



## Smart Cities & Suburbs (SCAS) Draft Program Guidelines

### Questions for clarification in relation to the draft guidelines:

#### Eligible activities:

- 1 More clarity is required on the potential implications, such as with the ATO, if R&D projects are undertaken and the entity/ business is a participant of the Department’s R&D Tax Incentive level.

#### Eligible expenditure – clarification:

- 2 It is not clear why labour expenditure for CEOs, CFOs, Accountants, Lawyers and others in leadership positions (other than Directors) are ineligible. Consideration could be given to having these costs apportioned/treated on a pro-rata basis. As a second city, this is especially important for senior executives directly overseeing projects in Geelong.
- 3 The funding should cover the need to provide independently audited financial acquittal reports.

#### Additional comments:

- 4 Greater clarification is required regarding the procurement process(es) and guidelines that are expected to be followed under this program. For example, once funding for the program is allocated to projects, are cities required to follow established procurement policies - which could include seeking competitive tenders to engage external industry parties (including where panel arrangements are in place), or do alternate arrangements apply in this instance for the awarding of contracts?
  - For example, if a proposal is submitted for funding by the City of Greater Geelong on behalf of a consortia consisting of industry and city collaborators (such as Deakin University, The Gordon, Tribal Group etc.), and assuming that the proposal was successful, would the City of Greater Geelong be required to then tender in open market for the products and services? If the latter is the case, this may undermine and be a disincentive for industry partners collaborating with Geelong to develop a proposal for submission under the Smart Cities and Suburbs program.
  - Similarly, how would this operate if the City of Greater Geelong were not the primary submitter of a funding request, rather an industry consortia lead, with the support of city stakeholders? For example, if the Committee for Geelong made the submission?

### Recommendations to the draft Criterion:

Criterion	Comments / recommendations
<p><b>5.1 Merit criterion 1</b>  <b>Explain how the solution is innovative</b></p> <ul style="list-style-type: none"> <li>• describe the project including key activities and outcomes</li> </ul>	<p><b>Innovation</b></p> <ul style="list-style-type: none"> <li>• <b>Technologies</b> – recommend that the evaluation includes reference as to how the solution encompasses some of the current smart cities global best</li> </ul>

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<ul style="list-style-type: none"> <li>• explain the role of each project partner</li> <li>• explain how the solution is innovative – either how it uses technologies new to the organisation, the city/region of the country, or how it deploys existing technologies in an innovative way</li> <li>• detail the technologies proposed, how they will be deployed, and the extent to which they make use of digital communication</li> <li>• describe how the solution will use data and statistics, and support making government data more open and accessible</li> <li>• describe how the solution supports interoperability and makes use of relevant standards. Use of open standards will be viewed particularly favourably</li> </ul>	<p>practices around items such as open data, analytics, IoT, process automation, AI, security and Digital.</p> <ul style="list-style-type: none"> <li>• <b>Data</b> - recommend the following key principles: <ul style="list-style-type: none"> <li>• where possible the city must own and be able to leverage and/or open up to broader use, the data generated by the solution</li> </ul> </li> <li>• If the prior point is unable to be satisfied, it should be very clear if the business model of the proposed solution requires the payment of data access fees to get data from the solution provider.</li> <li>• The proposed solution should therefore ideally demonstrate the willingness of the smart city solution provider/operator to make the data available to the council – without access fees – use of free data access models will be viewed favourably.</li> <li>• Recommend that solutions should describe how they will contribute to and improve the metrics or benchmarks for a smart city assessment.</li> <li>• <b>Interoperability standard(s)</b> <ul style="list-style-type: none"> <li>• The CfG endorses the reference to the importance of interoperability and the use of open standard technology and reference frameworks in the draft guidelines. Interoperability is core to economic impact – forecast to be up to 40% of the value-add (source: McKinsey) - as well as improving the issue of fragmentation across the various city operations and smart city</li> </ul> </li> </ul>

Criterion	Comments / recommendations
	<p>solutions. It also prevents the cities from being locked into proprietary technologies and allows value to be unlocked across information silos. We therefore recommend that the guidelines not only refer to the importance of standards for interoperability but also reference. For example, Hypercat (PAS 212), which is ideally suited to this program and endorsed by the IoT Alliance Australia.</p>
<p><b>5.2 Merit criterion 2</b> <b>Define the challenge the project will address and describe the benefits to your local government area and the broader community</b></p> <ul style="list-style-type: none"> <li>• explain how the challenge was identified</li> <li>• describe the impact of the challenge on your community</li> <li>• explain how your project will address the challenge</li> <li>• explain how you will measure the success of the project</li> <li>• explain how you will share the results and lessons of your project with the community and more broadly</li> </ul>	<ul style="list-style-type: none"> <li>• Recommend asking what are both the short term and long term imperatives and strategy to support the solution beyond the initial implementation (i.e. the sustainability and scalability) – and how the solution can be rolled out and scaled over time.</li> <li>• Recommend asking how the development of the solution will encompass engagement with community and constituents to arrive at the right set of requirements. Also, how will the proposed approach manage the community consultation process for introducing new smart city solution(s).</li> <li>• Recommend extending the question regarding impact to include the ability to aid the creation of new jobs, benefit the environment, add competitive advantage and drive economic growth opportunities. [Note: this may be more relevant for referencing in merit criterion 3?]</li> <li>• Recommend asking how the lessons learnt and the benefits from the solution(s) delivered will be disseminated for the benefit of the broader Australian smart city community.</li> </ul>
<p><b>5.3 Merit criterion 3</b> <b>Social, environmental and economic benefits of the project</b></p>	<ul style="list-style-type: none"> <li>• Note: this criteria is not clear as it seems to conflate questions regarding the funding</li> </ul>

Criterion	Comments / recommendations
<p>Outline the social, environmental and economic benefits of the project by identifying:</p> <ul style="list-style-type: none"> <li>• the extent to which the project leverages additional investment (describe any cash contributions above the co-funding requirement and any other cash and/or in-kind contributions)</li> <li>the extent to which the project leverages additional partnerships</li> <li>• your need for funding – explain the impacts on the project if the application for grant funding is not successful. Explain how the grant will impact the project in terms of size, timing and reach.</li> <li>• how the solution could be replicated in other communities.</li> </ul>	<p>mechanisms with the social environmental and economic benefits.</p> <ul style="list-style-type: none"> <li>• Recommend that, in addition to showing examples as to how the solution includes partnership opportunities, it allows for the inclusion of the broader eco-system, where applicable (for example, industry bodies).</li> </ul>
<p><b>5.4 Merit criterion 4</b> <b>Capacity and capability to carry out the project</b> Provide evidence to demonstrate:</p> <ul style="list-style-type: none"> <li>• your readiness to commence the project with appropriate approvals planned for or in place</li> <li>• your track record with similar projects including managing similar grant funding</li> <li>• your access to people with the right skills and experience</li> <li>• your access to any infrastructure, capital equipment, technology, and intellectual property necessary for the project</li> <li>• attach a detailed project plan, including:               <ul style="list-style-type: none"> <li>○ key risks and proposed treatments</li> <li>○ key activities and milestones</li> <li>○ how you will manage and monitor the project and dependencies</li> <li>○ attach a project budget with all major expenditure items identified</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Given the importance of leveraging global best practice in order for this program to best succeed and reach its full potential, the CfG recommends that proposals highlight an organisation’s access to leading smart cities, experts, think tanks, associations and industry collaborations, not only in Australia but globally. In addition, the CfG recommends that proposals highlight the broader organisational capabilities, capacity and governance structures that are able to be brought to bear.</li> </ul>

## Winning from Second: what Australia can learn from International Second Cities

Over the past few years, the Committee for Geelong has advocated for the development of a long-term shared strategic vision and second city policy for Geelong. The Plan Melbourne Ministerial Advisory Committee's (2015) report on the update of Plan Melbourne recommended that Geelong be formally recognised as the State's second city, and that proposals for accelerated growth of the city be included in the plan. These recommendations were further endorsed in the Plan Melbourne Refresh Discussion Paper and specifically through recommendation 75 to "designate Geelong as Victoria's second city" (Plan Melbourne Refresh Discussion Paper, October 2015, p.117).

To support wider Government policy thinking on second cities, like Geelong, the CfG undertook an international study tour to talk to communities and leaders in cities across Europe and the United States of America, and better understand how they reinvented themselves in times of economic change. The following cities were included in the international study tour:

Scotland: Dundee

The Netherlands: Eindhoven,

USA: Cleveland, Ohio; Pittsburgh, Pennsylvania; Richmond, Virginia;

England: Sheffield, Liverpool, Bristol.

At the end of 2016, the CfG released its international research paper ***Winning from Second: What Geelong Can Learn From International Second Cities***. A copy of the report can be found here: <http://www.committeeforgeelong.com.au/current-projects/winning-from-second-international-research-paper/>

The paper was compiled with the assistance of the United Nations Global Compact - Cities Programme and RMIT's Centre for Urban Research, and with support from the Commonwealth Bank. The report is the first independent and evidenced based document produced since the major announcements by Ford and Alcoa. It provides insights to inform Geelong's future direction by the City of Greater Geelong as it develops the "Our Future" shared vision for Geelong.

The Committee's research on second cities became more prominent following the findings of the Commission of Inquiry into the Greater Geelong City Council, which highlighted the 'lack of a shared longer-term vision' for Geelong and that:



‘...the development of an evidence-based, long-term vision and plan [for Geelong] should be a critical high priority...’ (Report of the Commission of Inquiry into Greater Geelong City Council, March 2016, p.41)

The findings from the *Winning from Second* report will now be used by the City of Greater Geelong as it develops the “Our Future” shared vision for Geelong.

The CfG’s *Winning from Second* report reinforces the need for Governments to support projects that apply innovative technology-based approaches to improve liveability. There is evidence that placing a specific emphasis on second cities, such as Geelong, for this type of funding will have a greater positive impact on our nation. For example, research from Liverpool’s John Moores University argues that second cities can lift national economic performance and contribute much more if given greater national policy support and investment. Given this evidence, the CfG recommends that Australia’s second cities are given priority Smart Cities and Suburbs funding to recognise their importance to our nation. Failing to make this part of the guidelines could present a greater risk to national economic underperformance.

## Second cities pivotal to national economy

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THE Committee for Geelong recently gave evidence at the Rural and Regional Affairs and Transport References Committee hearing at Geelong’s Novotel for the inquiry into the future role and contribution of regional capitals to Australia.

Presenting alongside the City of Greater Geelong, Deakin University and the G21 Geelong Region Alliance, the committee asked for the development of a cross party, long-term strategic second-city policy for Australia.

In Australia, many decision-makers give preferential funding to capital

cities rather than identifying opportunities elsewhere.

But research from Liverpool’s John Moores University argues that second cities can lift national economic performance and can contribute much more if given greater national policy support and investment.

According to the research, second cities are defined as those situated outside capitals that are sufficiently important to affect the performance of the national economy. While some may not like the use of the term “second city”, it does not imply that these cities are less important than capital cities or that they are second class.

While alternative terminology suggestions describing second cities are welcome, the committee’s position is clear — given the changes in our city, Geelong — and other second cities such as Newcastle — should be treated differently to smaller regional cities.

The evidence for this position is that the absence of a second-city policy for

Australia has created some challenges for Geelong, including a lack of co-ordination and limited resources.

For example, our local government has been forced into short-term, uncoordinated approaches to resolve acute problems because they have limited resources to develop longer term structural solutions.

A national second-city policy could unify local stakeholders and set out how industry, residents, social enterprises and all levels of government should work together to maximise social, cultural and economic potential.

As Geelong transforms, this type of policy would give confidence to those living outside our region who may have held erroneous assumptions about our city.

The Liverpool research contends that although city government matters, city governance matters even more.

The success of a second city is based on key factors that include consistent entrepreneurial and visionary

leadership; a clear model of public private partnership and citizen involvement; strategic planning conducted as a standard way of doing business; and constant self-assessment.

Most importantly for Geelong, it argues that local leadership is vital to drive change in second cities.

This leadership can come from public, private and the third sector, but a combination of all three is essential.

Given that long term under-investment in second cities presents risks of national economic underperformance, some countries are beginning to develop more explicit policies for their second cities.

It is therefore important that Australia embraces a second-city policy and leads the way.

Cities such as Geelong and Newcastle could be included in the first trial.

Rebecca Casson is the Committee for Geelong’s CEO. Follow the Committee for Geelong on Twitter @Comm4Geelong.

## Second city status a winning direction

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THIS week the Committee for Geelong launched its research report *Winning from Second: What Geelong Can Learn from International Second Cities*. Compiled with the assistance of the United Nations Global Compact—Cities Program, RMIT's Centre for Urban Research and the Commonwealth Bank, the report will help to further drive the vision and strategic plan for our city's future.

The Plan Melbourne Refresh Discussion Paper recommends Geelong be formally recognised as Victoria's second city, and that proposals for accelerated growth be included in the plan.

In order to support wider government policy on second cities, the committee undertook an international study tour of second cities to broaden our research in this area. We travelled to Dundee (Scotland), Eindhoven (the Netherlands), Sheffield, Liverpool and Bristol (England), and Cleveland, Pittsburgh and Richmond (US) to talk to communities and leaders and better understand how they reinvented themselves in times of economic change.

The overarching recommendation of the *Winning from Second* report is for Geelong to engage in the development of a second city policy with the State and Federal governments.

Our international research highlights that there are substantial benefits to be gained from a greater policy focus on these types of cities, such as significant economic and social development. A policy like this for Geelong could attract more business opportunities, create jobs

and improve existing infrastructure.

Other recommendations of the report include prioritising our city's industry strengths such as education, medicine and social insurance; green and blue economic development through a newly created "Turquoise Economy"; tertiary education specialisation; and, further developing Geelong Port.

Refreshing Geelong's brand to fully represent our history and existing opportunities, such as arts, culture and sport, is vital to moving our city forward. Similarly, while Geelong's Runway initiative is creating better infrastructure to support innovation and entrepreneurs, existing businesses also need assistance to scale up and create new job opportunities.

Finally, our research shows that a co-ordinated approach to economic development and planning through an overarching "one Geelong" entity would be more efficient in providing united advocacy and could result in greater outcomes for our city.

In many ways, Geelong is already

on track with what other second cities have done, such as identifying strong industry sectors and facilitating their growth. However, *Winning from Second* can assist to further drive the transformation of our great city, and the committee will now collaborate to identify ways to implement some of the learnings.

Many cities across the globe face similar challenges to Geelong, but what unites us is the passion for our home and the fact that being the state's "second city" is our opportunity to shine.

Second does not mean second best or second place; it means Geelong enjoys all of the benefits of being within arm's reach of Melbourne but free from the constraints of big city living.

Geelong is different from the capital cities, and this is an asset our city should celebrate and promote to make more people want to call it home.

Rebecca Casson is the Committee for Geelong CEO. Twitter: @Comm4Geelong.