

15 May 2012

Dr Bruce Hartnett, Chair
Mr Andrew Shearer, Special Adviser
State Services Authority
GPO Box 4912
Melbourne VIC 3001

Dear Dr Hartnett and Mr Shearer

REVIEW OF VICTORIA'S APPROACH TO INTERNATIONAL ENGAGEMENT

The City of Melbourne welcomes the opportunity to make a contribution to the development of a new whole-of-government strategic approach to international engagement.

Our submission will:

1. Provide some background about Melbourne as a city with a long-held international, entrepreneurial outlook.
2. Outline the City of Melbourne's International Engagement Framework (adopted by Council in April 2010).
3. Highlight the growing importance of cities, given the impact of increasing urbanisation particularly in Asia. It consequently focuses on the importance of leadership connections between the political and administrative leaders of city governments and the political, social, economic and environmental leadership that can be leveraged by Victoria and Melbourne as part of a comprehensive state engagement with the Asia region.
4. Summarise the City of Melbourne's current initiatives and programs that facilitate business, educational and cultural connections, leverage long-standing city-to-city relationships and are examples of how these can contribute to the overall national engagement.
5. Make recommendations on the role local government can play in deepening Victoria's engagement with significant municipal leaders and their cities.

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

Yours sincerely

Dr Kathy Alexander
Chief Executive Officer

CoM reference #7107617

INTRODUCTION

This City of Melbourne submission:

Part One: Provides some background about Melbourne as a city with a long-held international, entrepreneurial outlook.

Part Two: Outlines the City of Melbourne's International Engagement Framework (adopted by Council in April 2010).

Part Three: Highlights the growing importance of cities, given the impact of increasing urbanisation particularly in Asia. It consequently focuses on the importance of leadership connections between the political and administrative leaders of city governments and the political, social, economic and environmental leadership that can be leveraged by Victoria and Melbourne as part of a comprehensive national engagement with the Asia region.

Part Four: Summarises the City of Melbourne's current initiatives and programs that facilitate international business, educational and cultural connections, leverage long-standing city-to-city relationships and are examples of how these can contribute to the overall state engagement.

Part Five: Make recommendations on the role local government can play in deepening Victoria's engagement with significant municipal leaders and their cities.

This submission focuses on international engagement with the Asian region as Council has more contact and substantial relationships with this increasingly affluent and influential region. Council's contact with Latin America has been more recent and has centred on its participation in the 2011 C40 (Cities Climate Leadership Group) Summit in Sao Paulo, Brazil.

It should be noted that the City of Melbourne recently made a submission to the Federal Government's Australia in the Asian Century Taskforce, chaired by Dr Ken Henry. This submission largely reflects comments made in the submission to the Asian Century Taskforce.

PART ONE: 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).

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.

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. This nascent relationship helped foster mutual understanding of each cities’ cultures, economic and social challenges and opportunities. Such early engagement helped paved the way towards subsequent trade, spanning from the time when China was perceived as an ‘emerging’ economy to its current influential status.

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.

PART TWO: COUNCIL’S INTERNATIONAL ENGAGEMENT FRAMEWORK

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.

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 Cities Climate Leadership Group and other special interest city networks.

PART THREE – LEADERSHIP CONNECTIONS

Civic leadership in urbanisation

Economic development, particularly in Asia, is contributing to urbanisation. Cities are becoming home to a greater proportion of the population of many emerging economies.

Urbanisation brings with it many challenges. Growing cities are hubs for economic activity and development and for cultural and education activity. In meeting these challenges, there is much to be shared and exchanged to further build trade and cultural links between cities. There is a strong consistency between cities, 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, Asia and Latin America may be significantly different in terms of scope and scale, the opportunities for fruitful cooperation and growth exist. Furthermore, with its reputation as one of the world's most liveable cities, Melbourne and its urban planners, architects, engineering and environmental consultancies could have the opportunity to share and export their experience and expertise.

As leaders in the development of their cities, the role of the mayor is significant given the many challenges of a modern global society. The role of mayor can consequently provide a link to other cities using the shared platform of urbanisation challenges.

Nurturing early relationships for the long-term

In many countries around the world, civic leadership is often the stepping stone to national leadership roles. Mayors go on to become premiers, presidents and ministers. Therefore, city-to-city civic contact is an important way for Victoria to build connections with the next generation of leaders at early and formative stages of their careers.

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. Business relationships in some countries are inextricably linked to government support and oversight. 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 played an important part in opening China up to the world. The nascent relationship helped foster mutual understanding of each cities' cultures, economic and social challenges and opportunities. Such early engagement helped paved the way towards subsequent trade, spanning the time from when China was perceived as an 'emerging' economy to its current status as a major economy.

Melbourne has much to celebrate and a great foundation on which to build for the future. Since our city's formative years, Melbourne has absorbed international influences into its commercial and cultural life. Through our relationships with sister cities we recognise and acknowledge this legacy, and continually build upon it.

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

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.

In both cases, the formal sister-city relationships provided a platform for the development of people-to-people relationships with the aim of developing mutual friendships and a lasting and understanding relationship.

Cities as focus points

In the minds of many prospective overseas investors, visitors and customers, the names of cities may loom larger and be recalled more easily, than the names of the states in which they are found. For example, the city of Mumbai in India may be more easily recalled than its state of Maharashtra and the city of Milan in Italy may be more easily recalled than its state of Lombardy.

The strong 'brand recall' of cities, including Melbourne can be utilised to further its and Victoria's international engagement.

PART FOUR – SUMMARY OF CITY OF MELBOURNE INITIATIVES AND PROGRAMS

The City of Melbourne has taken a proactive role to facilitate and capitalise on its long-standing connections with international cities 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 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 businesses and government leaders are sent to Melbourne to take part in a 12-week business management course at RMIT University. Since its establishment in 2001, over 220 leaders have graduated and taken their place among the senior ranks of government officials.
- **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.

- Collaboration with both the **Victorian Department of Business and Innovation (DBI)** and **Victorian Government Business Offices (VGBOs)** in India, China and Japan. The City of Melbourne has assisted on a range of projects aimed at facilitating trade with these important markets. This has included arranging business matching between Victorian businesses participating in trade missions and prospective partners in overseas markets. The Melbourne office Tianjin meets regularly by teleconference with the VGBO Shanghai, to assist with trade facilitation in North East China.
- **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. The City of Melbourne worked closely with both DBI and VGBO in recruiting participants for and arranging aspects of the mission.
- **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 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.

For sustainability and environment protection

In 2011, the City of Melbourne Lord Mayor Robert Doyle and Councillor Oke participated in the C40 Summit in Sao Paulo, Brazil. The C40 Cities Climate Leadership Group (C40) is a network of large and engaged cities from around the world committed to implementing meaningful and sustainable climate-related actions locally that will help address climate change globally. Participation in the C40 Summit constituted Council's main recent contact with Latin America. The City of Melbourne hosted a workshop of C40 cities in March 2012 on sustainable communities with representation from a number of cities in the C40 initiative.

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. Melbourne is a city that celebrates Indigenous arts and culture. It engages with and supports culturally and linguistically diverse artists, communities and cultures.

Many arts and cultural programs have been implemented as part of its 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 Victoria'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 were 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 FIVE - 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 Victorian Government to:

- a) Greater involvement as a partner with the City of Melbourne; and
- b) Funding to support and develop the activities that will deepen connections between Melbourne and its international counterparts, 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.

c) The City of Melbourne would be supportive of establishment of a state government Special Visitor Program, as part of a whole-of-government approach to international engagement. Inviting international opinion leaders to Melbourne for tailored familiarisation programs could be an important tool in promoting Victoria and Melbourne's key industries and capabilities. . By showing Special Visitors the range of expertise, industries and lifestyle attributes the state and city has to offer, Melbourne can leverage and optimise their influence. The City would appreciate the opportunity to be involved in both planning a Special Visitor Program, identifying the opinion leaders to be invited and in delivering the visit programs.