

**IMAP Implementation Committee  
Briefing Paper  
Urban Manufacturing research**

## **BACKGROUND**

- At the IMAP Implementation Committee meeting of 28 November 2014 Mr Austin Ley, Manager City Research, CoM and Mr Cameron Brenton, Coordinator City Business, CoPP presented the proposed scope of the Urban Manufacturing project and funding requirements.
- The IMAP Implementation Committee resolved:
  - *To **approve** a contribution of \$90K from the IMAP Councils in the current financial year and that the matter be referred to the Executive Forum to re-prioritise other projects to free up funds for the Urban Manufacturing project;*
  - ***Approval** to seek a partnership with and matching funds from the University of Melbourne's Carlton Connect initiative; and*
  - *To **endorse** the following Governance Structure to oversee the project –*
    - I. Project Champion**  
*Tracey Slatter, CEO - City of Port Phillip*
    - II. Project Manager**  
*Cameron Brenton, Coordinator City Business – City of Port Phillip*  
*Virginia Miller, Industry, Investment & Research – City of Port Phillip*
    - III. Project Management Team**  
*Austin Ley, Manager City Research – City of Melbourne*  
*Liz Mackevicius, Research and Policy Coordinator – City of Yarra*
    - IV. Steering Committee**  
*Nigel Higgins, General Manager Sustainable Development – Maribyrnong City Council*  
*Karen Watson, General Manager Sustainable Futures – City of Stonnington*  
*Jane Monk, Director Inner City – MPA*  
*Emily Mottram, Structure Planning Manager – MPA*  
*Elise Coughlin, Senior Business Development Manager – DSDBI*  
*Peter Dearsley, Business Development Manager – DSDBI*  
*Fiona Delahunt, Executive Director, Policy & Business Strategy – DTPLI*  
*Elissa McElroy, IMAP Executive Officer*
- The Project Management Group and Steering Committee have since met in January 2015 to progress the discussions with Carlton Connect and determine the grant funding application.

## **ISSUES**

- IMAP Implementation Committee resolved that IMAP funding should only be made available if it is matched by external partners.
- It was originally anticipated that Carlton Connect funding opportunities would be announced in early 2015. This has now been delayed to September 2015.
- Carlton Connect has advised, however, that out-of-round project seed funding of \$20,000 is likely to be available to the project immediately (subject to impending approval of the current application).
- If this out-of-round funding is secured and matched by IMAP in line with the approved 1:1 project funding structure, a total of \$40,000 is available to proceed with Stage 1 of the project.
- The Project Management Group have identified the scope of Stage 1 within a \$40,000 budget limit, noting that Stage 1 must deliver critical outputs to IMAP Councils, even if subsequent stages do not proceed.
- The proposed outputs of Stage 1 are:
  - A. Clearly define the urban manufacturing sector, to enable analysis of existing industry and employment data-sets;
  - B. Identify the location and quantum of urban manufacturing firms in the IMAP region, using the agreed definition and available data-sets;

- C. Assess the significance of urban manufacturing to the economic geography of the IMAP region, including through stakeholder consultation;
  - D. Deepen IMAPs understanding of the scope, limitations and quality of current data regarding urban manufacturing firms, including gaps in currently-available data and required research;
  - E. Enable data sharing and joint analysis between departments and units within state and local government in Victoria; and
  - F. Use the findings of Stage1 to articulate the need for further work and public policy rationale for further investment in the Urban Manufacturing Project in 2016/17.
- Stage 1 will be delivered within the \$40,000 budget limit and is scheduled to be completed within six to seven months. Stage 1 will inform a full Carlton Connect funding application when funding rounds open in September 2015.
  - As outlined previously, each phase of the project is designed to deliver specific, policy-relevant recommendations and findings. Assuming all phases proceed, the range of expected outputs include:
    - Systematic capture of value chain data for urban manufacturing firms, including in-bound logistics, operations, outbound logistics, marketing and sales, after sales service, strategic management, human resources, technology and procurement.
    - The role, economic scale and nature of the urban manufacturing sector compared to other key inner city sectors.
    - Exploration of barriers to entry or growth for urban manufacturers, for example, accessing finance or government assistance;
    - Mapping of select firms' spatial linkages with suppliers, collaborators, workers, distributors, customers and retailers with a view to understanding economies of scale and scope attaching to agglomerations;
    - Estimation of agglomeration effects for the IMAP region and the State of Victoria, for urban manufacturers, differentiated by location; and
    - Estimation of lost innovation and value added due to displacement effects.

### Revised Cost Breakdown

<i>Costs</i>	<i>2014/15 (Stage 1)</i>	<i>2015/16 (Stage 2)</i>	<i>Total Costs</i>
Project Costs (Phase 1)	\$40,000		\$40,000
Project Cost (Phase 2*)		\$61,383	\$61,383
<i>Costs by Funding Agency</i>			
IMAP	\$20,000	\$20,000*	\$40,000
Carlton Connect	\$20,000	\$30,000*	\$50,000
State Government funding, MPA		\$10,000*	\$10,000
State Government funding, DEDJTR		tbc*	
State Government funding DELWP		tbc*	

(\*note Stage 2 funding is contingent on outcome of Stage 1)

The IMAP Executive Officer has modified the IMAP Three year Implementation Plan to include this funding proposal. **Refer to Attachment 7a for details.** Committee approval is sought for this amendment to the Three Year Implementation Plan to enable this project to proceed this financial year.

**RECOMMENDATION**

- That the IMAP Implementation Committee approves the scope and funding of the revised Stage 1 Urban Manufacturing Project, comprising \$20,000 funding from Carlton Connect (out-of-round funding) and \$20,000 from IMAP in 2014/15.
- That the IMAP Implementation Committee notes the intention to submit a full funding application to Carlton Connect for subsequent stages of the Urban Manufacturing project, and that any decision to proceed with subsequent stages will be contingent on the outcomes of Stage 1. The potential funding approach comprises:
  - Release of further funds within the approved IMAP budget for the Urban Manufacturing Project, as required, for any subsequent stages (i.e \$50K, being the balance of the approved \$90K);
  - Potential contributions from State Government departments; and
  - Matching of any further IMAP and State Government funding by Carlton Connect.
- That the IMAP Implementation Committee resolves to approve the updated IMAP Three Year Implementation Plan and changes to the current years budget to incorporate the Urban Manufacturing project funding over 3 stages.

**Inner Melbourne Action Plan****Progress Report****IMAP Three Year Implementation Plan Amendment – Urban Manufacturing**

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**1 PURPOSE**

The purpose of this report is to advise the IMAP Implementation Committee on the proposed amendment of the IMAP Three Year Implementation Plan to incorporate funding for the Urban manufacturing project within current funding levels.

**2 BACKGROUND**

The IMAP Implementation Committee last considered the Three Year Implementation Plan at its meeting on 28 November 2014. The attached model includes all changes approved at that meeting.

The Review of the Inner Melbourne Action Plan, currently in progress, will only impact on the Three Year Implementation Plan once it has been adopted. It is expected that the new plan will incorporate changes which will require the accumulated funds in the Three Year Implementation Plan to be reprioritised across similar or new projects at some future time. Until that time, however, the Three Year Implementation Plan reflects current approval decisions and 'business as usual'.

The Three Year Implementation Plan includes various categories of funding:

- a. Funded projects for which expenditure is committed
- b. Unfunded projects, which are committed to but funded through in-kind or individual council funding
- c. Funded projects for which the expenditure is not yet committed as the projects have not started

**3 FUNDING PROPOSAL TO INCLUDE THE URBAN MANUFACTURING PROJECT**

It is proposed that the timing of projects in the third category – funded but not yet committed – be amended to enable the Urban Manufacturing project's inclusion.

It is proposed that 2 projects be delayed a further year and/or their spending spread over a longer period.

- a. Action 3.5 Reduced Through Traffic – Part 2 of this project to develop parking provisions which support sustainable transport:  
The \$100k funding in 2013-14 has been delayed a further year and spread over 2 years as there has been no current discussion on how this project might proceed, plus a tender process for a project of this size to is unlikely to be finalised in the current financial year.
- b. Action 8.1 Priority for freight movement:  
The \$87,500 for this project has been deferred a further year as the direction for this project has not yet been determined and the funds are unlikely to be spent in the current financial year.

**4 RECOMMENDATION**

That the IMAP Implementation Committee resolves to approve the updated IMAP Three Year Implementation Plan and changes to the current years budget to incorporate the Urban Manufacturing project funding over 3 stages..

## IMAP Projects Budget - Three Year Implementation Plan - 5 IMAP Councils (excl GST)

## Funding Model

REVENUE				2014-15 (Year 9)	2015-16 (Year 10)	2016-17 (Year 11)	2017-18 (Year 12)
				Current			
IMAP Councils Annual Contribution (\$35K each)				175,000	175,000	175,000	175,000
IMAP Councils Annual Tourism Contribution (\$20K each)				100,000	100,000	100,000	100,000
IMAP Map licensing fees				700	700	700	700
Regional Management Forum Project funding				100,000			
<b>Total Revenue</b>				<b>375,700</b>	<b>275,700</b>	<b>275,700</b>	<b>275,700</b>
FUNDED PROJECTS				2014-15 (Year 9)	2015-16 (Year 10)	2016-17 (Year 11)	2017-18 (Year 12)
Ref.	Action	Status	Brief	Current			
COMMITTED - FUNDED							
IMAP	General Expenses	Ongoing	Annual Report, Website, Catering, Admin exps	15,000	15,000	15,000	15,000
IMAP	IMAP GIS expenses	Ongoing		7,400	7,600	7,850	8,000
IMAP	IMAP Review Project	Current	\$65K + balance C/Fwd \$7,781+ add'l funding \$15k	87,781	15,000		
IMAP	Update website	Current			45,000		
	RMF projects: (1) Integrated delivery models; (2) Measures of Liveability	Current	Project costs \$200K: \$100K from IMAP (\$20K per council).	100,000			
2.2	Wayfinding signs	Current	Visitor Signs Master Style Guide (\$50K + balance C/Fwd \$31,440)	81,440			
5.2	Affordable Housing	Current	CLT research - Provision for Phase 2 (balance C/Fwd - committed)	10,000			
9.2	Environmentally Sustainable Design - commercial buildings	Current	1. Communication Strategy -Develop ESD Factsheets (balance C/Fwd \$2,748- committed)	2,748			
		Current	2. Review ESD Policies, tools & methodologies, advocacy (balance C/Fwd \$10K - committed)	10,000			
		Current	Green Roof initiatives (balance C/Fwd \$3,491 - ongoing costs)	3,491			
9.4	Green Demonstration Projects	Current	ARC grant contribution Years 2 and 3 (Committed)	20,000	20,000		
		Nearly completed	Distributed Energy Map (CSIRO)				
11	Regional Tourism Strategy	Current	DML Map Agreement (Year 1: 45k; Year 2: 45K+CPI of 3%). (Committed). Year 3 TBC	91,350	47,741	49,173	50,648
		Current	Tourism Strategy implementation (\$8,650 + balance C/Fwd \$68,096 current year)	76,746	52,260	50,827	49,352
7.2	Support Creative Businesses	Current		10,000			
COMMITTED - NOT FUNDED							
2.4	Bike Network Legibility	Current	Identifying future priorities for capital works				
2.5	Bicycle Network:	Current	1. Capital Program - Bike Lanes				
		Not started	2. Measure & map Level of Service rating				
10.1	Regional Open Space & trail network	Current	Identify linkages and gaps in OS and trail network				
COMMITTED - FUNDED - NOT STARTED							
1.4	Boulevards & Major Roads - Hoddle Street	On Hold	1. Establish joint view on Hoddle St				
		Not started	2. Boulevard Study		40,000		
3.2	Roads as Places	Not Started	Brief prepared. Not started	40,000			
3.5	Reduced Through traffic	Not started	Part 2: Parking provisions which support sustainable transport		30,000	70,000	
5.4	Social Infrastructure and Services	On Hold	Map growth areas & locate current services to identify funding requirements for future planning		20,000		
5.5	Infrastructure Development				20,000		
8.1	Priority for freight movement	Not started	Freight Movement Strategic Plan		87,500		
9.2	ESD Commercial Buildings	Not started	3. Identify ESD retrofit issues	30,000			
PROPOSED							
7.2	Support Creative Businesses: Urban Manufacturing	Approved in principle	Project costs \$300K: \$60K state govt, \$90K from IMAP (\$18K per council). Subject to successful application for matched funds from Carlton Connect.	20,000	20,000	50,000	
<b>Total Annual Budget</b>				<b>605,956</b>	<b>420,100</b>	<b>242,850</b>	<b>123,000</b>
<b>Net Surplus (Deficit)</b>				- 230,256	- 144,400	32,850	152,700
<b>Opening Balance of IMAP Account</b>				<b>409,559</b>	<b>179,303</b>	<b>34,903</b>	<b>67,753</b>
<b>Closing Balance of IMAP Account</b>				<b>179,303</b>	<b>34,903</b>	<b>67,753</b>	<b>220,453</b>

Please note that the funding calculation does not include Operational Costs of \$35,000 per council in 2014-15.