

MELBOURNE'S THRIVING ECONOMIC FUTURE

DRAFT ECONOMIC
DEVELOPMENT
STRATEGY 2031

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Acknowledgement of Traditional Custodians

The City of Melbourne respectfully acknowledges the Traditional Custodians of the land, the Bunurong Boon Wurrung and Wurundjeri Woi Wurrung peoples of the Eastern Kulin Nation 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.

VISION

By 2031 the City of Melbourne will be a global leader in creating jobs and enterprises that focus on the needs of the future.

We will steer the city's recovery from COVID-19 and create prosperity that can be shared more equitably through investment in the city's long-term economic growth, social cohesion and environmental resilience.

The wealth and knowledge generated by our economy will support the city to achieve its economic and social objectives, creating a stable foundation for sustained economic prosperity.

INTRODUCTION

Cities can transform after crises and create something even better than before. With the right policy settings, it is possible for the City of Melbourne to recover rapidly from the economic impact of the COVID-19 pandemic. As the city deals with this challenge, we have the opportunity to reset and ensure that the economy works for everyone.

This draft Economic Development Strategy outlines our plan for sustainable economic growth. It shows how we can build the economy of the future, and attract and retain diverse and high-value jobs for current and future generations. It details the actions necessary to ensure a healthy environment and foster an inclusive society.

The decisions made today will determine the shape of the city's economy in 10 years' time and shape the opportunities available to future generations. It takes into account Melbourne's unique identity and place, and strives to ensure it is an affordable and safe place to live and do business in.

Melbourne's economy is built on many strengths, most of which are still in place despite COVID-19. The city is home to world-leading sectors such as the life sciences, financial services and international education. World class universities are located here. There is substantial development land near the CBD. As one of the world's most liveable cities and highly ranked as a student city, Melbourne is a magnet for talent from all around the world. The city's diverse, multicultural population is an enormous source of ideas and vitality.

There are challenges ahead. Melbourne's economy has been disproportionately affected by COVID-19. As a city that relies on the movement of hundreds of thousands of workers through the central city each day, changes to work patterns will affect Melbourne. Our academic strengths have not always translated into commercial opportunities that benefit the city. There is relatively high inequality. And finally, there is scope to improve coordination among the many organisations involved in economic development.

This draft Economic Development Strategy presents key findings from research on the City of Melbourne's economy and the significant impacts of COVID-19. It details our immediate recovery and reactivation approach, as well as our proposals for sustained economic prosperity in the medium and long term.

This document articulates the actions most closely affecting the city economy. Yet the factors impacting the city economy are broad – ranging from the provision of childcare to the development of the city's parks and gardens. Many of these broader issues are reflected in other council documents, including the four year Council Plan.

This draft strategy has been developed through a detailed consultation process, drawing on the expertise within our organisation and our economic consultants, as well as more than 40 interviews with key industry and community stakeholders and Victorian and Australian Government representatives. In November and December 2020, we held two co-design workshops with 90 attendees. The draft strategy also relies on the extensive research, analysis and consultation that underpins the City of Melbourne's endorsed policies, strategies and plans, and the initiatives and interventions proposed by these documents.

We seek further feedback on the priorities and actions we are proposing.

Tell us what you think on <https://participate.melbourne.vic.gov.au/economic-development-strategy>

BACKGROUND

Melbourne's pre-COVID economy

The City of Melbourne is the economic engine for the metropolitan region, Victoria and the nation. It is home to diverse industries with a high concentration of knowledge-intensive jobs.

The City of Melbourne plays three critical roles in Victoria's economy:

- It acts as Victoria's central transport, tourism, and employment hub, connecting businesses and individuals to goods and services across Greater Melbourne and regional cities.
- It enables the easy sharing of information, knowledge and skills due to the density of activity in the central city, the clustering of diverse uses, and the high-amenity streets, laneways, places and spaces that bring people together.
- It is the leading location for retail, sports, entertainment, culture and dining in Victoria, offering a memorable experience, and attracting locals, workers and visitors alike.

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, 24 per cent of the Victorian economy and 7 per cent of the Australian economy.

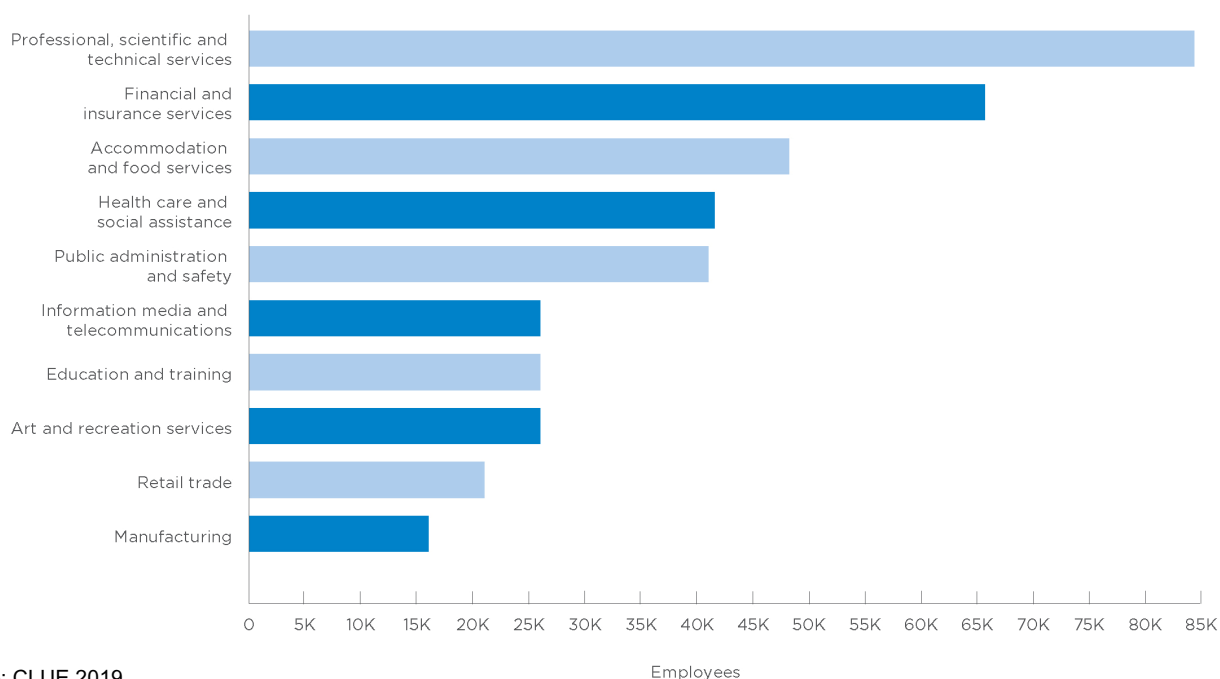
Before COVID-19 hit, the municipality was home to 497,000 jobs. The sectors employing most workers included business and financial services, professional services and research institutes. Work is concentrated in the CBD, Docklands and Southbank, which account for 72 per cent of all jobs. The CBD alone accounts for almost half the jobs in the municipality, a product of its high density and connections to transport. In 2019, there were more than 200,000 international students from 170 countries living and studying in Victoria, many of whom also lived within the city.

Due to the presence of major hospitals and universities, we also have other major employment hubs in Parkville, East Melbourne and Carlton. The municipality's economy is supported by close to 17,000 businesses, including local, national and international companies, peak bodies, government and non-government agencies.

Melbourne has long been regarded as Australia's premier retail and hospitality city – almost a third of all businesses in the central city are part of the retail or hospitality industries. It is driven by a strong urban, community that is culturally diverse and welcoming to all and supportive of healthy and creative lifestyles.

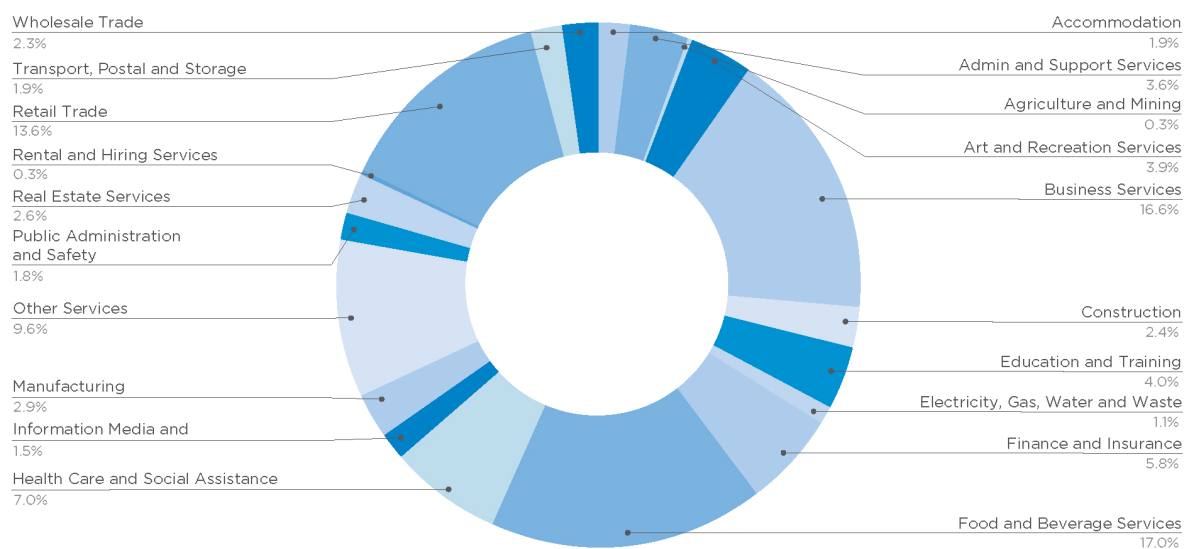
Our high streets add to the distinctiveness of neighbourhoods and provide local jobs, amenity and services that are critical to supporting our communities. These neighbourhood economic clusters became even more important to local communities during COVID-19 lockdowns.

Figure 1: Industries within City of Melbourne's economy



Source: CLUE 2019

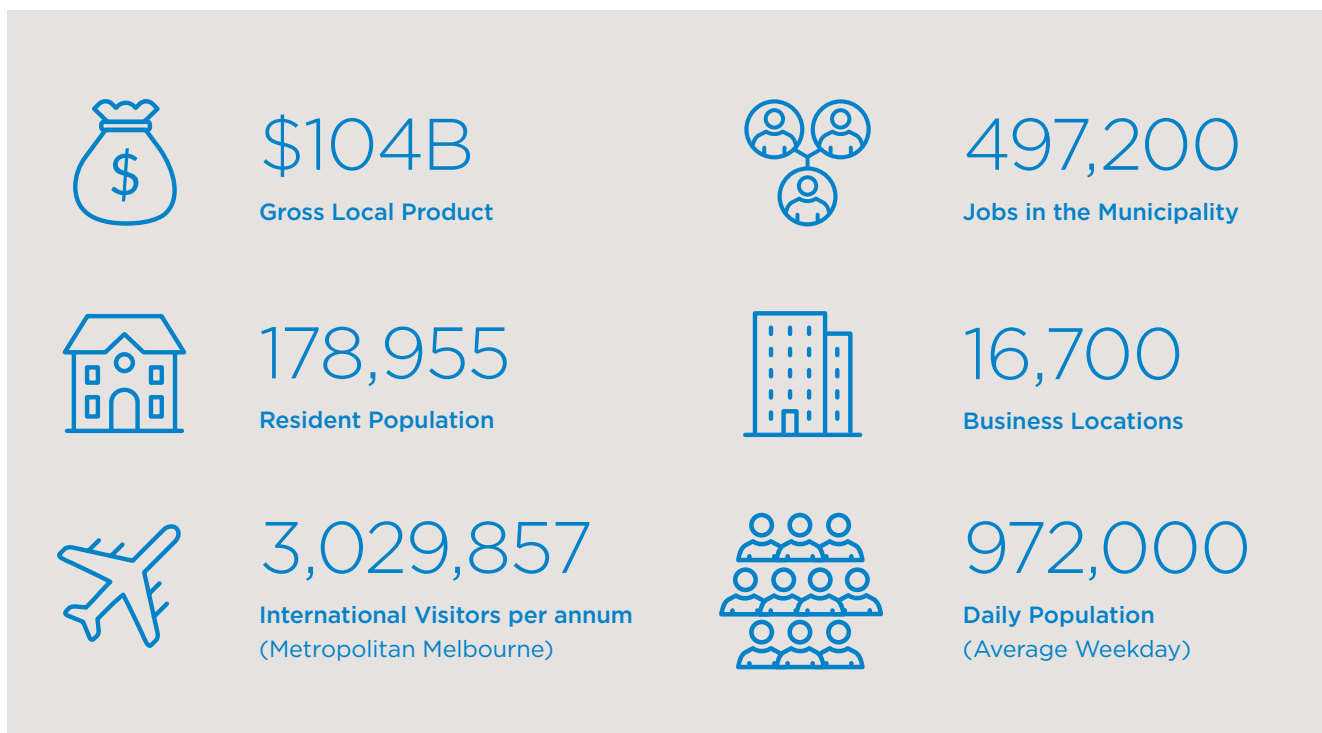
Figure 2: Count of business establishments per industry 2019



Source: CLUE 2019

City of Melbourne economic snapshot

Source: CLUE 2019



Impact of COVID-19 on Melbourne's 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 economy would lose 79,000 jobs and up to \$110 billion in output over the next five years. These projected losses emphasise the importance of the municipality to the Victorian economy, as it represents one-third of the estimated reduction in statewide economic output – \$327 billion below pre-COVID-19 projections over five years.

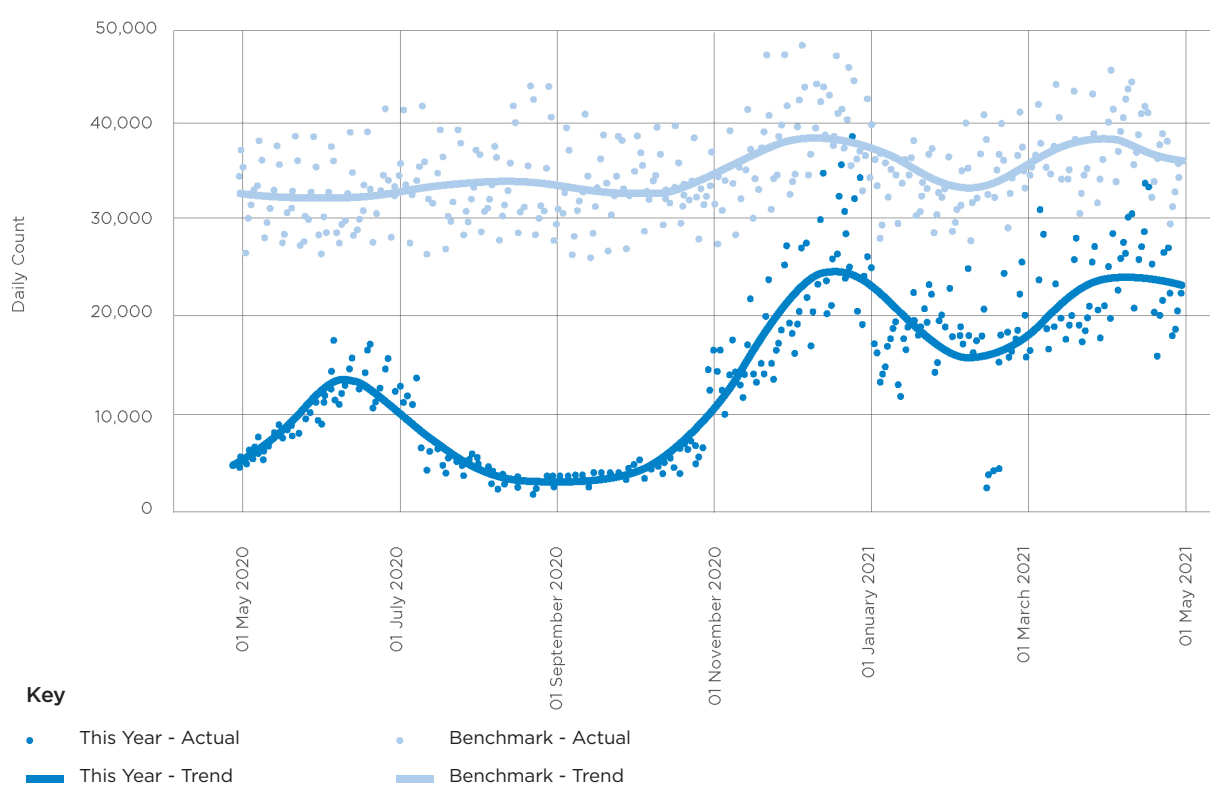
To help mitigate community transmission of COVID-19 intermittent restrictions in Greater Melbourne have included border closures, nightly curfews and unprecedented limitations on economic activity.

While these measures were critical to containing the virus and protecting our health, they have resulted in a recession that is sharper, deeper and more impactful than any observed since Australia began collecting consistent economic data. This recession is also fundamentally different to any recession in living memory, because it is health-driven, global and came on so suddenly.

Massive reduction in daily population

As the central city relies so heavily on a transient daily population, COVID-19 has led to a significant reduction in its daily population. In mid-2020, pedestrian numbers were 90 per cent lower than the benchmark period. Even as restrictions have eased, the number of people in the city has remained low.

Figure 3: Pedestrian movements for Town Hall West, 1 May 2020 – 1 May 2021



The reduction in the central city's daily population is partly due to the substantial reduction in the number of office workers. For most of 2020, Melbourne's office workers were asked to work from home. They have also taken significantly longer to return to their offices, when compared to other Australian cities.

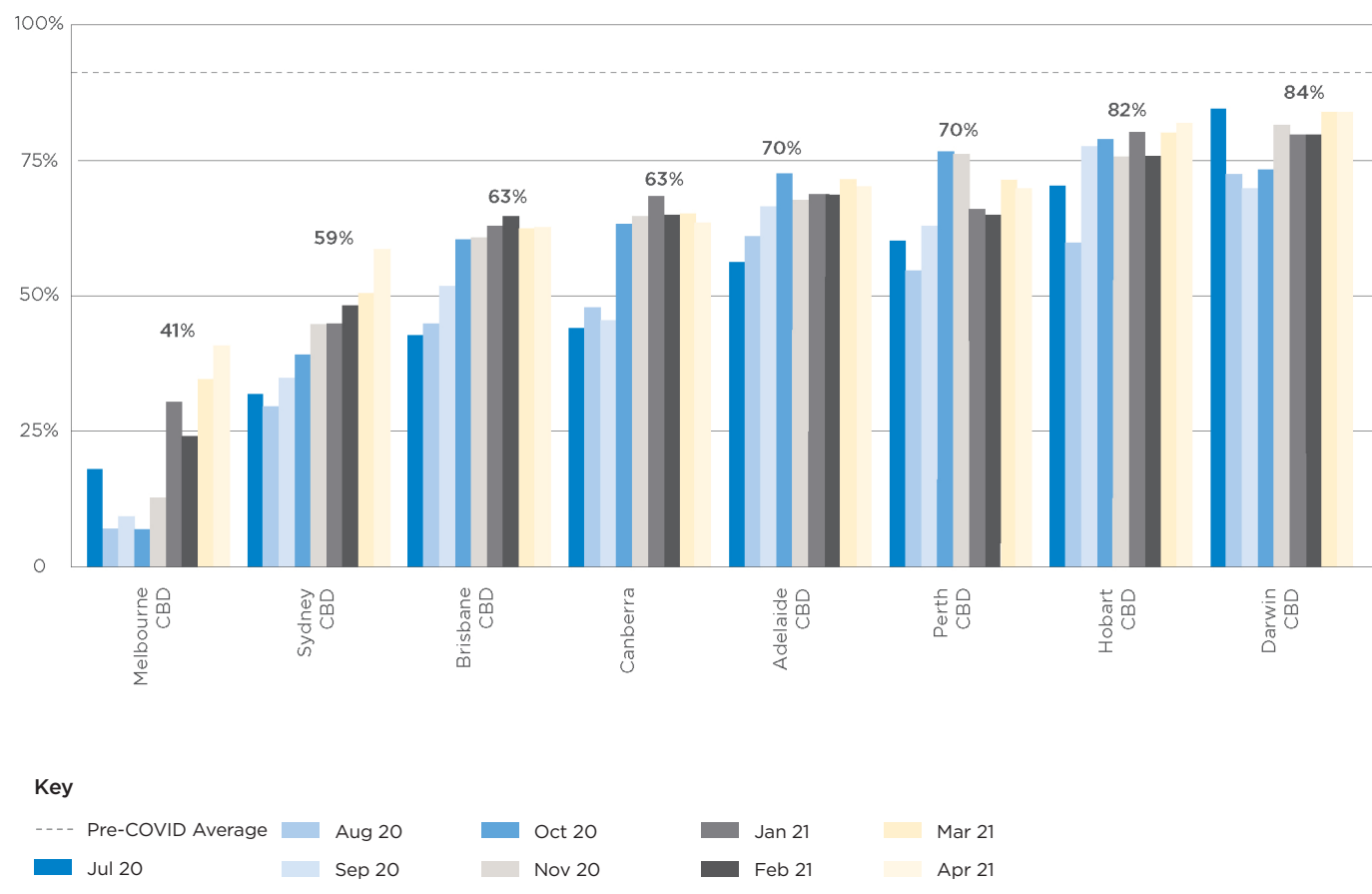
Changing patterns of work among knowledge workers will result in opportunities for other industries to relocate to the city, creating new kinds of diversity. Whatever shape the return to the workplace takes, it will have a significant impact on the service industries that cater to workers, such as cafes, restaurants and shops.

Recent Roy Morgan research undertaken on behalf of the City of Melbourne found:

- 29 per cent of workers are somewhat or totally unwilling to come back. Another 13 per cent are 'neutral'.
- Many will come back part-time – 76 per cent of workers anticipate being in the office three or fewer days a week.
- The city itself is one of the most important drawcards motivating people to return.

Data from across Australia shows that workers have been slow to return to the capital cities even after restrictions were lifted.

Figure 4: Office occupancy by capital city CBD (Source: Property Council)



Hospitality, retail and international education hit hard

As a result of the reduced daily population, spending in the municipality has been significantly lower than usual. In mid-2020, spending was 80 per cent lower than before the pandemic. While it has improved, it has not yet recovered. Spending continues to be at least one-quarter lower during the benchmark period.

About one in four shops in the municipality is vacant or closed. Payroll data collated by the Australian Bureau of Statistics shows that there are 7.1 per cent fewer jobs in the city than there were at the start of the pandemic. The proportion of jobs lost in the municipality is far higher than in Victoria or Australia as a whole.

Some industry sectors have been hit particularly hard. The food and hospitality sector and independent retailers are heavily reliant on office workers and visitors. The accommodation and tourism sector has experienced a substantial drop in overnight stays. The night-time economy is reliant on visitors, and venues are still recovering from COVID-19 restrictions. The uncertain trading conditions caused by the restrictions have also made it difficult for the events industry to plan and deliver events. The international education sector continues to be stifled by the closure of international borders, having significant impact on education revenues as well as broader repercussions for student spending and activity in the city.

Each part of the municipality is experiencing the downturn differently. Residential postcodes such as Kensington, North Melbourne and East Melbourne have benefitted from people working from home and shopping locally, while postcodes that rely on visitors are still struggling. The absence of office workers, international students and tourists has contributed to lower demand in Melbourne, Southbank, Carlton, Parkville and most of all, in Docklands, where almost over a third of all shops are vacant or closed.

City of Melbourne's response to COVID-19

City of Melbourne moved swiftly to support businesses and our community to ensure essential services, and support the community safety. Our COVID-19 Reactivation and Recovery Plan was adopted in September 2020. These projects were driven by our endorsed Budget and work program, as well as the Melbourne City Recovery Fund, a \$100 million partnership with the Victorian Government to reactivate the city. In addition, a \$100 million investment was jointly announced by the Victorian Government and City of Melbourne in May 2021 to create the the Melbourne City Revitalisation Fund. City of Melbourne will match these funds, creating a \$200 million pool to deliver ongoing and new support to businesses, and city activations such as events and outdoor dining over the next two years. At the time of this report, reactivation and recovery initiatives include:

- **21,800 contacts** with businesses who were provided with one-on-one support, information and advice through our expanded Business Concierge service.
- **2988 businesses** were given grants worth \$17.3 million.
- **1580 outdoor dining permits** issued.
- **209 outdoor dining 'parklets'** constructed.
- **175,000 new trees, shrubs and grasses** planted, creating 64 jobs.
- **156 jobs** created to revitalise the city's laneways.
- **11 kilometres of protected bike lanes** delivered to ensure the municipality is more connected, with another 33 kilometres on the way.
- **\$50 million economic support package** established, including grants to small- to medium-sized local businesses, rates relief, rental relief and a virtual summit.
- **\$175.8 million capital works budget** passed, including the Queen Victoria Market renewal project, climate action initiatives and community and cycling infrastructure.
- **\$100 million Melbourne City Recovery Fund** created, in partnership with the Victorian Government, to support the recovery and reactivation of the city.
- **\$6.8 million for the arts** invested in arts grants and arts organisations.
- **15,000 free temporary parking permits** issued.
- **9 precinct associations** each supported with individual \$100,000 COVID-19 recovery grants.
- **Zero net increase in rates** guaranteed for commercial and residential properties.
- **Dozens of events** reimagined through activations such as Urban Blooms, Melbourne Fashion Week, Christmas Festival, New Year's Eve, Moomba and Music in the City.

8 KEY PRIORITIES FOR ECONOMIC GROWTH

The following eight key priorities articulate the ways we will work to achieve our vision and drive economic recovery and create the conditions for a strong, adaptive, sustainable and thriving future city economy.

Under these priorities are a number of proposed actions. These actions will unfold across three time frames:

- Immediate – the next 12 months.
- Medium term – the next four years.
- Long term – beyond four years.

We also indicate how the City of Melbourne will implement these actions, by delivering ourselves (deliver), collaborating with others (partner) or advocating for change (advocate).

1. A business-friendly city

Building the recovery on new business formation, investment and growth

Business growth, investment and viability starts with cities nurturing business-friendly operating environments and providing efficient processes and customer service and a positive operating environment.

We will ensure that the City of Melbourne is one of the easiest places to start and grow a business. We aim to build our education and skills supply for the future, and encourage collaboration, networking, entrepreneurship, innovation and startup creation. We will create the conditions for businesses to grow, and build City of Melbourne's brand as an innovation epicentre.

Actions	Council's role	Timeframe
1. Deliver an enhanced Business Concierge service that will assist city businesses to navigate council processes and regulations and be the first port of call for business enquiries.	Deliver	Immediate
2. Facilitate major new investment proposals – especially global headquarters and research and development centres – through the establishment of Invest Melbourne, which will offer assistance to identify suitable locations and streamlined planning and permitting.	Deliver and partner	Medium

3. Provide coordinated support for Melbourne's innovation, entrepreneurship and startup ecosystem, including international enterprises, to encourage business development and capacity building.	Deliver and partner	Immediate
4. Digitise City of Melbourne permits and streamline processes – for example, by digitising construction and business permits and statutory planning processes.	Deliver	Medium
5. Implement mechanisms for delivering affordable commercial and creative workspaces, to ensure a productive mix of industries and businesses.	Partner	Medium
6. Facilitate startups and entrepreneurs in Melbourne to connect with international investment and commercialisation opportunities, particularly in Asia.	Partner	Medium
7. Deliver a collaborative program with local partners in social enterprise, social impact, hybrid business models, blended finance instruments and capital raising, to grow the impact investing market in Melbourne's precincts.	Deliver and partner	Medium

2. A creative resurgence

Designing a new value proposition for the city

Changes in the patterns of our society demand a new and creative approach to the central city. It is expected that many Australians will spend less time in the office. At the same time, online commerce is changing the nature of shopping and advances in technology are changing the way we socialise. So what does this mean for the central city? Beyond being a place to work, the central city will need to demonstrate its value as a place for ideas and experiences.

We have an opportunity to transform and reimagine the role of the city as a place to work, visit and be entertained. For example, newly vacant spaces create opportunities to encourage creatives back into the central city, contributing to its revitalisation and providing residents, workers and visitors with a greater inspiration to engage and collaborate in city life.

Our focus will be on re-establishing Melbourne as a premier destination for the creation and presentation of arts and entertainment, and to celebrate our history and diversity by creating new pathways for inclusiveness. Our visitor and creative industries will provide a great source of rejuvenation and innovation that will radiate across our city's culture and broader economy.

Actions	Council's role	Timeframe
8. Support Melbourne's creative industries through adaptive reuse and activation of precincts and vacant spaces throughout the city.	Partner	Immediate
9. Through a new tourism entity called Visit Melbourne, we will position Melbourne as the premier international and domestic visitor destination in Australia. We will promote the breadth of our original, inspiring and unique experiences, and attract and deliver an exciting major events program throughout the calendar year.	Deliver and partner	Medium
10. Draw on advice from the Night Time Economy Advisory Committee to ensure that the central city economy responds to the impacts of COVID-19.	Deliver	Immediate
11. Collaborate with the Victorian Government and arts organisations on the development of the Melbourne Arts Precinct to ensure there is investment in all aspects of the arts, including affordable workspaces, rehearsal spaces, galleries and performance spaces.	Partner	Long

12. Continue to collaborate with the music industry to support and protect all aspects of the city's music ecosystem through industry development and regulation.	Deliver and partner	Medium
13. Work with the Victorian Government to facilitate investment in Docklands, including the redevelopment of Central Pier and Docklands Media Precinct, to establish it as a destination, extension of the central city, and emerging film and digital media hub.	Deliver and partner	Long
14. Continue to invest in Aboriginal artists and organisations, and support diversity in the arts through inclusive funding models.	Partner	Medium
15. Collaborate with peak arts organisations on industry insights into how to sustain the city's visual art, craft, performance, dance, literature and music industries.	Partner	Medium
16. Support the recovery of the creative community through the delivery of funding models that enable development and online work.	Deliver	Immediate

3. Post-COVID 3000

Increasing the supply of housing for city workers

Access to quality housing is critical for Melbourne's liveability and economy. Despite this, Melbourne remains one of the world's least affordable housing markets and has a significant waiting list for social and affordable housing.

Prior to COVID-19, the City of Melbourne had an estimated shortfall of 5500 social and affordable homes, which was anticipated to grow to 23,200 by 2036. This is a symptom of long-term underinvestment in affordable housing and broader housing market issues that add to the cost of living.

Many workers can't afford to live near the city, making Melbourne overly reliant on the movement of hundreds of thousands of workers into the central city each day. We aim to collaborate to promote investment in affordable housing and facilitate options such as build-to-rent development.

Actions	Council's role	Timeframe
17. Deliver a marketing and communications strategy that will promote the central city as a great place to live.	Deliver	Medium
18. Implement the Affordable Housing Strategy 2020-2030, including: <ul style="list-style-type: none">• Support Homes Victoria to purchase vacant properties in existing residential, developments for use as affordable rental housing.• Deliver more affordable rental housing on City of Melbourne land.• Prioritise investment in City of Melbourne as part of Victoria's Big Housing Build, particularly in our urban renewal areas.• Work with the Victorian Government to introduce higher affordable housing requirements in all urban renewal precincts.	Deliver and partner	Medium
19. Commit to a new partnership between Homes Victoria and the City of Melbourne, through its proposed new entity, Homes Melbourne, to deliver significant affordable and energy-efficient housing in the municipality.	Deliver and partner	Medium

<p>20. Advocate for the Victorian Government to drive demand for existing city property in the immediate term with measures such as:</p> <ul style="list-style-type: none"> • A 100 per cent stamp duty exemption for new and existing central city property for two years, to lower market entry cost. • Remove land tax on Build-to-Rent developments for two years, to increase supply of rental housing. • Remove the foreign purchaser additional duty for two years. 	Advocate	Immediate
<p>21. Work with the Victorian Government to stimulate a pipeline of medium- to long-term central city construction projects by:</p> <ul style="list-style-type: none"> • Establishing a joint Victorian Government/City of Melbourne planning taskforce as an interim measure to fast-track planning assessment and approvals for all applications over 25,000 sqm. • Supporting City of Melbourne delivering planning fast-track processes including easing change of use for approved permits to maximise flexibility. • Committing to unlocking underused government land for development by the market or for strategic infrastructure investment. 	Deliver and partner	Immediate

4. Beyond the office

Stimulating a mix of industries through precincts and innovation

In recent decades, the central city has come to be dominated by professional services, finance and banking, and real estate services. In turn, they have supported the growth of the central city's entertainment, retail and hospitality industries.

COVID-19 accelerated the shift toward more mobile work practices – particularly for office based workers – and there has been a significant decline in the city's daytime population. While this is triggering a decline in short-term demand for new office space, it also presents an opportunity to attract new and diverse businesses to the municipality. These businesses can help to fill this demand and rejuvenate the daytime population, while creating a mix of industries that will inspire innovation. Innovation precincts drive economic growth and create high-value jobs. Melbourne has great skill in health and science research, centring on the universities and institutes in the Parkville Biomedical Precinct. It is also home to an emerging network of innovation precincts, each with unique specialisations in advanced manufacturing, health and life sciences and 'deep tech' including biotech. Melbourne Innovation District overlaps with the Melbourne Biomedical Precinct and has attracted \$4.6 billion in funding between 2009 and 2018. The Arden precinct will be home to 34,000 jobs and 15,000 residents and will focus on supporting health and life science industries. Fishermans Bend is Australia's largest urban renewal precinct and will be the centre of advanced manufacturing, projected to host 80,000 jobs.

These future-focused precincts will be connected to our original innovation precinct, the Hoddle Grid, by new transport infrastructure in Melbourne Metro and the proposed Fishermans Bend tram route.

While we excel at early-stage research, there is scope for improvement in how we translate that research into commercial ventures and industrial applications. We must support our innovation ecosystem – from research through to product development, commercialisation and scaling – to attract and retain the best businesses, investment and talent and to reap the rewards of our high-quality research.

Actions	Council's role	Timeframe
22. Support the growth of technology sectors that have the capacity to be globally competitive, including – biotech, medtech, advanced manufacturing and engineering.	Partner	Medium
23. Facilitate the development of more affordable commercial spaces through direct investment and planning mechanisms, including specialised spaces such as wetlabs and research infrastructure.	Deliver and partner	Medium
24. Curate and coordinate the growth and development of existing, emerging and new globally competitive innovation districts in City North, Arden and Fishermans Bend.	Partner	Long

25. Partner with industry and the Victorian and Australian governments to develop our innovation ecosystems, through international engagement, emerging technology trials digital infrastructure delivery and more.	Partner	Medium
26. Advocate for the Victorian Government to commit to delivering integrated public and active transport in urban renewal areas, including Melbourne Metro 2 and trams to Fisherman's Bend and the Arden precinct.	Advocate	Medium
27. Create a health and biotech innovation hub, to accelerate commercialisation activity.	Partner	Long

5. Unlock climate capital

Transitioning to a leading low-carbon economy

The city's recovery coincides with the need for concerted action on climate change. The economic risk of inaction is enormous. The impacts of climate change and missed economic opportunities of transitioning to a low-carbon economy could cost \$12.6 billion to the municipality's economy by 2050.

Beyond mitigation and adaptation, responding to climate change represents a significant economic opportunity. Australia has a natural advantage in clean technology, clean energy, and clean minerals exports that could add \$680 billion to the economy by 2070 and create an additional 250,000 jobs. The Investor Group on Climate Change, which represents more than \$2.2 trillion in managed funds across Australia and New Zealand, estimates that transitioning to a sustainable economy will create \$1.1 trillion in investment opportunities – primarily in emerging sectors in renewable energy, hydrogen technology, and transport infrastructure (e.g. integration of electric vehicle charging stations into the electricity grid within the municipality).

City of Melbourne will demonstrate ongoing leadership and innovation on climate change mitigation and adaptation solutions to help create and grow markets in Melbourne and beyond. We have a strong track record with projects such as the development of Council House 2 and the Melbourne Renewable Energy Project.

Melbourne has a unique opportunity to position itself as the knowledge economy epicentre of the transition to clean energy, by unlocking billions of dollars in private-sector capital and looking for opportunities to invest in decarbonisation. We can also contribute by providing the professional services that are part of the supply chain of energy infrastructure projects delivered across the state and country in coming decades.

Actions	Council's role	Timeframe
28. Establish Melbourne as a leading market for innovative climate change solutions, by working on sustainable finance mechanisms, promoting ambitious projects that grow the local supply chain and demonstrating how to scale-up solutions.	Partner	Medium
29. Explore public-private partnerships to develop climate change solutions and leverage private equity investment.	Deliver and partner	Medium
30. Support small businesses and startups that demonstrate positive social and environmental impacts, through incubators and investment programs.	Deliver	Medium

31. Launch a Sustainable Development Goal investing initiative in partnership with Melbourne-based institutional investors, to explore investment opportunities and hurdles, and serve as a leading city learning platform related to the goals.	Deliver and partner	Medium
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6. Diverse city

Leveraging Melbourne's diversity is an asset to society and the economy

Greater Melbourne is home to 4.9 million people from more than 180 different countries. Our diverse population is a source of pride, identity and economic prosperity. However, the question of whether we are fully realising this potential needs to be addressed.

A diverse city economy will provide meaningful job and career opportunities and services for disadvantaged and under-represented groups, together with well-located and affordable housing choices, services and amenities. It also governs with Traditional Custodians, prioritising and protecting First Peoples culture and know-how as a key driver of economic growth.

As a global metropolis, central city economy and a driver of national growth, the City of Melbourne economy should produce solutions, wealth and improvements in quality of life for communities beyond our boundaries, in support of global Sustainable Development Goals. This involves a focus on demonstrating and promoting diversity and inclusion based on gender, culture and background, in all levels and dimensions of the workforce.

Actions	Council's role	Timeframe
<p>32. Support the recovery and resurgence of our international education sector, by rebuilding Melbourne's reputation among students and their peers, communities and visiting parents through:</p> <ul style="list-style-type: none">• Establishing a 'One-Stop Digital Community' to foster digital connection.• Developing a special way to welcome and support returning as well as new and continuing students, graduates and alumni.• Advocating for access to transport concessions.• Advocating for a standardised accommodation accreditation system.• Connecting students with distinct elements of our local culture and history.• Advocate for full return of international return of international students in 2022.	Deliver partner and advocate	Medium
<p>33. Leverage diaspora and alumni communities to strengthen international relationships and facilitate foreign investment.</p>	Partner	Medium

34. Partner with industry and government to support the entrepreneurial efforts of international students, new migrants and female entrepreneurs.	Partner	Medium
35. Review Melbourne's International Engagement Strategy to ensure that future partnerships enable mutual growth and opportunity.	Deliver	Medium
36. Deliver initiatives to support Aboriginal enterprises, increasing the profile of Aboriginal culture in the municipality.	Deliver	Immediate

7. Digitally connected city

Adapting to connectivity as a knowledge-enabled, smart city

The City of Melbourne is competing in a fast-changing and increasingly competitive global market. Innovation and digital technologies are major drivers of prosperity. The fourth industrial revolution, otherwise known as Industry 4.0 is affecting almost every industry. It includes 5G, Internet of Things, artificial intelligence, advanced automation and robotics and digital twins (virtual representations of physical objects or processes).

Melbourne needs to adapt quickly to this changing landscape in order to maintain and improve our current levels of prosperity: failure to do so will see us left behind. Industry 4.0 technologies have the potential to strengthen our economic competitiveness on a global scale and ensure Melbourne leads the country in embracing new industries and creating the next-generation jobs and businesses.

As more technology rolls out across cities, City of Melbourne will have a significant opportunity to lead by example, from sharing knowledge to collaborating with businesses, startups, researchers, universities, other government bodies and our community.

Actions	Council's role	Timeframe
37. Work with the Victorian Government to facilitate adoption of high-speed digitalisation by Melbourne businesses, to maximise productivity and competitiveness.	Partner	Medium
38. Establish a City Intelligence Hub that builds on City of Melbourne's open data platform, digitises our operations through digital twins, and models Industry 4.0 adoption.	Deliver and partner	Medium
39. Enhance our libraries, open data platform, open innovation agenda, skills development and educational programs, and expand knowledge sharing such as Melbourne Knowledge Week festival and Melbourne Conversations events.	Deliver and partner	Medium

8. A joint effort

Collaborating for a thriving city economy

Economic development involves complex interactions across a wide range of parties. Although economic growth can be planned to some degree, it is largely organic and opportunistic in our market-driven system.

Our role is to provide a foundation for sustainable growth. We aim to create an attractive place to live, work and visit, cultivating a business environment and ecosystem that is easy and collaborative. We must also provide support and incentives for innovative ideas, and set the vision for where we want our economy to go.

Many organisations contribute to the municipality's economic development, including the City of Melbourne, various arms of the Victorian and Australian governments, universities, major businesses, business associations and community groups. While there are some overlapping objectives and actions, there is no unifying strategy or single mechanism for coordination.

Coordinated action on an agreed approach is critical to a fast recovery and a secure future. Strong, collaborative partnerships enable diverse parties to align their shared interests and objectives, and coordinate activities and investments to deliver greater impact. Unlike many other aspects of global competition, this is within our control and is relatively low cost.

Actions	Council's role	Timeframe
40. Deliver the Melbourne City Revitalisation Fund, a joint initiative of the City of Melbourne and the Victorian Government, to support the economic recovery of the municipality.	Partner	Immediate
41. Seek to establish a formal governance mechanism or entity to coordinate economic development in the central city, involving all levels of government and other key institutions.	Partner	Immediate

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