

## IMAP Implementation Committee

### Briefing Paper

#### Action 7.3 Supporting creative industry - Urban Manufacturing research

#### BACKGROUND

1. At the IMAP Implementation Committee meeting of 26 February 2016 Austin Ley, Practice Leader Research, City of Melbourne presented the final Phase 1 Urban Manufacturing project report.
2. The IMAP Implementation Committee resolved to:
  - a. Accept the final Phase 1 report
  - b. That with respect to Phase 2 of the Urban Manufacturing project, to defer the discussion on ongoing funding to the Executive Forum for consideration and approval.

#### BUDGET UPDATE

3. The following is a breakdown of contributions to the Urban Manufacturing Project to date.
 

\$90,000	IMAP initial seed funding
\$40,000	Carlton Connect Initiatives Fund (CCIF)
\$10,000	Metropolitan Planning Authority (MPA)
\$10,000	Moreland City Council
\$ 9,000	City of Stonnington (CoS) (additional funds provided by CoS for a marketing campaign to promote the makers.melbourne research website)
4. The following table provides a breakdown of spending for Phase 1 of the Urban Manufacturing project. This does not include in-kind support by The University of Melbourne with an additional 8 Masters Students assigned to the project, each working 20 percent of their time for 8-10 months.

IMAP Urban Manufacturing Project (as at 15 May 2016)		
University of Melbourne Accounts		
INCOME		
Date	Details	\$
1/03/2015	Carlton Connect contribution #1	20,000.00
1/08/2015	IMAP contribution (City of Stonnington)	20,000.00
1/12/2015	Carlton Connect contribution #2	20,000.00
<b>TOTAL INCOME</b>		<b>60,000.00</b>
EXPENSES		
Date	Details	\$
<b>Project expenses</b>		
1/07/2015	Domestic travel- Workshop prep, team meeting	0.56
1/07/2015	Domestic travel - Field visit during research	22.55
1/07/2015	Domestic travel - Meals -Field visit during research	21.82
1/07/2015	Venue Hire - Workshop	3,951.43
1/07/2015	Food & Drink - Workshop	34.55
1/08/2015	Contracted service fee - SGS Economics	3,636.36
1/09/2015	Contracted Services - Harvest Digital Planning #1 (Design/build UM research survey & online engagement)	6,000.00

1/10/2015	International travel - UM research meeting expenses	50.50
1/12/2015	Food & Drink - UM project meeting	7.09
1/12/2015	Food & Drink - UM Project management meeting	20.25
1/12/2015	Food & Drink - Lunch - R Digby (UM client)	22.73
1/12/2015	Printing - Melbourne makers business card - Kosdown Printing	755.00
1/12/2015	Contracted Services - Harvest Digital Planning #2 (Second 50% instalment: Melb Makers website Platform)	6,000.00
1/04/2016	Harvest - Website Edits	2,376.00
1/04/2016	Marg Hearn - Phase 1 Report, press-friendly exec summary	2,400.00
1/04/2016	Marg Hearn - ARC Linkage editing	1,000.00
1/04/2016	Catering for Hans Chang Meeting	385.00
1/04/2016	Catering for CityLab High Tech Makers Roundtable (await invoice)	
<b>Total Project expenses</b>		<b>26,683.84</b>
<b>Project Salary expenses</b>		
1/07/2015	Payroll - Tax/workcare/super/salary	1769.14
1/08/2015	Payroll - Tax/workcare/super/salary	3538.26
1/09/2015	Payroll - Tax/workcare/super/salary	1326.85
1/09/2015	Payroll - Tax/workcare/super/salary	1990.28
1/10/2015	Payroll - Tax/workcare/super/salary	221.14
1/02/2016	Payroll - Tax/workcare/super/salary	1105.71
*1/3/2016- 19/5/2016	Payroll – Tax/workcare/super/salary	23,364.78
1/04/2016	Semester 1 2016 - Salary Anna Rowe (\$3,000 in kind contribution)	
<b>Total Project Salary expenses</b>		<b>33316.16</b>
<b>TOTAL EXPENSES</b>		<b>60,000.00</b>
<b>TOTAL SURPLUS</b>		<b>0</b>
Note: This does not include the contributions from Moreland City Council (\$10,000 received) and Metropolitan Planning Authority (\$10,000 - being invoiced) which have been invoiced by City of Stonnington for IMAP		
* The University of Melbourne at the time of report had not provided payroll details for 1/3/ - 19/5/2016 however provided an indicative amount and indicated above.		

5. Budget remaining for the commencement of Phase 2

\$70,000.00	IMAP
\$10,000.00	MPA
\$10,000.00	Moreland City Council

(NB: a shortfall of \$21,000 remains in meeting the IMAP Implementation Committee's resolution of 13 February 2015 for matched funding for the project. Phase 2 of the project can be completed with the current funds provision, in conjunction with the in-kind support from the University through the provision of staff and student research time)

## PROJECT UPDATE

6. The University of Melbourne has now confirmed the Urban Manufacturing project was unsuccessful in obtaining an ARC Linkage Grant.

7. Prior to the outcome of the ARC Linkage Grant, the IMAP Implementation Committee on Friday 27 November 2015 had previously resolved to ratify the following decision regarding the Urban Manufacturing project (Action 7.2) made out of committee:

- *That the IMAP Implementation Committee resolves to:*
  - a. *Accept the draft Phase 1 report and agree to a revised integration of Phase 2 and 3.*
  - b. *Endorse the continuation of the Urban Manufacturing Project and instructs the Steering Committee to apply for ARC Linkage grant funding in September 2015 in line with the original IMAP resolution of matched funding*
  - c. *Accept the Steering Committees recommendation to request Moreland Council as a partner in the project, subject to an MoU being signed between IMAP and the City of Moreland.*

**MOVED CR ONG / Cr McDonald**

**A vote was taken and the MOTION was CARRIED**

#### **PROPOSED NEXT STEPS:**

8. Utilise the combined existing funds allocated by IMAP, Moreland City Council and the Metropolitan Planning Authority.
9. As outlined previously, each phase including phase 2 of the project is designed to deliver specific, policy-relevant recommendations and findings. 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
  - Estimation of lost innovation and value added due to displacement effects; and
  - Examination of land use and zoning and policy context – opportunities, and constraints – proposals as to how these might be addressed
10. Commence Phase 2 work immediately within the designated funds available, consisting of a modified Stream 1 and 2 identified in the ARC Linkage Grant application and build on this knowledge to produce policy guidance for state and local government partners
  - 10..1.**Stream 1:** Impacts of Making Configuration on Economic Development (encompassing the Land and Economic approaches; asking the question, *What are the broader benefits to the city of a successful urban manufacturing sector and what future commercial space is required for survival of these firms?*)
  - 10..2.**Stream 2:** Composition of and Influences on the Making Sectors (encompassing the Land and Sector approaches; asking the question, *What is currently happening in industrial/commercial-zoned land and what does the sector require to prosper?*)
11. State Government to provide access to their data and collaborate to determine its value add to this project
12. The Maker Website to be reviewed, promoted and assessed to determine how its effectiveness can be improved by value-adding to Makers and the research project.
13. The Maker Website's future to be determined. A workshop to be held as part of this assessment
14. Continue to seek additional external funding from other non-IMAP funding sources to match the shortfall (\$21,000) of IMAP's previous resolution from 13 February 2015;

*That the IMAP Implementation Committee review the proposal and resolve:*

- a. 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;*
- b. Approval to seek a partnership with and matching funds from the University of Melbourne's Carlton Connect initiative;*

## **ISSUES**

15. The current issues to manage are:

- Matched funding shortfall of \$21,000
- Phase 2 project work will be revised to reflect the funding available without the additional ARC funds
- The University of Melbourne, in anticipation of the commencement of Phase 2, have assigned eight Masters students to commence research that will contribute to the outcomes of Phase 2.

## **RECOMMENDATION**

16. That the IMAP Implementation Committee;

- Endorse the commencement of Phase 2 with existing allocated funds
- Endorse the Urban Manufacturing Project Management Team continuing to seek additional external non-IMAP funding to meet the earlier resolution of matched funding
- Include in-kind contributions from the University of Melbourne as counting toward project contributions