



# **COMMITTEE FOR GEELONG**

**SUBMISSION TO THE PARLIAMENT OF AUSTRALIA'S  
STANDING COMMITTEE ON INFRASTRUCTURE, TRANSPORT  
AND CITIES**

**ON**

**INQUIRY INTO THE AUSTRALIAN GOVERNMENT'S ROLE IN  
THE DEVELOPMENT OF CITIES**

**31 JULY 2017**



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## 1 **Introduction**

The Committee for Geelong (CfG) is pleased to lodge a submission to the Parliament of Australia's Standing Committee on Infrastructure, Transport and Cities on the Australian Government's Role in the Development of Cities.

Please note that the CfG's submission is not confidential.

The CfG is politically unaligned, independent and shares one passion with its members – the vision of a vibrant, liveable, inclusive and prosperous Geelong.

The CfG exists to actively advocate for a better future for Geelong. It works collaboratively with an authoritative group of stakeholders and influencers to provide strategic leadership. Through innovative thinking and thought-provoking debate, the CfG leverages opportunities to deliver growth in the Geelong region.

The CfG welcomes the opportunity to comment to the Standing Committee, which will consider the Australian Government's role in the development of cities. The CfG believes that the Australian Government should have a key role in shaping cities in Australia.

## 2 **Background**

Geelong is Victoria's second largest city with a population of approximately 220,000 people. The regional economy is diverse – health, education and service sectors are now the key employers, however, manufacturing is still important. Geelong has recently become Australia's 12<sup>th</sup> largest city.

Last year, the CfG undertook a global study tour of eight "second" cities in Europe and the USA to identify strategies to underpin the future vision for Geelong as Victoria's second city. That study tour resulted in the development of a 100-page report entitled *Winning from Second: what Geelong can learn from international second cities (Wf2)*. The report draws insight from the change and economic transformation process of international second cities and was written in collaboration with the United Nations Global Compact - Cities Programme and RMIT's Centre for Urban Research, with support from a range of partners including the Commonwealth Bank and the City of Greater Geelong. A copy of the report can be accessed here:

<http://www.committeeforgeelong.com.au/current-projects/winning-from-second-international-research-paper/>

Informed by the findings in the *Wf2* report, the CfG brings a unique perspective to consideration of the Australian Government's role in the future of cities.

The CfG believes that Geelong could better position itself as Victoria's "second city". Its infrastructure (the Port of Geelong, Avalon Airport, together with its road and rail connections), world class health and education services, employment and lifestyle opportunities are attracting many new residents and businesses to Geelong.

The *Wf2* report identified key recommendations to improve the economic prosperity and growth of Geelong.

The objective of the *Wf2* research was to discover how exemplar second cities pursued their economic and social viability following economic change. The cities included in the study tour had all seen major companies close or depart, but went ahead to transform their economies through co-ordinated and long-term strategies for industry development.

The study tour included:

1. Eindhoven, Netherlands
2. Dundee, Scotland
3. Cleveland, USA
4. Pittsburgh, USA
5. Richmond, USA
6. Bristol, UK
7. Liverpool, UK
8. Sheffield, UK

The CfG called on the expertise of Deakin University for help in identifying which cities to include in the study tour. The United Nations Global Compact – Cities Programme and RMIT’s Centre for Urban Research were commissioned to participate in the study tour and compile the *Wf2* report. The research was undertaken in accordance with RMIT University’s regulations in relation to the ethical conduct of research.

### **3 Response to Terms of Reference**

The CfG provides the following responses to the Terms of Reference:

#### **3.1 Sustainability transitions in existing cities**

Geelong, as Victoria's second city, is afforded many advantages, including its proximity to key rail, sea and air transport infrastructure. This provides access to Melbourne, Victoria's State Capital, regional Victoria, together with broader Australian and global markets. Geelong has excellent health and education sectors and a developing professional services industry, particularly in social insurance. Whilst Geelong is a good growing city, it has the potential to be a great city.

##### **3.1.1 Identify how the trajectories of existing cities can be directed towards a more sustainable urban form that enhance urban liveability and quality of life and reduces energy, water and resource consumption**

Melbourne is growing at unprecedented levels with its population to reach 10 million by 2050. An additional 1.6 million homes will be required in Melbourne by 2050, and Geelong is poised to accommodate Melbourne's growth. Armstrong Creek, Lara, Lovely Banks and the Bellarine, together with infill development, can provide housing and employment opportunities for future residents. Armstrong Creek to the south of Geelong is one of the fastest growth areas in the State of Victoria.

The G21 Regional Growth Plan provides a framework for settlement planning across the G21 region, including Geelong. The G21 Regional Plan sets an aspiration growth rate of 2.5% for the region, which CfG considers too low when Melbourne and its western suburbs will grow at a much higher rate. Federal and State Governments have a key role in channelling growth from capital cities to other cities and towns. Improvement in transport infrastructure and employment will be an important catalysts in manifesting this necessary change. More people from Melbourne are discovering the advantages of living in Geelong. The reasons are mixed but mainly driven by affordability and Geelong's "Turquoise" lifestyle<sup>1</sup>. The proximity to Melbourne is drawing people to Geelong. While recently improved rail passenger services is making the daily commute appealing, reliable and improved transport connections are fundamental to facilitate the future growth of Geelong.

On average 12,000 people commute to Melbourne from Geelong for work, with 4,000 commuting into Geelong. The CfG suggests that the projected growth of Geelong is a conservative estimate; the region is expected to increase to 500,000 people by 2040. Future development needs to be delivered in a sustainable manner, and the CfG strongly supports investment in key transport infrastructure to reduce the pressure on the road network.

The CfG encourages sustainable growth of the city which is respectful of its finite resources. Geelong and the G21 region provides strategic opportunities to deliver environmental innovation whilst maintaining the liveability appeal of Geelong and also

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<sup>1</sup> Turquoise lifestyle: the mixture of blue and green economic development – see P78 of Wf2 report – and further details in section 3.2.3.

accommodate new growth. In recent years, the CfG has advocated for the City of Greater Geelong to develop a long term shared strategic vision, and is pleased that the Council has now adopted its 30 year vision for a Clever and Creative Future. The CfG's *Wf2* research has also underpinned the Council's vision.

The findings in the *Wf2* report incorporate a number of recurring themes that offer insights into how Geelong can enhance its social and economic viability.

There are three key themes of relevance:

Many of the cities in the *Wf2* report developed industry specialisations that have contributed significantly to the transformation of their economies.

**a) Health Tech**

Dundee established a strong biomedical science sector alongside its burgeoning niche in electronic games development. Cleveland developed a strong Health Tech Corridor based on shared industry, hospital and university specialisations.

Over time – and in line with other recommendations contained within the *Wf2* report – the CfG expects Geelong to establish new industry specialisations, which may require support from all levels of government and the private sector. An important aspect of Cleveland's Health Tech Corridor was that it has flourished through specialisation in knowledge clusters in cardiac care, cancer research and general healthcare, which differentiate Cleveland from other cities and medical clusters. The City of Cleveland has identified this as an important economic driver within the city and invested in the Health Tech Corridor to make sure the city captures all new businesses that are being created in the sector.

**b) Social Insurance**

Geelong also needs to identify unique niches. One of the competitive advantages identified in the *Wf2* report is the city's strength in the existing social insurance cluster. Home to the Transport Accident Commission (TAC), WorkSafe and the National Disability Insurance Agency (NDIA), it is a natural advantage presenting an attractive opportunity for the future. This emerging sector has the potential to be a world-leading social insurance cluster based right here in Geelong.

The *Wf2* report points to the potential to expand Geelong's status as a global hub for social insurance, leveraging the existing organisations that have already been established in Geelong.

Close to 6,000 people in Geelong are employed in the social insurance and disability sector that the TAC, NDIA and WorkSafe are part of. It is an industry worth more than \$600 million to our local economy. These are massive numbers for a city the size of Geelong, and vital for a region that has recently lost jobs from major employers. The TAC, NDIA and WorkSafe are at the vanguard of international social insurance practice and have world-leading skills and experience in this field.

For the future of our city, Geelong must look at becoming home to more organisations such as these – as a platform on which to build though, and not the end game. This is why the City of Greater Geelong, the Committee for Geelong and others have been advocating for the relocation of Comcare to Victoria's second city.

Building on existing strengths in the fields of education and medicine in Geelong and combining those with social insurance would increase the value of this cluster, as it is a specialisation unique to Geelong. Importantly for a city that is developing a status as a global centre of excellence for social insurance, it would further enhance Geelong's international reputation and build our city's capability. The chance to be located alongside these organisations would inevitably entice other businesses to our region.

### **3.1.2 Considering what regulation and barriers exist that the Commonwealth could influence, and opportunities to cut red tape**

The CfG believes that the Australian Government should have a key role in shaping cities in Australia. Geelong is transforming from its traditional manufacturing base to a more diverse economic structure support by health, education, service industries, start ups and advanced manufacturing. The city has an exciting future, but support is required by all levels of government, the private sector, academia and the community. This is the "multi-helix" approach, as successfully used in Eindhoven and identified in the CfG's *Wf2* report.

The Australian Government is currently not directly involved in the planning of cities. This responsibility rests with the State, in Victoria the Minister for Planning, and local councils. The *Planning and Environment Act 1987* is the legislative framework which governs planning in Victoria. Plan Melbourne and the Regional Growth Plans are implemented via the municipal planning scheme ordinances.

The CfG supports the development of a strong national second city policy for Australia's largest city economies (outside of the major cities in each State) which will benefit the nation's overall future economic performance. National and state policy agendas must be complimented by whole-of-government policies that formally acknowledge and support the development of Australia's second cities. With the Victorian Government formally recognising Geelong as the State's 'second city' in its recent Plan Melbourne 2017-2050, together with representations made by the CfG to Federal and State Government, second cities throughout Australia are becoming increasingly important in their role in addressing future growth.

The Australian Government does have limited involvement through environmental legislation including the *Environment Protection and Biodiversity Act 1999* (EPBC Act). Mechanisms to avoid duplication between the levels of government, such as the EPBC Act, would deliver improved processes without compromising environmental outcomes.

Empirical data in the *Wf2* report shows that there are significant benefits to be gained from a greater policy focus on second cities, and that the development of second cities - such as Geelong - can produce benefits that extend further than their boundaries. Given this, the Australian Government could introduce a national Second City Policy, which could be reflected in a formal legislative framework.

The Australia Government's Smart Cities Plan recognises that the CBD, suburbs and regional centres are where most people live and work. The City Deals mechanism could

provide an opportunity for regulatory reforms to streamline planning to deliver improved community outcomes.

### **3.1.3 Examining the national benefits of being a global ‘best practice’ leader in sustainable urban development**

Through its *Wf2* research and study tours, the CfG is increasingly being recognised as a global leader in Second City urban policy development and has brought international speakers to Geelong to share their experience of city transformation. Geelong desires to be nationally recognised as a best practice leader, and promotes a variety of urban development outcomes for the City. The Australian Government can play a crucial role in supporting Geelong in the development of a national Second City Policy and be a global leader. Australia cannot keep doing things the way they have always been done, or our nation will end up with the same result. Pioneering and innovating in this globally important policy space will put the Australian Government ahead of many other nations in the world.

## **3.2 Growing new and transitioning existing regional cities and towns**

### **3.2.1 Promoting the development of regional centres, including promoting master planning of regional communities**

Regional centres, such as Geelong, fulfil an important role in servicing the surrounding region. Greater emphasis on promoting second cities within regional centres will be beneficial to the nation.

Melbourne is growing, and the CfG believes that the Australian Government does not need to promote growth in metropolitan areas. Geelong is also growing, but intervention at the Federal level could accelerate planning of new communities. Drawing population outside of the major centres can be achieved by offering certain incentives, e.g. only having the first home buyers grant available in non-metropolitan locations, such as Geelong.

Long lead times for the planning of new communities impact on supply and affordability. The Australian Government could provide greater support to State and Local Governments, and the private sector, to promote and accelerate planning of regional communities. This could be achieved through policy direction, i.e. a Second City Policy, or direct intervention through infrastructure and funding support.

The benefits of a Second City policy would extend beyond Geelong. At the local level, investing in Geelong will ultimately grow the region. It is hoped that a City Deal investment in Geelong will deliver urban renewal at a level generally only experienced in capital cities in the past. Whilst regional infrastructure improvements are strongly supported by the CfG, we believe that the focus should initially be on Geelong – which will add flow on benefits to the broader region.

### **3.2.2 Promoting of private investment in regional centres and regional infrastructure**

Second cities are usually less congested, have lower real estate costs and more appealing environments and quality of life. This is important given the evidence that lifestyle is

becoming an increasingly important factor in population mobility. Population growth creates larger markets for local businesses, as well as creating larger employment markets and talent pools within Geelong.

The CfG actively promotes private sector investment in Geelong. In our submission to the Standing Committee of Transport Infrastructure and Value Capture, we expressed support for private sector investment on the basis that it does not compromise affordability objectives.

There is a growing number of people choosing to live in Geelong but work in Melbourne, which highlights the attractiveness of the city through both its amenities and its affordability. The development of Moolap's waterfront and the potential for residential development within six kilometres of Central Geelong will add to that appeal. A recent report by Bernard Salt, commissioned by the CfG, revealed how Geelong could achieve an "out of the box" vision for a population of 750,000 by mid-century. Given this, the CfG fully supports greater sustainable population growth, and we consider that Moolap can contribute to the important growth of the Geelong region.

The *Wf2* research identified that second cities have prospered by providing distinct identities relative to major cities.

When deciding on Dundee as the first home of a Victoria and Albert Museum outside of London, the Museum's Board realised that the institution would be more visible if it was located in a second city rather than the major and well-known cities of Glasgow or Edinburgh.

Research from the *Wf2* report indicates that second cities are recognising and investing in their attractiveness to new residents. The recent redevelopment of the waterfronts in Dundee and Pittsburgh, which echo Geelong's waterfront renewal, have been important in revitalising those cities. The CfG therefore encourages the Australian Government to be aspirational when it considers what could be achieved in our city.

Local government and agencies are often concerned about financial implications associated with infrastructure accompanying with growth. The Australian Government promoting, and even through involvement via partnership projects, could be transformational for our city.

### **3.2.3 Promoting the competitive advantages of regional location for businesses**

The *Wf2* report also points to the opportunities offered by green/blue economic development in Geelong; the "turquoise economy" which has immediate potential to leverage Geelong's economic prosperity.

In the *Wf2* report, Pittsburgh is identified as a leading example of the use of "green" economic development to replace a declining manufacturing sector. Following the decline of the steel industry in the 1970s, Pittsburgh included the growth of green buildings in its development plan and, due to its ongoing prioritisation, is now one of the cleanest cities in the USA.

Pittsburgh's transformation from a steel city to green city has been a long-term project, with significant investment in low-energy-use buildings and remediation works on ex-industrial brownfield sites. This policy change was made in conjunction with Pittsburgh's focus on converting its water resources from sites of industry production to sites of leisure and amenity ("blue" economic development).

Another city to note as a case study is Milwaukee. Due to its innovation, Milwaukee became part of the UN Global Compact - Cities Programme and is today renowned as a global water innovation and policy hub – a true example of "blue" economic development.

Geelong's location between Port Phillip Bay, the surf coast, and along the Barwon River provides a unique basis for leveraging a water-centric (blue) economy, incorporating aquaculture, aqua-tourism (recreational fishing /surfing /sailing) and the Geelong port.

For Geelong to transform into a city recognised for its green economy, a significant shift is required from the heavy industry and car-dependent residential developments that dominated the city's economy and growth in the twentieth century. The 6-star green energy rated and 5/6-star NABERS buildings being constructed for WorkSafe and the NDIA in central Geelong provide examples for office developments in the city to emulate in the future.

As per the recommendations in the *Wf2* report, it is important to identify and promote the lifestyle and amenities on offer in Geelong to attract new residents. The turquoise economy provides a unique opportunity to do this – it highlights some of Geelong's most unique and attractive selling points.

Turquoise is a blue-green mineral that is rare and valuable. Equally, the lifestyle and amenity on offer in Geelong is both valuable and – with the growth of Melbourne and surrounding areas – becoming increasingly rare.

The potential for Geelong's turquoise economy is a field worthy of further research, which could have a positive impact on the future policy development for Victoria's second city.

The *Wf2* report provides clear evidence that support for innovation, entrepreneurs and start-ups needs to be at the centre of contemporary second city development thinking. Support for existing small business enterprises was also identified as an important consideration for second cities: Eindhoven, Richmond and Sheffield all noted the importance of supporting the scaling up of existing businesses.

Again, in the *Wf2* report, Milwaukee, found that second cities can provide better support for new ventures, as major cities are more concerned with working with larger businesses. This creates opportunities for second cities to support innovation and emerging entrepreneurs, particularly through the single development agency models such as Eindhoven's Brainport.

Cleveland has worked on capturing start-ups spinning off from the city's Health Tech corridor, spending \$87 million to create 3,000 jobs in the city, as well as creating shared working spaces and manufacturing sectors.

Innovative new and existing enterprises are integral to the European Commission's Smart Specialisation development process and have also been linked to second city performance and productivity.

Geelong has advantages in supporting new ventures; it is large enough to have support, infrastructure and suppliers in place; affordable rents; and good access to the large Melbourne market and distribution points.

### **3.2.4 Examining ways urbanisation can be redirected to achieve more balanced regional development**

While there has been recent Victorian State Government support for start-ups in Geelong through initiatives such as start-up incubator Runway Geelong, and plans for a cyber-security incubator linked to Deakin University, the support for new and existing business activities in Geelong needs to be an ongoing activity.

There is also the potential to consider providing incentives for the redevelopment or refurbishment of some of the old buildings on the Moolap site, to attract millennials and stimulate new businesses.

Millennials are particularly attracted to old and historic buildings and are more likely to be involved in start-ups and the establishment of creative new businesses. The City of Richmond in the USA has leveraged this through a tax-abatement program that fosters the redevelopment of parts of the city's built environment. As a result, it has become the home of several successful start-ups and new companies, owned by a younger generation, that have been helping to create a more vibrant city. The Commonwealth of Virginia has a specific millennial strategy, which is a policy initiative that the Australian Government may also consider.

The Australian Government provides significant city defining funding (infrastructure and programs) and policy decisions (such as the establishment of the NDIA in Geelong and potential relocation of Comcare). Given the crucial role the Australian Government has in influencing the growth and development of cities and towns, a clear and defined role would be beneficial. For instance, Melbourne's growth receives significant attention from the Victorian State Government. Geelong has received support from successive governments in recent years, however, the development of a Second City Policy would provide a clear and definitive framework for future assistance. The CfG has yet to formulate this policy idea, but the principles are centred on the core difference between Geelong and other cities and towns in Victoria.

Second Cities, as the research indicates, make a significant contribution to GDP and are more economically resilient than the capital or first city counterparts. Capital cities have historically been given a different status and attention to the remainder of the other cities and towns in Australia. The CfG argues that a Second City policy provides an appropriate pilot-hierarchy for Government to engage and support cities. This would allow cities such as Geelong to progress with cities of similar scale and characteristics, rather than

competing with smaller regional cities and towns. The Australian Government is urged to dedicate specific resources and funding to develop a national Second City Policy.

### **3.2.5 Identify infrastructure requirements for reliable and affordable transport, clean energy, water and waste in a new settlement of reasonable size, located away from existing infrastructure**

Planning for new communities needs to embrace innovation through design and technology. New communities need to be based on environmental sustainable principles, such as OnePlanet Living (adopted by the City of Greater Geelong).

Rail infrastructure improvement will be essential for the Geelong of the future. Geelong's ease of connectivity to Melbourne is vital for the future success of both cities. In today's technology, high-speed rail travel is available (such as the Shanghai Maglev Train or Shanghai Transrapid - a magnetic train that operates in Shanghai, China, and is the fastest commercial high-speed electric train in the world). Japan's high-speed bullet trains, also known as Shinkansen trains, offer visitors an experience like no other with speeds reaching up to 320 km/hr. In 2015, Japan's Maglev train broke the world speed record with 600 km/h. At speeds such as 320 km/h a trip from Geelong to Melbourne would take an estimated 11 ½ minutes.

The CfG recently hosted a briefing by Ultraspeed Australia regarding its work on behalf of Hyperloop One, and specifically its desire to build support for the implementation of a Hyperloop network in Australia. The CfG has expressed an interest in the concept of establishing a Hyperloop network in Australia, especially given the potential that Hyperloop has for supporting the development of the Melbourne-Geelong corridor. In addition, the CfG strongly supports the proof-of-concept facility being located in Geelong. This facility also has the potential to provide much-needed jobs for our region.

Hyperloop is a new form of transport. It can move people or freight quickly, safely, efficiently, on-demand, and with minimal impact to the environment. Passengers or freight are loaded into the Hyperloop vehicle, or pod, and accelerate gradually, via electric propulsion, to speeds of over 1,000 km/h through a low-pressure tube. The pod quickly lifts above the track using magnetic levitation and glides at airline speeds for long distances due to ultra-low aerodynamic drag. Rapid acceleration and deceleration also enables Hyperloop to be used on metropolitan or regional scales. Hyperloop will be built on columns or tunnelled below ground to avoid dangerous grade crossings. It is fully autonomous and enclosed, eliminating pilot error and weather hazards. Hyperloop is also safe, clean, and quiet, with no direct carbon emissions. Hyperloop is also being designed to convey both container freight and passengers. This offers flexibility and competitive advantages over conventional wheel-on-steel high-speed rail systems, which cannot carry freight.

It should be noted that every major car manufacturer has documented that, by 2021 – 2025, they will have a fully autonomous vehicle for commercial sale. Ford Australia has

publicly announced it will have a fully autonomous commercial vehicle available for purchase by 2025.

With autonomy, the track tunnel system can fit more cars in less space, as vehicles can drive closely together with fewer accidents. However, for any system that is installed, all tiers of government must be aware of future proofing it, together with the infrastructure to support it.

#### **4 Conclusion**

The CfG welcomes the Parliament of Australia's Standing Committee on Infrastructure, Transport and Cities on the role of the Australian Government in the Development of Cities. We look forward to continuing to work with all levels of Government to leverage the economic prosperity of Victoria's second city, and our broader region.

#### **5 Recommendations**

The CfG recommends that the Standing Committee on Infrastructure, Transport and Cities:

- 5.1 Considers the development and implementation of a specific second cities policy.

#### **6 Contact Details**

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