

1.8 SOUTH EAST MELBOURNE GROUP – CITY DEAL UPDATE (SMcN)

Responsible Director: Peter Panagakos

RECOMMENDATION

That Council:

- 1. Receives and notes the update on the progress and proposed collaborative approach for the South East Melbourne City Deal.*
- 2. Directs officers to continue to work collaboratively with the South East Melbourne group of Councils on the preparation of a SEM City Deal, including the development of projects to be included within the proposed City Deal.*
- 3. Notes that the COVID-19 pandemic will delay the progress of the development of the City Deal.*
- 4. Notes that a further update report will be presented to future Council meetings as the development of the SEM City Deal progress.*

INTRODUCTION

The purpose of this report is to update Council on the collaborative work that South East Melbourne (SEM) have been undertaking with the State and Federal governments to develop a proposed City Deal for the SEM region.

The City Deal seeks to deliver major infrastructure projects, service changes, policy and regulatory reforms to better support the regions long-term needs.

This report provides an update on the process undertaken to date, outlines the regions challenges the City Deal intends to address and details the four key policy pillars that form the foundations for prioritising actions for inclusion in a City Deal.

BACKGROUND

South East Melbourne (SEM) is a grouping of eight councils in the southern metropolitan region of Victoria which advocates for investment, prosperity, jobs and sustainability across the whole region. Member Councils include Monash, Casey, Greater Dandenong, Kingston, Frankston, Cardinia, Mornington Peninsula and Knox.

South East Melbourne is one of the fastest growing regions in Australia's with population predicted to surge to almost 2 million by 2036. The region, with currently more than 1.4 million residents, produces \$74.7 billion in Gross Regional Product, or just under 20 per cent of Victoria's total Gross State Product, and is one of Australia's largest manufacturing regions, with more manufacturing jobs than greater Adelaide and Western Sydney.

As a region, the south east of Melbourne enjoys the combined capabilities and attributes of SEM's eight municipalities, business leaders, education providers, community organisations and external stakeholders, all whom are crucial to SEM's success. SEMs Board includes external directors Simon McKeon AO (Chair), the Hon Bruce Billson and the Hon Simon Crean in addition to each member Council's CEO.

ISSUES/DISCUSSION

Following a Federal election commitment in May 2019, the SEM group has been working collaboratively to develop a proposed City Deal for the SEM region.

A City Deal is a genuine partnership between the three levels of government (local, state and federal) and the community that aligns planning, investment and governance towards a shared vision for productive and liveable cities.

To date, only seven City Deals have been agreed to across the country with two additional deals in development in South East Queensland and Perth.

City Deals often require financial contributions from local government, usually through capital and operational expenditure typically allocated annually or planned strategically, coupled with significant contributions from federal and state government.

Both federal and state government have committed to working with the SEM group to produce a City Deal, expected to be delivered from 2020-2021 and beyond over the next 15-20 years.

A key aim of the SEM City Deal is to create an ideal social landscape by moving from monocentric cities to a more efficient and equitable polycentric region, creating multiple centres of activity where people can live, work, access training, health services, facilities, recreation opportunities and more, all within 20 minutes from their home.

SEM's vision statement is designed to be long term and ambitious, seeking to be:

- A globally recognised region known for its dynamic economy and leadership that drives higher standards of living for every individual.

A SEM City Deal aspires to:

- Create a region serviced by many centres with highly functioning education, health and employment hubs, close to where people live, providing easily accessible jobs, services and opportunities.
- Develop new governance arrangements driven by innovative government, business and community leadership.
- Stimulate urban renewal and drive economic reforms.
- Be Australia’s most liveable city region.

SEM Policy Position Papers

SEM are currently finalising policy position papers which identify four key pillars and include high-level, tested outcomes for each. The policy papers will inform the “asks” SEM will prioritise and propose to federal and state governments in the form of projects and actions for inclusion in a City Deal. The key pillars are:

- Economic sustainability.
- Environmental sustainability.
- Transport and connections.
- Stronger families and communities.

A stakeholder workshop was undertaken on 30 January 2020 involving key internal and external stakeholders to test and expand on the draft policy papers and outcomes included in each. Feedback obtained allowed for further refinement of each policy to ensure each ‘asks’ will align with community and industry needs and challenges.

SEM City Deals Governance

Negotiations have commenced with the federal government regarding the governance structure of the City Deal. The SEM Board have endorsed proposing to the department of Population, Cities and Urban Infrastructure a City Deals leadership group comprising of:

- All eight Council Mayors with one elected as spokesperson (one vote)
- A CEO representative.
- A non-local government board member.

Confirmation of the City Deals governance structure is currently being finalised. However, the impact of COVID-19 will undoubtedly delay this process.

CONSULTATION

Development of the SEM City Deal requires significant consultation between governments, community and private enterprise. In conjunction with SEMs secretariat, SEM will continue to collectively engage with all key internal and external stakeholders as it advances its position towards executing a City Deal Memorandum of Understanding (MOU) between state and federal governments.

At this point in time officers are contributing to the development of the SEM City Deal package in accordance with adopted Council strategies and policies.

POLICY IMPLICATIONS

The development of the SEM City Deal is consistent with following Council and State Government Policies.

Consistency with Council Strategies and Policies

Monash 2021: A Thriving Community (2010)

This long term strategy states (as relevant) that our community values convenience (we are in **walking distance to all we need**); **a balance between residential, commercial and industrial development**; good connections to bus and train services, and easy access by train/freeway; we have a friendly, community based atmosphere in shopping strips; and a safe place to live and bring up a family.

Monash Council Plan (2017-2021)

The following are relevant strategic objectives and strategies from the Council Plan:

A liveable sustainable city

- Strengthening our strategic policy and local planning framework
- Advocacy for enhancement of the National Employment Cluster
- Increasing our community engagement and education about town planning [...]
- *Inviting open and urban spaces*
- Ensuring the walkability of our city

- Improving our green open spaces and linking up our bicycle trails
- Enhancing our activity centres with an increased focus on the moveability and prioritisation of pedestrians
- *An inclusive community*
- Delivering integrated planning and community strengthening
- *Responsive and efficient services*
- Enhancing community consultation and involvement in our decision-making

Monash Economic Development Strategy & Action Plan 2018

The adopted Economic Development Strategy has four Key Strategic Directions. The relevant directions are:

- *Direction 2 – Places for Business: connected, accessible, quality and diverse employment precincts*
- *Direction 3. Diversity in Business: Facilitating economic growth and prosperity through diversity, collaboration and innovation.*
- *Direction 4. Attracting business: Investment, industry leaders, innovators and emerging talent.*

State Government Policy Context

Plan Melbourne

There are numerous references and policy directions throughout Plan Melbourne that support the development of a SEM City Deal, specifically.

“Direction 1.1 Create a city structure that strengthens Melbourne’s competitiveness for jobs and investment”

“Policy 1.1.4 Support the significant employment and servicing role of Health and Education Precincts across Melbourne”

“Policy 1.17 Plan for adequate commercial land across Melbourne”

“Direction 2.2 Deliver more housing closer to jobs and public transport”

“Direction 2.4 Facilitate decision-making processes for housing in the right locations”

“Directions 3.1 Transform Melbourne’s transport system to support a productive city”

“Policy 3.1.2 Provide high quality public transport access to job rich areas

FINANCIAL IMPLICATIONS

There are no immediate additional financial implications in participating in the development of the City Deal.

CONCLUSION

A City Deal for the SEM region presents an enormous opportunity to reshape the way metropolitan Melbourne functions and to truly drive the development of a poly-centric city.

Over the past two years, the SEM group has proven to have a strong and productive working relationship that is delivering positive outcomes in the development of a SEM City Deal. It is important that Council continues to be engaged in all future SEM City Deal discussions in order to deliver the best possible outcomes for our local community and the broader south-east region.

Whilst the impact of COVID-19 will deal the preparation of the City Deal it is important that Council continue to contribute to its development as benefits of a City Deal will greatly assist in the COVID-19 recovery phase of the SEM region.