

FUTURE MELBOURNE (FINANCE AND GOVERNANCE) COMMITTEE REPORT

Agenda Item 5.7

POST TRAVEL REPORT BY COUNCILLOR BRIAN SHANAHAN: NEW DELHI AND MUMBAI, INDIA – DECEMBER 2010

8 February 2011

Presenter: Jane Sharwood, Manager Business and International

Purpose and background

1. To report to the Future Melbourne Committee on the travel undertaken by Councillor Brian Shanahan to New Delhi and Mumbai, India associated with annual Business Partner City (BPC) Roundtable and the Melbourne New Delhi Strategic City Alliance for the period 11 to 18 December 2010.
2. On 12 October 2010, the Future Melbourne Committee approved the proposed travel.
3. The Future Melbourne Committee noted that the Australian Industry Group (AI Group) would organise a self funded business mission to participate in the BPC Roundtable and associated events. On 19 November 2010, in consultation with the AI Group and following a month long promotional campaign, the decision was made to cease recruitment for the proposed business mission immediately. Factors impacting on mission recruitment included timing (before Christmas/New Year holidays), two sizeable business missions (vocational education and food and beverage products) organised by the Victorian Government (November 2010) and an ‘eco-business’ mission lead by AI Group (October).
4. The City of Melbourne, in partnership with the AI Group has been a member of the Business Partner City network since 1999. Council has attended the annual Roundtable meeting since that time. In 2006, the City of Melbourne and the National Capital Territory of New Delhi, India agreed to establish a strategic city alliance between the two cities. This was formalised, when the then Lord Mayor John So signed the alliance with Mrs Shelia Dikshit, Chief Minister of the National Capital Territory during his visit to New Delhi in May 2008.
5. The Manager, Business and International accompanied Cr Shanahan to provide high level coordination and support during the civic mission to further the development of Council’s links with India.

Key issues

6. Meetings with the Chief Minister and Chief Secretary of the National Capital Territory of Delhi confirmed the desire to maintain the strategic city alliance and identified projects related to environmental sustainability, renewal energy generation and urban planning as being of mutual interest through a future work placement program.
7. Meeting with high level representatives from two business associations, Confederation of Indian Industry (CII) (national) and Indian Merchants Chamber (IMC) (Mumbai based) confirmed that they should play a key role as partners in the development of Council’s India strategy. While Mumbai, as India’s financial and business capital will be the focus of economic component, New Delhi as national and territory capital will be important in the development of government to government relationships.
8. Partnership opportunities were identified following meetings with the Australian High Commission (Delhi), Australian Consulate General (Mumbai), and Austrade (Delhi and Mumbai) via Australian Education Showcase (February 2011) and proposed cultural programs (2012). An excellent working relationship was established with the Victorian Government Commission for India which identified opportunities for collaboration as part of the *Engaging India* strategy.
9. Councillor Shanahan renewed high level contacts with key representatives from BPC member organisations which will contribute to Melbourne’s reputation as a globally connected business city. A copy of Councillor Shanahan’s speech notes and presentation delivered at the BPC roundtable are included as attachment 3.

10. Meeting with young people studying at two of the university colleges in Mumbai (H.R. College of Commerce and Economics and Welingkar Management School) indicated that young people (with access to education) are going to make a significant contribution to the future of India. Fifty percent of India's population is under 25 years, with 387 million under the age of 15 years. While the *Right to Education Act*, states that education is compulsory and free for children between six to 14 years, the current gross enrolment rate is only 15 per cent. The Indian Government is seeking to increase this to 22 per cent by 2020 with an increase in basic literacy nation wide the priority.

Recommendation from management

11. That the Future Melbourne Committee:
 - 11.1. note this report and the attached summary of benefits and outcomes;
 - 11.2. endorse the development of a draft India strategy (through consultation with key government and stakeholders) to focus on key areas identified in New Delhi and Mumbai, consistent with the International Engagement Framework, adopted by Council in April 2010;
 - 11.3. note that the draft strategy will be presented for consideration by the Future Melbourne (Economic Development and Knowledge) Committee by June 2011; and
 - 11.4. approve the additional expenditure of \$2183.53 being the variation between estimated and actual cost of travel.

Attachments:

1. Supporting Attachment
2. Outcomes and Benefits of Travel
3. Speech notes and presentation delivered at the BPC Roundtable

SUPPORTING ATTACHMENT

Finance

1. The cost associated with Cr Shanahan's travel to India was \$12,676.53. This included airfare (\$8801.15), accommodation (\$2224.97) and incidentals (\$1650.41). The total cost of travel exceeded the estimated cost (\$10,493) by an amount greater than 10 per cent. The variance was due to additional accommodation required for logistical reasons and subsequent changes to airfares.
2. This expenditure is within the approved 2010-11 budget allocation for Councillor travel expenses.

Conflict of interest

3. No member of Council staff, or other person engaged under a contract, involved in advising on or preparing this report has declared a direct or indirect interest in relation to the matter of the report.

Relation to Council policy

4. The Director, City Business has confirmed that the travel proposal accords with the requirements of the travel guidelines outlined in the Councillor Expenses and Resources Guidelines. The Guidelines provide that for variances of greater than 10 per cent between estimated and actual costs, approval of Committee or Council is required for the additional expenditure.
5. Councillor Shanahan's travel supported Goal Three – Economic Prosperity in Council Plan 2009 – 2013 and in particular objective 3.1.8 Ensure Melbourne's reputation and presence in international markets. The visit was consistent with the International Engagement Framework endorsed by Council in April 2010.

Environmental sustainability

6. High level meetings undertaken by Councillor Shanahan with senior representatives from the Confederation of Indian Industry, National Capital Territory of New Delhi and the representatives from BPC member cities, confirmed that strategies to ensure urban environmental sustainability are high on the agenda throughout India and the wider Asia Pacific region.
7. These meetings provided an opportunity to highlight Melbourne's commitments and actions towards energy efficiency and renewable energy targets (1200 buildings, CH2 and the photo-voltaic array at the Queen Victoria Market), water management (water sensitive urban design, parks water strategy) and leadership role in organisations such as International Council for Local Environment Initiatives.
8. The theme of the 2010 Business Partner City Roundtable was '*Sharing information and structuring a framework for environmental business development among BPC's*'. Cr Shanahan's presentation highlighted a range of Council's environmental initiatives including CH2, 1200 buildings and participation in the Clinton Climate Initiative. In addressing the Roundtable's interest in models for public private partnerships in developing environmental business opportunities, Cr Shanahan presented the case study of CityWide. Initiatives such as alternative waste technologies, water management strategies and 'green pave' asphalt were described in the presentation and generated interest from Roundtable participants.

9. Subsequently the Indian Merchants Chamber (IMC) ERTF (Economic Research and Training Foundation) has contacted Council for information to contribute to a study "*Sustainable Practices & Strategies for Efficient Water Resources Management in Mumbai*" sought information of Melbourne's experience on water management, especially strategies and actual working of the sustainable water management. Information on the *Total Watermark – City as a catchment* was provided to the IMC.

OUTCOMES AND BENEFITS OF TRAVEL

Outcomes

1. The following is the list of outcomes arising from the travel, including the means by which the matters raised are progressed within the Council, e.g. a report to the relevant committee/s.
 - 1.1. The desirability of a targeted India strategy, that builds on the Council's current connections with New Delhi (via the Strategic City Alliance) and Mumbai via Memorandum of Understanding with the Confederation of Indian Industry and the Indian Merchants Chamber (via the shared membership of the Business Partner City network). A draft strategy will be developed in consultation with key partners (government, business, cultural and education) for consideration by Future Melbourne (Economic Development and Knowledge City) Committee by June 2011.
 - 1.2. Confirmation of the value of the role of City of Melbourne Honorary Representative in New Delhi to facilitate access to high level representatives of the National Capital Territory Government of New Delhi.
 - 1.3. Consideration could be given to the development of a staff exchange/work placement program, as part of the India strategy with the National Capital Territory of Delhi government, which could be based on the successful Tianjin Government Leader Work Placement program as a tangible project to increase government to government cooperation.
 - 1.4. Similar opportunities for collaboration/staff exchanges with the Municipal Corporation of Mumbai particularly regarding environmental issues (flooding, water security and waste management) and urban planning.
 - 1.5. Assistance was offered to Confederation of Indian Industry mining business mission to visit Australia in September 2011 and opportunity to facilitate contact with relevant business leaders in Melbourne including the Melbourne Mining Club.
 - 1.6. Opportunities identified to collaborate with the Australia India Institute (based at the University of Melbourne and funded by the Australian Government) as the national centre for development of Australia's collaborations and deepen knowledge of India via education, business, cultural and government to government projects.
 - 1.7. Opportunities to support and value add to university/college exchange programs under the auspice existing University international agreements (such as Monash University, University of Melbourne).
 - 1.8. Through connections made with the Australian High Commission's Education Centre, opportunities were identified to promote Council's international student support initiatives such as *The Lord Mayor's Student Welcome* and *The Welcome Desk* at Melbourne Airport to potential students in the Indian market.

Benefits

2. The following is the list of benefits associated from the travel.
 - 2.1. A deeper understanding of the diversity and complexity of cultural, historical, political and geographic factors that influence the Indian business and economic opportunities for Melbourne based companies. It confirmed the desirability of a highly targeted and coordinated (with other agencies) approach to this market that builds on existing relationships and have bi-partisan long term commitment to achieving results.

- 2.2. Clearly a partnership approach with the Australian Government (via the High Commission in New Delhi and the Consulate General in Mumbai), Austrade (New Delhi and Mumbai) and the Victorian Government (via the Victorian Government Commissioner) will generate the most effective outcomes for Council's investment.
- 2.3. Confirmation of the value of membership of the Business Partner City network and the connections it provides to significant business organisations through out the Asia Pacific region which profiles Council's role in supporting Melbourne's international business connections.
- 2.4. Development of a deeper appreciation of the challenges faced by local government counterparts in two of Asia's biggest mega cities. New Delhi currently has 6 million registered cars with 1000 new cars added on a daily basis and a population expected to grow to 24 million by 2024. Mumbai has currently has an official population of 18 million (although unofficially thought to be 20 million), 50 per cent of who live in slums or dangerous buildings and generate 6500 metric tonnes of garbage a day. Clearly there are opportunities for information and professional development exchanges with these through agencies in collaboration with organisations such as the Commonwealth Local Government Forum, AusAid or Asian Development Bank.

Business Partner Cities Roundtable 2010 Mumbai

Presented by
Councillor Brian Shanahan
Future Melbourne (Finance and
Governance) Committee Chair

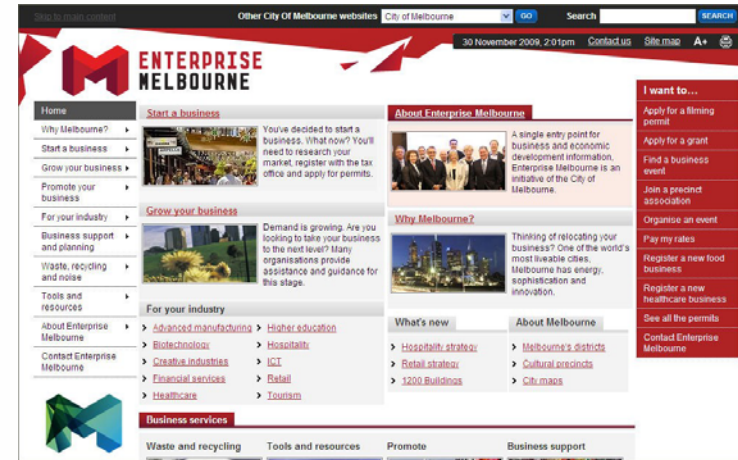


A bold, inspirational and sustainable city



Enterprise Melbourne

- Single point of entry for the business community
- Facilitates economic growth



Eco-city goal



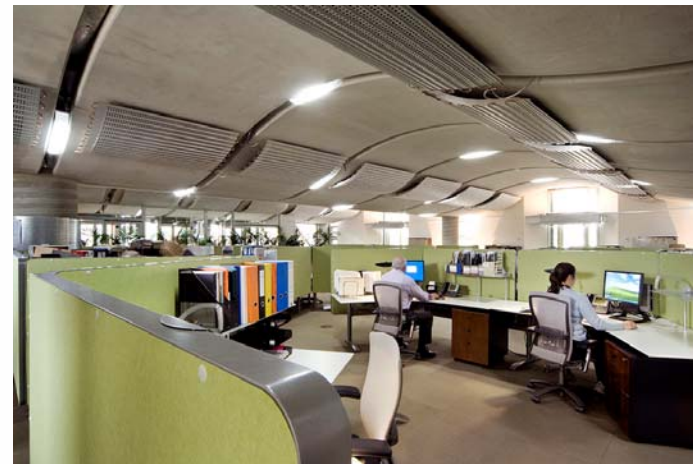
Council House 2

flagship green building



Council House 2

flagship green building



Private sector response

ANZ Bank international corporate headquarters



And the Lend Lease 6-star energy rated building



6-star energy rated MCEC

the world's first 6-star convention centre



Working in partnership



1200
BUILDINGS

1200 Buildings

In the City of Melbourne:

- 3.5 million m² office space
- 67% needs refurbishing
- produces 383 Ktonnes CO₂ / year
- \$2 billion investment
- 3000 new jobs



Clinton Climate Initiative building program



'Savings in the City' cooperation with the hospitality industry



Melbourne's 560 hectares of open space





Using drought-tolerant grass on our ovals



Improving bike paths and bike facilities



The city's first bike pod



Small Business Grants program helping young entrepreneurs

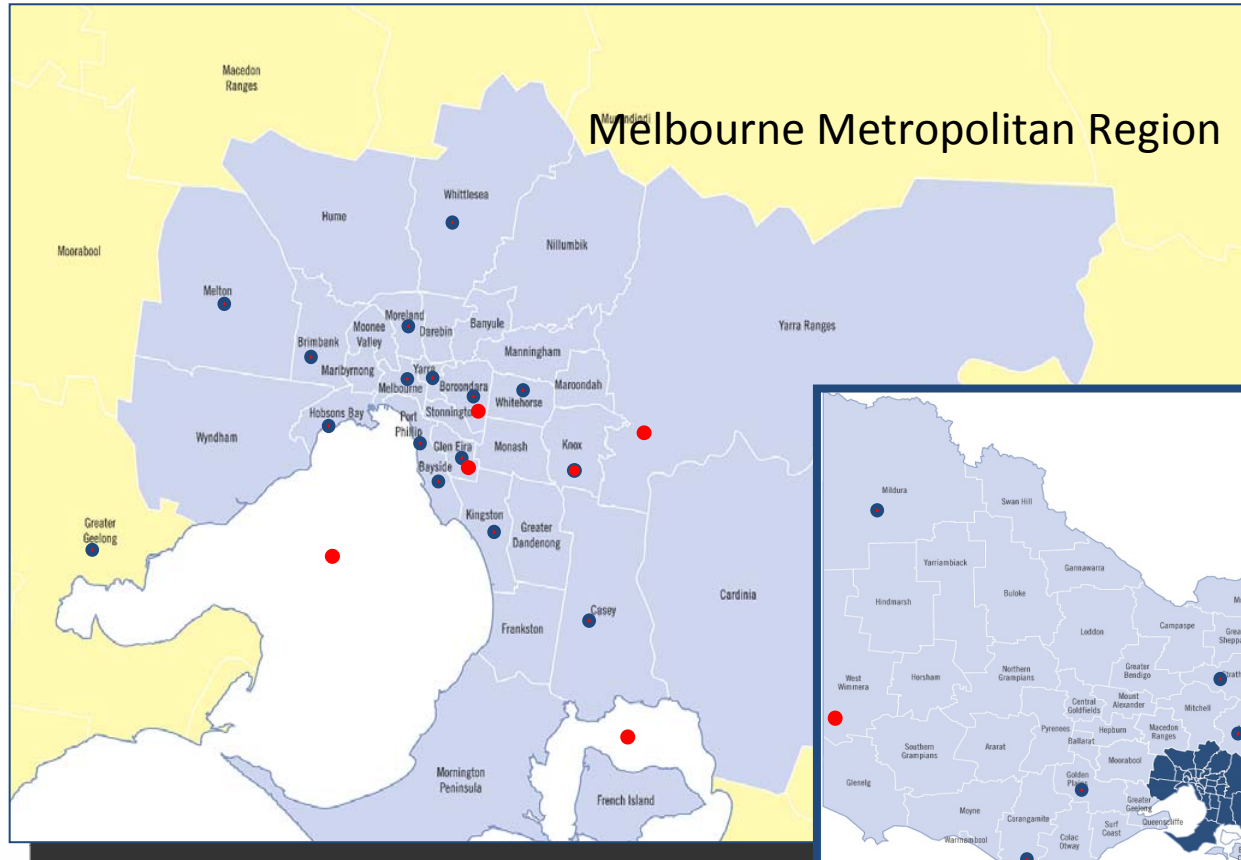


Citywide case study



Citywide's Victorian coverage

Changing our business landscapes



Citywide's Environmental Division



Queen Victoria Market



Street Sweeping



Waste Facility



Municipal Contracts



Green Machine



Waste Management

Citywide's Infrastructure Division

changing our infrastructure landscapes



Asphalt Plant



Trialed and Tested GreenPave



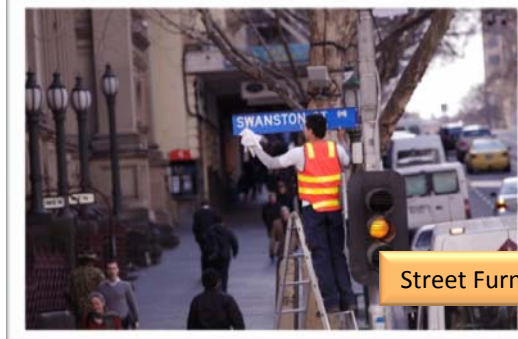
Bolte Bridge - Transurban



Regional Victoria



Traffic Management Services

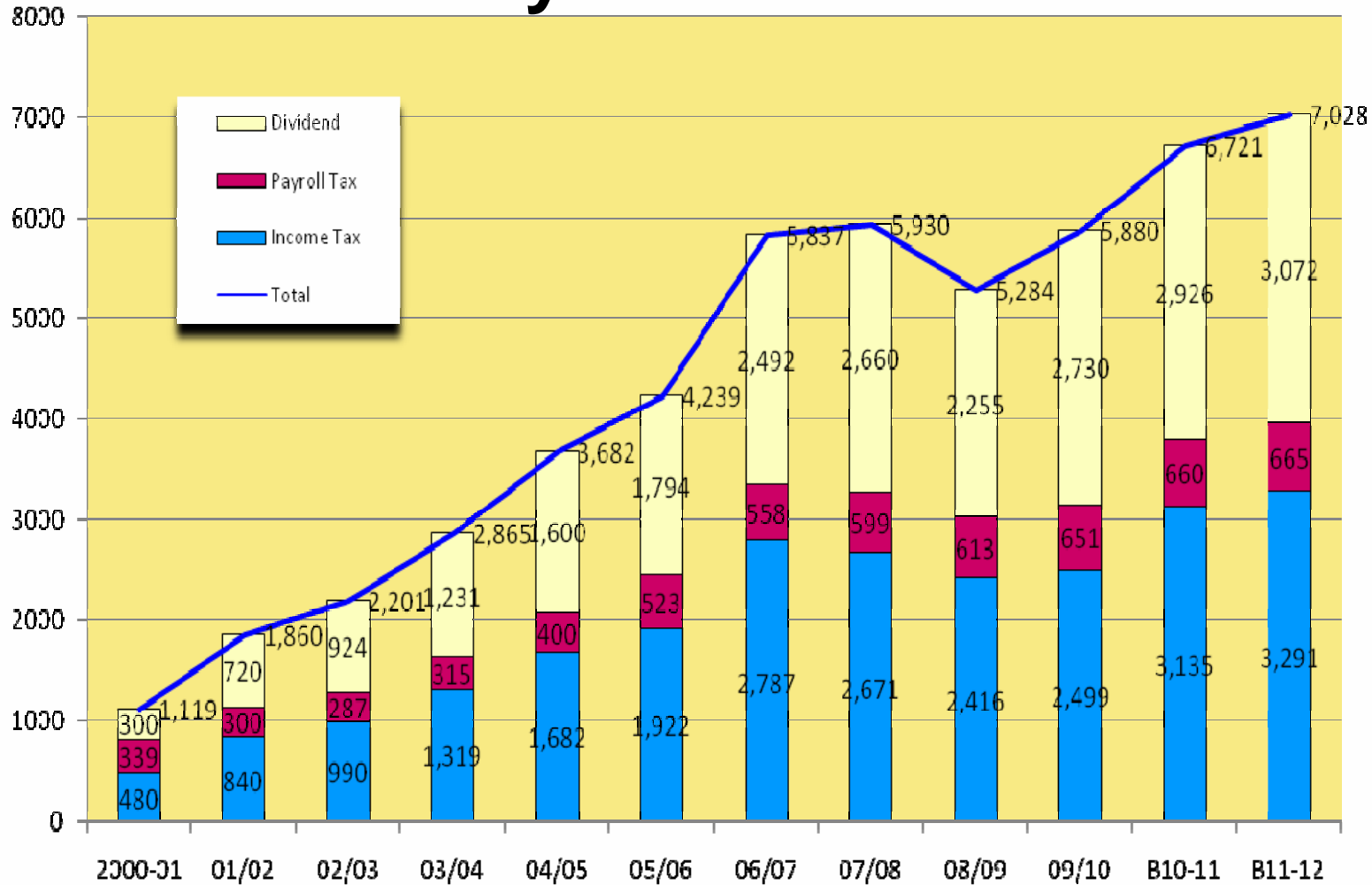


Street Furniture



changing our landscape

Strong dividend returns for the City of Melbourne



Business opportunities



CITY OF MELBOURNE



CITY OF MELBOURNE



BPC Roundtable 2010

Speech notes

Acknowledgements

- Mr Mamoru MASUDA, Executive Director & Secretary General, Osaka BPC Council and Mr Dilip DANDEKAR, President of the Indian Merchants Chamber, fellow BPC Roundtable delegates

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- It is a great pleasure to be representing the City of Melbourne and our co-signatory organisation, Australian Industry Group, here in Mumbai and I thank you all for being here today.
- The Australian Industry Group is at the forefront of leading Australian trade missions in the Green Building sector to a number of markets, including India.

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- Melbourne is a connected and accessible city with a vision to be a bold, inspirational and sustainable city.

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- And Enterprise Melbourne is the business web portal through which we are furthering this vision, to ensure that Melbourne is a prosperous and vital business city.

- The website offers the Melbourne business community a single point of entry for all the information it needs to successfully interact with council.
- It also provides facts and figures on the capabilities of key industry sectors.
- Enterprise Melbourne facilitates growth by offering a clear, comprehensive suite of services linking assistance, information and support.

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- As part of our eco-city goal, among other things, we want to become a zero net emissions city, a city that achieves total water catchment, uses resources efficiently, a city that educates its community about environmental issues.
- Our cities are facing many challenges and one of the most urgent and pressing is sustainable development. It is no longer a fringe concern but an environmental, social and economic imperative.
- And the BPC Roundtable is a solid foundation from which we can exchange information, expertise and investment in the growing sector of sustainability.

- For the past 20 years at least, Melbourne has had the foresight to focus on urban planning and sustainability issues.
- At the City of Melbourne we are demonstrating leadership with ambitious targets for cutting our own greenhouse gas emissions, water use and waste.

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- The City of Melbourne's flagship green building, Council House 2, symbolises our commitment to sustainable living.
- It is designed and built to six-star, green star standards, employing clever design to preserve our precious water and energy resources.

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- For example, we use recycled water to cool the building and for the self-watering system that waters our rooftop garden and the vertical garden that protects the northern façade from the sun's direct rays.
- A gas-fired micro-turbine is used to generate electricity – and the waste heat produced in the process is used for heating water and for cooling.

- Solar power also provides energy for Council House 2's hot water and to move window shutters, which control light entering the building.

<slides 7 / 8 / 9>

- Private sector response has seen large corporations such as ANZ Bank and LendLease, as well as the Melbourne Convention and Exhibition Centre, follow this lead by developing energy efficient, sustainable buildings.
- And Melbourne Water has committed to move to a six-star energy rated building currently under construction in Docklands, our city's newest harbour-side precinct.
- The City of Melbourne was a partner in funding the Queen Victoria Market solar energy project, the largest grid-connected solar photovoltaic installation in the southern hemisphere.
- More than 1300 solar photovoltaic laminates were installed at the market, capable of generating 252,000 kilowatt hours of electricity each year.

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- Commercial buildings are responsible for 48 per cent of total greenhouse gas emissions across the City of Melbourne. As

new buildings account for only a small proportion of the commercial landscape, we recognised the need to encourage retrofitting.

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- We developed the 1200 Buildings Program, working in close partnership with the Victorian Government and with building owners, facilitating access to finance, encouraging research as well as undertaking policy and regulatory reviews to encourage more energy efficient buildings.
- Once again, we are walking the walk. The City of Melbourne has partnered with the Clinton Climate Initiative to explore retrofitting of our own buildings.

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- We were one of the first cities to sign on to the Clinton Climate Initiative's building program, which works to overcome market barriers to increasing the energy efficiency of buildings.
- We have also joined the CitySwitch Green Office program – run in partnership with several Australian cities and state government agencies, including Sustainability Victoria.

- Building tenants can influence up to 50 per cent of total energy use in office buildings, so the CitySwitch program works with them to improve office energy efficiency.

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- Another initiative developed by the City of Melbourne aimed at savings in the hospitality industry – hotels in particular.
- A spin off from this was that Crowne Plaza installed a sustainability management system. The system is designed to provide up to the minute data on the performance of the building's energy and water consumption and its waste.
- This in itself is not revolutionary. However, where the Crowne approach differs is that the data is not intended solely for a dedicated team of experts and specialists, but is instead made available to all who work and stay at the hotel.
- A change in guest attitudes, as more people become aware of the 'sustainability' message, is making improvements in consumption patterns a reality.

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- We manage about 560 hectares of open space on the driest continent on earth after Antarctica. So we have to be judicious about water use.

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- We're replacing lawn in our parks and sports ovals with drought-tolerant grass.

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- At one of our major parks, we created a wetland and use this water to irrigate the parkland and a golf course.
- We use water-sensitive urban design, capturing rain to water street trees.

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- As Melbourne's population grows we are continuing to focus on sustainable modes of transport. We are committed to improving bike paths and bike facilities to encourage more people to cycle.

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- Recently we unveiled a 'bike pod' – a shower and change facility for city workers, students and tourists who cycle to and from the city. Developed in conjunction with the Victorian

Government, the pod provides free shower and change facilities in a convenient central location.

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- As part of our commitment to developing a cycling culture, we have supported a number of small business enterprises with start-up and expansion grants. The City of Melbourne is the only Australian local government to offer direct financial assistance to its small business community.
- Nanocycle received a start-up grant in 2010 to help this innovative company develop its patented electric bicycle conversion system.
- Other sustainable business ventures have also been recipients of our small business grants. For example, Green Collect received a business expansion grant. Green Collect is a not-for-profit social enterprise that works with businesses to achieve positive environmental change.
- KeepCup, another business expansion recipient, is the world's first barista standard, reusable coffee cup, designed and manufactured in Australia from sustainable components.

- 3Floorsup, a 2008 small business grant recipient, has developed the only wind turbine maintenance management software available worldwide. Our grant enabled the company to 'polish' and refine its next generation web-based software so that it was compatible with almost any language in the world.

<slide 20>

- Here I will now briefly introduce a case study about one of our public / private collaborations – a corporatised entity of the City of Melbourne.
- Citywide is the only local government corporatised entity in Australia. It is a major Australian physical services company providing civil infrastructure, open space and environmental services to government and private enterprise.

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- In 1994, the then City of Melbourne CEO established Citywide as a direct outcome of the Compulsory Competitive Tendering Act.
- The company has grown rapidly and steadily until today it is generating A\$160 million annual revenue, with an 800 plus workforce delivering services to Australia's most prominent capital city governments and national corporations.

- The Victorian Government Compulsory Competitive Tendering Act 1994 involved mandatory exposure of local government services to competition through a process of public tendering.
- Its purpose was to reduce local government overheads through the provision of key services via the private sector. The Act stipulated that 50 per cent of local government expenditure should be market tested.
- Citywide has three service delivery arms: Infrastructure, Environmental, and Open Space.

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- Citywide's Environmental Division is the largest provider of cleansing services to Victorian local government. The waste management services extend beyond collection to processing and community education.
- The Environmental Division is continually researching international best practice, particularly in alternative waste technologies and alternative fuels such as bio-diesel.

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- The Infrastructure Division was the first to trial the environmentally friendly GreenPave asphalt – an advanced new

warm asphalt mix produced in partnership with Shell. It is a climate sensitive alternative to traditional hot mix asphalt.

- Added to this, the Infrastructure Division is involved with civil maintenance, including 4000 kilometres of roads and 140,000 infrastructure assets. Drainage services, traffic management and events, as well as parking meter management form part of this robust organisation's daily workload.

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- The Citywide public / private partnership has consistently produced significant and strong dividend returns for the City of Melbourne.

<slides 25 / 26>

- The BPC Roundtable presents wonderful opportunities for collaboration into the future. Among and between participants there are opportunities to share ideas and investment. We encourage each of you to visit Melbourne to discover its many and various business prospects.