



15 March 2023

Mr Tim Pallas MP
Treasurer
Level 4, 1 Treasury Place
EAST MELBOURNE VIC 3002

Dear Treasurer,

2023/24 Pre-Budget Submission

NORTH Link is the pre-eminent organisation representing – and advocating for – economic development in northern metropolitan Melbourne. Members span the education, health, research, industry and government sectors, all with a shared desire to attract and create jobs, innovation, investment and opportunity in Melbourne's North.

Melbourne's North's priority projects – the La Trobe National Employment and Innovation Cluster (NEIC), Beveridge Intermodal Freight Terminal (BIFT), the Melbourne (Epping) Market Redevelopment and the Broadmeadows Revitalisation – could collectively create more than 50,000 jobs and help strengthen Melbourne's North's education, health and transport networks, future-proofing growing communities.

This pre-budget submission is informed by NORTH Link's members and partners and seeks planning and policy support to progress transformative job and investment-creating projects.

Context

One in five Melbournians live in Melbourne's North – around one million people. In the 10 years to 2016, the region's population grew by 200,000. Pre-pandemic projections show that by 2036, the region's population will rise to 1.5 million – that's more than the current population of Adelaide.

NORTH Link's recently released report *Future Workforce – Melbourne's North 2022-2032* found:

- COVID's economic impact was most severe in Melbourne's North, where high unemployment persists
- There has been a residual impact on Melbourne's inner north, including the prolonged unemployment of tourism, hospitality and creative professionals and permanent loss of those employees to these industries, in some cases

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- Manufacturing provides many jobs but automation could lead to job losses without corrective action to boost manufacturing sovereign capability
- Lack of transport options is a major issue for young people seeking work
- Support for employment precincts in the suburbs must include local transport links to increase access to jobs and ensure these precincts grow
- Most significantly, the report found that there are more workers living in Melbourne’s North than there are jobs to service the region. For the gap between local jobs and local workers to close, 182,000 more local jobs are needed by 2031.

Submission structure

This submission highlights the role each of NORTH Link’s priority projects – the La Trobe University expansion, BIFT, the Melbourne Market Redevelopment in Epping and the Broadmeadows Revitalisation – would play in unlocking the full economic, employment, education and health opportunities to futureproof Melbourne’s North and contribute towards Victoria’s post-pandemic recovery.

Rather than rely on government first, we are seeking the Victorian Government’s support to unlock private sector investment via sound planning decisions and frameworks and strategic infrastructure support

Priority Projects – Future-proofing Melbourne’s North

1. La Trobe National Employment and Innovation Cluster - NEIC) – preferred name La Trobe Sustainability and Innovation Precinct

A revitalised La Trobe NEIC will transform Melbourne’s North through coordinated place-based planning, design and investment attraction. It includes the La Trobe University expansion (*University City of the Future*), the Warringal Hospital redevelopment, Northland redevelopment and the Australian Food Innovation Centre (AFIC) – a collaboration between La Trobe and CSIRO.

The under-construction North East Link and current and planned improvements along the Hurstbridge rail line and the proposed SRL stations are highly relevant to this opportunity.

Of the seven innovation clusters in Melbourne, La Trobe is the worst connected. Infrastructure investment, including new transport links through the Suburban Rail Loop, bus priority lanes and pedestrian and cycling links will create local jobs and growth.

There will also be a focus on incorporating the circular economy and renewable energy opportunities.

Despite being backed by a large number of education, health and business partners, the La Trobe NEIC will reach its full potential with support from the Victorian Government.

a) Partners

The La Trobe NEIC is supported by Banyule and Darebin councils, La Trobe University, Austin Health, Mercy Health, Warringal Hospital, Northland, Melbourne Polytechnic, West Heidelberg Business Park Association and the Northern Councils Alliance.

b) Return on investment

Master planning for the Precinct will unlock public and private investment, jobs and economic activity with support from the Victorian Government working with Councils and industry.

La Trobe's University City of the Future redevelopment is valued at a total of \$5 billion (most of which is to be invested by the university or private sector) and will generate 20,000 jobs overall, directly and indirectly.

Within this, currently valued at \$300 million, AFIC will generate \$6.9 billion of economic activity over 15 years, create up to 3,000 jobs over its first decade and boost Australia's exports by up to \$100 million a year.

Funding is being sought from the state and federal governments to progress AFIC, with the remainder to be funded by La Trobe University.

The \$1 billion redevelopment of Northland by owners Vicinity Centres will create 3,480 direct ongoing jobs.

A potential \$4 billion investment will be made at Austin Health over the next 10 years, as well as \$200 million in works privately invested in the Warringal Private Hospital by Ramsay Health to help meet the growing demand for health services in Melbourne's North.

The National Institute of Economic and Industry Research found that should plans for the University City of the Future not proceed, 3,000 construction jobs for each year of the project and 20,000 ongoing jobs would be lost – many of which are high-skilled and high-income – and the Victorian economy would lose up to \$4 billion over 10 years.

c) Action sought

To progress this initiative, NORTH Link is calling for:

- Cabinet endorsement of a La Trobe NEIC Vision and Opportunities Statement
- The La Trobe NEIC to be made a priority precinct
- A Council and industry stakeholder group to be supported to work with the Victorian Government on master planning.
- Commonwealth and State Government support for progression of the La Trobe University City of the Future expansion, particularly AFIC

2. Beveridge Intermodal Freight Terminal (BIFT)

The 1,000-hectare freight and logistics hub and intermodal terminal proposed for Beveridge is strategically located to maximise Australia's freight network productivity.

Once operational, freight to and from Victoria's two largest ports – Melbourne and Geelong – will transfer through the terminal using the local links and network upgrades provided by interstate rail, the Hume Freeway and the proposed Outer Metropolitan Ring Road.

BIFT will relieve pressure on the current West Melbourne freight terminal and ease congestion, taking thousands of trucks off Victoria's roads by transferring cargo onto double-stacked trains using the Melbourne-Sydney-Brisbane inland rail line, set for completion in 2027.

We support a two-terminal strategy developing both the Western Intermodal Freight Terminal and BIFT. They are complementary and, with a projected tripling of freight volumes by 2050 and emissions reductions needed in the transport sector obviating the need for rail, both will be needed.

a) **Partners**

Supporters of BIFT include Qube, Hume City Council, City of Whittlesea, Mitchell Shire Council and the Northern Councils Alliance.

b) **Return on investment**

The proposed \$1.2 billion terminal is estimated by QUBE to generate \$3.5 billion of economic activity annually and support 19,000 much-needed jobs in Beveridge and surrounds, set to be home to 150,000 people in the next 30 years.

The recent intermodal investment at Somerton is seen as very positive but will not affect the timeline for the BIFT.

c) **Action sought**

To progress this initiative, NORTH Link is calling for:

- Planning certainty from the Victorian Government for the BIFT because development around the precinct may compromise this opportunity without master planning in place
- Victorian Government to work with local Councils and industry to this end.
- The Victorian Government to work closely with both North and the West-based stakeholders and industry in the broad to deliver a stepped investment approach to a two-terminal strategy
- The Victorian Government to match the Commonwealth Government's investment of \$150 million to fund the Camerons Lane / Hume Freeway diamond interchange and, with the Commonwealth, set a date for construction which will enable the Beveridge Intermodal Freight Terminal

3. Melbourne (Epping) Market Redevelopment / MFIX

Melbourne's North is fast becoming a world-class food and agricultural hub. With more than 400 large food and beverage manufacturers based in the region, the sector employs 11,000 Victorians and generates \$3.7 billion each year.

A 51-hectare parcel of government-owned land adjacent to the Melbourne Wholesale Fruit, Vegetable and Flower Market has been identified as the location for the Melbourne Food Innovation and Export Hub (MFIH).

MFIH's role is to secure new food-related jobs for Victoria, with Melbourne's North expected to double its output to \$5 billion and create an additional 7,000 jobs in the sector over the next 10 years.

a) Partners

The Melbourne Market Redevelopment / MFIX is supported by the Melbourne Market Authority, Northern Councils Alliance and the City of Whittlesea.

b) Return on investment

Already a nationally significant food hub – home to world class agriculture and bioscience research and education facilities – master planning support from government for MFIX will help cement Melbourne’s North as the food and beverage manufacturing capital of Australia.

The National Institute of Economic and Industry Research estimates that MFIX would create 6,500 ongoing jobs in Victoria by 2027, as well as 3,500 construction jobs and approximately \$3 billion of value added to the Victorian economy over a 10-year period.

c) Action sought

To progress this initiative, NORTH Link is calling for the State Government to:

- work with Council and industry to activate planning for this opportunity
- appoint an industry stakeholder group to input into master planning of the site
- work with industry and local government to identify and prioritise infrastructure needed to activate the site
- incentivise a major industry player to relocate to Epping as an anchor tenant to attract other suitable investors
- share the Aurecon and EY studies/ business cases with key stakeholders

4. Broadmeadows Revitalisation

Only 16 kilometres from Melbourne with two rail lines, the Tullamarine Freeway, a ring road, and Melbourne’s curfew-free international airport all nearby, Broadmeadows has what it takes to be a 20-minute city.

The Broadmeadows Revitalisation includes the much-needed Kangan Institute redevelopment and the integration and connection of Broadmeadows Railway Station with the Broadmeadows Town Centre and Broadmeadows Central.

Given the likely delay in the Suburban Rail Loop running through Melbourne’s North, these projects provide an opportunity to generate economic activity and attract private sector investment in Broadmeadows within a shorter timeframe.

The \$60 million first stage of Kangan Institute’s Broadmeadows campus redevelopment was allocated in the Victorian Budget 2021/2022 to fund the construction of a Health and Community Centre of Excellence.

a) Partners

Supporters of the Broadmeadows Revitalisation include Hume City Council, Kangan Institute and NORTH Link

b) Return on investment

To further Broadmeadows' potential as a vibrant place to live, learn and work, these projects if fully funded by the Broadmeadows Revitalisation Program, will create 1,500 local jobs and have broader community benefits.

The long-promised Broadmeadows Railway Station redevelopment with a walkway to Broadmeadows Central has the potential to trigger job-creating investment.

c) Action sought

To progress this initiative, NORTH Link is calling for:

- The Victorian Government to commit to Stage 2 of Kangan Broadmeadows Campus Redevelopment, valued at approximately \$140 million.
- The Victorian Government to commit to a refresh of Broadmeadows Railway Station as soon as possible

Other priorities include:

- Inner North Innovation and Design
 - Brunswick Design District/ Coburg Central (designate Coburg Central a business precinct)
 - Melbourne Innovation Centre Alphington – \$15m proposal
- Health
 - New Hospital for Outer North – commit to planning and design
 - Northern Hospital upgrades
 - DPV Health Hub (Epping)
- Transport projects
 - Fast bus between Austin Health/ La Trobe Uni/ Airport/Austin Health – and rapid transport within the La Trobe NEIC
 - Wollert Rail (unlocks Epping precinct)
 - Upfield Line duplication, Upfield/Somerton Link (unlocks Coburg precinct)
 - Melbourne Metro 2 (Clifton Hill Exchange)
 - Active Transport infrastructure improvements
 - More frequent buses, especially travelling east-west

5. Skills and Employment – Employing Melbourne's North

NORTH Link and its partners released a major report on employment and skills called *Future Workforce – Melbourne's North 2022-2032*.

It shows that concerted action on the skills and employment front is required to avoid a “lost generation” of some groups.

The report was compiled at the height of the COVID-19 lockdown in Victoria as well as the early stages of the recovery, between June 2021 and June 2022.

The report shows the following:

- The COVID-19 economic impact was more severe in Melbourne’s North than other regions, with higher unemployment still persisting in some pockets
- The impact hit the outer north industrial areas early, with lower skilled and casual workers hardest hit – for example the City of Hume had an unemployment rate of over 14 per cent in mid-2021
- There is a residual impact on Melbourne’s Inner North, including the prolonged unemployment of tourism, hospitality and creative professionals and the permanent loss of those employees to these industries in some cases
- The pandemic reinforced existing disadvantage, with those required to work and/or study from home often lacking the technology or the space to do so effectively
- Some TAFE students relying on work placements couldn’t finish them due to lockdowns
- Lack of immigration and flow of international students has exacerbated labour shortages as the economy recovers
- Health and community services is the largest employing sector with over 58,000 workers and will continue to grow as our population ages
- Manufacturing still provides many direct or indirect jobs but automation could lead to job losses without corrective action to boost manufacturing sovereign capability
- Melbourne’s North has less jobs than workers living within the region. This outflow of workers is forecast to continue. For the gap between local jobs and resident workers to be closed, a further 182,000 local jobs would be required by 2031.
- The need for more public and private investment in Melbourne’s North to drive these jobs
- A divide between those wishing to return to work and study face-to-face and those keen to continue remotely
- Transport or its absence is a major issue for some young people seeking work
- Indicative signs that developers are planning for increased office space and co-working space in suburban commercial developments so white-collar workers can work closer to home
- A lack of higher tech jobs in Melbourne’s North, with those possessing such skills travelling outside the region to work.

For the situation to improve, the following needs to occur in the shorter term:

Action Sought - Employment

- More industry-specific, tailored targeted employment programs targeted at disadvantaged groups finding it harder to get traction in the workforce – there is a “once in a generation” opportunity to bring these cohorts into the economy without the competition from high levels of overseas immigration, which is now ramping up.
- Encourage a full-scale return of international students
- Targeted immigration to assist critical skills shortages sectors
- Employers may have to invest more in recruitment and staff mentoring
- Encourage the development of incubators, which have a good track record of creating sustainable businesses (80%+ small business success rate) and jobs.

Action Sought - Training and Skilling

- Encourage student placement programs at secondary and tertiary level to provide students with the opportunity to build workplace soft skills before they graduate and thus improve their chances of employment
- Double down on career education at secondary level to provide students with a line of sight on where the jobs are
- Encourage vocational mentoring programs so that younger people have better sources of advice about career and employment – those who are disadvantaged have fewer networks
- Provide further support for connectors such as the LLENs
- Encourage entrepreneurialism programs to support those who wish to take the self-employed path

Action Sought - Infrastructure, Investment and Planning

- Stronger support for employment precincts in suburban Melbourne to support jobs closer to where people live, particularly higher tech jobs where Melbourne's North is lacking
- Support for associated infrastructure to support these precincts
- Improve public transport connections between and within these precincts
- Activate the City Deal promised in 2019 to help make the above happen

We would welcome the opportunity to meet with you or a member of your policy team to discuss this submission in greater detail. In the meantime, if you or your office should require further information, please contact me on 0417 353-650 or via email at c.james@latrobe.edu.au.

Yours sincerely,



Chris James
Executive Director

A full list of projects can be found in NORTH Link's Northern Horizons document (<https://northlink.org.au/research/>), the North & West Melbourne City Deal proposal (<https://www.nwmcitydeal.org.au/>) and in *The Future Workforce – Melbourne's North* (<https://northlink.org.au/future-workforce-2022/>).

NORTH Link is an independent association that seeks to promote and improve the economy and liveability of Melbourne's north. We communicate regularly with local businesses and organisations of all sizes. Key partners include the municipalities of Banyule, Darebin, Hume, Mitchell, Merri-bek, Nillumbik and Whittlesea, universities and TAFEs, hospitals and health providers and large and small businesses in the region.