

28 February 2012

Dr Ken Henry AC

Chair - Australia in the Asian Century Task Force  
Co/ Department of Prime Minister and Cabinet

PO Box 6500  
CANBERRA ACT 2600

Dear Dr Henry,

**RE: AUSTRALIA IN THE ASIAN CENTURY**

The City of Melbourne welcomes the opportunity to make a contribution to the development of a new, integrated national blueprint that will guide Melbourne and Australia's approach to opportunities and challenges arising from the Asian Century.

Our submission will:

1. Highlight the growing importance of connections between city governments, given the impact of increasing urbanisation (particularly in Asia) and the political, social, economic and environmental leadership that can be leveraged by Australian cities as part of a comprehensive national engagement with the Asian region.
2. Describe the International Engagement Framework (adopted by Council in April 2010) and examples of projects and initiatives as exemplars of the City of Melbourne's links with significant cities in Asia.
3. Note how the City of Melbourne has facilitated business, educational and cultural connections with the region, leveraging long-standing, city-to-city relationships and how these can contribute to the overall national engagement.
4. Make recommendations on the role local government can play in deepening Australia's engagement with significant municipal leaders and their cities in the Asian region.

For further information regarding this submission please contact Jane Sharwood, Manager, Business and International via email [jane.sharwood@melbourne.vic.gov.au](mailto:jane.sharwood@melbourne.vic.gov.au) or telephone 03 9658 9854.

Yours sincerely,

**Dr Kathy Alexander**

Chief Executive Officer

CoM reference #7004515

# AUSTRALIA IN THE ASIAN CENTURY SUBMISSION

## City of Melbourne

### FEBRUARY 2012

#### BACKGROUND

Successive lord mayors and councillors at the City of Melbourne have played an important role in positioning Melbourne as one of the world's leading cities. Since its foundation in 1835, Melbourne has been a city with an international, entrepreneurial outlook. From the days of the Victorian gold rush to the early years of the 20th century when Melbourne was the nation's capital, the city has played an important part in the economic success of Australia. As a centre for global business, education and cultural institutions, with a diverse and vibrant multicultural, multilingual and multi-faith community, the city has actively engaged with international counterparts to protect and strengthen Melbourne's prosperity.

The City of Melbourne established its first city-to-city partnership with Osaka, Japan in 1978, followed by Tianjin, China (1980), Thessaloniki, Greece (1984), Boston, USA (1985), St Petersburg, Russia (1989) and Milan, Italy (2004).

When Melbourne and Tianjin became sister cities in 1980 it was the first such agreement by any Australian capital city government and Chinese city government.

In 1998 the City of Melbourne, in joint membership with the Australian Industry Group, joined the Business Partner City (BPC) Network - a network of the leading business cities and chambers of commerce of the Asia-Pacific region. The network focuses on the development of bilateral business opportunities for small to medium size enterprises. Melbourne has been an active member of the network and hosted the network's annual roundtable meeting twice: in 2000 and 2007.

The City of Melbourne also opened the Melbourne Office Tianjin in China (MOTJ) in 1998, consolidating the long standing sister city relationship and increasing invaluable two-way business and investment exchange.

The MOTJ complements the diplomatic and trade-related representation provided by both the Australian and Victorian Governments in other cities in China, at the Tianjin city level.

The City of Melbourne recognises the contribution of a large and thriving local Indian resident community – comprising more than 200,000 people – which includes a large proportion of students studying in and around our city. We actively support various Indian community events such as Diwali and the Indian Film Festival every year. We also support partnerships and knowledge sharing between Australian and Indian craft, architecture, fashion and industrial designers to enhance product development in both market places.

In April 2010, Council endorsed the International Engagement Framework to guide its future international engagement activities, existing long-term relationships and any new short or long term city-to-city partnerships.

The key elements of the framework relate to:

- Building prosperity – increasing exports and inbound investment in Melbourne's key industry sectors including financial services, biotechnology, advanced manufacturing, retail, education, tourism and professional knowledge services sectors.
- Facilitating learning – increasing exchanges between Melbourne and international partner cities in urban sustainability, city government and other areas of excellence

- Supporting community, cultural and civic links – increasing awareness and utilisation of Melbourne’s international links.
- Participating in international governance issues – advocacy and representation of Melbourne’s interests in international forums.

Following the framework’s endorsement, the Council endorsed the *International Engagement Framework – India Statement* to provide a framework for our India relationship. The statement identified five key focus areas: education, sustainability and environment protection services, professional services, tourism and creative industries. The statement also identified Mumbai as the second city of interest for Melbourne and followed the three-year strategic alliance the City of Melbourne entered with New Delhi in 2008.

For the past two years, the City of Melbourne has also hosted Indian school principals under the Delhi Melbourne School Leaders exchange program, in association with the Asia Education Foundation.

The City of Melbourne is also a member of a number of other international local government network organisations, such as the International Council of Local Environmental Initiatives (ICLEI), Commonwealth Local Government Forum, the C40 group of cities and other special interest city networks.

### **This City of Melbourne submission includes:**

**Part One:** Importance of leadership connections between the political and administrative leaders of city governments, given the impact of increasing urbanisation (particularly in Asia) and the political, social, economic and environmental leadership that can be leveraged by Australian cities as part of a comprehensive national engagement with the Asia region.

**Part Two:** Summary of City of Melbourne’s current initiatives and programs that facilitate business, educational and cultural connections with the region, leverage long-standing city-to-city relationships and how these contribute to the overall national engagement.

**Part Three:** Other factors for consideration and recommendations for the role local government can play in deepening Australia’s engagement with significant municipal leaders and their cities in the Asian region.

## **PART ONE – LEADERSHIP CONNECTIONS**

Melbourne has much to celebrate and a great foundation on which to build for the future. Since our city’s formative years, Melbourne’s Asian community has had a welcome influence on commercial and cultural life. Through our relationships with sister cities in the Asian region we recognise and acknowledge this legacy, and continually build upon it.

Through cultural exchanges and cooperation across different fields of endeavour, leadership connections with the Asian region are critical to support the incredible growth opportunities for trade and economic transformation.

Long standing connections that have been valued and nurtured by successive councils and administrations carry weight in international business developments and are critical to successful trade. The longstanding relationship between Melbourne and Tianjin was the first such connection between Australia and China, formed in 1980 at the earliest stage of China’s reform and playing an important part in opening China up to the world. The sister-city relationship formed in 1978 between Melbourne and Osaka built upon the strong sister-port relationship already in place (established in 1974) between the Port of Osaka and the

Port of Melbourne. The formal sister-city relationship provided a people-to-people relationship with the aim of developing mutual friendships and a lasting and understanding relationship.

Civic leadership is often the stepping stone to national leadership roles. It is therefore important for Australia to build connections with the next generation of leaders at early and formative stages of their careers.

As leaders in the development of their cities, the role of the mayor in Asia is significant given the many challenges of a modern global society. Cities are hubs for economic activity and development, and for cultural and education centres. There is much to be shared and exchanged to further build links between cultures and cities.

There is a strong consistency in the challenges faced in terms of the development and delivery of services and the economic prosperity to meet the needs of citizens. While the roles of capital city local government leadership in Australia and Asia is significantly different in terms of scope and scale, the opportunities for fruitful cooperation and growth exist.

## **PART TWO – SUMMARY OF CITY OF MELBOURNE INITIATIVES AND PROGRAMS (ASIA SPECIFIC)**

The City of Melbourne has taken a proactive role to facilitate and capitalise on its long-standing connections with cities in the Asia region through a focused approach. This approach focuses on a limited number of sister-city agreements (six in total), with a priority on projects with strong mutual benefit outcomes and strong engagement from both sides.

The City of Melbourne values its role as an honest broker/facilitator, building partnerships with a range of business, cultural and educational organisations and their counterparts in partner cities. These civic relationships are successful in fostering closer business and cultural ties, with initiatives including two-way trade missions, hosting of inbound delegations and staff and student exchanges.

A summary of Council's Asia specific initiatives and programs include:

### **For Business and economic development**

Through our civic leadership connections and sister-city programs, the City of Melbourne fosters an environment for economic growth and development to both our partner communities and home:

- Establishment of the **Melbourne Office Tianjin**, as the City of Melbourne business representative office in China (1998) which facilitates export and investment activities between the two cities and supports the sister-city relationship through active city-to-city exchanges, projects and events.
- **Tianjin Government Leaders Training Program** links commercial, education and government institutions and establishes relationships through which future business activities can be expected. Under this agreement 20 senior businesses and government leaders are sent to Melbourne to take part in a 12-week business management course at RMIT University. Since its implementation in 2001, over 220 leaders have graduated.
- **Exchange programs** including the **Osaka waste management exchange** where professional skills and developments were shared leading to the Osaka-based study tour which encompassed shared issues of waste management advancements,

including technological and city management. Also the **Landscape garden design exchange**, a skills and development exchange program for industry professionals and horticultural students delivered jointly with International Specialised Skills Institute and the University of Melbourne.

- **Enterprise Melbourne Business Mission to China** in October 2011, 31 delegates from 20 businesses and organisations participated in the Enterprise Melbourne mission to China, led by the City of Melbourne's Lord Mayor, Chief Executive Officer and councillors. Melbourne's industry capabilities in urban design and sustainability, education and training and biotechnology were showcased in Beijing, Guangzhou and sister-city Tianjin, to facilitate export and investment opportunities.
- **International memberships**  
City of Melbourne is a co-signatory member of the Business Partner City (BPC) network with the Australian Industry Group since 1999. BPC is a grouping of 14 leading Asia Pacific cities with aims to facilitate the promotion of business interaction within the region by creating opportunities for small-to-medium-sized enterprises to establish links throughout the network.
- **Small Business Grants program - export entry grants** providing a grant on a dollar-for-dollar basis of up to \$10,000 to support businesses to enter or expand into international markets. Since the program commenced in 1996, Council has supported 16 businesses to access expanding markets in the Asia-Pacific region including China and the Philippines.
- **The Strategic Alliance with National Capital Territory (NCT) Government of New Delhi** is the first of its kind between any Australian and Indian capital city. Promoting trade and business ties between Melbourne and New Delhi, the arrangement has seen a business delegation travel to Melbourne for the 2010 Delhi Commonwealth Games Queen's Baton Relay and other networking events with the Australia India Business Council.

### For arts and culture

Melbourne is home to Australia's most vibrant and diverse arts scene and we are proud to support a living, breathing cultural landscape, encompassing a diversity of artists, arts practices, arts organisations, venues and events. We are a city that celebrates Indigenous arts and culture. We are a city that engages with and supports culturally and linguistically diverse artists, communities and cultures.

Many arts and cultural programs have been implemented as part of our arts strategy, with specific highlight initiatives for the Asian region, including:

- **Vietnam** - Hosted workshops for children by a Vietnamese sculptor in 2008; a mentor training program for Consul General staff in Ho Chi Minh City; Young Artist Grant Programs; 'Arts round table' sessions to enable artists to work in cooperation with Consul General and Embassy Vietnam; exhibitions of Vietnamese young artists' work; Lectures and workshops on public art and Council investment in the arts at the Fine Art University, Vietnam.
- **Singapore** - A collaborative dance work entitled *Frontier Dance Land* in collaboration with the National Arts Council of Singapore to be launched in May 2012.
- **India** - An artist residency host of Indian Artists (potters and singers) and support to the Australia India Design Platform (AIDP);
- **Indonesia** - An artist residency of Indonesian Artists, (visual artist), funding of a number of small grants that celebrate being Asian in Melbourne, as well as arts and

culture organisation meetings and tours of Melbourne with delegations from **Laos, Cambodia and Vietnam.**

### **For international students**

Higher education is Australia's number one service industry and Melbourne has a growing reputation for the quality of its universities and was recently ranked as Australia's number one city for international students (fourth overall in the world) by QS World University Rankings. With six global top 500 universities, Melbourne provides a most favourable study environment with many programs to enhance the experience of over 60,000 international students who live and study in Melbourne. These programs build goodwill and help to create future ambassadors.

The City of Melbourne programs for international students includes:

- The world-class **International Student Leaders' program, EDGE**, designed to help international tertiary students enhance their leadership skills and assist them in career management.
- The award-winning **Lord Mayor's Student Welcome** offering students an opportunity to meet other students and enjoy cultural arts, workshops and performances from around the world.
- **The Student Welcome Desk** located at Melbourne Airport providing new arrival international students with a special information pack and valuable advice.
- The annual **International Student Guide** with a distribution of 70,000; **International Student Tourism Volunteer** an opportunity for international students to be trained as part of the City of Melbourne's volunteer **City Ambassador Program** providing visitor information offers.
- **The Couch – International Student Lounge**, run in partnership between the Salvation Army, City of Melbourne, Victorian Multicultural Commission and the International Student Legal Advice Clinic (ISLAC), provides international students with a safe space in the city to study, meet other students, and undertake activities and hosting workshops on topics from employment to skilled migration. Presentations are also made by Victoria Police, Melbourne Fire Brigade, International Student Legal Advice Clinic (ISLAC) and the City of Melbourne. ISLAC also runs clinics from The Couch.
- **International Student Emergency Awareness Project** led by a steering group comprising local government, Victoria University, Victoria Police and Metropolitan Fire Brigade ensures safety messages are available to all international students.
- **Mayibuye Performance Troupe Program**, a weekly program at the Multicultural Hub promoting cultural-awareness through dance.
- **The GLoBALL Program**, presented by iPrimus and coordinated by the Essendon Football Club (EFC) and Cricket Victoria (CV), offers Australian culture through sport with sporting activities from football skills clinics and information sessions;
- **Melbourne Youth Services Forum (MYSF)** forum for youth service providers who are located in, or servicing, the City of Melbourne.
- **ARIES (Advice, Referral, Information and Education Service)** assists migrant and refugee women in Melbourne unable to access some specialist services because they are not permanent residents of Australia.
- **Indigenous Art Workshops** at the City Library and The Couch for international students to experience indigenous culture.

### **For tourism**

The tourism industry's resilience in 2011 is reflected in its performance within the present patchwork Australian economy. International inbound travel remains solid with industry growth underpinned by China, and other larger Asian markets, except Japan as reported in

the latest International Visitors in Australia Survey (Sept 2011, Australia Government Department of Resources, Energy and Tourism). There was an estimated 252,400 Chinese overnight visitors to Victoria for the year ending September 2011, a 37.1 per cent increase over the previous year. Chinese visitors spent an estimated 7.4 million visitor nights in Victoria for the year ending September 2011, a decrease of 3.3 per cent compared to the previous year. The number of estimated international overnight visitors to Victoria from the Asian region has increased: Korea (+42.1 per cent), China (+37.1 per cent), India (+20.7 per cent), Singapore (+16.9 per cent), Thailand (+5.5 per cent), Indonesia (+4.7 per cent) and Malaysia (+4.4 per cent).

The City of Melbourne is focused on attracting visitors from the Asian region with targeted efforts to:

- Create publications including 'What to see and do' printed in Korean, Japanese and Chinese languages.
- Contribution to the development of Chinese 'Official Visitors Guides'.
- Signage and way-finding projects, including how our English language signs can be translated into other languages.
- Recruit staff and volunteers able to speak Mandarin and Cantonese.
- Target Chinese speaking people as part of the Student tourism officer program.

### **PART THREE - RECOMMENDATIONS AND CONCLUSION**

The City of Melbourne values the opportunity to provide its response to this inquiry. It is hoped that the initiatives and recommendations presented in this submission will form the basis of a commitment by the Australian Government for:

- a) Greater involvement as a partner with the City of Melbourne and other capital city councils; and
- b) Provide funding to support and develop the activities that will deepen connections between Australian cities and their counterparts in Asia, at a political and professional level. Enhancing the network of relationships, projects and collaborations adds significant depth, personal engagement and understanding between current and future leaders in the region.

#### **Response to specific discussion points included in the issues paper:**

**Community engagement – What are effective ways to promote an ongoing national conversation about Australia's engagement with Asia beyond the White Paper process?**

We must ensure the conversation is accessible, inclusive and broad based, including all levels of government, community and business organisations. Provide opportunities to participate collaborate and exchange by including all elements of the community, youth, arts and cultural practitioners, faith communities and community organisations. Conversation needs to be broader than just about business and economic exchange – this needs to be multi-dimensional and have a level of sophistication and understanding of cultural priorities.

**Social development – Are social attitudes in Asian countries towards Australia changing and, if so, how? What influences these attitudes?**

We need to promote Australia as a source of valued education by understanding and appreciating the role of international students in our community. They are citizens of our city while they are here, and we need to continually address how we continue to welcome and value them. Perception of their experience in Melbourne, how we can continue to build on

this, and how this perception is projected when they return to their home country is extremely important.

We also need to continue our knowledge exchange looking at opportunities with businesses, arts and culture, education and tourism.

**Political and strategic issues – How will the web of political and strategic relationships in the region develop? What is the role of global, regional and bilateral institutional arrangements? How do these strands of engagement intersect and how should they be prioritised?**

There is an opportunity to build further connections with early career professionals through education, advanced training and professional development. This is evidenced through the successful Tianjin Government Leaders program, which exposes the government leaders of tomorrow to western management, government and business policies. This training has been recognised as significant for providing senior officials with access to international training, while being immersed in western culture.

**Social, cultural and intellectual engagement for Australia – Have Australia's social and cultural links with Asia kept pace with our economic integration?**

There is further opportunity to leverage through sport, films, music and fashion. The AFL game development in Tianjin, as part of the Tianjin Government Leaders Program is an example of the successful engagement through sport. The City of Melbourne has worked hard to develop a range of AFL training programs in primary and secondary schools, a constant knowledge exchange and influence, and shared learning. There are further opportunities with film festivals, fashion and music. The City of Melbourne is also considering similar programs for the film and media industry with the aim of establishing long term industry linkages between Melbourne and India.

**What forces might affect the pace and shape of economic and social change in India?**

Internet and social media will play a major role in changing economic and social life as almost 50 per cent of their population will be relatively young and below the age of 30 by 2020. The ever growing middle income group will also play a significant role in this process. More than 400 million people will be in this group by 2015, according to the current economic growth rate.

**What are the risks to sustained development and how will India manage the pressures accompanying change?**

India's biggest challenge will be to train this huge young workforce to cope with fast-paced technology and business process development in the world. India has opened their door for both inbound and outbound foreign investment which has already created substantial and stable economic development. India will also face big challenges in sustainability and environment protection as almost 90 per cent of their solid wastes are being dumped without any scientific treatment. Only 14 major cities dump around 16,000 tonnes of their waste to dumpsites. Most importantly, these dumpsites are not recognised and undesignated most of the times.

**What are the implications of such developments for India's relationships with neighbours throughout the Asian region and beyond?**

India is the biggest country in terms of geographic and economic capability in south Asia. Completely dominated by local superpower, all south Asian countries rely heavily on the economic prosperity of India. Despite a history of ongoing political tension, both China and India are close allies in economic terms. China is currently the biggest trading partner of



India. In the last two decades, both countries have attracted considerable attention from Australia, particularly since India's strong military presence and extension of their naval capabilities.

Following the Australian Senate committee report on India in 1990, the Australian government has focused on more economic cooperation and trade partnerships than worrying about military tensions. The creation of the Australia India Council in 1992 is a good example of Australia's intention for better understanding of India. Australia's recognition of India as an emerging market is a big shift from our focus towards China, Japan and Indonesia. We have noticed that regular visits to India from high-level Australian Government officials has increased in recent years. Almost every elected Australian Prime Minister has visited India since Gough Whitlam, with the exception of Paul Keating. In the last nine months, three Australian State Premiers have led trade missions to India. These intense efforts resulted in a substantial increase in bilateral trade between the two countries and India is now our fifth largest trading partner.

Apart from the political difference during the cold war period, Australia and India share common views on recent global economic and political issues. The new 'Look East' policy aimed more towards India's Asian neighbours in early 1990s opened up greater opportunities for Australian trade and businesses. Australia and India share many similarities such as fighting two world wars shoulder to shoulder, common interests under the Commonwealth family, democracy and cricket. Australia's support to include India in APEC was also a significant policy shift from the Australian side. India supported Australia's inclusion as an observer in the South Asian Association of Regional Cooperation (SAARC), which provided us the opportunity to work together with the countries controlling almost one third of the world's population.

As India is playing a major role in South and South East Asia, it is essential that we continue working closely with the biggest democracy of the world for our own trade and economic development, and regional security.