

CITY OF MELBOURNE AUSTRALIAN 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	Continue to support businesses: ongoing support for businesses within the CBD to assist with recovery from the COVID-19 pandemic.
3	Redevelop Central Pier, Docklands: in partnership with the Australian Government, the Victorian Government fund the long-term redevelopment of Central Pier.
4	Facilitate and attract return of international students: attract international students back to Australia by providing clear pathways from student visas to Australian citizenship.
5	Overcome labour and skills shortages: funding for a city initiative that support tertiary education providers to rapidly equip young people looking for work and supports businesses looking for staff.
6	Enable, health, wellbeing, and resilience: raise all income support payments to above the poverty line and increase ongoing funding for affordable housing.
CITY-SHAPING	
7	Deliver Greenline: fast-track delivery of Greenline with staged co-funding.
8	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.
9	Support development of the First Nations Precinct: fund the First Nations Precinct feasibility study.
CLIMATE CHANGE & RENEWABLE ENERGY	
10	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.

While the National Plan provides a clear pathway to allow workers to return to the office, Melbourne's severe and changing lockdown restrictions have affected every part of our city and altered how Melburnians live, work, and play.

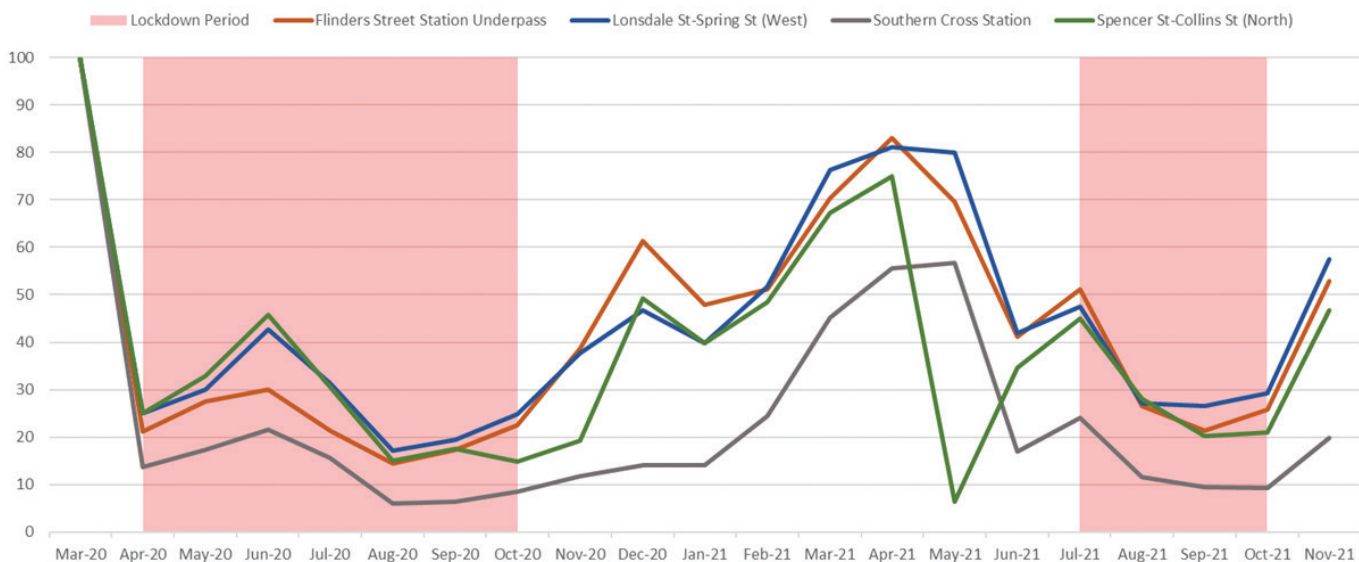
Government office buildings are not as activated as they should be. Foot traffic data around Government offices has been down by up to 60 per cent of pre-COVID levels.

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.

By implementing arrangements requiring public servants to work at least three days a week in the office we can embrace new flexible working at the same time as supporting business.

The same measure should be implemented by the Victorian Government, which is the largest central city employer.

Figure 1: Average daily pedestrian activity - indexed to March 2020



2. 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.

To recover, a significant package of support is required to stimulate economic growth over the medium term. This will deliver on key strategic initiatives, including:

- establishing a CBD revitalisation program that is designed to encourage business-led local and international events and activations
- repurposing vacant spaces into affordable commercial and creative workspaces, including the ongoing activation of vacant shopfronts
- 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:

- 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 Australian 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](#)

3. REDEVELOP CENTRAL PIER, DOCKLANDS

Recommendation

In partnership with the Victorian Government, the Australian Government fund the long term redevelopment of Central Pier.

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 within 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 finds 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 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 Victorian Government, the Australian 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.

In partnership with the Victorian Government, the Australian Government should provide funding for the long-term redevelopment of Central Pier.

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

4. FACILITATE AND ATTRACT RETURN OF INTERNATIONAL STUDENTS

Recommendation

Attract international students back to Australia by providing clear pathways from student visas to Australian citizenship.

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.

Some of the greatest productivity lifts for Melbourne and the national economy will be achieved by increasing the skills of our workforce and enhancing our ability for trade and commerce to transact across international borders. International students who call Australia home (through citizenship) will continue to have their country of birth relationship; this can only strengthen our economy.

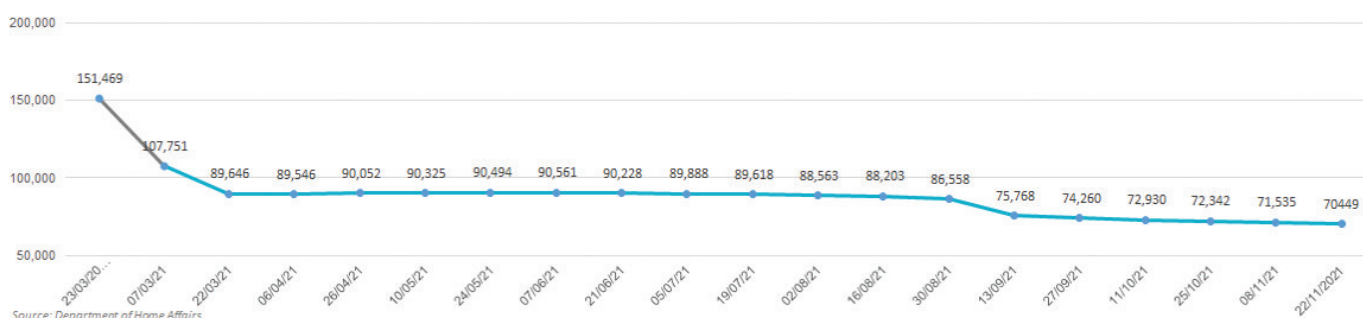
The strong return of international students is critical for the city's recovery in the short to medium term. Melbourne's economy will benefit from international students returning, not just directly in the higher education sector – which has endured massive job losses since Australia closed its borders, 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 Australian Government should attract international students back to Australia by providing clear pathways from student visas to Australian citizenship.

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



5. OVERCOME LABOUR AND SKILLS SHORTAGES

Recommendation

Funding for a city initiative that supports tertiary education 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 represent a critical driver of 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 students 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 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 Australian Government should urgently fund an initiative that supports tertiary education providing young people with micro-credentials that match the skills employers are demanding. This should focus on the hospitality and entertainment sectors currently experiencing significant skills bottlenecks and labour shortages.

While reskilling and upskilling are essential to overcoming labour and skills shortages, it is also critical to support people who are unemployed as they transition into the labour force.

6. ENABLE HEALTH, WELLBEING, AND RESILIENCE

Recommendation

Raise all income support payments to above the poverty line and increase ongoing funding for affordable housing.

The pandemic has highlighted many inequalities within the city, particularly the intersect between job losses, wage reductions, access to housing, and the capacity to purchase food.

During the pandemic many more households were pushed into economic hardship, mainly due to increased unemployment rates or underemployment. These hardships have resulted in severe health and wellbeing impacts for residents.

The City of Melbourne's Social Indicators Survey (CoMSIS) indicated that 1 in 3 households or 33 per cent of adult residents in the municipality experienced food insecurity in the past 12 months.

The City of Melbourne also have a significant shortage of affordable housing and are in the midst of an affordable housing crisis. There are 1725 people experiencing homelessness including women and children escaping family violence, people with disabilities and pensioners. Pre-COVID-19 we had a short fall of 5500 safe and affordable rental homes and emergency accommodation for people on moderate, low and very low incomes, including those experiencing homelessness.

This shortfall is a result of a range of factors including a rapidly growing population, rents increasing faster than wages and insufficient investment in social and affordable housing over many years. During the pandemic, a higher level of income support provided by JobKeeper and JobSeeker served as an example of how elevated income support can increase confidence and improve health and wellbeing outcomes by supporting:

- budgets to pay bills, including rent or mortgages
- ability to purchase food and enable food choices
- employment arrangements with employers
- paying for medical expenses
- increasing capacity to contribute to the economy
- improved self-esteem.

Despite the clear benefits from elevated income support, JobSeeker was reduced from September 2020.

This decrease is impacting our resilience and is why we need to continue to do more by paying attention to address poverty.

The City of Melbourne seeks the Australian Government raise all income support payments to above the poverty line to enable people's capability to feed themselves and their families and increase ongoing funding for affordable housing to put a roof over their heads.

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 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.

Greenline will help to return the city to its coveted status as the world’s most liveable global city by reimagining underutilised spaces into unforgettable experiences comparable to that of Brisbane’s South Bank and Sydney’s Barangaroo.

The City of Melbourne also seeks to create an iconic First Nations Precinct (FNCP) in Federation Square. This project remains at the pre-feasibility stage. Given that Greenline and the proposed First Nations Precinct are geographically adjacent, and both celebrate our Aboriginal heritage and advance reconciliation, they ought to be considered collectively.

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

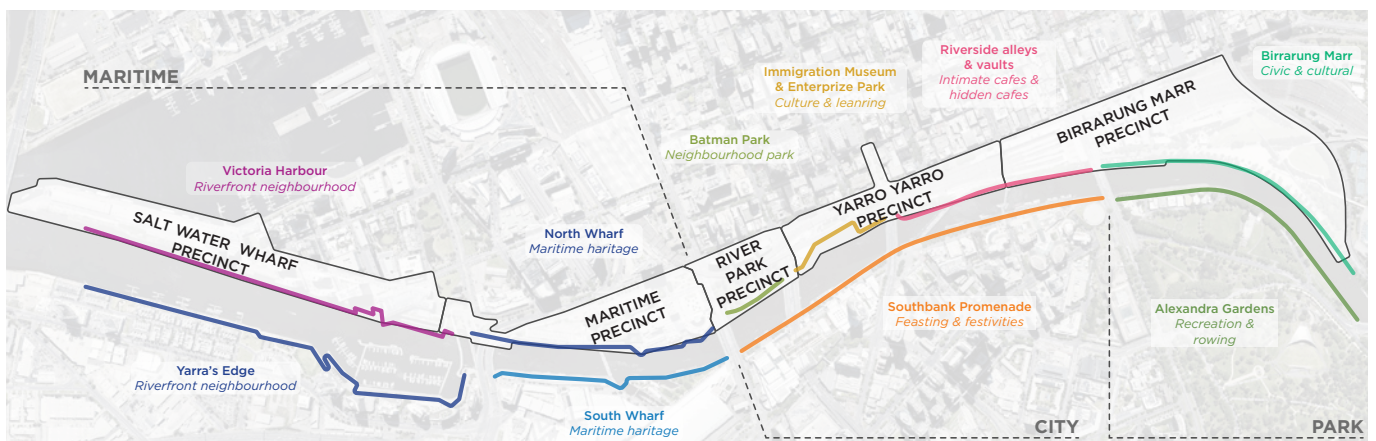
Additional resources

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

Image 1: Draft artist's impression



Image 2: Greenline precinct overview



8. 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

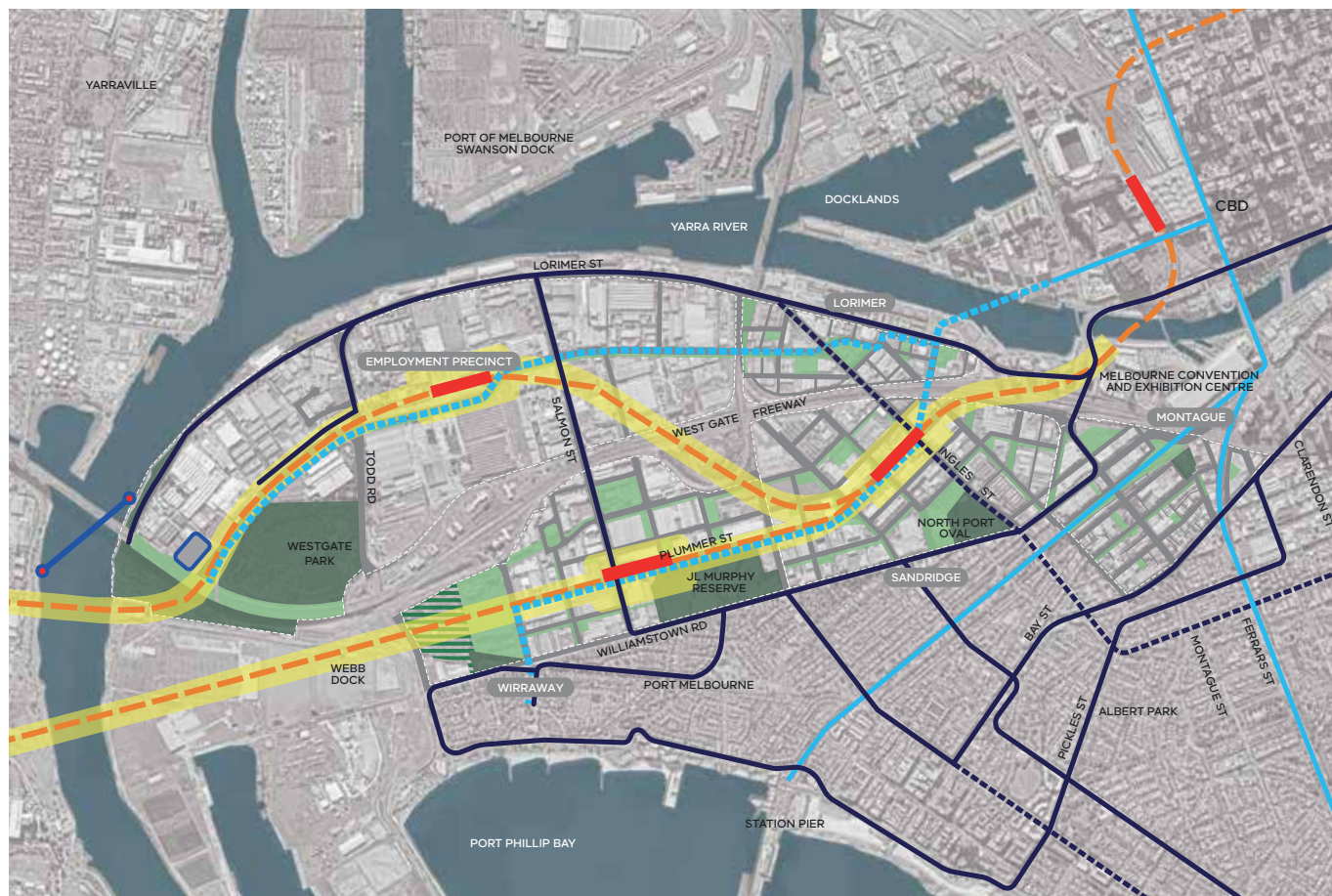
Planning for Fishermans Bend has identified an opportunity to extend the Collins Street tram from Docklands to the west and over the Yarra River – Birrarung, before splitting into two branches through Fishermans Bend. The northern tram line, exclusively in the City of Melbourne, can be constructed along 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 increase the competitiveness of the Australian Governments Modern Manufacturing Strategy by connecting major advanced manufacturers in the precinct, such as Boeing.

Image 3: 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.

Newport is a major rail bottleneck. Three rail lines converge into two tracks, leading to delays, poor reliability and crowded trains stretching from West Melbourne's growth areas to the central city. These systemic problems will only worsen as the Australian Government's Geelong Fast Rail progresses, limiting the intended benefits for a quicker commute for Geelong residents and visitors.

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. It will also allow for faster trains to Geelong. This can only happen if a business case for Melbourne Metro 2 is completed and the land required to make it happen is protected.

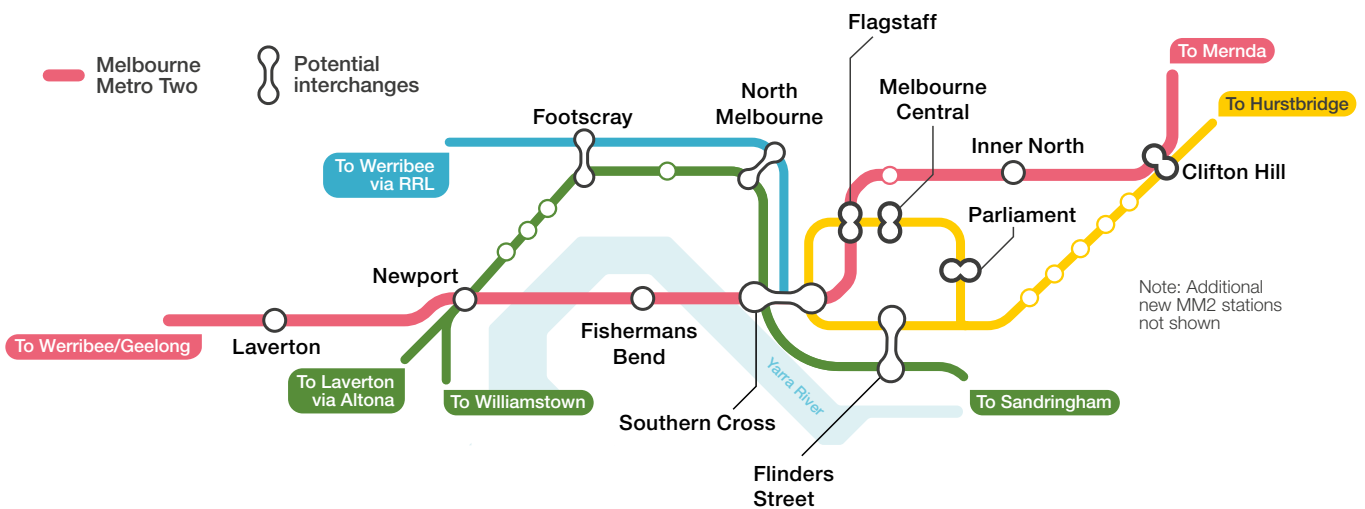
Melbourne Metro 2 will deliver significant benefits, these include:

- 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



9. 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 people.

The vision is to develop a precinct in partnership with our First Nations people 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 Australian 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.

This is a generational opportunity to make a dramatic difference for Aboriginal people and the wider community while also enhancing the city.

The Australian Government should fund a full feasibility study. Through successful collaboration the FNP could be operational by 2026.

CLIMATE CHANGE AND RENEWABLE ENERGY



10. 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 is aligned with Australia's Long Term Emissions Reduction Plan, it accelerates the deployment of new technology at scale across the economy.

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 also build on the international success of London Power. It will pursue partnership arrangements 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 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 the Victorian Government, the University of Melbourne and RMIT University.

The Australian Government should contribute funding of \$50 million to make Power Melbourne a reality. This funding would be staged appropriately to ensure scale and 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

Australian Government (2020) [Modern Manufacturing Strategy](#)

How to contact us

Online:

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In person:

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