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**A CITIES-LED RECOVERY: MAKING OUR CITIES MORE RESILIENT**

**COMMITTEE FOR MELBOURNE  
ROAD TO RECOVERY SERIES**

**WEDNESDAY, 9 DECEMBER 2020**

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Lockdowns, masks, the morning wait for the latest case numbers - this has been Melbourne's 2020.

What was missed by many national commentators was what was happening below the surface: a gritty determination by Melburnians to build back better and to realise the opportunities of recovery.

If the experiences of 2020 were foisted on us, 2021 will be on our terms, Melburnians have said.

Led by groups like the Committee for Melbourne, driving a rich and hopeful conversation about a recovery that's enduring.

In this speech I want to recognise the impact the pandemic has had on our cities and CBDs, and make the case for national government to prioritise a cities-led recovery, one guided by the aim of making our cities more resilient and more equal places.

**A CITIES LED RECOVERY**

You don't have to look closely to see that our cities and CBDs have been the hardest hit areas through this pandemic.

This matters enormously - Melbourne contributed to 39.8 percent of national GDP growth in 2018-19.

Lockdown restrictions massively reduced the daily population of the City of Melbourne, and with this economic activity across a range of sectors including services, retail, tourism, hospitality and entertainment. So many jobs have been lost here, the jobs done by suburban Melburnians.

The City of Melbourne has estimated that the *'difference between a slower and a quicker recovery over the next five years is \$69 billion'*.

In short, there can be no real national economic recovery, without a recovery of our cities and CBDs.

Especially when it comes to job creation.

Around half of all the new jobs created in Australian cities in the last ten years have been within two kilometres of the Sydney or Melbourne CBD's according to the Grattan Institute.

Before the pandemic the question for policy makers was: how can we continue to facilitate the benefits of agglomeration, whilst preserving liveability for everyone, and responding to the challenges of congestion, to productivity, to the depth of labour markets, to health and wellbeing.

This remains the case.

The economics of agglomeration haven't changed - the reasons for some businesses to gravitate together in the city centre remain strong.

Recently Andy Haldane, the Governor of the Bank of England has written persuasively about the efficiency of working virtually, but also of its costs in terms of relationships.

In order to foster innovation, workplaces are being re-imagined as places of collaboration, not where tasks are done.

Policy makers need to be aware of this shift and its implications.

The pandemic has also accelerated changes and revealed significant flaws in how our city and our society have been working.

Changes like greater working from home and the decline of bricks and mortar retail.

Flaws like a lack of support for people in insecure work in the gig economy or labour hire firms and an inadequacy of social housing for our most vulnerable, as well as housing affordability more generally.

If COVID has taught us anything, it is that people in insecure work are an increasing risk to public health, themselves and to the functioning of our cities.

## **REMAKING OUR CITIES: MORE RESILIENT, MORE SUSTAINABLE AND MORE EQUAL**

It's not just about how quickly our cities recover, as important as that is, it's *how we choose* to recover.

More inclusive, more sustainable and more resilient - these should be the principles that guide cities policy in the recovery.

Cities that are more inclusive, more sustainable and more resilient are more attractive to visitors, to international students, and investors.

We too easily forget that those things that attract visitors also attract knowledge and creative industry workers, and drive those economies.

Places where we can truly share the benefits of collaboration across society, perhaps in 15 minute neighbourhoods that recognise the critical importance of social infrastructure close to everyone's home.

We can't afford the benefits of agglomeration to be captured by a few big corporations, increasing the divide between globalisations winners and losers.

We don't want our cities to entrench the disadvantage of people in insecure work, particularly in some of our service sectors.

We don't want our most vulnerable to be forced to sleep on the streets.

Nor can we afford to ignore the looming effects of climate change on our cities, and the need to make them more sustainable.

And I note the important work that Arup has been doing to inform sustainable city planning – at Fishermans Bend. Particularly as it relates to assessing options for water use, energy production and transport access. I'll return to talk about Fisherman's Bend later in my remarks.

Fundamentally, by getting the recovery right, we will make Melbourne both a site of greater economic growth and more resilient to future shocks.

## **OPPORTUNITIES IN RECOVERY**

The pandemic has changed how we get around, where we work and how we consume.

During the second wave in Melbourne, public transport usage fell to 9 percent of normal levels.

A Monash University study forecast that even after the pandemic subsides, public transport use overall will recover to just 80 per cent.

This study also found that one in five people will stop travelling into the CBD, as work-from-home arrangements become normalised.

The flow through effects of this will be a reduced demand for space in the city centre - for office space and retail space.

On average one in 10 stores now sit vacant across Australia's CBDs.

The challenge for policy-makers at all levels of government is to facilitate a transition that enhances the liveability of the CBD, recognising its continuing business appeal.

Perhaps vacant retail space will be opened as a common space for artists to work or host cultural events.

Perhaps vacant premises can be repurposed for social housing.

The point is this transition should be guided by policy-makers, otherwise we risk ending up with a city core that is reshaped in a way that diminishes our city's liveability and its productivity.

## **THE ROLE OF THE COMMONWEALTH**

What then is the role of the Commonwealth Government in Cities policy?

Last week was the ten year anniversary of Anthony Albanese's National Urban Policy.

It outlined a clear role for the Commonwealth - that National Urban Policy was about how the Australian Government can facilitate better outcomes in our cities through both direct investment and influencing the action of others.

It was about setting overarching goals for the nation's cities and the role of different partners in achieving it.

I believe it's time to revive that spirit of that National Urban Policy.

Unfortunately the record of the current federal government, when it comes to urban policy, is one defined by missed opportunity.

Missed opportunities in terms of City Deals - a program that has become a pale imitation of the original UK model.

What we need is a policy and governance framework that has an appropriate role for each layer of government.

Collaboration is essential to innovation in business, and this is equally true for the government's approach to urban policy.

The magic of cities is connection. Sometimes this is facilitated by building a road or a railway, at other times through providing social infrastructure - schools, hospitals, libraries, or open space. Sometimes by bringing people and ideas together, as the Committee for Melbourne does.

That's why Labor talks of City Partnerships, arrangements to be built from the ground up.

The partnership, or the deal, should be about levels of government coming together, with

business and the community, to pursue agreed objectives.

Not simply project-delivery vehicles, announcements made from on high.

Like the SE and NW Melbourne City Deals. Deals that were committed to in mid-2019 and for which we still have no MOU's and we are still no closer to understanding what they are meant to achieve.

Our national government is silent when it comes to a partnership to secure the Fisherman's Bend renewal delivering its promise.

Fishermans Bend is a site like no other - it's Australia's largest urban renewal project covering almost 480 hectares connecting the CBD to Port Phillip Bay.

The Commonwealth should step up and play a greater role in the redevelopment of Fisherman's Bend.

We won't get a second chance to get this right.

Importantly, we also need a broader institutional approach to urban policy, away from the neglect that saw the Major Cities Unit abolished.

And denying local government a seat at the so-called national cabinet.

The good news is that the Victorian Government and Melbourne City Council have been showing the way.

The Metro Rail Tunnel continues as an ambitious city-shaping project while new rules enabling greater outdoor dining on city streets, has brought renewed vibrancy to parts of the city.

But where is the Commonwealth? Missing in action.

When national leadership is needed, we see a flurry of infrastructure announcements but no sign of a plan and little sign of delivery.

A pandemic is no substitute for policies which actually bust urban congestion.

Telling people to get back to their workplaces is no strategy to revive our CBDs.

And having no plan to kickstart a cities-led recovery is a profound failure of economic management.

## **CONCLUSION**

Just last week, we celebrated the 48th anniversary of the Whitlam Government's election in 1972.

The government that - finally - recognised we are an unusually urban, and suburban, nation.

So it seems appropriate to finish with a quote from Gough: *"practically every major national problem relates to cities. A national government which cuts itself off from responsibility for the nation's cities is cutting itself off from the nation's real life."*

When Melbourne's city streets fell eerily quiet during depths of the lockdown, reports of the death of the city didn't seem far-fetched.

But, like the vast majority of Melburnians, I didn't share that gloom.

I'm an unashamed fan of cities. Of this one in particular.

Melbourne can't be held back.

Nowhere else can you experience the dynamism, diversity and opportunity that's found in our city and our CBD.

Melburnians have come up with innovations to speed up recovery from an economic crisis - at the local level, and through the state budget.

Yet we have a national government in Canberra that is to borrow Gough's words *"cutting itself off from the responsibility for the nation's cities"*.

We have an opportunity, now, to remake our cities by making them more resilient, more sustainable and more equal, on their terms and in the national interest.

**ENDS**

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**Authorised by Paul Erickson, ALP, Canberra.**

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