BU S I N E S S A N D I N T E R N A T I O N A L
R E L A T I O N S C O M M I T T E E R E P O R T

Agenda Item 5.2

9 October 2007

INDIAN CULTURAL PRECINCT

Division Economic Development

Presenter Jane Sharwood, Manager Business and International

Purpose

1. To report to the Business and International Relations Committee on the development of an Indian cultural presence within the City of Melbourne’s Central Business District (‘CBD’).

Recommendation from Management

2. That the Business and International Relations Committee endorse the development of an Indian cultural presence in the CBD through:

   2.1. supporting the inclusion of Indian cultural elements in community events such as Moomba Waterfest, Diwali, and the Suzuki Night Markets;

   2.2. conducting further investigations with the Indian Consulate General, Lord Mayor Delhi Melbourne Reference Group and community organisations on the development of an ‘India House’ in central Melbourne; and

   2.3. the Melbourne Delhi Strategic City Alliance Cooperative’s Activities.

Key Issues

3. An underlying issue in establishing an Indian cultural presence is that historically Melbourne’s ‘cultural precincts’ have evolved organically with little or no planning / external influence.

4. Greater Melbourne has a growing Indian population. The 2001 ABS revealed 30,000 Indian born Melburnians and in 2006, 18,000 Indian students studying in Melbourne – over half of the Australia-wide total. The Central City Users Survey 2006 shows that over 20,000 people of Indian birth use the City on weekdays.

5. According to the Indian Precinct Investigation (Attachment 1), there are no existing clusters of Indian businesses in the CBD, unlike other areas of Melbourne including Dandenong and West Footscray. The majority of Indian businesses in the CBD are food-related and a precinct concept could provide an opportunity to diversify the existing retail mix.

6. According to the report, there are two major risks in attempting to artificially ‘grow’ an Indian precinct:

   6.1. currently there is not enough demand to ensure a sustainable level of trade that would therefore require consistent and long term subsidies and financial support from the Council; and

   6.2. Without proper consultation or adequate demand there is a risk of creating an artificial ‘Disney’-esque precinct that has little authenticity or relevance to the Indian community.
7. The report also suggested increased marketing and support for Indian events in the CBD such as Diwali, Holi, and expected 2010 Commonwealth Games celebrations could also act provide an Indian cultural presence without the need for a physical precinct.

8. Ms Anita Nayar, Consul General of India suggested during the Lord Mayor’s Melbourne-Delhi Reference Group the concept of establishing an ‘India House’ that reflected contemporary/modern India rather than a replica of a historical, ‘Little India’.

9. The India House concept suggests a centrally located space to showcase Indian goods and services that are not traditionally available in Indian precincts that serve local expatriate Indian communities. Such a centre would promote a more contemporary image of India rather than the traditional ‘little India’ feel, in long standing expatriate Indian community settings such as Singapore, Toronto and Johannesburg. An India House could also house temporary trade and cultural exhibitions and performances and provide a unified place for visiting Indian delegations and dignitaries. In addition, India House could potential provide support services to Melbourne’s growing Indian international student population and in turn provide a seed for other Indian businesses to locate nearby. Initial discussions with the Consulate General indicate that some funding may be sourced from Indian organisations such as the Confederation of Indian Industry and other relevant organisations.

Relation to Council Policy

10. The investigation supports the Council decision on 28 August 2007 to sign a three Strategic City Alliance Agreement with Delhi – Agenda Item 5.6.

11. The Council’s International Strategy (approved by Council 2005) indicated Council’s intention to explore opportunities to develop business, cultural and sporting ties with New Delhi. The Council’s Global Positioning Strategy has identified India as one of the priority countries for future exchanges.

12. This proposal is consistent with Strategic Direction 1.3 in City Plan 2010:

‘Build relationships at the local to international level that consolidate Melbourne’s capital city role and promote social equity, environmental quality and economic prosperity’ and Strategic Direction 2.1: ‘Grow Melbourne’s competencies as a globally-recognised, entrepreneurial and competitive knowledge city’.

Consultation

13. Ratio Consultants met with and interviewed a wide range of Indian and government sources in order to complete the Indian Precinct Investigation, a full list can be found in the appendix of the attached report.

Finance

14. The Delhi program within the Business & International branch has a budget of $32,000 for the 2007/08 financial year. Melbourne-Delhi Strategic City Alliance Cooperative Activities will be funded from this budget allocation.

15. It is not anticipated that additional costs will be incurred in excess of existing budget allocations by including Indian cultural elements in community events, as recommended in this report.

16. The outcome of further discussions may require a full feasibility study to be completed during the 2008/09 financial year, however the allocation of funds to complete this will be subject to the normal budgetary processes.
Legal

17. There are no legal implications arising from the recommendation in this report.

Sustainability

18. The development of an India presence in the CBD would enhance the cultural mix of the City of Melbourne and reflect the growing importance and strength of Melbourne’s Indian Community.

Comments

19. There is no direct financial impact in undertaking further research into the establishment of an Indian presence in the CBD in 2007-08 but substantive planning in future budget cycles would be required to support the development of an Indian Precinct or India House.

Background

20. Resolution of item 7.2 at Council Meeting on 24 October 2006 sought a report on how Council in conjunction with the Indian community investigates ways and means of enhancing the cultural relationship Melbourne is developing with India. The motion raised by Cr Clarke suggested the development of an Indian cultural precinct in the CBD.

21. This proposal was endorsed at the Lord Mayor’s Melbourne-Delhi Reference Group on 14 December 2006.

22. An internal memo was issued to on 2 February 2007 indicating that Ratio Consultants were to undertake a feasibility study of establishing an Indian cultural precinct within City of Melbourne municipal boundaries.


24. The Indian community is very supportive of this investigation.
INDIAN PRECINCT INVESTIGATION

PREPARED BY:

RATIO CONSULTANTS PTY LTD

PREPARED FOR:

THE CITY OF MELBOURNE

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1 INTRODUCTION

The City of Melbourne commissioned Ratio Consultants to provide an initial feasibility study into the establishment of an Indian precinct in Melbourne. Initially, the report was to undertake the following tasks:

- Preliminary research to identify any significant clusters of Indian/South Asian activity within the City of Melbourne;
- Preliminary investigation into the degree of coherency or synergy in any cluster; and
- Meeting with Cr Clarke and a representative from the Indian community/Australia India Business Council to discuss overall feasibility and possible objectives of the study;
- Preparation of a report (Study scope of work, 30 January 2007).

The scope of work was subsequently extended to include consultation with additional representatives of the Indian community in Melbourne. The consultation provided a level of insight into the capacity and willingness of the Indian community to support any attempt to facilitate a precinct. A list of persons consulted during the investigation is at Appendix A.

A central issue for the study is the fact that historically, “cultural precincts” (such as Chinatowns) have evolved organically and with little or no planning. This is certainly true of Melbourne’s cultural precincts of Chinatown, Lonsdale Street and Lygon Street. The precincts evolve as a place for cultural communities to meet, socialise and do business. In essence, cultural precincts exist as the array of unique, local businesses providing the self-sustaining and driving force. Their success depends on recognising business as an element of culture, and culture as the basis for business.

Therefore the views of the Indian business community are vital in assessing the feasibility of a precinct, and enthusiasm, commitment and co-ordination on the part of the Indian community are pre-requisites for any action by Council to facilitate the development of a precinct. It is highly unlikely that a sustainable Indian precinct could exist without sufficient demand and commitment from the Indian community.

Although the report specifically addresses an Indian precinct, it is likely that any precinct would be relevant to other cultures from the region, for example Sri Lankan, Tamil, Pakistani, Bangladeshi and even Nepali. Throughout this report, references to the Indian population implicitly include the wider south Asian population as well.

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1.1 BACKGROUND: VICTORIA’S INDIAN POPULATION

Indian immigration to Victoria in the 19th Century was limited, and by 1901 there were approximately 1,800 India-born residents of Victoria, mainly consisting of agricultural labourers, hawkers and some Anglo-Celtic colonials. The introduction of the White Australia Policy in 1901 restricted ethnic Indian immigration except for Anglo-Celtic colonials for much of the 20th Century.

After India became independent from Britain in 1947, a number of British citizens born in India immigrated to Australia, along with Anglo-Indians. By 1954 over 3,000 Victorians were of Indian birth. The relaxation of the White Australia Policy in 1966 saw larger numbers of highly skilled professional Indians - for example surgeons, academics and engineers - migrate to Australia, many of them initially working in Regional Victoria. These migrants were typically fluent in English and assimilated very well into Australian society. This is likely to be the reason that no “Indian precinct” developed organically like Chinatown, since the Indian migrants were integrated into mainstream Australian society from the outset.

The India-born community in Victoria increased significantly after the end of the White Australia Policy in 1973. By the late 1970s around 12,000 were India-born. In the early 1980s employment opportunities in Victoria saw increasing numbers of immigrants with technical and computer skills arriving. By 2000, over 30,000 Victorians were India-born, and many others identified as being of “Indian background”, for example South African-born Indians.

Since 2000, there has been a significant upwards trend in the level of migration of both students and ‘blue collar’ skilled workers. These groups have different characteristics from the earlier, mainly professional arrivals. The evolution of the cluster of Indian retail activity near Dandenong station reflects the different characteristics of these new arrivals, many of whom have lower English language skills, and have retained a higher level of cohesion, identity and inter-dependence as a community, compared to the earlier migrants. Figure 1 shows that as at 2001, the India- and Sri Lankan-born population in the City of Melbourne was relatively small. Despite strong growth in the student population studying in the city, the number of residents has remained low. These trends are examined below.

Indian Student Population

There are approximately 36,000 Indian students in Australia, about half of whom are studying in Victoria. The Indian student population in Victoria has experienced dramatic growth, from 12,000 in 2005 to over 18,000 in 2006. This is largely due to the proactive marketing of Melbourne tertiary institutions in India; over 10,500 of Victorian-based Indian students are studying at tertiary institutions. While the current rate of growth is unlikely to continue in the long term, the number of Indian students is expected to continue to grow.

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Past research by the Indian Consulate suggests that 20% of Indian students studying in Australia are “genuine students”, while 80% intend staying on and applying for citizenship after their study. If this trend continues, it will provide a significant ongoing source of growth in the Indian-born resident population in metropolitan Melbourne.

Central City Users

The Central City Users Survey 2006 shows that over 20,000 people of Indian birth and approximately 5,000 Sri Lankan-born people use the City on a weekday, with smaller number on weekends. This is likely to mainly consist of international students and professional/office workers, for example in the IT industry. The number of India- and Sri Lanka-born residents in the city remains small compared to the daytime India-born population (see Figure 1). This supports the notion (raised in consultation) that the Indian population in Melbourne is largely suburban based, even the international students.

Conclusions

The renewal of ethnic populations has been identified as an important factor in the long-term success of cultural precincts. For example, the lack of recent Greek migration to Australia is perhaps one factor in the decline of Lonsdale Street's Greek precinct over the last decade. Conversely, the influx of Chinese and other East Asian students into Melbourne's CBD (as both residents and students) has boosted ongoing development and change in Chinatown.

The period since 2000 has seen a heightened awareness of Indian culture in Melbourne, and a significant increase in worker and student migration from India. The ‘mainstreaming’ of Indian culture can be seen through the popularity of Bollywood films, music and dancing, and the ongoing success of Indian restaurants. The Commonwealth Games in 2010 are in Delhi, and it is expected that this will assist in growing the already strong trade, business, educational, cultural and tourism links between India and Victoria.

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### FIGURE 1: INDIAN AND SRI LANKAN POPULATION IN VICTORIA, 2001 (ABS 2001)

<table>
<thead>
<tr>
<th>Area of Melbourne / Country of Birth</th>
<th>No. Persons</th>
<th>% of Total Population</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Melbourne (C)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>India</td>
<td>550</td>
<td>0.91</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>165</td>
<td>0.27</td>
</tr>
<tr>
<td>Total</td>
<td>715</td>
<td>1.18</td>
</tr>
<tr>
<td><strong>Greater Dandenong (C)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>India</td>
<td>2,592</td>
<td>2.1</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>3,983</td>
<td>3.2</td>
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<tr>
<td>Total</td>
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<td>5.3</td>
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<td><strong>Melbourne Statistical Division</strong></td>
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<td></td>
</tr>
<tr>
<td>India</td>
<td>29,403</td>
<td>0.88</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>25,876</td>
<td>0.78</td>
</tr>
<tr>
<td>Total</td>
<td>55,279</td>
<td>1.66</td>
</tr>
</tbody>
</table>
2 INVESTIGATION

The investigation phase of the study was conducted in two stages:-

1. Preliminary mapping and research into the Indian community in Melbourne, including confirmation of the objectives of the study with Cr Clarke and Council staff; and

2. Consultation with key stakeholders in the Indian community.

2.1 PRELIMINARY STAGE

Melbourne

The initial mapping and research identified a number of Indian businesses (mainly food based) in the City of Melbourne. Figure 2 shows the distribution of Indian businesses in the City of Melbourne. The map was compiled using a variety of business search engines, directories and local knowledge, and as such is not exhaustive.

The map shows a high level of dispersion in the existing businesses, which reinforces a common perception that these businesses rely on dispersion to serve discrete catchments. While this may be the case for take-away food establishments, which derive much of their trade from lunch time office-based catchments, there are obvious and demonstrated benefits to food-based businesses clustering together to form a critical mass of business. Chinatown and Lygon Street are two of the most obvious examples of this form of economic co-operation in Melbourne, and the presence of a number of Indian restaurants and take-away food retailers in Chinatown further illustrates this point.

Dandenong

The most significant cluster of Indian businesses in greater Melbourne is on Foster Street, adjacent to Dandenong railway station. This includes fashion stores, restaurants, take-away, grocery, video and spice stores. This cluster has evolved organically over approximately the last decade, and coincides with the recent influx of migrants and students to the Dandenong area.

The evolution of the Dandenong cluster reinforces the notion that cultural precincts evolve organically as a focal point of their parent culture, serving the demand for cultural goods and services, and playing an important social role as a meeting place. The India- and Sri Lanka-born population in the City of Greater Dandenong is significant at over 6,500 people (at 2001). All anecdotal evidence collected during the consultation stage supports the proposition that this population has experienced significant and sustained growth since 2001. The release of the 2006 Census data is likely to confirm this trend.

Therefore a key question for this investigation is to establish the level of latent demand for Indian goods and services, which will be vital for both the success of any precinct and marketing the CBD to prospective Indian retailers. It is considered likely that a resident population would contribute more to the sustainability of a precinct than a worker/visitor population, since the resident population is more likely to go out at night, shop for groceries etc.
2.2 CONSULTATION

Appendix A lists people who were consulted in the course of the investigation. The key findings from the various stakeholders (from Council and the Indian community) are addressed below.

*Indian social, cultural and business organisations*

**Federation of Indian Associations of Victoria**

There are a number of Indian Associations in Melbourne, with many dating back to the late 1970s. The Associations were generally formed around linguistic groups.

In 1986, the Federation of Indian Associations of Victoria (FIAV) was formed, bringing 16 associations together under one organisation. The FIAV has not been without conflict and controversy, with a number of splinter groups forming and changes of leadership occurring over the years. There are currently around 24 different associations in Melbourne.

The FIAV provides an important social and leadership role within the Indian community. The State Government funds the provision of a social worker to assist with social issues within the Indian community. This position provides support on issues such as welfare, domestic violence, accommodation and counselling.

**Australia India Business Council**

The Australia India Business Council (AIBC) promotes bilateral trade between Australia and India, and generally facilitates trade and contact between business and industry. The AIBC has had success in attracting significant new Indian businesses to Melbourne, particularly IT-related industries. This has increased the number of Indian-background people working in the CBD, potentially adding to the demand for Indian goods and services.

**Indian Consulate**

Until 2006, the Indian Consulate-General was an honorary position filled by Dr Jana Rao, who held the position for over twenty years. The position has recently been taken over by the Indian Government, and the current Consulate-General is Mr Butshikan Singh. The Consulate is located in Coburg.

**Temples**

There are a number of Hindu and other Indian religious temples around Melbourne, the largest being in Carrum Downs. This serves the significant Hindu population around Dandenong.

There are also temples in Albert Park (Hare Krishna), Blackburn (Sikh), Sunshine, Rockbank and The Basin, among others. These provide a focus for their local communities, and most are in the middle and outer suburbs. This reflects historic and contemporary settlement patterns of Indian migrants, with the exception of the recent expansion of the City’s daytime India-born population. However, the increase in the daytime India-born population in the city has not translated into a large increase in the number of India-born residents.
Events

Diwali

Diwali, the 'Festival of Lights', is celebrated throughout India and the Indian Diaspora. The festival symbolizes unity in diversity, and the renewal of life.

Diwali was celebrated at Federation Square in 2006 and attracted over 40,000 people. The event was jointly funded by the City of Melbourne, the State Government and the Indian Consulate, with the bulk of the funding coming from the Indian Consulate. The event also involves illumination of key public buildings in the CBD including the Town Hall.

The event is also celebrated at Sandown Racecourse, where it is organised by the FIAV.

Due to a new consular structure this year, the funding arrangements have been revised, with a much larger commitment sought from the City of Melbourne, the ongoing commitment from the State Government, and the remainder of the money being raised by the Indian community. It was identified that a secure long-term funding source for the event is required to guarantee its ongoing success, and establish it as a major event, similar to Chinese New Year, in Melbourne's cultural calendar. It will be held on 13th October this year, at Federation Square.

Holi

Holi is the festival of colour, celebrated in February or early March each year. The largest celebration of Holi in Melbourne is held at the Hindu temple in Carrum Downs.

Other Events

There are a number of other markets and events in Melbourne that have a 'cultural' content, and could potentially incorporate an Indian element or hold Indian events as part of their ongoing program. These include:-

- Suzuki Night Market at the Victoria Markets. This runs on Wednesday nights in summer, and attracts up to 20,000 people.
- “Summer in the City” marketing could incorporate Indian events.
- The Boxing Day Test at the MCG is against India in 2007, providing a co-marketing opportunity for Indian events in the city, and in particular Federation Square.
- There is currently a feasibility study being undertaken for an Asian culture-based market in the forecourt of the Melbourne Museum. This could rotate between different cultures, including Indian.

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7 Rao, op. cit.
Indian/ South Asian restaurants in Melbourne

There are well over 300 Indian and South Asian (for example, Sri Lankan and Nepalese) restaurants in greater Melbourne, and anecdotal evidence suggests that many of these are trading very well. It was suggested that many would welcome the opportunity to open up a branch in the City if a site was made available, and there was some level of incentive, whether through direct (financial) assistance or some other form of assistance such as a marketing strategy, and a commitment to facilitate the development of a cluster of Indian/ South Asian restaurants and businesses. This was based on the perceived level of demand from residents, students and workers of Indian background (and tourists) in the city.

Indian population in Melbourne’s CBD

Figure 1 indicates that, in 2001, the Indian and Sri Lankan born population in the City of Melbourne was relatively small, but reasonably consistent with the overall population in the balance of Melbourne Statistical Division (in terms of percentage).

The Indian population in the CBD - both resident and visitor - will determine to a large extent the demand for Indian goods and services. The rapid growth in the Indian student population, and the numbers of Indian city users are discussed in Section 1. However, it is also noted that resident populations will play a greater role in the sustainability of a cultural precinct, due to the increased likelihood that they would do grocery shopping, go out to restaurants at night and so on. It was raised during consultation that many suburban-based Indians would rather go to the local Indian restaurant in a suburban location, rather than make the trip in to the CBD for essentially the same service.  

Other retail opportunities

During consultation, it was suggested that a high-quality, “iconic” Indian retailer could be attracted to the CBD to form the nucleus of a new cluster of Indian retail activity. However, it was noted that in India, retail is generally street- or market-based, with no universally recognised “iconic” Indian retailers.

There are some Indian fashion stores in Dandenong (such as Priyadarshini and Roshan’s) that provide a level of attraction, and, similar to the restaurants, the feasibility of attracting one to the CBD could be investigated.

Sites

Principles for the selection of a site are discussed at section 4, however the following sites were raised in the course of the consultation:-

- the “top end” of Elizabeth Street, in the vicinity of Victoria Markets (either inside or outside the city grid);
- in the vicinity of the Lonsdale/ Elizabeth intersection, proximate to many tertiary education campuses;
- on King Street approximately opposite Flagstaff Gardens;

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8 Rao, op. cit.
- Flinders Street near Flinders Street Station; and
- the old cinema sites on Bourke Street (it was noted that a number of Indian and other take-away businesses have already opened up in these locations).

It was noted during the initial stages and during consultation that there are no obvious locations where a precinct could build upon an existing cluster of business. In light of this fact, it is considered most appropriate to consider sites for further investigation on the basis of a principle-based approach. This is outlined at section 4.
3  OPPORTUNITIES & RISKS

3.1 ATTRACTING INDIAN BUSINESSES TO THE CBD

Indian business in the CBD currently consists of predominantly food-related businesses. These businesses are highly dispersed, perhaps due to a perception that they are competing for customers.

In the longer term, diversification in the range of retail goods and services is important in order to create a sustainable business environment. There is an opportunity to use the precinct concept as a vehicle to diversify the Indian retail presence in the city. This could be through attracting fashion, video, or grocery stores to locate in the city (perhaps with the assistance of small business grants). This would have to be supported by proactive site assembly assistance from Council, in order to ensure that new businesses were located in the desired area.

3.2 DEMAND FOR INDIAN GOODS AND SERVICES

The daytime Indian/Sri Lankan population in the CBD indicates that there is likely to be a level of demand for Indian goods and services. Further investigation into the level of demand for Indian goods and services could focus on determining the catchments and types of goods and services that the Dandenong cluster provides.

However, it would be difficult to translate the results of such a survey to the CBD location in a rigorous way. Determining the level of demand for Indian goods and services from CBD residents and users is more difficult, as there are no standard market assessment techniques that could be applied to overcome the range of subjective variables, given that no precinct currently exists.

It is considered that subjecting the concept of an Indian precinct to a market-based test (i.e. consulting with the Indian business community to see if traders would consider opening up in the CBD, in a precinct setting) would be the most reliable method of assessing the commercial viability of such a project.

3.3 MARKETING AND EVENTS

Events have been identified as an important contributor to the overall life and vitality of the cultural precincts, for example Chinese New Year brings large numbers of people to Chinatown, and helps to reinforce its identity as a destination to the wider community.

There are a number of Indian/other events that could be incorporated into the overall promotion of a new precinct, for example:-

- Diwali (currently at Federation Square);
- Holi (not currently held within the CBD);
- events associated with the Delhi 2010 Commonwealth Games;
- markets, for example the Suzuki Night Market; and
• the 2007 Boxing Day Test, which will generate publicity around Indian activities.

3.4 RISKS

There are two risks associated with any attempt to facilitate an Indian precinct in the City of Melbourne:-

• The first is a risk that the level of demand for Indian goods and services is not high enough to provide a sustainable level of trade, and that traders will not be able to continue without subsidies or support. This is clearly an undesirable outcome and could lead to a poor retail and street front environment in the precinct, due to traders leaving.

• The second risk is that an ersatz ‘Disney’ type precinct could be created with little authenticity or relevance to the Indian community. This would be unlikely to prove sustainable in the longer term, as it would be unlikely to serve the needs of the local and Indian populations.

The first risk relates to the fact that no Indian precinct has evolved naturally in the CBD, and that an attempt to create one would essentially be interfering in the operation of a market. However, the low vacancy rates and high rents in the city may mean that there has been little opportunity for a precinct to develop, and that given site assembly and/ or other assistance one might be sustainable in the long term.

The low resident India-born population in Melbourne CBD, compared to Dandenong where a successful precinct has evolved is likely to be a factor in the success of any Indian precinct. A precinct would have to be capable of attracting Indian background customers both during the day (worker and student population) and in the evening (resident population, and attracting suburban-based Indians).
4 RECOMMENDATIONS

In light of the risks outlined above, it is important that any actions to facilitate a precinct are designed to have a beneficial effect on the vitality of the CBD, Indian business, and the broader community regardless of the outcome for an Indian precinct. In other words, the actions taken by Council should primarily be about business promotion and facilitation, and the creation of a precinct should be seen as a ‘bonus’ on top of these intrinsically worthwhile actions.

A systematic approach to further investigation into the viability of a precinct will minimise risk. The recommended approach is outlined below.

4.1 FURTHER INVESTIGATION

**Users**

User surveys at existing clusters of Indian business (i.e. Dandenong, Footscray) could provide useful information about the size of the catchments, and goods and services purchased in these existing centres.

However, it would be difficult to translate the results of such a survey to the CBD location in a rigorous way. Determining the level of demand for Indian goods and services from CBD residents and users is more difficult, as there are no standard market assessment techniques that could be applied to overcome the range of subjective variables, given that no precinct currently exists.

**Business**

It is considered that subjecting the concept of an Indian precinct to a market-based test (i.e. consulting with the Indian business community to see if traders would consider opening up in the CBD, in a precinct setting) would be the most reliable method of assessing the commercial viability of such a project.

4.2 THE PRECINCT

The following are general requirements for a successful precinct-based retail environment, based on the consultant’s experience with Melbourne’s other cultural precincts.

**Governance/Leadership**

- Importance of professional management.
- Dedicated staff member working as a precinct co-ordinator at Council, working closely with the businesses and community organisations.

**Marketing**

- Marketing for an Indian precinct would initially be focussed on events and generally raising the profile of Indian business in the City.
In the event that a recognisable precinct is formed, marketing could then promote this as a destination.

**Events**

- Events are important to promote the identity of the precinct to a wider metropolitan and tourist audience, and should be designed to give local traders maximum benefit.
- There are a wide range of Indian events currently celebrated and held around greater Melbourne. Efforts could be made to attract these into the City, for example as part of the “Summer in the City” program.

**Diversity of Retail Types**

- High-quality restaurants and other food-based retail can be considered as the ‘glue’ that holds Melbourne’s other cultural precincts together.
- The most feasible basis for a precinct initially is likely to be a cluster of food based retailers.
- In turn this may drive demand for a diverse mix of retail and services, such as fashion, grocery, and video stores.

### 4.3 PRINCIPLES FOR SITE SELECTION

Historically cheap rents and run down areas have provided opportunities for the establishment of new clusters of retail activity, for example many laneways in Melbourne originally had very cheap rent, encouraging new business to start up and flourish. Over time, these places develop into attractive, vital retail environments.

However, there are two conditions that any site must meet as a fundamental requirement for economic sustainability:-

- High levels of foot traffic, or the ability to easily attract foot traffic;
- High levels of accessibility to the Indian population of the City (e.g. proximity to the tertiary institutions around Lonsdale/ Elizabeth/ Swanston Streets).

The precinct concept should not be seen as a way to revitalise an area of the city where retail has not worked in the past, unless significant steps can be taken to address the issues above. It is unlikely that the precinct will have enough attraction in its early stages to self-sustain in a quiet part of the city.
5 CONCLUSIONS

- Melbourne’s Indian population has undergone a period of demographic diversification and growth since 2000. This change has driven the emergence of a cluster of Indian business at Dandenong Station, which consists of a diverse mix of food and non-food retail, serving the local Indian population. There are also a number of smaller clusters of Indian restaurants and other businesses emerging in suburban locations, for example Glen Iris and Footscray.

- The level of demand in the City for Indian goods and services is difficult to quantify and involves a number of subjective variables. There is, however, a significant daytime Indian population in the city and this may provide a sufficient daytime basis of demand. However, the low numbers of India- and Sri Lanka-born residents in the city may limit the ability of any precinct to trade after hours, for example restaurant trade and grocery shopping. Importantly, existing demand has not (to date) translated into the organic creation of an Indian precinct, and existing Indian businesses display a high level of dispersion.

- Any attempt to facilitate an Indian precinct in the City would also require a long-term commitment from Council and the Indian business community (at least five to ten years). An area would have to be selected, with regard to the principles outlined above.

- There are risks associated with any interference in a market-based system. These risks can be substantially ameliorated by thorough market-based assessment of the demand for Indian goods and services, and by ensuring that strategies and actions taken by Council are designed to be beneficial regardless of the specific outcomes for an Indian precinct.
Appendix A. List of persons consulted
LIST OF PERSONS CONSULTED DURING THE INVESTIGATION

City of Melbourne

- Cr Peter Clarke;
- Tom Parker, Melbourne International;
- Chez Asch, Retail Development Co-ordinator;
- Nashid Chowdhury, Trade Advisor; and
- Cr Jetter and Cr Snedden were given the opportunity to provide input, but did not respond to the email request.

External organisations

- Ranju Sharma, representative of the Indian Consulate;
- Dr Jana Rao, former Indian Consul-General;
- Dr Harish Rao, National Vice President, Australia India Business Council (AIBC); and
- Shushal Sharma, a representative of the Federation of Indian Associations of Victoria (FIAV).
FINANCE ATTACHMENT

INDIAN CULTURAL PRECINCT

There are no immediate direct financial implications arising from the recommendations in this report. There may be a future requirement for future funding dependant on the outcomes of the review.

Phu Nguyen
Acting Manager Financial Services
LEGAL ATTACHMENT

INDIAN CULTURAL PRECINCT

No direct legal issues arise from the recommendation to the report.

Section 3C(1) of the Local Government Act 1989 (“the Act”) provides that:

“The primary objective of a Council is to endeavour to achieve the best outcomes for the local community having regard to the long term and cumulative effects of decisions.”

Section 3C(2) of the Act provides that in seeking to achieve its primary objective the Council must have regard to facilitating objectives including:

“(a) to promote the social, economic, and environmental viability and sustainability of the municipal district”; and

“(d) to promote appropriate business and employment opportunities;”

Section 3D(2) provides that the role of Council includes:

“(b) providing leadership by establishing strategic objectives and monitoring their achievement;” and

“(d) advocating the interests of the local community to other communities and governments.”

The subject-matter of the report is within the role and objectives of Council.

Toby Hayes
Acting Manager Legal Services