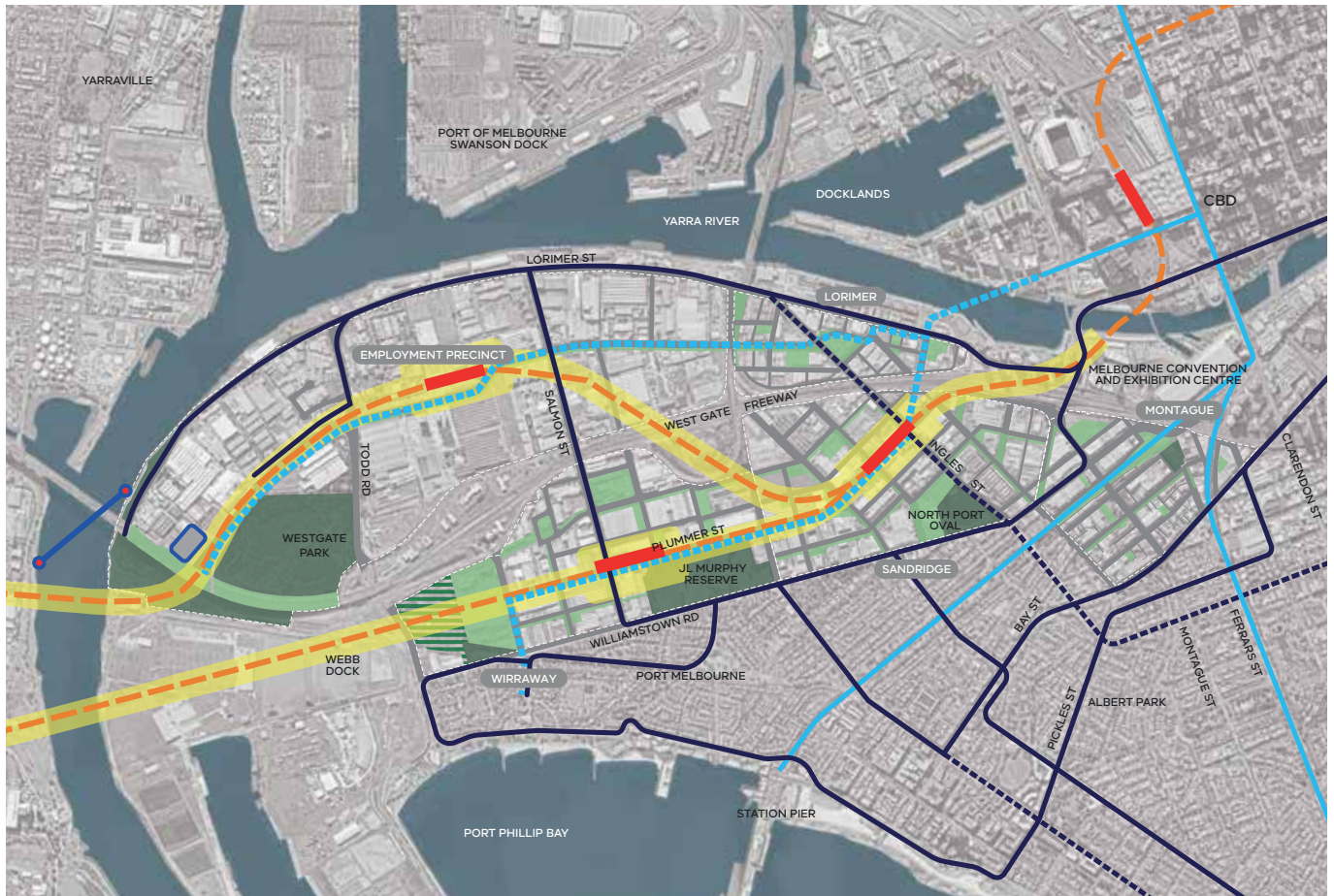
Planning for Fishermans Bend has identified an opportunity to extend the Collins Street tram from Docklands to the west and, over the Yarra River – Birrarung, before splitting into two branches through Fishermans Bend. The northern tram line, exclusively in the City of Melbourne, can be constructed along a mostly preserved corridor between the new bridge and Westgate Park in the Fishermans Bend NEIC.

The Victorian Government is developing a preliminary business case for the Fishermans Bend tram extensions.

The tram extensions would connect the precinct to the broader public transport network by providing a faster, more frequent, less crowded and smoother journey between Southern Cross Station, the central city and Fishermans Bend.

This new tram route could be completed in time for the opening of the first phase of the University of Melbourne's new Fishermans Bend campus in 2025 and connect subsequent development of the Victorian Government-owned innovation precinct.

Image 4: Fishermans Bend Framework - Source: Victorian Government (2018)



Key

- Potential metro station
- Potential metro alignment
- Metro rail investigation area
- Existing tram route
- Proposed tram route
- Existing bus route
- Proposed bus route
- Potential tram depot
- Existing open space
- Proposed open / urbane space
- Melbourne Grammar Sports Field



Complete a business case for the Melbourne Metro 2 rail tunnel project, and protect the land required to construct it

Project value
 \$27.4 billion to \$36.7 billion.

Melbourne Metro 2 is this missing link: a new rail tunnel to connect Newport to Clifton Hill, accompanied by electrification to Geelong. Melbourne Metro 2 is a city-shaping project that will serve as a long-term catalyst for urban renewal and job creation. However, the project is not adequately scoped.

While delivering broader network benefits, the Melbourne Metro Tunnel Stage 2 will most significantly deliver a new rail connection that will remove a critical barrier to the Fishermans Bend precinct. This can only happen if a business case for Melbourne Metro 2 is completed and the land required to make it happen is protected.

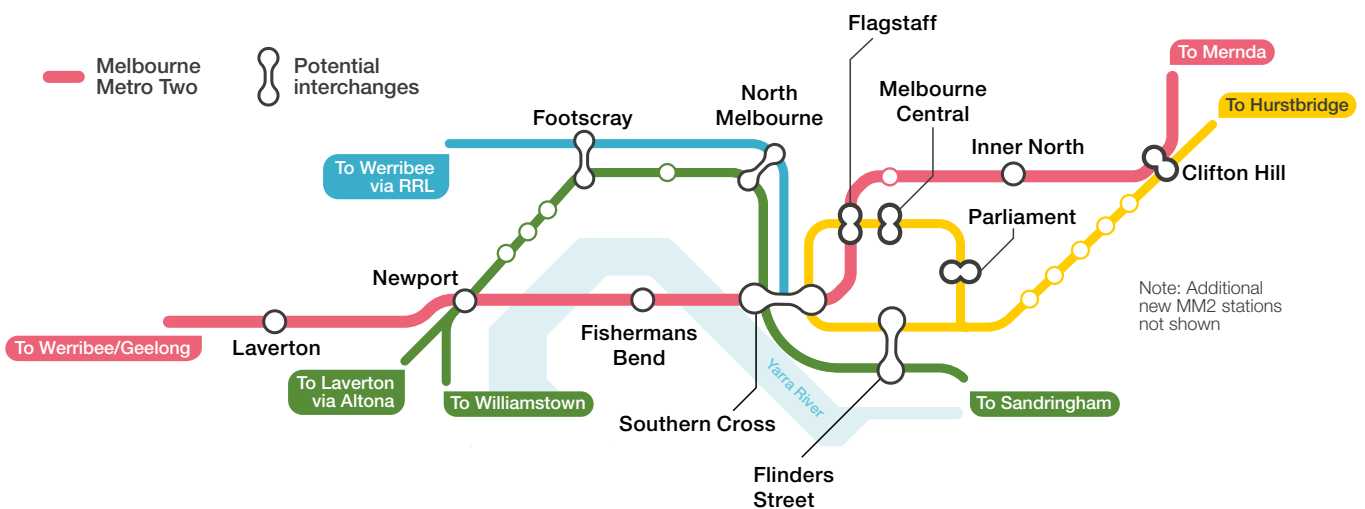
Melbourne Metro 2 will deliver significant benefits, these include:

- directly create 7000 jobs and indirectly support even more jobs
- connect several national employment and innovation clusters
- truly realise faster trains to Geelong
- unlock Australia’s largest urban renewal area.

The estimated total cost of the full project, including trains, works on affected lines and the tunnel itself is between \$27.4 billion and \$36.7 billion.

Additional resources
 Infrastructure Australia (2021) [Infrastructure Priority List - High Priority Initiatives](#)
 Infrastructure Victoria (2021) [Infrastructure Victoria Strategy 2021-2051](#)
 Victorian Government (2018) [Fishermans Bend Framework](#)

Figure 3: Preparing for Melbourne Metro Two - Source Infrastructure Victoria (2021) Fact sheet



10. SUPPORT DEVELOPMENT OF THE FIRST NATIONS PRECINCT

Recommendation

Fund the First Nations Precinct feasibility study.

The City of Melbourne seek the development of a First Nations Precinct in Federation Square East, a site along the Yarra River – Birrarung which is of significance to Aboriginal peoples.

The vision is to develop an precinct in partnership with our Aboriginal peoples to create an iconic place to celebrate Aboriginal culture, establish a community hub, and offer a symbol and practical means of reconciliation.

A First Nations Precinct will address the almost complete lack of Aboriginal visibility, representation, recognition and authority in the central city. Importantly, it will also accelerate reconciliation at scale.

The First Nations Precinct consists of two stages:

- Stage 1: a standalone First Nations Cultural Centre. A cultural centre would include a museum and education centre.
- Stage 2: a broader First Nations Precinct, which includes a community hub for the Aboriginal community and key community institutions, and an innovation centre that encompasses economic, social and environmental impact quarters, including a business hub with share spaces and services.

The First Nations Precinct will be an Aboriginal led, owned and operated, and provide a platform for lifting the Aboriginal community. The precinct will be financially sustainable after an initial capital and land outlay, and this investment will deliver strong economic and social benefits to the Aboriginal community as well as Victoria and Australia.

This invaluable project will leverage the cultural, economic, social and environmental strengths of the Aboriginal community and provide a platform for collaboration and innovation to the benefit of the whole community.

It will provide a major new destination for unique visitor experiences and transform an underused part of the Federation Square precinct.

The precinct can only be achieved through strong collaboration. The City of Melbourne will collaborate with the Aboriginal community and Victorian Government to develop an Aboriginal-led governance structure for the project and to commission a full feasibility study. There will be roles for many Aboriginal organisations and enterprises, but also for non-Aboriginal partners including enterprises, universities, cultural institutions, businesses, not-for-profits and philanthropists.

The time is right for this precinct. For too long the Aboriginal community has lacked visibility and recognition in our city. We urgently need a platform to ensure that the city is more economically inclusive for Aboriginal people, organisations and businesses. The community is ready for an acceleration of reconciliation, and this also strongly accords with the moves by the Victorian Government towards treaty and truth telling.

This is a generational opportunity to make a dramatic difference for Aboriginal people and the wider community while also enhancing the city. Through successful collaboration the First Nations Precinct could be operational by 2026.

The Victorian Government should fund a full feasibility study.

11. REVITALISE MOONEE PONDS CREEK

Recommendation

Fully fund and deliver key enhancements to Moonee Ponds Creek.

The lower reaches of Moonee Ponds Creek – the parts that flow through the City of Melbourne – are set to become some of the most intensely developed parts of Greater Melbourne. The Moonee Ponds Creek is a key feature in the west of our municipality and will play an important role in the renewal of Arden where the Victorian Government seeks to deliver homes for 15,000 people and 34,000 workers by 2050, and Macaulay where approximately 9300 people are expected to live and 7500 work by 2040.

The Arden and Macaulay urban renewal projects both rely on improving public open space along the Moonee Ponds Creek corridor to benefit growing populations. The corridor is a key environmental, active transport and recreational corridor and will play a critical role in managing water within the renewal landscape. Unlocking this open space, provides one of the greatest opportunities to provide open space at scale for the growing Macaulay population.

Urgent coordinated action is needed to ensure the potential of the Moonee Ponds Creek corridor is not squandered and the full environmental, social and economic value of the area's urban renewal sites is realised.

Within the City of Melbourne, the creek starts in the north, at Racecourse Road beside CityLink and ends in the south at Victoria Harbour.

In the present state, Moonee Ponds Creek suffers from poor perceptions of safety, disconnectedness, lack of amenity and regularly flooded environs and shared paths. Combined, these factors add to an already strong case for action.

The City of Melbourne does not own or control the Moonee Ponds Creek corridor. The creek corridor is largely controlled by Victorian Government agencies.

The City of Melbourne developed the Moonee Ponds Creek Strategic Opportunities Plan in 2019 to advocate for a new vision for a reinvigorated and regenerated creek corridor through 32 identified projects to act as an advocacy platform for delivery.

The Victorian Planning Authority (VPA) is responsible for preparing an Implementation Plan for the creek corridor, identifying project priorities, making recommendations for governance arrangements and accountabilities, and facilitating the commencement of 'quick win' projects outlined in the Strategic Opportunities Plan. VPA implementation plan, and funds to deliver it, remain urgent to provide certainty for all parties, including prospective land developers, as to how urban renewal in Arden and Macaulay will succeed.

The City of Melbourne seeks the Victorian Government to appoint Council as the Committee of Management for all unutilised VicTrack land abutting Moonee Ponds Creek and fully fund and deliver the Moonee Ponds Implementation Plan.

A summary of the projects and indicative costings for each precinct is outlined below:

	PRECINCT	PROJECTS SUMMARY	INDICATIVE COSTINGS*
1	Urban Connector Arden and Macaulay Urban Renewal Areas	<ul style="list-style-type: none"> • Parks and playgrounds • Creek revitalisation • Wetlands and rain gardens • Trail upgrade • Pedestrian bridge • Macaulay Terraces 	\$80m
2	Tidal Underpass E-Gate Urban Renewal Area	<ul style="list-style-type: none"> • Biodiversity and cultural park • Large wetlands • Pedestrian Bridge(s) • Trail upgrade • Public art 	\$65m
3	Southern Catchment Docklands	<ul style="list-style-type: none"> • Community node and boat ramp • Trail upgrade • Creek revitalisation • Wetlands 	\$15m
TOTAL			\$160m

*Costings are indicative only based on 2019 rates and do not make allowance for COVID-19 related impacts to construction costs.

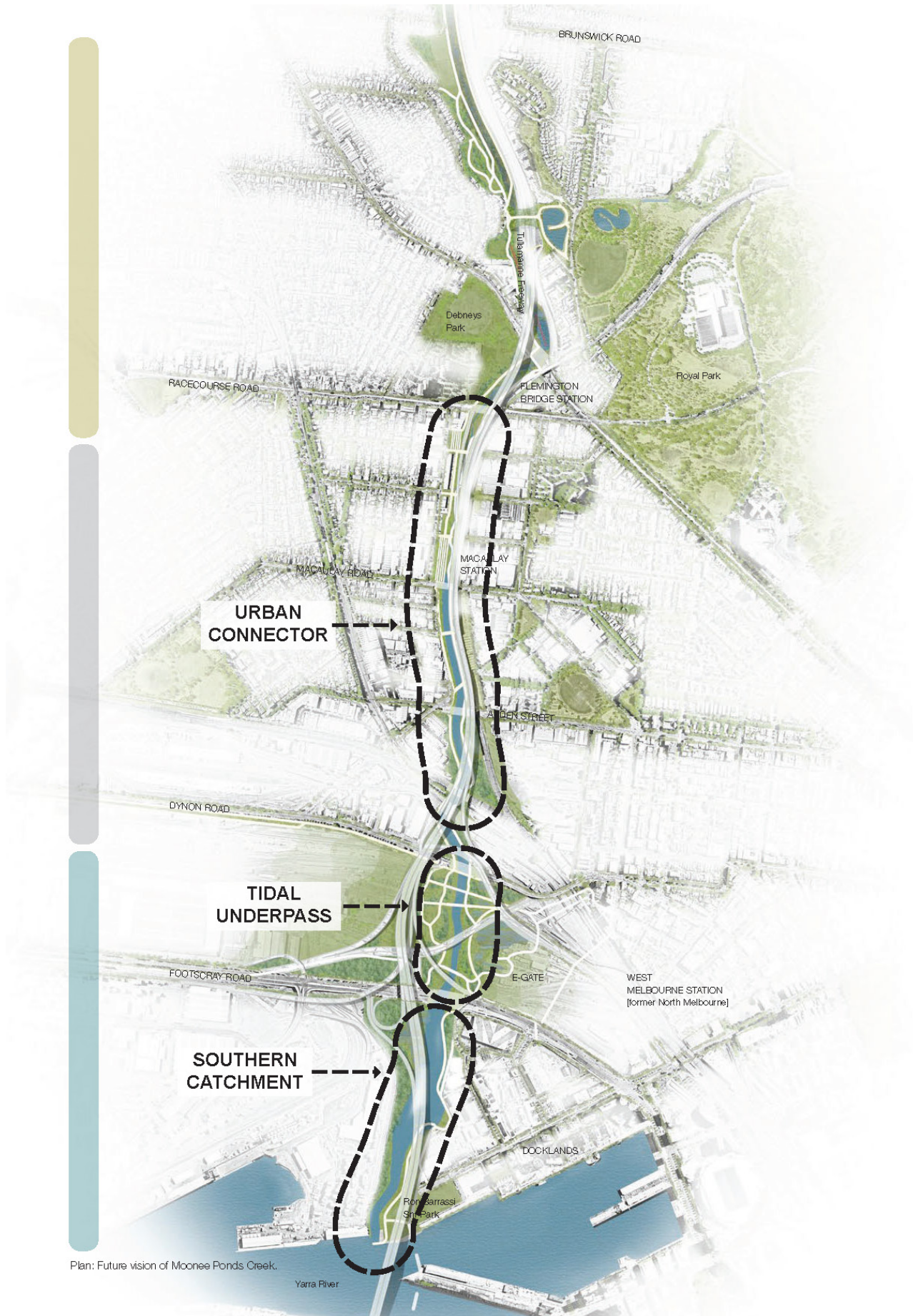


Image 5: Preparing for Melbourne Metro Two - Source Infrastructure Victoria (2021) Fact sheet

CLIMATE CHANGE AND RENEWABLE ENERGY



12. DELIVER WORLD-FIRST BATTERY POWER FOR MELBOURNE

Recommendation

Provide funding to deploy mid-scale distributed batteries across inner Melbourne.

The City of Melbourne is a world-leading city in the global response to climate change. We have worked hard to reduce the greenhouse gas emissions of our operations, and to partner with our community on bold and innovative projects.

To realise our commitment to achieving net zero emissions by 2040 for the entire municipality, and equipping others to do the same, the City of Melbourne has launched a major new initiative, Power Melbourne.

Power Melbourne will establish a network of neighbourhood-scale batteries across inner-Melbourne councils to deliver more renewable energy into the grid, and support the electricity network.

This project supports the actions of Victoria's Climate Change Strategy by:

- transitioning 18 per cent of the Victorian population, or almost 1.2 million people, to a cleaner energy future
- creating jobs, and cuts costs for houses and businesses
- accelerating the deployment of innovative technologies, and partnering with businesses and communities to do the same
- supporting everyone to cut emissions.

Power Melbourne will result in a greater uptake of renewables, create new opportunities for research, training and jobs in the green technology sector, and help build Melbourne's reputation as a centre for clean energy innovation.

City of Melbourne will partner with a coalition of inner Melbourne councils, universities and the clean tech industry to deliver mid-scale energy storage batteries with the intention of creating and refining innovative delivery models that will be commercially viable. Power Melbourne will engage the community, and inspire the market to transform by demonstrating feasibility and sharing insights, data and learnings.

The project builds on the success of South Australia's Energy Locals Virtual Power Plant and expands it to our capital city context and beyond. The scale of this project offers a unique opportunity to build on the international success of London Power. It will pursue partnerships with electricity retailers to develop an affordable renewable energy offering for apartment residents, renters, and small businesses. This will connect with the battery assets developed through Power Melbourne.

Finding ways to store energy will play a vital role in enabling and accelerating the transition to a renewable electricity grid. Energy storage makes it possible for more intermittent renewable power to be put back into the grid. It monitors and shifts renewable power generation to match demand.

Energy storage will play an important role in the future energy system. Neighbourhood-scale batteries such as those proposed through Power Melbourne have the capacity to deliver power to the grid and reduce consumer energy prices. They can support the network at the point where power is being consumed. They also provide a visible project to inspire our community.

This project will provide:

- dispatchable energy storage for firming capacity
- a scalable solution for battery deployment in urban centres
- opportunities to link with new and emerging local battery manufacturing industries
- opportunities to develop Melbourne as an employment centre of a resilient net zero economy through training, research and the development of new energy industry capabilities
- emissions reduction that supports our ambition to power the city with 100 per cent renewable energy by 2030, and achieve net zero emissions by 2040.

The first stage of the project is underway with the support of a \$150,000 grant through the Victorian Government's Neighbourhood Battery Initiative program to support the completion of the feasibility study. The University of Melbourne and RMIT University as also engaged are key partners in this work.

The Victorian Government should contribute funding of \$25 million to make Power Melbourne a reality. This funding would be staged appropriately to ensure commercial outcomes are maximised.

'CitiPower supports transition in the energy network that has long-term benefits for Victorians, and we are supportive of the approach proposed for this project.'

– CitiPower letter of support

KEY FACTS

Project value	\$100m
Ask	\$50m - Australian Government \$25m - Victorian Government \$25m - Local Government & Private
Jobs	1280
Phase	Feasibility
Expected completion	2022 (pilot)

Additional resources

City of Melbourne (2021) [Community batteries to Power Melbourne](#)

Infrastructure Australia (2021) [Infrastructure Priority List - High Priority Initiatives](#), pg. 75

Infrastructure Victoria (2021) [Infrastructure Victoria Strategy 2021-2051](#), Recommendation 9

How to contact us

Online:

melbourne.vic.gov.au

In person:

Melbourne Town Hall - Administration Building
120 Swanston Street, Melbourne
Business hours, Monday to Friday
(Public holidays excluded)

Telephone:

03 9658 9658
Business hours, Monday to Friday
(Public holidays excluded)

Fax:

03 9654 4854

In writing:

City of Melbourne
GPO Box 1603
Melbourne VIC 3001
Australia



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CITY OF MELBOURNE