

# GOAL: A PROSPEROUS CITY



Melbourne will be regarded as the destination of choice amongst international and local business and enterprise by excelling in its ability to nurture a vibrant economy for those who work, live, study, visit and invest. Its leadership as an event, cultural and education destination will be key to its national and international connections and growing visitor economy.

Melbourne is the engine of the Victorian economy, and a pre-eminent business, education, cultural, events and tourist centre. It is home to a range of small businesses, professional, scientific, technical, education and financial and insurance services. Melbourne has cemented itself as a 24-hour economy, attracting a steady stream of visitors that underpin a multi-billion dollar retail and hospitality sector.

City of Melbourne figures show that between 1996 and 2011, the municipality contributed 30 per cent of the jobs growth for Greater Melbourne (160,000 local jobs). Its small business sector makes up 83 per cent of all businesses in the municipality (City of Melbourne, Census of Land Use and Employment, 2016).

Melbourne's local capital city role, its global networks and international outlook allows it to benefit from home-grown businesses as well as export driven services, such as education and tourism services to the Asian market. Melbourne's international credentials in urban development, clean technology and life sciences, together with the emerging fields of biotechnology, communications technology, creative industry and advanced manufacturing, make it well positioned to expand its profile on the world stage.

Melbourne will need to keep pace with a number of local and current global shifts if it is to continue on a trajectory of prosperity.

In a global context, export driven enterprise will continue to benefit from the rise of the global middle-class, particularly in Asia. However, maturing Asian economies will make the field more competitive than before and success will depend on more than simply increasing market share.

In many ways, competition has given way to collaboration – profitability is no longer found in market dominance, but in the ability to increase value along the profit chain through specialisation. Seventy-five per cent of global trade is now comprised of intermediate goods and services (OECD, 2015), those that increase the value of a final product before it reaches its consumer. Small and medium enterprises that can act nimbly stand to benefit from these changes.

Similarly, mass production has given way to niche consumerism. Consumer driven business models, enabled by new technology platforms, are turning traditional modes of profit on their head, emphasising highly differentiated, just-in-time goods and services. Existing businesses, for instance in the retail and hospitality sectors, that have been the bedrock of the city's prosperity to date, will need to be supported to adapt to new consumer expectations.

Changing technology and values mean that traditional business models now co-exist alongside new emerging models, characterised by the rise of the start-up culture. Increasingly, we will see new innovations that focus on alternative ways to create value, such as the sharing of under-utilised human and material resources and assets through disruptive technologies. Other approaches seek to redefine business value, by putting social change ahead of profit, in the form of social enterprise.

These new ways of doing business will become increasingly valuable as future sources of employment and livelihood for our communities. A more diverse and resilient economy means a more resilient workforce.

The City of Melbourne can support existing and emerging businesses to thrive as an anchor for Melbourne's continued prosperity and people's livelihoods.

The four years ahead will be a period of disruption for Melbourne, with the threat of competition from other local economies, as it absorbs the impact of a number of major Victorian infrastructure programs, including the Melbourne Metro Rail and Queen Victoria Market Renewal projects.

Melbourne can face this period of transition as an opportunity to grow from strength to strength as a prosperous city, one that:

- Builds on its existing assets, and supports existing businesses.
- Consolidates its reputation as a preferred Australasian destination for business, work, education, tourism, leisure and culture.
- Leverages local and global relationships with city governments, businesses, industry associations, and peak bodies to drive investment and location decisions.
- Stimulates future growth and innovation through partnerships with government, business, community and peak bodies.
- Increases the capability of new and emerging businesses, and new industries, by linking investment and talent.

Given this, the City of Melbourne's specific focus over the next four years can be summarised by the following outcomes and priorities.

## THE OUTCOMES WE WILL WORK TOWARDS IN 2017-21

- Melbourne is the destination of choice to visit, live and study.
- Melbourne's businesses are supported to thrive through a period of disruption caused by major projects.
- Melbourne prospers through global business relationships and investment attraction.
- Melbourne supports new businesses and a vibrant start-up economy.\*

\* Also a health and wellbeing priority.

## How we'll measure success

Our key indicator is in bold text.

### CITY OF MELBOURNE INDICATORS

- The number of trade connections made per year.
- The number of small businesses and startups supported through City of Melbourne grants.
- The number of conventions and conferences supported by the City of Melbourne per year.
- The average economic contribution of City of Melbourne premier events per year.
- The number of events supported by City of Melbourne per year.
- The number of attendees at City of Melbourne premier events per year.

### MUNICIPAL INDICATORS

- **Growth in capital city gross local product.**
- Growth in visitor numbers.
- The rate of change in business numbers.
- Youth unemployment in the municipality.
- The number of startups in the municipality.
- Growth in the number of new patents per year.
- The number of co-working spaces located in the municipality.

## What we'll do in 2017-21

WE WILL PROVIDE	RELATED FM 2026 PRIORITIES
Enhanced support to small business during a period of major disruption.	4.2 Attractive and supportive for new and existing businesses
Marketing and branding campaigns to support and grow the visitor and international student economy.	4.4 A great place to visit
Support to local, national and global public events that stimulate the economy and contribute to a vibrant city life.	4.3 An events city
Support to Melbourne's start-ups and innovative businesses.	4.2 Attractive and supportive for new and existing businesses
Opportunities for increased economic participation through social enterprise.*	4.5 A philanthropic society

WE WILL PARTNER TO	RELATED FM 2026 PRIORITIES
Ensure Melbourne's economy continues to thrive by working with the Victorian and Australian Government and other stakeholders.	4.2 Attractive and supportive for new and existing businesses
Support innovation and invention through citizen, academic and business participation.	3.4 Prosper by investing in creativity

WE WILL FACILITATE	RELATED FM 2026 PRIORITIES
Attraction of national and international businesses to Melbourne.	4.2 Attractive and supportive for new and existing businesses
Attraction of conferences and conventions to Melbourne.	4.4 A great place to visit
Opportunities in the Asia-Pacific for small-and-medium enterprises by growing global connections with Business Partner City Network cities.	4.2 Attractive and supportive for new and existing businesses
Business relationships between Melbourne and partner cities in China and other key markets that support investment.	4.2 Attractive and supportive for new and existing businesses

\* Also a health and wellbeing priority.