MELBOURNE GLOBAL POSITIONING STATEMENT

Division Commerce and Marketing

Presenter Jane Sharwood, Manager Business and International

Purpose

1. To report to the Business and International Committee on City of Melbourne Global Positioning Statement.

Recommendation from Management

2. That the Business and International Relations Committee endorse the City of Melbourne Global Positioning Statement.

Key Issues

3. The City of Melbourne Global Positioning Statement articulates the Council’s overall global aspirations and the key themes to enhance Melbourne’s international reputation. This statement provides the strategic context for Advancing Melbourne’s Interests – Business and International Strategy 2008-2012, which describes the programs to ensure Melbourne’s business and international partnerships continue to prosper and deliver benefits for all City stakeholders.

4. The statement identifies Melbourne’s primary global market priorities as:

   4.1. China – particularly through maximising the competitive strength of the Melbourne Tianjin relationships;

   4.2. India – by capitalising on links with Mumbai (through the Business Partner City Network) and Delhi through the Strategic City Alliance; and

   4.3. secondary priorities build on links with Europe (Milan, Thessaloniki and St Petersburg); United States (Boston), other Asia particularly through the Business Partner City Network, Japan (Osaka) and Oceania (New Zealand).

5. Future actions for 2008-2012 identified in the statement are based on concept of ‘taking Melbourne to the world’ and ‘bringing the world to Melbourne’. Actions are under the themes of:

   5.1. theme 1 – global citizenship;

   5.2. theme 2 – delivering prosperity;

   5.3. theme 3 – environment;

   5.4. theme 4 - city governance and urban living;
5.5. theme 5 – bringing high yield international visitors;
5.6. theme 6 – enhancing Melbourne’s reputation as a global centre of education;
5.7. theme 7 – attracting business and investment; and
5.8. theme 8 – making Melbourne your home.

6. The Global Positioning Statement is at Attachment 1 to this report.

Time Frame

7. The Global Positioning Statement outlines the Council’s market priorities and themes for action over the next four year period to enhance Melbourne’s international reputation. Advancing Melbourne’s Interests – Business and International Strategy 2008-2012 describes the activities that will be undertaken to pursue the priorities identified in the statement.

Relation to Council Policy

8. The Global Positioning Statement provides the strategic context for:

8.1. Advancing Melbourne’s Interests – Business and International Strategy 2008-2012 (refer agenda item 5.2);
8.2. Future Melbourne – particularly Business and Global talking points (to be concluded in September 2008); and
8.3. the preparation of the new four year Council plan.

Consultation

9. The Global Positioning Statement is the outcome of an extensive, high level consultation process undertaken since 2006. A high level consultative group, with representatives from Department of Foreign Affairs and Trade, Victorian Government, Committee for Melbourne and Centre for Local Government Studies, University of Technology Sydney, provided constructive direction during the early phases of the development of the statement.

10. Further consultation, with a wide range of stakeholders (both internal and external) was conducted during the development of the statement including roundtables with interested parties, the development of discussion papers and a public forum in August 2007 as part of the Future Melbourne process. Mr Richard Ponsford, (Project Manager) played a leadership role in the preparation of the Global Positioning Statement. This included extensive research of both comparable Australian and international programs and consultation with key stakeholders in Melbourne.

11. The development future options of the Business and Global talking points in Future Melbourne, have benefited from work undertake during the development of the Global Positioning Statement.

Government Relations

12. Council has excellent ongoing relationships with a range of Government agencies such as the Department of Premier and Cabinet, Department of Innovation, Industry and Regional Development, Office of Small Business, Austrade and Department of Foreign Affairs and Trade. These relationships are likely to assist in the development of joint projects.
13. In the past 30 years, following the formation of the sister city relationships between the City of Melbourne and the City of Osaka, productive working relationships have been established with a range of elected officials and administrative counterparts from all of Melbourne’s long standing, permanent international partners.

14. The Global Positioning Statement and its key themes, formed the basis of the Council’s submission to the to the Senate Foreign Affairs and Trade Committee inquiry into the Nature and Conduct of Australia’s Public Diplomacy. In its final report (August 2007) the Committee noted the leadership position of the Council and noted:

   The Committee commented “The enthusiasm shown by this Council in developing its public diplomacy and its keenness to publicise its work, however, speaks volumes for its awareness of international trends and its astuteness in giving high priority to building an international reputation.” (par 8.56)

**Finance**

15. The Global Positioning Statement provides the strategic context for the delivery of Advancing Melbourne’s Interest – Business and International Strategy 2008-2012 (refer agenda item 5.2) in addition to the identification of broader opportunities for Council’s international engagement. Any funding requirements for 2007/08 will come from within the existing approved 2007/08 Budget. Any funding requirements for the financial years 2008/09 and beyond will be subject to future Budget processes.

**Legal**

16. The Global Positioning Statement is a policy document and it is open to Council to endorse such a policy. Legal advice will be provided as required in relation to any action to be taken pursuant to the Global Positioning Statement.

**Sustainability**

17. Environment is identified as one of the eight themes in the Global Positioning Statement though Melbourne’s leadership roles such as advocacy on climate change, leadership in sustainable built form and environmental policy platform. The Global Positioning Statement identifies key actions, potential partners and success indicators for this theme.
City of Melbourne’s Global Positioning Statement
Executive Summary

As the world becomes more urbanised and globalised, the role of capital cities is increasingly important in managing significant global issues such as climate change, international security and urban sustainability. In addition, there is growing recognition of the role city governments play in forming and building global relationships. The City of Melbourne recognises the importance of global connectivity in city governance.

The City of Melbourne’s current international relations program is recognised as a leader in Australian local government. Over the last 30 years the City of Melbourne has built formal connections with cities from around the world. It has also formed valuable working partnerships with the Victorian Government, the Australian Government and a wide range of business, cultural, educational and community organisations to harness opportunities for Melbourne and its partner cities.

As a capital city council, the City of Melbourne plays a vital role in city leadership and building international relationships on behalf of residents, businesses, educational and cultural institutions and other stakeholders. One of the most multicultural cities in the world, Melbourne has a truly global outlook. For example, central Melbourne has one of the highest per capita concentrations of international students in the world.

Melbourne’s economic future is tied closely to the development of its knowledge and creative economies in fields such as education, scientific and medical innovation, and technology development and design – economic activity that involves high levels of interconnection at a global level.

As a city government, the City of Melbourne is also attracting significant international interest for its overall achievements in terms of living standards, urban design and public space planning and major event management.

The City of Melbourne is keen to maximise opportunities available to Melbourne through leveraging existing partnerships and forging new ones. It will be guided by ongoing research and collaboration with Melbourne’s business, educational and cultural communities, and other government agencies.

Due to its proximity to Asia, its multicultural society and strong economic base, Melbourne is ideally placed to take advantage of emerging opportunities in the region. It also has strong historic and economic ties with Europe, the US and other parts of the world which are important to the city’s future prosperity.

The City of Melbourne’s strategic priorities in terms of building global relationships are:

Primary:
- China – the highest priority, with a very strong emphasis on maximising the competitive strength of Melbourne’s relationship with Tianjin;
- India – capitalising on the links established through the Melbourne 2006 Commonwealth Games and accelerating a strategic relationship with Delhi;

Secondary

- Europe – building a stronger business base to the Milan relationship, focused on Melbourne creative industry sectors, as well as fostering links with northern Europe in urban planning and city sustainability knowledge;
- United States – strengthening our connection with Boston through the development of a three-year business plan;
- Other Asia – strengthening links through the Business Partner City Network (BPC) and exploring closer one-to-one connections in south Asia with cities in Malaysia, Vietnam or Indonesia;
- Japan – developing greater business and trade leverage from Melbourne’s longstanding connections with Osaka; and
- Oceania/New Zealand – maintaining a ‘watching brief’ on this region for future linkages of value.

In a global arena, it is forward-thinking, outward-looking cities that lead the world’s communities.

The City of Melbourne has the strength, track record and resources to engage the global economy with confidence – as the capital city of Victoria, as Australia’s gateway to the Asia Pacific, and as an independent hub of activity and opportunity.
1. INTRODUCTION

1.1 Council’s current international role

City of Melbourne’s current international focus reflects years of commitment to connecting Melbourne internationally. The Council currently makes international connections and promotes its interests in a range of ways:

- directly through one-to-one, city-to-city relationships such as ‘sister city’ partnerships, cooperative trade agreements;
- being part of a network of cities aligned to a particular purpose such as the Business Partner City Network, and the C20 Large Cities Leadership Group on climate change;
- through its Melbourne Office Tianjin in China;
- as a member of other organisations or associations with international networks such as the Commonwealth Local Government Forum and Asia Society; and
- other international exchanges.

In an international context the City of Melbourne is highly valued for being an ‘honest broker’ especially in its capacity to seed business, investment, educational and cultural opportunities. It is also recognised for:

- skills in protocol and international diplomacy including language skills and cultural understanding;
- civic leadership;
- data and research related to the City of Melbourne;
- services and support for international visitors;
- acting as a ‘conduit’ for valuable information, intelligence and best practise, as well as communicating on behalf of the city;
- offering credibility / standing that can open doors where other ways do not;
- providing a civic centre and meeting point;
- galvanising community support and participation;
- maintaining the city as well-planned and easy to navigate.

Melbourne’s current framework of international links is outlines in Appendix 1.

1.2 Why Melbourne needs a global strategy

As the world becomes increasingly urbanised and globalised, capital cities are emerging as prominent units of engagement on a wide range of global economic and social issues such as business investment, climate change, international security and urban sustainability.

The City of Melbourne’s constituency includes a high number of businesses, institutions and other stakeholders with global connections and partnerships, which bring enormous benefits to the city. Melbourne is also an outward-looking, multicultural society attracting a high number of international students and skilled migrants from all over the world.

There is growing evidence that capital city governments like the City of Melbourne have an important role to play in reflecting and supporting global aspirations and partnerships.

As senior elected officials, the Lord Mayor and Councillors are highly respected in other cultures particularly in Asia. The Lord Mayor and Councillors provide valuable links with senior leaders and officials in other countries. The Town Hall also plays an important welcoming role for international visitors and delegates.
Global exchange provides a valuable way of benchmarking Melbourne against other capital cities, as well as showcasing its strengths and global opportunities. It also provides opportunities for sharing expertise through consultancy advice, intellectual property, knowledge and expertise in the global market place.

Many cities are promoted heavily in the global marketplace, making it even more important for Melbourne to be competitive and assertive in developing a strong brand that is relevant and appealing to its target market. Positive awareness of the city leads to more international visitors, students and those wanting to live and work in Melbourne.

Being involved in global activities makes Melbourne more attractive and interesting for residents and visitors too. Drawcard international events such as the Melbourne 2006 Commonwealth Games, FINA 2007 World Championships, the International Comedy Festival and Melbourne International Festival help develop city pride.

There is a significant potential cost for not being engaged globally. Melbourne could be left behind while other cities leap ahead. Global business opportunities destined for Melbourne could go elsewhere as well as major sporting, cultural and business events.

The City of Melbourne is committed to developing a long-term strategy to support Melbourne’s global positioning and identify key priorities for maximising benefits through dynamic partnerships with other cities and global networks around the world. Council aims to:

- ensure Melbourne is connected to engines of world economic growth, particularly China and India;
- participate in solutions to ‘high order’ urban global problems;
- build knowledge in a range of areas through city-to-city links;
- promote Melbourne as a positive place to live, visit and do business;
- capture the economic value of inbound visitors, both short and long-term; and
- foster international goodwill and support Melbourne’s local cultural communities.

### Statutory framework

Foreign affairs and international relations at a government level generally fall within the role of the Commonwealth under the ‘external affairs’ powers in the Commonwealth Constitution. However, where a nexus exists between the interests of the local community and a matter outside its district, state or the country, a council has considerable scope to become involved internationally.

‘Local community’ is defined in the Local Government Act 1989 to include not only residents and ratepayers but ‘people and bodies who conduct activities in the municipal district’. In the case of the City of Melbourne the local community includes major medical facilities, universities and businesses, many of whom have significant global interests and connections.

In addition, fostering international relationships and connections is consistent with of the objectives of Council as prescribed under the City of Melbourne Act 2001. These objectives outline the need for balancing capital city responsibilities with the interests of the community, and working in conjunction with the State Government in the delivery of services and projects that align with their strategic priorities for Melbourne as a capital city.\(^3\)

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\(^3\) Pursuant to the City of Melbourne Act (2001), as the Capital City Council, the City of Melbourne has specific objectives being:

- (a) to ensure a proper balance within its community between economic, social, environmental and cultural considerations within the context of the City of Melbourne’s unique capital city responsibilities;
- (b) to develop and implement strategic directions and policies for the City of Melbourne in collaboration with the Government of the State to ensure alignment with that Government’s strategic directions and policies for the City of Melbourne as the capital city of the State of Victoria;
- (c) to co-operate with the State and Commonwealth Governments in the planning and delivery of services in the City of Melbourne in which those governments have an interest;
1.2.1 Opportunities to broaden Melbourne’s global identity and brand

Melbourne has developed an enviable reputation for its quality of urban living and way of life. Council plays a significant role in the delivery of the city’s high quality environment, and is committed to the further development of Melbourne as a global sustainable city.

At an international level, traditional Australian ‘brand’ values are usually linked to the natural environment or Indigenous culture. Although Melbourne’s international profile is growing, urban-based imagery is not as yet a major part of Australia’s mainstream promotional imagery, aside from pictures of the Opera House or Sydney Harbour Bridge.

There is an opportunity to develop a more robust global picture of Melbourne based on its urban values and qualities. These values include being:

- sustainable;
- diverse / rich city culture;
- innovative;
- intelligent;
- welcoming, and easy-going and fair;
- affordable; and
- clean and safe.

Values like these are strong motivators for people to visit, live, invest or study in Melbourne (inbound). They are also good attributes to promote in a global context when seeking knowledge, economic opportunity and human fellowship (outbound).

Many cities around the world are experiencing a deteriorating quality of urban life, or in the case of developing economies, looking for international benchmarks to help develop sustainable urban environments. The City of Melbourne is well placed to contribute to the regeneration and reinvention of cities around the world.

Significant opportunity exists to capitalise on Melbourne’s intellectual property in fields such as city management and urban development. The challenge is to translate this expertise into business benefits for the city.

It is also important to develop an integrated framework for Council’s global relationships and activities that aligns these with its corporate direction and values.

1.2.2 Stronger partnerships with State and Federal Government

Whilst the City of Melbourne has one of the most sophisticated international relations programs of any local or capital city government in Australia, it still relies on strong partnerships with a range of other agencies including State and Commonwealth Government.

Fostering partnerships with other levels of government is important for Council to achieve greater leverage, efficiency and resources for its own global objectives. Council’s existing networks and connections have significant leverage and value yet to be fulfilled.

The City of Melbourne’s global role involves a mix of both leadership and collaboration. In terms of activities or programs that may be of ‘tradeable global value’, Council has many examples of
best practice across a broad range of sectors including the environment, tourism, public policy and city management, retail development, parks and gardens, city activation and major events.

Council has led and pioneered a number of new international connections and relationships on behalf of the city. However, most often Council works collaboratively with State and Commonwealth Government agencies and other partners to boost Melbourne’s international profile.

A summary of key State and Commonwealth partners, describing current linkages and future opportunities is included in Appendix 2.

Significant opportunities also exist to collaborate and strengthen relationships with other institutions, corporations and peak bodies involved in connecting Melbourne globally. Examples of these stakeholder partners include agencies such as the Global Cities Institute at RMIT, Asialink (Melbourne University), the Australian Institute of International Affairs, Australia China Business Council (ACBC), and the Australia India Business Council (AIBC).

Relevant opportunities for leverage and linkages are identified in the proposed strategic framework (Section 1.3) outlined below.

1.3 A new strategic framework

This paper sets out a new strategic framework for Council’s global engagement for the next four years to 2012. The strategy focuses on:

- Council’s global roles and responsibilities;
- key global target markets;
- ways to achieve tangible benefits for the city;
- creating a more integrated, efficient and productive global program; and
- supporting Melbourne’s global access in other ways such as networks, transport, infrastructure linkages.

The Global Position Statement articulates Council’s overall global aspirations and sets out a series of key themes to enhance Melbourne’s international reputation.

It provides the strategic context for Advancing Melbourne’s Interests – Business and International Strategy 2008:2012 which describes how Council will develop programs to ensure Melbourne’s business and international partnerships continue to prosper and deliver benefits to all of the City’s stakeholders.

Proposed strategies are set out in two key parts:

- **Global market priorities**: a broad strategic direction for a new global relationship framework, based around the key global markets of China and India.

- **Future actions 2008–2012**: actions going forward that are built around eight main themes. These themes create ‘front-line’ priorities for Council’s global connectivity taking into account both outbound and inbound global activity within relevant markets.

**Outbound: Taking Melbourne to the world**

1. *Building prosperity* – sourcing tangible economic opportunities in the Asia Pacific region.

2. *Global citizenship* – supporting greater world harmony through participation in municipal, cultural, education and sporting exchange, and building humanitarian links.
3. *City governance and urban living* – building Melbourne’s strong international reputation in city management and public policy. This may include sourcing opportunities in developing urban economies and participating in technical exchanges to further strengthen Melbourne’s expertise in this field.

4. *The environment* – international exchange and advocacy in areas such as climate change, urban environmental policy and sustainable built form.

**Inbound: Bringing the world to Melbourne**

5. *Visit* – supporting important high-yielding international visitor markets (such as business and international major events, backpacker markets) with targeted information, services and infrastructure.

6. *Study* – nurturing the long-term sustainability of the international student market. International students currently comprise approximately 20 per cent of the City of Melbourne’s residential population.

7. *Attracting business and investment* – providing support, contacts and advice for new and prospective business and investment.

8. *As a place to live* – providing services and support for new migrants settling in Melbourne.

### 1.3.1 Relationship to other Council plans and strategies

Many of the ideas and proposals in this paper intersect with other strategies and policies, including those covering multiculturalism, tourism, urban design, knowledge, and sustainable development.

This paper outlines a strategic platform for the next four years until 2012 and will inform the *Future Melbourne* plan, which is currently being developed and intended to replace *City Plan 2010*.

*Future Melbourne* will include long-term strategies addressing:

- Melbourne’s global identity;
- Melbourne’s comparative global position in key sectors and their specific needs;
- relevant comparative case studies / models of development for other successful cities; and
- global touch points for environmental, cultural and commercial success.

A list of relevant Council strategies is provided in *Appendix 3*.
City of Melbourne
Tiers of Global Engagement

**Tier 1**
**Being a Global Player**
- eg civic relations/world community fellowship, indigenous relations, disaster relief

**Tier 2**
**Bring the World to Melbourne**
- eg net economic benefit, measurable

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**GLOBAL CITIZENSHIP**
- eg civic relations/world community fellowship, indigenous relations, disaster relief

**URBAN LIVING & CITY GOVERNANCE**
- eg community sustainability leadership in municipal management & public policy

**ENVIRONMENT**
- eg climate, carbon

**PROSPERITY**
- eg global trade, knowledge transfer

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**VISIT**
- eg Backpackers
- Conference Delegates
- Short stay tourists, incl Events

**STUDY**
- eg International Students & Families

**DO BUSINESS**
- eg New Business Location for Innovation Work relocation

**LIVE**
- eg Skilled Migration

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**PLATFORM OF LIVEABILITY/CITY FABRIC/WAY OF LIFE**

- **Global Urban Brand Values**
  - eg Core attributes sustained on a 'worlds best' competitive footing

- **Affordable**
- **Safe**
- **Quality Infrastructure**
- **Parks and Gardens**
- **Retail/bars/cafes/night life**
- **Excellent schools/universities**
- **Arts/cultural scene**
- **Wine & Food**
- **Multi cultural/tolerant**
- **Diverse**
- **Water & food quality**
- **Sport/Events**
- **Airport & other access**
- **Health system/Community support**
- **Heritage**
- **Architecture/Design**
2. GLOBAL MARKET PRIORITIES

The City of Melbourne has a broad range interests to represent and therefore must be selective and highly targeted when allocating resources for global connections.

Rather than spreading involvement across several international markets with limited impact, this paper favours a consolidated approach that targets resources to a few key global markets.

Council is committed to developing its key relationships beyond a civic ceremonial basis into locally productive connections of broad social, economic and cultural benefit. The global market priorities identified below have been assessed according to a number of criteria:

- future growth outlook and prospects in relevant sectors;
- historical investment in relationships and connections to date;
- potential direct benefit to the city;
- synergies with other government agency networks (i.e. avoiding duplication); and
- local relevance to the city and its needs.

2.1 The importance of China and India

While the City of Melbourne recognises the importance of many of its current international relationships, the significance of the emerging economies of China and India cannot be overstated.

The weight of the global economy is moving eastward to India and China. Together India and China represent almost 40 per cent of the world’s population. By 2035 or 2040 China will the
largest economy in the world with India not far behind. The growth of these two economies is complementary given China’s industrial manufacturing strength and India’s strong service base. There are also indications of a future, cooperative political relationship between these two countries.

China will be showcasing its economic strengths at the 2008 Beijing Olympics, with the impacts of this event spreading well beyond sport into a range business and investment opportunities.

India offers many opportunities for Melbourne due to the potential size of its economy and its recent and predicted rates of growth, which overshadow most Asian markets. The liberalisation of the economy since the mid 1990s, the rapid growth of middle class Indians, and the new focus on ICT and telecommunications ensures India is a very significant global market.

In addition, China and India are rapidly urbanising and each offers opportunities in areas where the City of Melbourne has significant expertise including city sustainability, environmental management and civic governance. A greater focus on building relationships with China and India is also justified because:

- China particularly, and India are significant current and predicted source markets for international tourism to Melbourne;
- China and India are the two largest source markets for international students as well as strong emerging markets for the export of education programs;
- both countries are major markets for business and international trade in complementary sectors such as ICT, health sciences, sport, urban services and environmental services. Australia also enjoys a beneficial exchange rate for outbound investment in these markets; and
- both India and China are major source countries for migration to the city and are both amongst the largest ethnic communities in the City of Melbourne.

2.2 China

2.2.1 What Council is doing now

The City of Melbourne has invested significant resources over the last 28 years in the development of its sister city relationship with China’s fourth largest city, Tianjin.

Increasingly, the City of Melbourne is also developing stronger links with other cities in China, particularly through biotechnology and educational exchanges. Melbourne’s Tianjin office complements other Victorian Government business offices in Hong Kong, Nanjing and Shanghai.

As well as Tianjin, the City of Melbourne’s other links with China include:

- **Guangzhou Biotechnology Partnership** (established in April 2003) – a partnership based on knowledge exchange in the biotechnology sector and commercial opportunity in traditional Chinese medicine (developed this jointly with the City of Guangzhou and the BioMelbourne network).

- **Nanjing, Jiangsu Province** (established in August, 2002) – involving a memorandum of understanding for senior government leadership training, business activities and exchange (complements the sister state relationship between Victoria and Jiangsu province).

- **Foshan** (established in July 2006) – government training programs and environmental management.
• **Fengxian District, Shanghai** (established in April 2002) – senior government leadership training, business activities and exchange (complements Shanghai membership of the BPC)

Tianjin was identified by the Chinese Central Government to act as the third national development zone following the success of Shenzhen (1980s) and Shanghai Pudong (1990s).

The Tianjin Binhai New Area is earmarked for $US 70 billion direct foreign investment and will become the logistics and service hub for north-east China. The City of Melbourne has extensive contacts across a range of government sectors and state-owned enterprises, giving Melbourne-based organisations a distinct competitive advantage in a crowded market.

In comparison to its other international connections, Council is extremely well placed in China to develop further opportunities for Melbourne through the presence of its Melbourne Office Tianjin, and 28 years of building connections. There is significant potential to capitalise on this competitive advantage.

### 2.2.2 Strategic Directions 2008–2012

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<tr>
<th>Key participants</th>
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<tbody>
<tr>
<td>Business and International; Invest Victoria; Austrade, Media partner in Tianjin/ Melbourne</td>
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- Increase the profile and scope of the Melbourne Office Tianjin and highlight City of Melbourne’s expertise in China through developing a range of sector-based programs, including:
  - urban services;
  - environment;
  - health services; and
  - major event management.

- Leverage access to the Melbourne Office Tianjin to promote other partnerships opportunities/ benefits.

- Enhance local Melbourne/ Victorian awareness of the Tianjin connection

- Maintain and expand the Tianjin Leadership program, with a two-way approach to enable professional development for Melbourne government professionals in China.

- Evaluate the strategic value of continuing all other existing cooperative agreements in China.

### 2.3 India

#### 2.3.1 What Council is doing now

In recent years there has been growing support in Melbourne’s Indian community for the development of a formal, ongoing relationship between Melbourne and a city in India to maximise trade, cultural, educational and social connections.
One of the legacies of Melbourne hosting the Commonwealth Games is a close connection with the Indian city of Delhi. The City of Melbourne adopted India as a ‘second’ team during the Games with associated cultural events and business forums.

In April 2007 the Indian central Ministry of External Affairs indicated its support for Twinning Delhi with Melbourne. Arrangements are underway for the signing of a friendship agreement between the two cities and the development of areas of focus within a strategic alliance.

In August 2007, Council approved the signing of a strategic city alliance between the City of Melbourne and the National Capital Territory of Delhi.

In January 2008, the National Capital Territory of Delhi advised Council that following approval by the Cabinet, the Chief Minister was now able to formally sign the strategic city alliance. It is anticipated this formal ceremony, involving the Lord Mayor and Chief Minister, will occur during 2008.

As part of this alliance, Delhi has been invited to participate in a ‘knowledge transfer’ program of relevant intellectual property associated with the delivery of the Melbourne Commonwealth Games. Other activities that could be associated with the alliance include arts and cultural events (e.g. Melbourne Diwali Festival), sporting events (e.g. cricket), business and trade connections (e.g. ICT, financial services, environmental management sectors), city management and planning, aviation/aerospace and tourism.

Melbourne has also formed strong connections with Mumbai and the Indian Merchants Chamber of Commerce through membership of the Business Partner City network.

### 2.3.2 Strategic Directions 2008–2012

<table>
<thead>
<tr>
<th>Key participants</th>
<th>o Develop and implement a business plan for the strategic city alliance with Delhi embracing areas such as arts and culture, sport, city management and amenity, business and economic development, including opportunities for third party partners</th>
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<tbody>
<tr>
<td>Business and International</td>
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<tr>
<td>National Capital Territory of Delhi, Confederation of Indian Industry, Other</td>
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<td>private sector partners</td>
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<tr>
<td>o Build connections with the growing local Indian population through targeted</td>
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<td>events and cultural activities, particularly Indian student alumni under themes</td>
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<td>such as cinema, fashion, technology and cricket.</td>
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<tr>
<td>o Work collaboratively with Tourism Victoria and Tourism Australia to improve</td>
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<td>Melbourne’s profile as a holiday destination for the Indian market, including</td>
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<td>partnerships</td>
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with new Indian carriers to bring direct flights to Melbourne from India

“...if Australia is to be in a pivotal position, which it could be on behalf of the west if you like, then there needs to be an investment in understanding India and China.

“. if Australia does not respond….by having our young people learn, understand Chinese culture, Indian culture, Asian culture – and not in just tens or hundreds of people, but in tens of thousands of people – as our Asian friends are studying in this country and learning about the west, I think that there is a serious challenge to Australia.

James Wolfensohn, Former World Bank President, ABC Lateline, 24 November, 2006

2.4 Other international connections

2.4.1 United States

What Council is doing now

Notwithstanding the emergence of China and India, the United States is still the world’s largest economy. The City of Melbourne’s current links with the United State are focused primarily on trade:

- Melbourne-Boston sister city relationship (established in 1985);
- linked to the Trade Development Alliance of Greater Seattle;
- supports the Victorian Government Business Office, San Francisco;
- attends the world’s premier biotechnology conference ‘BIO’ (since 2000) in conjunction with Victorian Government delegations.

Possible opportunities

Cities and sectors with business potential for Melbourne include:

- San Francisco/Seattle in the areas of information technology, biotechnology, advanced manufacturing and aerospace;
- Boston in the areas of finance and business services, higher education, biotechnology.

In terms of direct contact with business, research and higher education organisations, there is scope to identify new areas for partnership and mutual benefit that will inspire commitment from both sides.

Case study: Seattle Trade Development Alliance

In May 2006, Melbourne hosted an International Study Mission from the Trade Development Alliance of Greater Seattle, which resulted in ongoing cooperation and significant potential for future business exchange and trade development.

Managed jointly by the Victorian Government and the City of Melbourne, the alliance offers major benefits for the advanced manufacturing (especially aerospace), ICT and biomedical research sectors.
A return Melbourne mission to Seattle is planned for late 2008. The Seattle mission to Melbourne was an excellent example of what can be achieved through partnership between Council and the Victorian Government, particularly Invest Victoria.

Strategic Direction 2008–2012

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<th>Key participants</th>
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<tr>
<td>o Support Invest Victoria in leading the strategic alliance established with Seattle, including a return mission from Melbourne to Seattle in 2008</td>
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<tr>
<td>Business and International Invest Victoria</td>
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<tr>
<td>o Pursue exchanges with Boston’s ICT industry and financial services sector</td>
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<tr>
<td>Business and International Melbourne</td>
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<tr>
<td>Boston Sister City Association</td>
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<tr>
<td>Boston Melbourne Sister City Association (USA)</td>
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<tr>
<td>o Pursue exchanges with San Francisco in creative industries</td>
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<td>Business and International</td>
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</table>

### 2.4.4 Europe

**What Council is doing now**

Melbourne shares a natural affinity with Europe, particularly as a result of the waves of European migration to Melbourne after World War II.

The Italian city of Milan represents Melbourne’s strongest European relationship via a recently established sister city relationship, and there is mutual interest on both sides to continue developing this relationship. The Milan connection is an authentic fit for both cities with synergies in design, fashion, food and wine, and aligns well with Melbourne’s emerging creative industries.

Existing sister city relationships with Thessaloniki (Greece) and St Petersburg (Russia) are currently of smaller economic significance, although Council will continue to support local community and cultural activities attached to these relationships.

**Possible opportunities**

There are several opportunities to foster new connections with other European cities, particularly centred on best practice exchange around the environment, sustainable city development and urban planning.

**Strategic Direction 2008–2012:**

<table>
<thead>
<tr>
<th>Key participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>o Maximise leverage of the Melbourne a Milano events that took place in February 2007. Assist the City of Milan to plan for a reciprocal mission hosted by Melbourne in 2008–09. Identify opportunities for leverage by potential third party partners in the design/creative industries sector</td>
</tr>
<tr>
<td>Business and International City of Milan,</td>
</tr>
<tr>
<td>o Leverage major sister city anniversaries – Thessaloniki 25th (2009) and St Petersburg 20th (2009)</td>
</tr>
<tr>
<td>Business and International City of Thessaloniki City of St Petersburg</td>
</tr>
</tbody>
</table>
2.4.5 Japan

What Council is doing now?

Japan is Australia’s largest export market, with exports of goods and services worth $34.2 billion in 2005-06 (up 21 per cent on 2004-05).

Melbourne has enjoyed a long and valued sister city relationship with Osaka. In 2008 Melbourne and Osaka celebrate the 30th anniversary of this connection – a relationship focused around cultural and educational exchange. A key event in the relationship is Melbourne-Osaka Cup, held every four years, which is the world’s only north-to-south, double-handed yacht race.

Opportunities exist to build stronger business and corporate connections associated with the Melbourne-Osaka relationship.

Strategic Direction 2008–2012

<table>
<thead>
<tr>
<th>Key participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continue to build a strong program of community, cultural, education and business exchange activities with a particular focus around the 30th anniversary of the Melbourne-Osaka relationship in 2008</td>
</tr>
<tr>
<td>Work collaboratively with Invest Victoria and the Australia–Japan Business Council to foster further business, trade or corporate links with Osaka</td>
</tr>
<tr>
<td>Undertake a comprehensive review of the costs/benefits of a 2011 Melbourne-Osaka Cup including assessing the potential for cost offsets through sponsorship and benefits leveraged from the event.</td>
</tr>
</tbody>
</table>

2.4.6 Other Asia

What Council is doing now

The City of Melbourne’s maintains important, strategic links with many Asian cities through the Business Partner City network.

In addition, Melbourne’s large Malaysian, Indonesian and Vietnamese communities suggest opportunities to draw on local city networks and links to create closer connections with these countries.
Strategic Direction 2008–2012

<table>
<thead>
<tr>
<th>Key participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business and International Representative business, cultural/community groups and sector interests.</td>
</tr>
</tbody>
</table>

- Investigate feasibility of strengthening connections with a city (or cities) in Vietnam, Indonesia or Malaysia. For example, assess potential city local community support, economic benefits and reciprocal value. Review opportunities for missions or exchanges in these markets.

- Complete a feasibility study reviewing opportunities in these markets. Identify priorities, potential partners, likely benefits and a business case for pursuing preferred market(s).

- Develop stronger bilateral relationship with key BPC organisations – Osaka BPC Council, Tianjin Commerce Commission, Indian Merchants Chamber (Mumbai) and Hong Kong Trade Development Council.

2.4.7 New Zealand:

What Council is doing now?

Australia and New Zealand have much in common but the opportunities this offers are often overlooked. New Zealand is Victoria’s largest export market. Similar in size and population to Victoria, New Zealand’s economy is increasingly focused on innovation and creativity, and value-added exports.

New Zealand has many complementary sectors to Melbourne such as fashion, food and wine, film making, tourism and major events. It has successfully promoted a clean, green brand and is a world leader in renewable energy. There are also opportunities for exchanging knowledge about government services and operations. For example, Council is currently undertaking a benchmarking study jointly with Auckland City Council, City of Sydney and City of Brisbane.

Strategic Direction 2008–2012

<table>
<thead>
<tr>
<th>Key participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Government New Zealand, Auckland City Council;</td>
</tr>
</tbody>
</table>

- Maintain a watching brief on future opportunities in New Zealand in complementary sectors.
3. FUTURE ACTIONS 2008–2012

Take Melbourne to the World

Theme 1: GLOBAL CITIZENSHIP
Theme 2: DELIVERING PROSPERITY
Theme 3: ENVIRONMENT
Theme 4: CITY GOVERNANCE AND URBAN LIVING
3.1 GLOBAL CITIZENSHIP – Theme 1

Vision: Council will lead the city in making a significant contribution to Melbourne’s role as a global citizen through the promotion of goodwill, harmony, tolerance and participation in solutions to global issues and problems.

3.1.1 Why this theme is important

The City of Melbourne has demonstrated a long-term commitment to building international goodwill, friendship and connections. Council has a fortunate legacy of a broad base of international city connections and networks.

Over three decades significant resources have been invested in building a family of sister (or friendship) cities. The first of Melbourne’s sister cities was established in the late 1970s with Osaka. After Osaka, followed Tianjin, Thessonaliki, Boston, St Petersburg and most recently Milan. Council agreed in August 2007 to form a strategic city alliance with the National Capital Territory of Delhi.

Significantly, Melbourne was the first Australian municipality to sign an economic, diplomatic and sister city agreement with a Chinese city (Tianjin) in 1980.

Cultural, education and sporting activities and exchanges, often involving youth, have been an important means of building links with international partner cities. The Chamber Strings of Melbourne have performed in all Melbourne sister cities over the past 15 years. The Mayors Cup, played between Melbourne and Tianjin, has created football (soccer) connections between the cities. The football program has also laid the foundation for future sporting exchanges with China including basketball, Australian Rules football and golf. In 2006 a visit by puppeteers from the UNESCO World Heritage listed Bunraku Theatre in Osaka provided a once-in-a-lifetime opportunity for professional development of Australian puppeteers.

Melbourne is home to people from more than 140 countries. Council is committed to engaging with people from all ethnic backgrounds through the support of multicultural organisations, national day celebrations and ethnic festivals, citizenship ceremonies, and assistance with settlement for newly arrived migrant groups.

Melbourne Town Hall is an important symbolic civic and diplomatic meeting point. Through interactions with ambassadors, high commissioners, international local government leaders and other dignitaries, the Lord Mayor and councillors act as the face of Melbourne and articulate the City’s vision and priorities.

The City of Melbourne is an active member of international organisations such as the Asia Society, Commonwealth Local Government Forum and coordinates responses to humanitarian issues. For example, Council made a significant contribution to the recovery in southern Sri Lanka following the 2004 Indian Ocean tsunami (see case study below).

Council also helps fund international cultural exchanges for young people, which help build greater understanding and appreciation for other cultures.

3.1.2 Objectives

Council seeks to:

- broaden the benefits, impact and overall awareness of Council’s existing public diplomacy programs and international connections;
- showcase Melbourne’s strengths and compatibilities in the arts as part of city relationships with regional, national and international communities;
- increase collaboration with Federal and State Government, as well as other Local Councils (including other Australian Capital City Councils) as well as build new relationships with other key global agencies such as the United Nations and the World Bank.

### 3.1.3 Key actions by 2012:

<table>
<thead>
<tr>
<th>Partners</th>
<th>Success Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>DFAT, Victorian Government Local Diplomats, Community organisations</td>
<td>Overall number of visits Higher levels of collaboration and cooperation with other levels of government and diplomatic agencies; Leads and further follow up projects of benefit to the city through this activity;</td>
</tr>
<tr>
<td>Events Melbourne, Victorian Multi Cultural Commission, Community Organisations, SBS, Relevant Precinct Associations, Universities</td>
<td>Number Quality Relevance of Events Alignment of events with broader global positioning priorities; Leverage and levels co-sponsorship and other support provided by related associations and community groups Strong levels of community attendance and participation and support</td>
</tr>
<tr>
<td>Schools, Community Organisations Rotary International Melbourne Rotary Club</td>
<td>Delivery of an agreed Council endorsed annual program framework; Major contribution and endorsement from program partners and sponsors such as schools or other third party agencies in linked cities; Acknowledged shifts in international outlook and value identified by program participants.</td>
</tr>
<tr>
<td>Dept Premier and Cabinet, Relevant Non-Government Organisations (NGOs) in Melbourne, DFAT/ Ausaid</td>
<td>Protocol framework delivered by Dec 2008</td>
</tr>
<tr>
<td>Council of Capital City Lord Mayors, Other Capital City Councils, Melbourne Metropolitan Mayors Forum DFAT Public Diplomacy UN agencies</td>
<td>Strengthened connection with Commonwealth and State agencies involved in public diplomacy, Increased project collaboration and additional funding support from Commonwealth and State government Higher levels of ongoing engagement with other Australian Capital City Councils</td>
</tr>
</tbody>
</table>
Develop a framework of cooperation with other local government municipalities.

Maintain membership of the Commonwealth Local Government Forum and align this membership to connect with other Councils to leverage the delivery of projects in India and China or other hallmark city relationships.

<table>
<thead>
<tr>
<th>China</th>
<th>Partners</th>
<th>Success Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strengthen the Tianjin Government Leaders Program with a two-way approach (i.e. provide professional development for Melbourne government /business professionals in China). Broaden the leadership exchange program to encourage greater participation by corporate companies and their staff, particularly those with interests in China.</td>
<td>RMIT International, Tianjin Municipal Government HR departments of major Melbourne businesses and Global agencies</td>
<td>Achieve target numbers for program participation Strengthening of networks/partnerships with corporate sector in relations with China</td>
</tr>
<tr>
<td>Leverage Melbourne Football Club’s China strategy, focused on Tianjin (supporting the development of AFL football in China and strengthening connections with the Chinese student community in Melbourne). Support the development of other sporting exchanges between Tianjin and Melbourne such as netball, soccer, basketball.</td>
<td>AFL Melbourne FC Team Melbourne, Peak Sporting Bodies</td>
<td>Strengthened awareness of Melbourne / Tianjin partnership generated through coverage of the program Corporate sponsor support Higher connection and participation of the local Chinese community in Melbourne, including students, in AFL and sport and related city activity.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>India</th>
<th>Partners</th>
<th>Success indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adapt the model of leadership exchange developed for China to create an equivalent program of professional development for Delhi focused around targeted complementary sectors. Identify and implement opportunities for youth exchange focused on sports such as cricket (eg Melbourne Delhi Mayors Cricket Cup), netball, football, hockey and/or other cultural activities. Promote opportunity to showcase Indigenous sports such as Australian Rules Football (AFL) and Kabaddi.</td>
<td>National Capital Territory of Delhi National Capital Territory of Delhi, Peak sport bodies</td>
<td>Achieve agreement with National Capital Territory of Delhi and other relevant partners Development of project agreements with key partners in Australia and India</td>
</tr>
<tr>
<td>Develop program of arts and cultural exchange based around film, fashion, food and wine, and linked to key events such as Diwali, cricket tours, Melbourne’s fashion and food festivals. Link these activities to UTSAV activities programmed by Austrade.</td>
<td>Austrade, Indian Consul for Cultural Relations</td>
<td>Strong partnership with key partner agencies</td>
</tr>
<tr>
<td>Explore development of ‘India House’ project in Melbourne.</td>
<td>Indian Consulate General and relevant partner organisations</td>
<td></td>
</tr>
</tbody>
</table>
Japan

<table>
<thead>
<tr>
<th>Partners</th>
<th>Success indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leverage existing Australia / Japan youth exchange program to provide opportunities for direct exchange between Melbourne and Osaka.</td>
<td>Japan Education &amp; Training (JET) program and Schools based exchanges</td>
</tr>
</tbody>
</table>

**Case study: Tsunami relief and reconstruction**

The City of Melbourne joined international relief efforts following the Indian Ocean Tsunami in December 2004. In the immediate aftermath, Council provided $300,000 to the Australian Red Cross as well substantial in-kind assistance to community groups affected by the tsunami. In the longer term, Council made ongoing contributions to further recovery in Sri Lanka.

Council focused its relief effort on a southern province of Sri Lanka, an area heavily devastated by the tsunami. Assistance was provided through capital development projects and establishing ongoing community support to maximise the sustainability of projects. Not a one-off contribution, Council’s involvement has been a sustained commitment, with direct involvement of councillors and staff to see projects through to completion.

In December 2005, a three-year cooperative agreement was signed with the southern province of Sri Lanka, which recognises the close links that have grown between the province and the City of Melbourne. There is in principle support for a variety of cooperative activities including the following projects, developed from public donations of more than $200,000:

- two mobile libraries in Galle and Hambantona;
- rebuilding of the Matara (Dickwella North) High School;
- supply of hospital beds and other medical equipment;
- funding for the lifetime care of five orphaned children.

The City of Melbourne is the only Australian capital city to have responded with such a direct and sustained contribution to tsunami recovery. This has played a major part in fostering unity between the two countries and relationships with the local Sri Lankan community in Melbourne. The City of Melbourne was awarded a special Serendib Community News Awards in October 2006.

# 3.2 DELIVERING PROSPERITY – Theme 2

**Vision:** Melbourne’s future economic growth is closely tied to development of a service economy that will increasingly benefit from strong global links to the ‘tiger’ economies of Asia, particularly China and India.

**3.2.1 Why this theme is important**

The City of Melbourne’s business development activity is focused on priority sectors that offer high existing or future potential benefits to the city. Support programs and activity is focused on smaller and medium-sized business, as these represent approximately 90 per cent of all businesses in the municipality. Priority sectors reflect the importance of developing a knowledge-based economy that is globally recognised and competitive.

Current priority sectors are:

- advanced manufacturing (especially aerospace and automotive);
- life sciences/ biotechnology;
• financial and business services;
• creative industries (film, TV, new media, fashion and design);
• environmental technologies;
• retail; and
• hospitality.

As a result of its close relationships with, and detailed knowledge of, local businesses, the City of Melbourne is well placed to offer advice and assistance to international investors when business opportunities emerge in Melbourne.

Council also provides leadership and networking opportunities for smaller niche / specialist enterprises that may not have immediate access to global markets and want to take advantage of the City of Melbourne’s global connections. Current activities include:

• targeted international business missions;
• on-the-ground advice and assistance to Melbourne companies wanting to access Chinese markets through the Melbourne Office Tianjin;
• connections with Asia-Pacific markets through the Business Partner Cities Network, of which Melbourne is the only Australian member; and
• one-to-one cooperative trade agreements such as the partnership with the Confederation of Indian Industry and Greater Seattle Trade Development Alliance.

To date, collaboration between the City of Melbourne and larger corporations based in Melbourne has been limited as these companies often have their own well-developed, global connections and networks. However opportunities may exist to explore these connections further. For example, the City of Melbourne has been working collaboratively with the ANZ Bank which recently purchased a 19.9 per cent stake in the Tianjin City Commercial Bank.

3.2.2 Collaboration with the Victorian Government

The Victorian Government has developed a ‘whole-of-government’ approach to trade and investment, which includes a series integrated, country-based strategies and portals of information.

This approach aims to share resources and minimise duplication across various government agencies. The Victorian Government has also formed a new International Coordination Office to facilitate greater cooperation across the Victorian Government network, as well as a new Business Leaders Advisory Board to advise on international development strategy.

Individual strategies are planned for the following markets: Italy, India, Japan, China, Thailand, Malaysia, United Kingdom, Germany, North America and the Middle East.

This approach provides opportunities to further expand the trade and business dimensions of the City of Melbourne's connections with these markets. For example: Delhi, India; Osaka, Japan; Tianjin, China; Boston, USA; and Milan, Italy.

3.2.3 Objectives

Council seeks to:

• strengthen the export culture within the Melbourne business community;
• improve knowledge and skills in Melbourne’s export and international business sector; and
• connect tangible opportunities from overseas with Melbourne-based businesses in key sectors (as per table below).

Priority markets for trade and business links in China, India, the United States and Europe are shown below:

Geographical and Sectoral Priority Matrix

<table>
<thead>
<tr>
<th></th>
<th>Advanced Manufacturing</th>
<th>Biotechnology / Life Sciences</th>
<th>Financial &amp; Business Services</th>
<th>ICT</th>
<th>Film, TV, New Media and Design</th>
<th>Higher Education</th>
<th>Environmental Technologies</th>
<th>Urban Planning, Building &amp; Infrastructure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tianjin, China</td>
<td>○</td>
<td>◘</td>
<td>◘</td>
<td></td>
<td>◘</td>
<td>◘</td>
<td>◘</td>
<td>◘</td>
</tr>
<tr>
<td>Guangzhou / Foshan, China</td>
<td>◘</td>
<td>●</td>
<td>◘</td>
<td></td>
<td>◘</td>
<td>◘</td>
<td>◘</td>
<td>◘</td>
</tr>
<tr>
<td>Beijing, China</td>
<td>◘</td>
<td>◘</td>
<td>◘</td>
<td></td>
<td>◘</td>
<td>◘</td>
<td>◘</td>
<td>◘</td>
</tr>
<tr>
<td>Mumbai / Delhi, India</td>
<td>◘</td>
<td>●</td>
<td>○</td>
<td>○</td>
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<td>◘</td>
<td>◘</td>
<td>◘</td>
</tr>
<tr>
<td>Seattle / San Francisco, USA</td>
<td>●</td>
<td>●</td>
<td>◘</td>
<td></td>
<td>◘</td>
<td>◘</td>
<td>◘</td>
<td>◘</td>
</tr>
<tr>
<td>Boston, USA</td>
<td>●</td>
<td>●</td>
<td>◘</td>
<td></td>
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<td>◘</td>
<td>◘</td>
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<tr>
<td>Milan, Italy</td>
<td></td>
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<td>◘</td>
<td>◘</td>
<td>◘</td>
<td>◘</td>
</tr>
</tbody>
</table>

● = high priority   ◘ = medium priority   ○ = low priority
### 3.2.4 Key actions by 2012:

<table>
<thead>
<tr>
<th>Partners</th>
<th>Success Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business and International Development, DIIRD, Austrade, Invest Victoria via VGBOs</td>
<td>The number of companies entering export markets and value of contracts obtained.</td>
</tr>
<tr>
<td>BPC Partner Cities, DIIRD, Austrade</td>
<td>Number of businesses 'matched' with new opportunities and the value of contracts obtained.</td>
</tr>
<tr>
<td>Business and International Development, DIIRD, Austrade</td>
<td>Clearly defined targets that can be pursued and monitored.</td>
</tr>
<tr>
<td>Marketing and Communications,, ICN, DIIRD, Austrade</td>
<td>Clearly specified business and trade opportunities and partners for each target market.</td>
</tr>
<tr>
<td>Sustainable Melbourne Fund, Marketing and Communications</td>
<td></td>
</tr>
</tbody>
</table>

### China

<table>
<thead>
<tr>
<th>Partners</th>
<th>Success Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tianjin Municipal Government, Aust China Business Council, RMIT International, Austrade, Asia Society</td>
<td>Develop a business performance framework for the Tianjin Office based on criteria / targets including export value, investment generated, and other related revenue.</td>
</tr>
<tr>
<td>Invest Victoria, VGBO, Austrade, Aust China Business Council,</td>
<td>Development of a Memorandum of Understanding / Service Agreement including targets for service performance.</td>
</tr>
<tr>
<td>Sustainable Melbourne Fund, DFAT, AusAID Aust China Business Council, China Council for International Cooperation and on Environment &amp; Development</td>
<td></td>
</tr>
</tbody>
</table>
### India

| Undertake a broader consultation program involving organisations in Australia and India. | Australia India Business Council, Confederation of India Industries, Indian Merchants Chamber, Consul General of India, Asialink, Federation of Indian Associations of Victoria | Development of an implementation plan to increase engagements in various areas including business, tourism, sports and education |
| Build on connection from 2007 Roundtable for the Business Partner City Network and develop stronger bilateral connections with Mumbai | Indian Merchants Chamber, BPC Partner Cities, DIIRD, Austrade; Australian Industry Group | Number of businesses "matched" |
| Engaging industries in India planning to invest or expand their business interest in Australia. | Confederation of India Industries, Indian Merchants Chamber | The number of companies engaged and enquires followed up |
| Pursue opportunities for linking to legacy development projects associated with the lead-up to the Delhi Commonwealth Games. | Commonwealth Games Federation (CGF), Indian Olympic Association (IOA) | Successful knowledge transfer, including information on municipal and city wide planning and operational aspects of hosting the Commonwealth Games in New Delhi |

### Global Service Enterprise Review

The City of Melbourne has developed significant skills and valuable intellectual property in areas such as urban management, environmental sustainability, tourism services, event management/delivery (e.g. Intellectual Property (IP) attached to the delivery of the Commonwealth Games), and servicing of global connections.

It is envisaged the most significant opportunities for this IP may lie in developing economies such as India and China, directly or through the UN or other global agencies. Market opportunities locally and nationally could also be explored.

Investigation of joint ventures, or opportunities with other Melbourne service agencies, institutions or corporate partners could also be considered.

A review could be undertaken to determine a prima facie assessment of opportunities in developing economies for Council, or cost offsets through commercial leverage developed in partnership with other agencies. The scope of the review would include:

- identification of services within Council with potential commercial value;
- identification of any potential existing service gaps / market opportunities;
- assessment of market interest;
- research into potential business models based on a corporatised/commercial partnership of the services identified, including joint venture proposals; and
- a review of the risks, cost and benefits of pursuing this strategy.
3.3 ENVIRONMENT – Theme 3

Vision: The City of Melbourne will be recognised as a national and international leader by proactively influencing the sustainability agenda as it relates to the role of local government.

3.3.1 Why this theme is important

Cities around the world are increasingly at the forefront of environmental action and policy innovation. Cities use large amounts of natural resources and generate significant volumes of waste, accounting for more than 70 per cent of the global ecological footprint. How we design, develop and manage cities is crucial to our future.

The City of Melbourne is passionate about city sustainability and is showing strong leadership in environmental policy and programs. It supports Melbourne’s global profile in this sector in a number of key ways:

Advocacy on climate change – leadership in the region through influential participation in various groups including: the C20 Large Cities Leadership Group on Climate Change; the Clinton Climate Initiative; the Chicago Climate Exchange; the International Council for Local Environmental Initiatives (ICLEI); the United Nations Global Compact Cities Program; the World Mayors Council on Climate Change; and the Australasian Mayors Council on Climate Protection.

Leadership in sustainable built form – Melbourne has world-leading knowledge and capacity in the building and construction sector. It also has a growing number of ‘green buildings’, including its own CH2 building (see case study below), which helps position Melbourne as a centre of expertise in sustainable design and construction. Council offers support and leadership through funding and assistance programs, as well as policy and regulation.

Melbourne is home to innovative sustainability expertise in areas such as environmental finance through mechanisms such as the Sustainable Melbourne Fund. It also has significant capacity in energy service companies and consultancies in carbon offsetting, carbon accounting and corporate sustainability reporting.

Environmental policy platform – Council has ambitious local government policies which support environmental sustainability and provide strategic direction. These include:

- The Zero Net (greenhouse gas) Emissions by 2020 Strategy;
- Total Watermark Sustainable Water Management Strategy;
- Water Sensitive Urban Design Guidelines; and
- Waste Management Strategy.

These strategies are international benchmarks and provide important ‘stretch goals’ and a detailed strategic path for Council to 2020.

Supporting international environmental sustainability organisations – Council is developing Melbourne’s international profile by supporting the establishment in Melbourne of international environment and sustainability agencies, including:

- UN Global Compact Cities Program: The Committee for Melbourne was appointed the International Secretariat of the Global Compact Cities Programme by the United Nations in 2003
• **International Council for Local Environmental Initiatives (ICLEI) Oceania**: ICLEI is an international association of local governments and national and regional local government organisations that have made a commitment to sustainable development, comprising 475 member cities and agencies.

• **Centre for Public Agency Sustainability Reporting**: Launched in Melbourne in 2005, the centre’s mission is to improve the sustainability performance of public agencies through public reporting. It has an emerging international city network including Amsterdam, Greater Vancouver, Oslo, Seattle and Cape Town.

• **SB08**: In 2008 Melbourne will be hosting SB08, a world sustainable building conference.

**Supporting the environmental industry** – Council provides industry economic development support and export opportunities for environmental product and service providers in Melbourne, as well as new research and innovation in the field.

### 3.3.2 Objectives

Council seeks to:

• enhance Melbourne’s liveability by reducing and offsetting environmental impacts such as climate change;
• work cooperatively with other levels of government and cities internationally;
• maximise opportunities to export sustainability/environmental management expertise, knowledge, services and products to the rest of world, particularly south-east Asia;
• strengthen partnerships to enable local universities to deliver research and training on sustainability/environmental issues as a way of attracting international students; and
• pilot new approaches for better delivery of sustainability outcomes in cities.

### 3.3.3 Key actions by 2012

<table>
<thead>
<tr>
<th>Partners</th>
<th>Success Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Govt, RAIA, Green Buildings Council, Universities, Clinton Foundation</td>
<td>Increased recognition of Melbourne as a destination of choice and a model for other cities</td>
</tr>
</tbody>
</table>

| Promote Council’s achievement in sustainable buildings internationally and reference sustainability and sustainable buildings in our international business, cultural and alliance projects. Foster strong relationships with the international community to advocate for sustainable buildings. | As above | Projects proposals are initiated |

| Research the potential for other relationships to progress specific themes and issues in sustainable development and sustainable buildings with other cities, including Melbourne’s existing city relationships, business networks and missions undertaken by the City of Melbourne. (This will include the ongoing delivery of the Tianjin Environment Protection Bureau Green Office Building project) | SB08 | City of Melbourne content for SB08, and the development of a strong program of associated events/ |

| Support and actively engage with the hosting of the 6th World Sustainable Building Conference (SB08) in Melbourne in September 2008 and use it as a vehicle to increase local expertise in sustainable buildings and promote Melbourne’s green buildings. | | |

#4545095v4 as at 29/02/2008
Support and participate in existing international sustainable development programs, adopting sustainable buildings as a central theme, including:

- **Global Reporting Initiative**[^4]: sustainability reporting by businesses, cities and public agencies including builders, developers and tenants to help drive a continuous improvement approach to sustainability performance;
- **International Council for Local Environmental Initiatives**[^5]: climate change and water programs, specifically as they relate to commercial and residential buildings;
- **City Sustainable Star Program**[^6]: implement the Urban Environmental Accords and report on progress annually;
- **The Climate Group and the C20: Large Cities Leadership Group**[^7]: work with Clinton Foundation[^8] representatives to develop a sustainable building program focus as Melbourne’s contribution to the work of the Group;
- **United Nations Global Compact**[^9]: work with the Committee for Melbourne to ensure the UNGC Cities Programme develops a sustainable building element based on Melbourne’s experiences and that major commercial tenants are recruited to engage with UNGC;
- **World Mayors Council on Climate Change**[^10]: contribute to political cooperation on climate change;
- **Chicago Climate Exchange**[^10]: progress Council’s capacity to account for its emissions and trade any surplus resulting from its own sustainable building projects; and
- **United Nations Environment Programme Sustainable Building and Construction Initiative**: investigate membership of this initiative.

<table>
<thead>
<tr>
<th>activities linked to SB08.</th>
<th>State Govt, RAIA, Green Buildings Council, Universities, Clinton Foundation</th>
</tr>
</thead>
</table>

**Case Study: CH2 – World leadership in green building design**

Council House 2 (CH2) is a visionary new building with the potential to change the way Australia, and indeed the world, approaches ecologically sustainable design.

CH2 was awarded a six Green Star rating by the Green Building Council of Australia, the first new, multistorey building in Australia to achieve this rating. CH2 is known internationally as a world class building and is being closely studied by developers, engineers and design professionals.

CH2 has sustainable technologies incorporated into every part of its 10 storeys. These include a water-mining plant in the basement, phase-change materials for cooling, automatic night-purge windows, wavy concrete ceilings that help with heating and cooling and a façade of louvres (powered by photovoltaic cells) that track the sun.

[^6]: http://www.sdnpbd.org/ixl/id=1149
[^9]: http://www.unglobalcompact.org/AboutTheGC/index.html
[^12]: 10 http://www.chicagoclimatex.com/
3.4 CITY GOVERNANCE AND URBAN LIVING – Theme 4

Vision: - *Melbourne will be recognised as a centre of expertise in urban management.*

3.4.1 Why this theme is important

Increased globalisation and population growth is putting more pressure on cities in terms of managing urban systems and providing services to residents. Cities are responding to these challenges in a number of ways, and often by networking among themselves.

Developing countries, in particular, are facing major challenges with the multi-dimensional nature of urban problems. China has an urban middle class of more than 200 million people, with another 500 million people expected to move from a rural to an urban environment within the next 50 years. This process involves an annual urbanisation spend of around $170 billion, of which about 30 per cent is spent on services, systems and technologies strongly related to Melbourne's world's best expertise in urban system planning and design.

City-to-city cooperation is vital for exchanging, sharing and transferring technical expertise and experiences. There is much cities can learn from each other. This exchange helps develop stable, efficient urban environments while at the same time provides significant opportunities for businesses and organisations working in these fields.

The City of Melbourne is continually acknowledged for its strengths in urban policy and city liveability, achieved in collaboration with the Victorian Government.

Over the past 20 years, central Melbourne has been transformed from a declining urban centre, with minimal residential occupation, into a vibrant, 24 hour capital with a good mix of residential, business and entertainment uses. This transformation has been choreographed through sound public policy decisions and good urban planning such as:

- innovative master planning and development facilitation and control;
- application of a consistent urban design philosophy based on the authentic characteristics of the city (e.g. the central city grid, waterways, green spaces and street network; heritage conservation and adaptation);
- boosting residential living in the city through programs such as *Postcode 3000*;
- facilitating major projects such as Federation Square, QV redevelopment and Southern Cross Station;
- revival of the Yarra River and Victoria Harbour waterfronts;
- revitalising street life through outdoor dining policies, active edges and sunlight to public places policies, amending licensing laws, and a wide range of urban design features and design of public spaces;
- regeneration of commercial and retail sectors via events, major attractions, street closures, laneway improvements and a vibrant cultural program.

Melbourne has been recognised twice in the last five years as the world's most liveable city\(^\text{11}\). It is now steadfastly committed to becoming one of the world's great environmentally sustainable cities.

The city's ongoing achievements in urban management are reflected in the high concentration of expertise and research in this field in Melbourne. This includes RMIT's Global Cities

\(^{11}\text{Economic Intelligence Unit (EIU)}\)
Institute\textsuperscript{12}, the global secretariats for international urban networks such as Metropolis \textsuperscript{13}, The United Nation’s Global Compact Cities Programme (Committee for Melbourne).

### 3.4.2 Objectives

Council seeks to:

- enhance the positioning of Melbourne as a global centre of excellence in urban management, planning and design; and
- deliver tangible opportunities for business and public agencies involved in this sector by leveraging Melbourne’s significant intellectual capital in city governance and urban management.

### 3.4.3 Key actions by 2012

<table>
<thead>
<tr>
<th>Partners</th>
<th>Success Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investigate the feasibility of establishing a global research institute or similar organisation based around the research and development of urban liveability – a Global Centre of Urban Solutions.</td>
<td>Committee for Melbourne; Academic Institutions, CSIRO, Relevant Corporate Sponsors</td>
</tr>
<tr>
<td>Maximise the value of hosting the City Edge Conference (Eco Edge2) in Melbourne as a vehicle to increase local expertise and international networks in sustainable urban practice.</td>
<td>City of Melbourne content for EcoEdge 2 and the development of a strong program of associated events/activities linked to SB08.</td>
</tr>
<tr>
<td>Establish a program of technical and cultural exchange for relevant Melbourne professionals (within and outside Council) to other international cities, through organisations such as the Australia Council, ICLEI, University of Melbourne, professional institutes.</td>
<td></td>
</tr>
<tr>
<td>Work collaboratively with the Committee for Melbourne to further leverage Melbourne’s role as the secretariat for the United Nations Global Compact Cities Programme.</td>
<td>Committee for Melbourne</td>
</tr>
<tr>
<td>Investigate potential outsourcing opportunities/business models for revenue for Council in areas such as consultancy advice, IP, knowledge and expertise in selected markets.</td>
<td>Internal Council partners</td>
</tr>
</tbody>
</table>

\textsuperscript{12} RMIT’s Global Cities Institute - The Global Cities Institute was inaugurated in 2006 to bring together key researchers at RMIT University working on the processes of globalization, climate change and sustainability in the urban context. The institute addresses the challenges of sustainable city living by developing engaged research programs with significant on-the-ground impact, emphasizing questions of resilience, security and sustainability in the face of processes of globalization and global climate change.

\textsuperscript{13} Metropolis is a World Association of Major Metropolises is global network with a membership of 90 metropolitan governments from around the world. It provides a framework for the exchange of technical skills in urban management of issues such as urban planning and development, the economy, health and environment, transport, infrastructure and communications. The Victorian State Government (Department of Sustainability and Environment) is currently hosting a major research project, (a Commission) on Metropolitan Performance Management. This is a joint project by Metropolis and UN-HABITAT, led by Melbourne.
Identify and promote opportunities to work collaboratively with urban
design professionals in New Zealand on regional and Asia-Pacific
projects, programs and initiatives

<table>
<thead>
<tr>
<th>Constructively participate in programs led by international secretariats of global agencies contributing to the broader understanding of cities such as UNICEF (Child Friendly Cities Initiative), Metropolis 5, World Health Organisation and others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional associations, NZ Local Government</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Pursue opportunities to work with key urban development agencies, or private sector practitioners, both in China and India:</th>
</tr>
</thead>
<tbody>
<tr>
<td>China – Haihe River Development Office (Tianjin), China Academy of Urban Planning and Design;</td>
</tr>
<tr>
<td>India – Municipal Corporation of Delhi (MCD), New Delhi Municipal Committee (NDMC), Urban Design Research Institute Mumbai, Municipal Corporation of Greater Mumbai</td>
</tr>
<tr>
<td>Academic Institutions</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>China</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pursue opportunities to showcase Melbourne’s urban practise internationally at the Shanghai 2010 World Expo.</td>
</tr>
<tr>
<td>Invest Victoria/ VGBO Shanghai, DFAT, Corporate Partners, Melbourne Office Tianjin</td>
</tr>
</tbody>
</table>

**Case study: CityEdge conferences**

CityEdge is an internationally renowned urban design conference series that promotes discussion and debate on critical urban design, architecture and planning issues facing cities.

The conferences address the urgent design challenges in building sustainable cities worldwide, and focus on how sustainable design practice can work towards a green global habitat. Frequently this requires designing sustainable urban environments for those in the greatest need of green design but often with the fewest options or resources.

Through specific case studies, the CityEdge series provides a forum for architects, landscape architects, urban designers and planners to look at urban design alternatives in the midst of a disturbing period of growing consumption, population expansion and environmental degradation.

The conferences bring together some of the most innovative international figures in design and policy formulation who have been responsible for reshaping cities around the world including Paris, Barcelona, Beijing, Beirut, Bangkok, Rotterdam and Berlin.

**Case study: Places for People – Melbourne City 1994 and 2004**

The *Places for People* program was undertaken by the City of Melbourne’s in collaboration with Gehl Architects from Copenhagen. It forms part of Council’s systematic, long-term urban revitalisation program.

The research methodology for *Places for People* was developed by Jan Gehl and applied to cities worldwide. The studies are developed and compiled from detailed research into the character, range and variety of public places, and surveys about the ways people use these spaces.

*Places for People* 1994 set 10-year targets for attracting more people to the city and established benchmarks against which Melbourne could measure its progress. In 2004, by applying the same methods used in 1994, it has been possible to observe how things have changed and assess which of these changes have been most beneficial in supporting the public life of the city.
Alongside Copenhagen, Melbourne is one of the few cities in the world with this type of data about public life, collected at 10-year intervals according to a systematic and purposeful methodology. The data collected through this research has served a double purpose: to record how public life has developed and changed in a defined period; and secondly, to obtain accurate information for future planning, identify the city's urban design challenges, and develop recommendations for continued improvement over the next decade.
Bring the world to Melbourne

Theme 5: BRINGING HIGH YIELD INTERNATIONAL VISITORS
Theme 6: ENHANCING MELBOURNE’S REPUTATION AS A GLOBAL CENTRE OF EDUCATION
Theme 7: ATTRACTING BUSINESS AND INVESTMENT
Theme 8: MAKING MELBOURNE YOUR HOME
3.5 BRING HIGH YIELD INTERNATIONAL VISITORS TO MELBOURNE – Theme 5

Vision: Melbourne will consolidate its reputation as one of the best cities in the world to visit. High international visitor satisfaction will translate into significant levels of further tourism growth and yield for Melbourne.

Tourism will be driven by an effective framework of destination management including easy access to products and information, welcoming and convenient services; high levels of industry cooperation; and a commitment to environmentally sustainable visitor management.

3.5.1 Why this theme is important

The international visitor market is a rapidly growing part of Melbourne and Victoria’s tourism industry. Over the next 10 years, 70 per cent of tourism growth in Victoria will result from international visitors as compared to domestic visitors from interstate or regional Victoria.14

The economic value of international visitors

In 2006, 1.34 million international visitors spent over $2.7 billion in Victoria. As the gateway to the state, Melbourne receives 95 per cent of all international visitors to Victoria. Currently international visitors make up about 7.2 per cent of visitor numbers to metropolitan Melbourne but almost 29 per cent of expenditure. The significant yield of international visitors compared with domestic visitors is shown in the table below.

Summary of visitation to Metropolitan Melbourne (2006)

<table>
<thead>
<tr>
<th>Type of visitor</th>
<th>Number (millions)</th>
<th>Total expenditure</th>
<th>Expenditure per visitor ($)</th>
<th>Average length of Stay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Day trip</td>
<td>11.2 million</td>
<td>$1.2 billion</td>
<td>$110</td>
<td>-</td>
</tr>
<tr>
<td>Domestic overnight</td>
<td>6.6 million</td>
<td>$4.3 billion</td>
<td>$650</td>
<td>3 nights</td>
</tr>
<tr>
<td>International</td>
<td>1.34 million</td>
<td>$2.5 billion</td>
<td>$1837</td>
<td>20 nights</td>
</tr>
<tr>
<td>TOTAL VISITORS</td>
<td>19.14 million</td>
<td>8 billion</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: Tourism Research Australia

Major international markets

At present, Melbourne’s major international tourist markets are the United Kingdom, New Zealand, United States, Japan, China, Singapore and Malaysia.

However Asia is expected to be the primary source of international visitor growth to Melbourne, including China whose share of Victoria’s international market is forecast to increase from nine to 19 per cent by 2016. The Indian tourism market is also expected to grow significantly over this period. By 2016 the Asian market could account for more than 40 per cent of international tourists to Melbourne and Victoria, and over 50 per cent of yield.15

This growth pattern will be reinforced by the growth in services of the lower cost short-to-medium haul carriers, servicing Asian markets.

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14 Source: Tourism Research Australia
15 Source: Tourism Research Australia
Melbourne will need to respond to a changing tourist market. The city will need to adapt the way it is marketed and how visitor services are provided. New technology and channels will need to be embraced. In addition, visitor information will need to be more culturally aware and available in appropriate languages. Tourism providers may need to be supported with information and training to aid cultural awareness and adapt businesses to changing market preferences.

**Council’s tourism role**

The City of Melbourne is a major provider of visitor infrastructure and tourism services for Melbourne and Victoria.

Council is largely responsible for making Melbourne accessible and easy to navigate, and providing information, signage and visitor services to meet tourists’ needs. In addition, the City of Melbourne supports festivals and events, develops city precincts, commissions public art and maintains public buildings, streetscapes and parks.

As a capital city government, the City of Melbourne has a leadership role beyond its municipal boundaries. It advocates on behalf of metropolitan Melbourne on tourism planning and development issues at state, national and international forums. It also acts as a gateway to and from the attractions of metropolitan Melbourne, regional Victoria and southern Australia.

Melbourne’s tourism success relies strongly on close cooperation with other tourism agencies and industry partners, local councils as well as the State and Federal Government.

The City of Melbourne provides leadership and advocacy in destination management, encouraging coordination across all agencies and supporting the concept of ‘one Melbourne’ so that visitors see and experience Melbourne as welcoming, interconnected and easy to explore.

Council also attracts its own share of international visitors including students and business delegates and is heavily involved in supporting bids for conferences and major events.

**Key international tourism market segments**

**Business Events:** Melbourne is recognised internationally as a world leading convention and event destination. The Victorian State Government, with support from the City of Melbourne, has invested more than $400 million to develop a new convention centre and business events precinct – the largest of its type in Australia.

Business events are a high yield component of the visitor market. This market often attracts opinion leaders who are likely to influence global perception about Melbourne. Research conducted by Victoria University found 50 per cent of business delegates to Melbourne planned to return to the city for a holiday within the next two years. The partners of conference delegates are also an important part of this market.

**Business Events = High Yield Visitor**

<table>
<thead>
<tr>
<th>National Business Events Study for Business Events Visitors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Trip Expenditure: $ 3536</td>
</tr>
<tr>
<td>Average Length of Stay: 7.3 nights</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Trip Expenditure: $2569</td>
</tr>
<tr>
<td>Average Length of Stay: 27.4 nights</td>
</tr>
</tbody>
</table>

Source: Tourism Research Australia (2004): International Visitor Survey
**Major events:** Melbourne has an enviable reputation for staging highly successful major events. Regular international events such as the Australian Open Tennis Championship, The Australian Formula One Grand Prix, Melbourne International Comedy Festival, Melbourne Food and Wine Festival or one-off events such as 2006 Commonwealth Games or the FINA World Swimming Championships not only attract large numbers of international visitors but generate global media coverage and awareness of Melbourne.

Major events bring 230,000 international visitors to Melbourne and Victoria each year (42 per cent of all international event visitors to Australia) and contribute over $1 billion to the Victorian economy.

**International backpackers:** International backpackers comprise 16 per cent of all international visitors to Victoria (2005). The average length of stay in Victoria for international backpackers was 23.8 nights in 2005, making this group a high yield market.

Along with tropical north Queensland, Melbourne is the second most visited Australian destination for international backpackers after Sydney. The city has significant appeal as an authentic destination with a strong sense of culture and style, and is attractive as a base for work. Backpacker visitation to Melbourne is also driven by major events.

Top five regions visited by international backpackers (2006)

<table>
<thead>
<tr>
<th>Tourism region</th>
<th>International Backpacker Visitor Nos (000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sydney</td>
<td>407</td>
</tr>
<tr>
<td>Melbourne</td>
<td>245</td>
</tr>
<tr>
<td>Brisbane</td>
<td>232</td>
</tr>
<tr>
<td>Tropical North Queensland</td>
<td>226</td>
</tr>
<tr>
<td>Whitsundays</td>
<td>143</td>
</tr>
</tbody>
</table>

*Source: Tourism Australia*

**Family reunion:** Melbourne’s multicultural population, and large number of international students, generates high levels of visitation from overseas friends and family. There are significant opportunities through cultural groups and academic institutions to leverage this market.

**Cruise Ships:** In 2005/06 38 cruise ships visited Melbourne bringing approximately 80,000 visitors (primarily international) to Melbourne, a four-fold increase in passenger numbers from 2004/2005. The cruise ship market is a high yield market that brings significant benefits to central city retailers.

### 3.5.2 Objectives

Council will seek to:

- strengthen understanding of the needs of international visitors and facilitate a welcoming service environment;
- develop stronger connections with key international visitor groups and develop programs, products, events and services to encourage longer stays and greater expenditure by international visitors; and
- position Melbourne as an international centre of excellence in tourism and major events.
3.5.3 **Key actions by 2012**

Council’s actions for the development of international tourist markets are outlined in the *City of Melbourne Tourism Plan 2007–2012*. The following actions are listed to re-emphasise these priorities:

<table>
<thead>
<tr>
<th>Partners</th>
<th>Success Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strengthen Melbourne’s capacity as an events destination by:</td>
<td></td>
</tr>
<tr>
<td>o developing visitor services and promotional support packages for business and major events aligned to Council’s strategic objectives such as global positioning, business and trade development, investment and destination marketing and development;</td>
<td>Tourism Victoria, Tourism Task Force (TTF) Lord Mayors Vice Chancellors Forum, World Tourism Organisation;</td>
</tr>
<tr>
<td>o entering into a Memorandum of Understanding (MoU) with Melbourne Convention and Visitors Bureau and the Victorian Department of Innovation, Industry and regional Development (IIRD) on roles and responsibilities in attracting, promoting and servicing business events staged in Melbourne; and</td>
<td></td>
</tr>
<tr>
<td>o entering into an MoU with Tourism Victoria, Victorian Major Events Company, IIRD and Department of Sport and Recreation on the roles and responsibilities in major events including infrastructure development, staging and management of public domain.</td>
<td></td>
</tr>
<tr>
<td>Implement relevant research projects to:</td>
<td>Completion of research projects, distribution of information to key agencies, and follow up action related to the outcomes of research.</td>
</tr>
<tr>
<td>o develop a deeper understanding of international visitor market profile / motivations specifically for the central city and gaps in infrastructure investment; and</td>
<td>Melbourne City Research Tourism Victoria Tourism Australia</td>
</tr>
<tr>
<td>o improve understanding of factors that would enhance the attractiveness of Melbourne as place for short-term work for international visitors.</td>
<td>Tourism Alliance Victoria, Backpacker Operators Alliance of Victoria (BOAV)</td>
</tr>
<tr>
<td>Improve information and services for international visitors by:</td>
<td>Higher levels international visitation, visitation, yield and length of stay to the city</td>
</tr>
<tr>
<td>o strengthening seamless information services on gateway arrival pathways for international visitors, including pre-arrival, into Melbourne;</td>
<td>Higher satisfaction levels of international visitors</td>
</tr>
<tr>
<td>o pursue improved representation of Melbourne on international internet gateways and other digital channels, including <a href="http://www.australia.com">www.australia.com</a>;</td>
<td>Tourism Australia. Tourism Victoria Melbourne Airport, Public Transport Operators</td>
</tr>
<tr>
<td>o developing customised tourist information and products to serve different international visitor segments such as backpacker, business events, major events, international students and their families, and cruise ships;</td>
<td></td>
</tr>
<tr>
<td>o develop and implement a strategy to strengthen multilingual information and signage for international visitors such as directional signage and hubs; and</td>
<td></td>
</tr>
<tr>
<td>o strengthen the cultural awareness training programs City of Melbourne staff and volunteers.</td>
<td></td>
</tr>
<tr>
<td>Collaborate with Federation Square Management in the further development and positioning of Federation Square as a global hub for international visitors e.g. multilingual, cultural activities, live links</td>
<td>Federation Square Management, SBS</td>
</tr>
<tr>
<td></td>
<td>Higher levels of International visitation to Federation Square</td>
</tr>
<tr>
<td></td>
<td>Increased levels of international media coverage</td>
</tr>
</tbody>
</table>
Strengthen the development of markets by:

- exploring opportunities for stronger market connections between the student vocational learning and tourist visitation;
- working collaboratively with international students as well as multicultural groups/agencies to promote Melbourne to family and friends of international students; and
- capitalising on the City of Melbourne’s international partnerships to encourage new international visitation to Melbourne.

| DEET, Tourism Victoria, Lord Mayor’s Vice Chancellors Forum, DFAT, Arts Victoria. |

Build Melbourne’s profile as the international gateway to southern Australia by:

- working with the Cities of Sydney, Adelaide and Hobart to position southern Australia as a comprehensive, seamless experience for international travellers;
- creating coastal itineraries that link Melbourne by road, rail and sea with Sydney, Adelaide and Hobart. These itineraries would feature Melbourne as the entry and/or exit point for air travel to Australia;
- building travel, accommodation, touring and attractions packages to support coastal itineraries; and
- negotiating cross-promotion campaigns with Sydney, Hobart and Adelaide through the four cities’ gateway information and travel sales centres.

| Tourism Australia, Tourism Victoria, Interstate Tourism Agencies |

Advocate for more sustainable tourism practices by visitors and industry operators through:

- developing a program promoting carbon neutral travel and incorporating an offsets scheme for journeys to Melbourne by air, car, rail, coach and sea;
- reviewing the City of Melbourne’s travel policy for its carbon impacts, specifically air travel;
- developing an offsets program for City of Melbourne staff travelling to conferences and business meetings;
- measuring and monitoring tourism’s eco footprint by researching how tourists travel to Melbourne, how they move around the city, where they stay and how long they stay; and
- promoting Melbourne’s sustainability credentials in tourism marketing, information and communications.

| Tourism Alliance; Tourism Australia; Victorian Tourism Industry Council (VTIC) |

3.6 ENHANCING MELBOURNE’S REPUTATION AS GLOBAL EDUCATION CENTRE – Theme 6

Vision: The involvement of international students in city life will be part of Melbourne’s culture, and the city will be known as a global student hub.

3.6.1 Why this theme is important

Melbourne has an excellent international reputation in the education market as both a short-term and long-term study destination. The sustainability and growth of the education market is not only dependent on the delivery of quality education but also on how welcoming and inclusive the living experience is for international students.

In 2004, approximately 36 per cent of the City of Melbourne’s resident population were higher education students, with 20 per cent being international students. On a per capita basis Melbourne attracts more international higher education students than any other city in the world.

International students are a vital element in the development of Melbourne’s international connections and profile. The growing international student community contributes significantly to Melbourne’s economy and boosts Melbourne’s image as a ‘knowledge’ city. Students have also become an integral part of Melbourne cultural and community life.

Education is one of Victoria’s fastest growing export industries. Many of Melbourne’s institutions are at the forefront of developing new and exciting programs at overseas locations through foundation colleges, specialist private providers and offshore campuses, consortium partnership arrangements, and delivery of distance education online.

Education also promotes understanding, respect and friendship, and builds long-term personal international connections. A positive study experience provides highly valued endorsement of Melbourne in students’ countries of origin. Positive engagement with international students is a fast, effective way of building global influence.

The number of students who enrol at campuses within the City of Melbourne doubled from about 40,000 in 2001 to about 80,000 in 2006. International students have contributed to the resurgence of city living and created a whole new market requiring different services and facilities:

About 33 per cent of students enrolled in tertiary education in Melbourne in 2004 were overseas students, which increased from 30 per cent in 2002. As illustrated in the figure below, the number of student enrolments from China increased by 63 per cent between 2003 and 2005, while the number of student enrolments from India increased by 53 per cent during the same period. It is expected the number of Indian students will overtake Chinese students in the near future.

In 2004, international students represented approx eight per cent of international visitors by number, but 40 per cent of yield, reaffirming the economic value of this market.

The education market is expected to remain highly competitive, particularly with the emergence of new institutions in Asia in years ahead. This further strengthens need to nurture the student market in the face of emerging competition.

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16 Source: Melbourne City Research, City of Melbourne
The development of a positive image of student life in Melbourne, along with other services and support from Council (such as areas of safety, arrival and orientation services and information), could create an important point of difference.

In addition, promoting the whole ‘life cycle’ of living in Melbourne could boost the appeal of the city and show international students where their studies could lead them: arriving and studying in Melbourne; loving the city; getting a job linked to studies; and choosing to settle in Melbourne for lifestyle reasons. This life cycle represents a large overall yield for Melbourne.

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**Overseas Student Commencements by Country of Birth, Melbourne 2002-05**

**Melbourne education rated as one of the world’s best**

- The 2004 World Competitiveness Yearbook rates Australia third globally for an education system that meets the needs of a competitive economy.
- The Times rated both the University of Melbourne and Monash University amongst the top 50 universities globally.
- MBA courses based in Melbourne have been ranked amongst the world's best by the Financial Times World Top 100 (four years running), Asia Week (Asia's best MBA Schools by reputation) and the Economist Top 100 MBA rankings 2002.

(Source: Invest Victoria)

3.6.2 Objectives

Council seeks to:

- enhance Melbourne’s reputation as a destination of choice for international students and researchers;
- facilitate more active participation by international students in city life, in conjunction with education providers and the Victorian Government; and
identify and address the lifestyle needs of international students prior to, and during their stay in Melbourne.

### 3.6.3 Key actions by 2012

<table>
<thead>
<tr>
<th>Strengthen marketing and communications by:</th>
<th>Partners</th>
<th>Success Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>o positioning international students as a priority market for future city marketing programs;</td>
<td>Business and International, Tourism Victoria, Department of Education and Early Childhood Development</td>
<td>Business and International Corporate/sponsor partners</td>
</tr>
<tr>
<td>o developing a new city campaign targeted at international students studying and living in the city, encouraging and offering incentives for participation in city life (e.g. events, retail, food /dining);</td>
<td></td>
<td>Brand Victoria Project, VDET, Universities, Inbound Education Agents</td>
</tr>
<tr>
<td>o facilitating private sector sponsorship to deliver targeted programs and events to develop a student brand profile for the city; and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>o supporting the international marketing activities and promotion of the Melbourne Study brand by academic institutions and government agencies and inbound agents</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Work collaboratively to support major stakeholders in the higher education sector by:</th>
<th>Partners</th>
<th>Success Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>o maintaining regular ongoing communication with Melbourne educational institutions and students representative bodies – both for short-term vocational and longer-term higher degree students (e.g. Melbourne Vice Chancellors Forum; Polyglot, AFIS, DIMA, attending and supporting meetings of the International Student Safety Committee); and</td>
<td>Melbourne Vice Chancellors Forum, Universities, Student Representative bodies and agencies,</td>
<td>Effective coverage of student issues through attendance at meetings held with relevant bodies eg. quarterly meetings with DIMA.</td>
</tr>
<tr>
<td>o Resourcing Office of Knowledge Capital for 3 years to develop and promote Melbourne as Australia’s Knowledge Capital</td>
<td>Office of Knowledge Capital</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Undertake relevant research related to the Higher Education sector to:</th>
<th>Partners</th>
<th>Success Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>o monitor the needs, aspirations and satisfaction of international students studying and living in Melbourne;</td>
<td>Community Services, VDET, Universities</td>
<td>(Subject to Research Panel /funding approval)</td>
</tr>
<tr>
<td>o monitor the economic benefits of the international student community to Melbourne; and</td>
<td>Melbourne City Research, VDET, Universities</td>
<td>Survey of Melbourne’s international students undertaken bi-annually (</td>
</tr>
<tr>
<td>o monitor the effectiveness of Council city marketing programs.</td>
<td></td>
<td>Annual assessment of the direct and indirect economic benefits completed</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Support the interests of international students by:</th>
<th>Partners</th>
<th>Success Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>o advocating on relevant issues to other lead agencies (e.g. access to public transport, employment, accommodation);</td>
<td>VDET</td>
<td>Pursue outcomes on issues as relevant</td>
</tr>
</tbody>
</table>
Support a connection between the City of Melbourne and the international student community by:

- developing initiatives for early engagement with students both prior to arrival and on settlement in the City of Melbourne (e.g. Lord Mayors Welcome Event);
- produce and distribute city resident information, and communicate directly to students through appropriate channels such as the student resident guide and online; and
- develop a program of engagement targeting key international student segments as ‘post-stay’ ambassadors in their countries of origin.

Complete a review of the corporate positioning of international students in the Council administration and opportunities to provide further resources in the development and support of this segment of the community

<table>
<thead>
<tr>
<th>VDET, Universities</th>
<th>Community Services, Business Melbourne, Melbourne Marketing, VDET</th>
<th>Community Services, Business Melbourne, Melbourne Marketing, VDET</th>
</tr>
</thead>
<tbody>
<tr>
<td>Melbourne Marketing, VDET, Universities</td>
<td>Melbourne Marketing, Tourism Melbourne, Tourism Victoria, VDET</td>
<td>Melbourne Marketing, Tourism Melbourne, Tourism Victoria, VDET</td>
</tr>
<tr>
<td>International Student’s Charter of Rights developed</td>
<td>Initiatives undertaken in response to documented need e.g. website development</td>
<td>Initiatives undertaken in response to documented need e.g. website development</td>
</tr>
<tr>
<td>Develop and distribute relevant Council information to real estate agents, home stay providers</td>
<td>Regularly review and distribute Discover Melbourne guide, with complementary information provided via website</td>
<td>Regularly review and distribute Discover Melbourne guide, with complementary information provided via website</td>
</tr>
<tr>
<td>Number of ambassadors supported from key countries e.g. China, India</td>
<td></td>
<td>Number of ambassadors supported from key countries e.g. China, India</td>
</tr>
</tbody>
</table>

3.7 ATTRACTING BUSINESS AND INVESTMENT TO MELBOURNE – Theme 7

Vision: *Melbourne will be a key destination for business and investment in the Asia Pacific region*

3.7.1 Why this theme is important

Melbourne has a lot to offer as a business and investment destination.

By global standards it is flexible and cost competitive. It has a highly skilled workforce underpinned by a strong base of research and innovation, advanced industry development and excellent educational and training systems. Apart from the ACT, Victoria has the highest proportion of knowledge workers (40 per cent) of any Australian state or territory\(^17\).

Melbourne is an harmonious, multicultural society where diversity adds to its economic, cultural and community strength. It has offers a diverse range of language skills, and the capacity to understand and work with many business cultures. Melbourne has longstanding economic and social ties with major countries and companies in the Asia-Pacific. Other strengths include:

- a stable legal and regulatory environment, in particular ensuring protection of intellectual property, as well as advanced and secure telecommunications systems;

\(^17\) Source : DII RD
The City of Melbourne offers advice and assistance to prospective businesses, large and small, seeking to establish in the city. Council works with the State and Federal Government and other business groups such as VECCI and ARA, to retain and attract new business investment. Key activities include:

- leading and supporting inbound trade missions and delegations;
- supporting local companies in bids for international business contracts;
- facilitating introductions and connections to networks;
- providing relevant data, market intelligence and business research; and
- working with existing subsidiaries of larger global companies (e.g. Holden) to ensure Melbourne retains a share of the global business of these corporations.

International Business Centre (IBC)

The City of Melbourne is a founding partner in the International Business Centre (IBC) based in the central city. The centre provides a range of free and confidential services for offshore companies interested in doing business in Victoria and Melbourne. The IBC is funded in partnership with VECCI, Invest Victoria and the business sector (supported by large companies including the ANZ Bank, William Buck, Hunt and Hunt Lawyers and Oliver Hume).

Attracting skills and knowledge

Increasingly, economic development is more about attracting talent than jobs. Victoria is experiencing skill shortages throughout the state in automotive, advanced science, furniture making, health professionals, horticulture, hospitality, metal machining, toolmaking, welding and urban and regional planning.

While it remains important to develop the skills of the existing workforce, the Victorian Government is also working to bring skilled workers to Melbourne and Victoria.

An important investment consideration for many international managers is the cost of locating expatriate managers in overseas cities. Melbourne is extremely cost competitive for senior and middle management in this area, including housing and school costs.\(^{19}\)

Business migration

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18 Source: KPMG 2004 - Competitive Awareness;  
19 Invest Victoria
In 2005/06, 1,234 business migrants arrived in Victoria (more than 95 per cent in Melbourne). This is the largest share of any Australian state (29 per cent of Australia’s business migrant arrivals overall). The number of business migrants increased by 65 per cent in 2006 over the previous year. This represents more than $600 million in new capital investment and about 5000 new jobs.21

The top five source countries for business migrants for Victoria are:

- China – 83 per cent;
- South Korea – five per cent;
- United Kingdom – three per cent;
- India – two per cent; and
- Malaysia – one per cent.

3.7.2 Objectives

Council will seek to:

- develop a high level of connectivity to all relevant networks and intelligence related to prospective business opportunity for the city;
- ensure the provision of high standards of service to prospective businesses and investors, including data, market information, network contacts;
- support the growth of skilled migration and new business migration; and
- develop and maintain positive relationships with city businesses that have global links.

Melbourne – world’s lowest hardship rating

A major consideration for corporate location decisions is finding a place where the ‘hardship’ for expatriate executives is minimised. In October 2002 the UK based Economic Intelligence Unit nominated Melbourne (along with Vancouver) as one of the best cities in the world to live. The hardship rating assessed 130 cities overall based on 12 factors in category groupings: health and safety; culture and environment; and infrastructure and services.

3.7.3 Key actions by 2012:

<table>
<thead>
<tr>
<th>Partners</th>
<th>Success Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Review and update Council’s business and investment attraction collateral (realign and update with the current priorities of the State Government) / looking at web-based delivery.</td>
<td>Communications and Marketing, Business and International Invest Victoria</td>
</tr>
<tr>
<td>Work cooperatively with the State Government in the resettlement of international students as longer term Melbourne residents.</td>
<td>Community Services, Department of Education and Early Childhood Development</td>
</tr>
<tr>
<td>Develop a basic city orientation program for the benefit of newly sponsored migrants arriving in the city. Foster improved cross linkages to City of Melbourne via cross linkages the City of Melbourne website.</td>
<td>Community Services Universities AMES</td>
</tr>
</tbody>
</table>

20 The State with the next largest share is New South Wales (22%)
21 Invest Victoria
### CHINA

<table>
<thead>
<tr>
<th>Conduct three seminars per year through the Melbourne Office Tianjin to promote Melbourne as a business and investment destination.</th>
<th>Austrade, Invest Australia, Invest Victoria</th>
<th>Identification of business prospect and follow through with Invest Victoria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conduct three seminars per year in Melbourne to promote the Melbourne Office Tianjin as a ‘consultant’ in identifying business partners in China.</td>
<td>Austrade, Invest Australia, Invest Victoria</td>
<td>Number of businesses becoming members of the Melbourne Office Tianjin</td>
</tr>
<tr>
<td>Strengthen links with the Department of Innovation, Industry and Regional Development in the joint marketing of Melbourne for skilled migrants (e.g. such as Chinese migration via the Melbourne office Tianjin).</td>
<td>Department of Innovation, Industry and Regional Development, Melbourne Office Tianjin</td>
<td>Development of partnership projects.</td>
</tr>
</tbody>
</table>

### INDIA

| Utilise ‘in country’ State and Federal Government presence to identify and pursue opportunities. | Invest Victoria, Austrade | Number and success of identified opportunities |
| Develop a joint project with Industry Capability Network to use relationships with CII and IMC to pursue business matching prospects. | | No of business matching outcomes |
USA

| Utilise 'in country' State and Federal Government presence to identify and pursue opportunities | Invest Victoria, Austrade | Development of partnerships and business plan with Invest Victoria to pursue key projects |
| Develop a three year action plan for projects to be pursued in Boston. | MBSCA, DIIRD | Successful implementation of business plan |

### 3.8 MAKE MELBOURNE YOUR HOME – Theme 8

**Vision:** *With a great quality of life, excellent services and good businesses opportunities, Melbourne will be seen as one of the most desirable places to live and work in the world.*

#### 3.8.1 Why this theme is important

The story of modern Melbourne is very much the story of migration. It is defined by countless stories of people who have come from all over the world to make a future for themselves and their families. Multiculturalism is at the core of Melbourne’s way of life.

With people from every part of the world living in, or visiting the City of Melbourne, there is an opportunity for the city to better understand and embrace this diversity when planning for the future.

Residential development in the city over the last decade has led to a resurgence of city living. Between 1996 and 2001 the residential population grew significantly from 39,716 to 50,673 (ABS estimated population) at an average annual growth of five per cent, the highest growth rate of any municipality in Victoria. Since 2001 the resident population has continued to grow strongly (the current 2006 estimate of resident population is 71,381).

A large proportion of this growth is from residents settling from overseas. Overall 38 per cent of City of Melbourne residents were born overseas. Of these residents, 36 per cent are aged 17 to 25, reflecting the high proportion of overseas students living in the city. Approximately 50 per cent of all small businesses in Melbourne are owned by migrants, or the children of migrants.

Approximately 30 per cent of City of Melbourne residents (15,225) speak a language other than English at home. After English, Mandarin is the next most commonly spoken language, (approx six per cent of residents). The table below shows a list of the top 20 countries of birth for the City Of Melbourne and the Melbourne Statistical Division in 2001 and 2006. In 2006, the top three overseas countries of birth for the City of Melbourne are Malaysia, China and Indonesia.

Cultural diversity, if harnessed, is a significant asset for any city. A diverse community can drive economic activity and support innovation. It can also bring deeper cultural appreciation, and foster international networks as migrants maintain links with family, friends and business colleagues in their home country. These networks offer the ready transfer of market information, business opportunities and intelligence on community, business and political matters.

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22 2006 Census  
23 Quoted by George Lekakis, Chair, Victorian Multi Cultural Commission, Future Melbourne Forum, 21/6/07
## Top 20 Countries of Birth: City of Melbourne and Melbourne MSD – 2001 and 2006

<table>
<thead>
<tr>
<th>Country of Birth</th>
<th>City of Melbourne</th>
<th>Melbourne (Statistical Division)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2001</td>
<td>2006</td>
</tr>
<tr>
<td>Australia</td>
<td>24,208</td>
<td>30,819</td>
</tr>
<tr>
<td>Malaysia</td>
<td>2,359</td>
<td>3,967</td>
</tr>
<tr>
<td>China (excl. SARs and Taiwan Province)(b)</td>
<td>1,153</td>
<td>3,463</td>
</tr>
<tr>
<td>Indonesia(c)</td>
<td>2,169</td>
<td>2,649</td>
</tr>
<tr>
<td>United Kingdom(e)</td>
<td>1,989</td>
<td>2,568</td>
</tr>
<tr>
<td>New Zealand</td>
<td>1,209</td>
<td>1,808</td>
</tr>
<tr>
<td>Singapore</td>
<td>1,142</td>
<td>1,608</td>
</tr>
<tr>
<td>Hong Kong (SAR of China)(b)</td>
<td>1,064</td>
<td>1,528</td>
</tr>
<tr>
<td>India</td>
<td>487</td>
<td>1,201</td>
</tr>
<tr>
<td>Korea, Republic of (South)</td>
<td>221</td>
<td>951</td>
</tr>
<tr>
<td>Viet Nam</td>
<td>747</td>
<td>862</td>
</tr>
<tr>
<td>Thailand</td>
<td>400</td>
<td>710</td>
</tr>
<tr>
<td>Japan</td>
<td>331</td>
<td>620</td>
</tr>
<tr>
<td>United States of America</td>
<td>343</td>
<td>552</td>
</tr>
<tr>
<td>Italy</td>
<td>510</td>
<td>542</td>
</tr>
<tr>
<td>Germany</td>
<td>224</td>
<td>337</td>
</tr>
<tr>
<td>Philippines</td>
<td>164</td>
<td>332</td>
</tr>
<tr>
<td>South Africa</td>
<td>188</td>
<td>290</td>
</tr>
<tr>
<td>Canada</td>
<td>129</td>
<td>262</td>
</tr>
<tr>
<td>Ireland</td>
<td>175</td>
<td>248</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>144</td>
<td>222</td>
</tr>
<tr>
<td>Greece</td>
<td>141</td>
<td>186</td>
</tr>
<tr>
<td>Others</td>
<td>3,961</td>
<td>5,197</td>
</tr>
<tr>
<td>Not stated</td>
<td>7,115</td>
<td>10,459</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>50,573</td>
<td>71,381</td>
</tr>
</tbody>
</table>

Source: ABS

(a) This list of countries consists of the most common responses for Country of Birth reported in the 2001/2006 Census.

(b) Special Administrative Regions (SARs) comprise 'Hong Kong (SAR of China)' and 'Macau (SAR of China)'.

(c) In 1996 only, Indonesia included East Timor.

(d) In 1996 was known as 'Yugoslavia, Former nfd'. In 2001 was known as 'Yugoslavia, federal Republic of'. In 2006, includes persons who stated their birthplace as Yugoslavia.

(e) Comprises 'United Kingdom, nfd', 'Channel Islands', 'England, Isle of Man', 'Northern Ireland', 'Scotland' and 'Wales'.

(f) Includes countries not identified individually, 'Australian External Territories', 'Inadequately described', 'At sea' and 'Not elsewhere classified'.
### Key actions by 2012:

<table>
<thead>
<tr>
<th>Partners</th>
<th>Success Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>State and Local Government Service providers Community organisations Ethnic Community Council of Victoria Vic Multicultural Commission</td>
<td>Increased number of newly arrived communities participating in Council events, accessing resources and contributing to Council consultations and forums.</td>
</tr>
<tr>
<td>Australian Multicultural Foundation</td>
<td>Improved knowledge/networks through engagement in research, projects and activities.</td>
</tr>
<tr>
<td>Department for Victorian Communities Victorian Multicultural Commission Community Services</td>
<td>Development of the Multicultural Hub.</td>
</tr>
</tbody>
</table>

- Increase opportunities for newly arrived residents to access Council services and participate fully in the life of the city.
- Strengthen the provision of language services in Council communication.
- Develop a social inclusion framework.
- Support a framework of consultation with people from culturally and linguistically diverse background though channels such as a Multicultural Advisory Forum.

- Support other relevant multicultural conferences and events, including the Parliament of World Religions to be held in Melbourne in 2009.

- Pursue the development of the Melbourne Multicultural Hub concept to support community and capacity building initiatives.
4. GLOBAL STRATEGY: NEW DELIVERY MODEL

4.1 Boosting collaborations and connections

There is great potential for Melbourne to strengthen its national and international influence by mobilising and building on its intellectual capital and global connections.

Extensive global links are being developed by a wide range of Melbourne agencies, government departments and businesses. There is an opportunity to explore greater synergies between these groups. Higher levels of collaboration would present a more consistent, unified Melbourne to the world.

Major events provide an example of how Melbourne has harnessed its international networks. Much can be learned from the model of inter-agency cooperation developed by the Victorian Major Events Company in developing international event bids. The Melbourne Exhibition and Convention Centre has established the Club Melbourne program as a way of building global networks in specific sectors for attracting and winning conferences and business events.

Facilitating and building further interconnection of these networks could be an important role for the City of Melbourne. This activity would also add value to the City of Melbourne’s own international activities and networks. Tasks could include:

- developing an audit of Melbourne’s global connections and links – a global Melbourne stakeholder database;
- leading a series of forums or networking events under a Global Melbourne theme;
- reviewing the protocols for sharing information / international leads with the State Government.

Other opportunities to build Melbourne’s profile and international networks and connections include:

Seeking other Melbourne-based offices of international agencies or regional headquarters – The City of Melbourne has contributed to Melbourne’s international profile by supporting the establishment of the Melbourne offices of international agencies such as the International Council for Local Environmental Initiatives (ICLEI) Oceania\(^\text{24}\), the Centre for Public Agency Sustainability Reporting\(^\text{25}\), and the United Nation’s Global Compact program.

Opportunities exist to encourage other international agencies to locate in Melbourne such as United Nations Environment Program (UNEP), the World Health Organisation (WHO), particularly linked to local expertise and research. Council could work more closely with the State Government and review opportunities for more rigorous incentives to attract regional headquarters of companies/corporations to the city.

Attracting globally significant meetings and forums – Events such as Global G20 Forum held in Melbourne in 2006 provide Melbourne with significant media exposure, along with bringing people of significant global influence to the city.

Profiling Melbourne people – Melbourne is often referenced in the media as a result of home-grown talent such as Barry Humphries and Kylie Minogue. These influences are very powerful. Linking Melbourne to well-known sport people, actors or musicians is a great way to maximise

\(^{24}\) ICLEI is an international association of local governments and national and regional local government organizations that have made a commitment to sustainable development, comprising 475 member cities and agencies.

\(^{25}\) Centre for Sustainability Reporting is responsible for the monitoring the sustainability performance of public agencies at a global level involving a city network including Amsterdam, Greater Vancouver, Oslo, Seattle and Cape Town.
global media attention. Capitalising on the intellectual capital of Melbourne’s thinkers, business and community leaders is another effective way of positioning the city. Lord Mayor John So has achieved an excellent global profile.

There are also other opportunities to capitalise on the ‘Melbourne diaspora’ – people from Melbourne now working overseas – who could act as potential ambassadors to spread the Melbourne message abroad. Opportunities could be explored though existing online networks such as the Southern Cross Group. Creating a ‘Melbourne Abroad Club’ via the City of Melbourne website could be one way of keeping Melburnians living abroad connected and informed, or utilising a Copenhagen Goodwill Ambassador Corp model of support for expatriate Melburnians.

**Building partnerships with corporate / major institutions** – Melbourne-based companies with global office networks could become additional sources of network support.

**Establishing high level forums / institutes for intellectual exchange** – Melbourne needs stronger vehicles / forums to contribute to national leadership and policy debate on international issues (e.g. a Melbourne equivalent of the Lowy Institute for international Policy).

### 4.2 Improving global access

There is a close relationship between a capital city’s competitiveness and its transport and communication links. Melbourne is a major access hub connecting south-eastern Australia to the Asia Pacific. Over 70 per cent of Australia’s economic activity occurs in Australia’s south-eastern states. Melbourne serves as a central distribution point for this activity and handles a large proportion of Australia’s trade.

**Aviation**

Melbourne Airport is the largest freight and passenger airport in the country and the only curfew free, 24 hour airport in Australia. It is currently serviced by 21 international airlines and rated among the world’s top five airports by *Business Traveller* magazine. In 2005/06 Melbourne Airport received 4.36 million international passengers from the following world regions:

<table>
<thead>
<tr>
<th>Origin</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>22.4%</td>
</tr>
<tr>
<td>South Asia</td>
<td>23.8%</td>
</tr>
<tr>
<td>North east Asia</td>
<td>15.3%</td>
</tr>
<tr>
<td>Americas</td>
<td>10.2%</td>
</tr>
<tr>
<td>NZ Pacific</td>
<td>24.6%</td>
</tr>
<tr>
<td>Other</td>
<td>3.7%</td>
</tr>
</tbody>
</table>

Source: Australian Bureau of Statistics, July 2005

Although there has been some recent gain in seat capacity, as well as the announcement of new budget carrier Tiger Airways, Melbourne falls well behind Sydney with a 20 per cent share of international aviation access as opposed to Sydney at 46 per cent.
This poor share is due to a range of factors including the structuring of routes by Australian carriers to Melbourne’s disadvantage, as well as the current framework of policy for foreign countries to secure air rights to increase, or begin air services to Melbourne.

Council should continue to monitor the number of air service opportunities for Melbourne and ensure an environment where rights can be secured for carriers of strategic value, and help secure the existing rights of carriers that bring direct flights to Melbourne.

### Possible actions

<table>
<thead>
<tr>
<th>Possible actions</th>
<th>Key participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>o In collaboration with the Victorian Government, Melbourne Airport and the tourism industry advocate for greater international aviation seat capacity for Melbourne</td>
<td>DIIRD/Tourism Victoria, Melbourne Airport, DOTARS, VTIC/VECCI,</td>
</tr>
<tr>
<td>o Participate as a stakeholder in Federal Government Bilateral airline negotiations</td>
<td>DOTARS, Tourism Victoria, Melbourne Airport</td>
</tr>
</tbody>
</table>

### Port of Melbourne

The Port of Melbourne is located within the City of Melbourne and is Australia’s largest and busiest container port, handling 40 per cent of Australia’s overseas container trade. The port provides access to over 300 other ports around the world.  

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31 Source Invest Victoria
APPENDIX 1
City of Melbourne’s current international links

The City of Melbourne continues to build broad-based relationships with cities and countries, networks and organisations around the world to maximise opportunities and leverage benefits for all partners.

The current international framework reflects many years of Council commitment to connecting Melbourne internationally. The City of Melbourne makes international connections:

- directly through one-to-one, city-to-city relationships (e.g. sister city partnerships, cooperative trade agreements);
- being part of a network of cities aligned to a particular purpose (e.g. Business Partner City Network, C20 Climate Group);
- as a member of other organisations or associations with international networks (e.g. Commonwealth Local Government Forum); and
- one-off international exchanges.

One-to-one connections

Sister Cities

Melbourne’s sister city connections have formed a strong foundation for Council’s international engagement to date. The City of Melbourne maintains sister city relationships with the following cities (examples of activities included in *italics*):

- Osaka, Japan (established 1978) – currently active
  *Melbourne Osaka Yacht Race, trade fairs, cultural, sport and school exchange programs, 2006 Aust Japan Year of Exchange.*

- Tianjin, China (established 1980) – currently active
  *Melbourne office in Tianjin has played a major role in facilitating trade, investment, tourism environmental, cultural/ community (e.g. Tianjin Dancing Kite Festival) sport (e.g. Melbourne Football Club), education exchange (e.g. Tianjin Government Leaders Program).*

- Thessaloniki, Greece (established 1984) – currently semi active
  *Student art exchange, Sailability Hellas program, 25th Anniversary celebrations planned for 2009.*

- Boston, United States (established 1985) – currently semi active
  *Melbourne Boston Medical Research exchange, recently established Boston Melbourne Sister City Association (Boston).*

- St Petersburg, Russia (established 1989) – currently semi active
  *Melbourne Symphony Orchestra and Chamber Strings of Melbourne tour.*

- Milan (established in 2004) – currently active
  *Focused on design and fashion as well as tourism education and sport.*

The activity levels for each of these sister city relationships varies. Council’s approach has been to allocate resources and effort where there is greatest return. Whilst there has been some
general increase in activity across all cities, current priority is attached to the Tianjin (high), Milan and Osaka relationships.

Cooperative Agreements

Melbourne’s cooperative agreements play an important role in the City of Melbourne’s international engagement. Currently cooperative agreements are in place with (focus of activities is described):

China:
- **Fengxian District, Shanghai** (established April 2002): senior government leadership training, business activities and exchange (complements with Shanghai membership of the BPC).
- **Nanjing, Jiangsu Province** (established August, 2002): senior government leadership training, business activities and exchange (complements with sister state relationship between Victoria and Jiangsu province).
- **Guangzhou Biotechnology Partnership** (established April, 2003): based on knowledge exchange in the biotechnology sector and commercialisation opportunities in traditional Chinese medicine. The exchange program was developed jointly with the City of Melbourne, City of Guangzhou and the BioMelbourne network.
- **Foshan** (established July 2006): government training programs and environmental management.

Mauritius:
- **Port Louis** (September 2004): business, education and medical training.

Other current one-to-one connections include:

- **Greater Seattle, Trade Development Alliance** – In May 2006, Melbourne hosted an International Study Mission conducted by the Trade Development Alliance of Greater Seattle. The visit facilitated joint cooperation and significant potential for business exchange and trade development, involving both the Victorian Government and the City of Melbourne.

- **Delhi** – A legacy of the Commonwealth Games 2006 has been a close connection with Delhi. The City of Melbourne adopted India as its ‘second’ team during the Games with associated cultural events and business exchange. Delhi has been invited to participate in a ‘knowledge transfer’ program of relevant IP attached to delivery of the Melbourne Commonwealth Games. During the Commonwealth Games a letter of intent to establish a strategic city alliance was presented to the National Capital Territory of Delhi. In January 2008, the National Capital Territory of Delhi advised the Cabinet had approved the formation of a strategic city alliance. It is anticipated the signing of the agreement will occur in 2008.

Connections with international agencies and networks

**Business Partner City Network**

Melbourne is the only Australian member of the Business Partner City (BPC) Network, which was formed to improve opportunities across the Asia-Pacific for small to medium sized businesses. Participating cities are: Tianjin, Seoul, Osaka, Shanghai, Hong Kong, Manila, Mumbai, Bangkok, Ho Chi Minh City, Kuala Lumpur, Singapore, Jakarta and Melbourne.
Melbourne is an active participant in the annual BPC round table and supports Melbourne and Victorian business missions to and from BPC cities. Melbourne hosted the BPC Roundtable in 2007.

**Participation through membership in global networks**

There is an increasing range of international city and virtual networks (Refer Appendix 3) evolving that will warrant ongoing assessment on the value of involvement. An example of Council’s involvement in current international networks are:

- **C20 Large Cities Climate Group**: In July 2006 on the invitation of the Mayor of London, Melbourne joined the Large Cities Climate Leadership (C20). A memorandum of understanding was signed between the C20 Group and the William J Clinton Foundation. This joint action will develop and implement a series of collaborative initiatives among cities to accelerate carbon emission reduction. The C20 cities are: London, New York, Stockholm, San Francisco, Toronto, Shanghai, Delhi, Mexico City, Beijing, Berlin, Barcelona, Chicago, Sao Paulo, Rome, Paris, Madrid, Kingston, Saint Denis, Nieuwegein and Melbourne;
- **Commonwealth Local Government Forum (CLGF)**
- **World League of Historic Cities**
- **Asia Society**
- **Great Wine Capitals Network**
### APPENDIX 2

**Key Government/ Agency Partnerships**

<table>
<thead>
<tr>
<th>Federal Government</th>
<th>Aims/ role relevant to Council global activities</th>
<th>Current Links and benefits to City of Melbourne</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austrade</td>
<td>Facilitation of International trade / business</td>
<td>Links in China office in Shanghai/ Tianjin. Major partner in all trade and business activity. Melbourne Office Tianjin has Austrade trade correspondence status.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DFAT</td>
<td>Trade, international diplomacy and advancing Australia’s interests overseas</td>
<td>Victorian office provides regular listing of forthcoming diplomatic visits and opportunities to participate in Special Visitor Program. Continuing projects involving overseas posts such as Melbourne a Milano 2007.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AusAID</td>
<td>Australia’s leading overseas aid agency</td>
<td>Currently limited direct contact. Contact through a number of funded capacity building projects. Melbourne’s expertise in city management, urban planning and environmental sustainability is presented during programs</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>State Government</th>
<th>Aims/ role</th>
<th>Links and benefits to (CoM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Premier and Cabinet</td>
<td>Leading State Govt office and coordinating role across other Departments</td>
<td>Manages Victorian Government Sister State Relations; Lead agency for managing protocol for high level special visitors including Ambassadors and High Commissioners complementary support.</td>
</tr>
<tr>
<td>Tourism Victoria</td>
<td>Attract international visitors to Melbourne and Victoria</td>
<td>International linkages through its network of Offices: London, Shanghai, Los Angeles, Tokyo, Singapore, Frankfurt, Auckland; Collaboration on projects in international markets e.g. Melbourne a Milano; Facilitates links with international carriers.</td>
</tr>
<tr>
<td>Arts Victoria</td>
<td>Cultural development / international arts &amp; cultural exchange</td>
<td>Provides funding and other support for international arts/ cultural activities and exchanges, opportunities to collaborate on projects.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other Agencies</th>
<th>Aims/ role</th>
<th>Links and benefits to CoM</th>
</tr>
</thead>
<tbody>
<tr>
<td>VECCI</td>
<td>International trade and Business</td>
<td>The City of Melbourne is co-funding partner of the International Business Office located at VECCI headquarters.</td>
</tr>
<tr>
<td>Asia Link, University of Melbourne</td>
<td>Education, cultural and public programs</td>
<td>Support for the key sister city activities.</td>
</tr>
<tr>
<td>Victorian Multicultural Commission</td>
<td>Multicultural and community support programs</td>
<td>Community engagement programs and development of cultural precincts within City of Melbourne.</td>
</tr>
<tr>
<td>Other Agencies</td>
<td>Aims/ role</td>
<td>Links and benefits to CoM</td>
</tr>
<tr>
<td>---------------</td>
<td>-----------</td>
<td>---------------------------</td>
</tr>
<tr>
<td>Committee for Melbourne UN Global Cities Compact</td>
<td>Addressing urban issues via of local cross-sector partnerships between business, government and civil society.</td>
<td>Participating cities include: San Francisco, Bath, Nuremberg, Jamshedpur, Pune, Mumbai, Salt, Porto Alegre, Plock, Bogota, Jinan City, Ulaanbaatar, Le Havre, Pretoria/Tshwane, Kawasaki City</td>
</tr>
<tr>
<td>RMIT Global Cities Institute</td>
<td>Engaged research into globalisation and city development, evaluation of current directions of global change, with an emphasis on cultural and economic impacts</td>
<td>City links: Chennai, Osaka, Havana, Petaling Jaya, Port Moresby, Rhodes, Sarajevo, Honolulu, Galle</td>
</tr>
<tr>
<td>Australian Industry Group</td>
<td>Business Partner City Network – co-signatory to the network</td>
<td>Coordination of trade missions, business networking, link to key opinion leaders. Network connections with key business organisations in the Asia-Pacific region.</td>
</tr>
<tr>
<td>RMIT University</td>
<td>Delivery of higher education courses and programs in international markets, locally and offshore</td>
<td>Currently delivers education courses for Tianjin Government Leaders Program, Tianjin media professionals. Partner in the Melbourne Office Tianjin.</td>
</tr>
<tr>
<td>Australian Football League</td>
<td>Game development in China</td>
<td>Support AFL development officer based at the Melbourne Office Tianjin, including the introduction of AFL/Auskick to Chinese sports education curriculum Melbourne office.</td>
</tr>
<tr>
<td>Melbourne Football Club</td>
<td>Game development in China and increased involvement of international students in AFL</td>
<td>Support AFL development officer based at the Melbourne Office Tianjin. Program to increase international student awareness/involvement in AFL during their studies in Melbourne.</td>
</tr>
<tr>
<td>Australia India Business Council</td>
<td>Business Connections</td>
<td>Support for key events, networking opportunities.</td>
</tr>
<tr>
<td>Australia China Business Council</td>
<td>Business Connections</td>
<td>Partner in Melbourne Office Tianjin.</td>
</tr>
<tr>
<td>Best Cities Global Alliance (MCVB)</td>
<td>Facilitates the exchange of ideas and the development of new convention bureau programs and business prospects.</td>
<td>Cape Town, Copenhagen, Dubai, Edinburgh, San Juan, Singapore and Vancouver (Melbourne)</td>
</tr>
<tr>
<td>Melbourne Rotary Club</td>
<td>Projects with Osaka</td>
<td>Leader exchange program 2008 to mark 30th anniversary.</td>
</tr>
<tr>
<td>SBS</td>
<td>Media</td>
<td>Domestic and international media connections</td>
</tr>
<tr>
<td>Radio Australia</td>
<td>Media</td>
<td>International links, particularly through Tianjin TV and radio</td>
</tr>
<tr>
<td>Commonwealth Local Government Forum</td>
<td>Local Government best practice networking</td>
<td>Opportunity to profile Council’s projects and participate in projects, particularly support for India</td>
</tr>
<tr>
<td>Melbourne University</td>
<td>International University Connections</td>
<td>Support for India overall programs</td>
</tr>
<tr>
<td>Monash International</td>
<td>Link with Monash Asia Institute</td>
<td>Research and exchanges particularly through links with Mumbai.</td>
</tr>
<tr>
<td>Other Agencies</td>
<td>Aims/ role</td>
<td>Links and benefits to CoM</td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>------------------------------------------------------</td>
<td>------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>International Australian chambers of commerce</td>
<td>Business development activities</td>
<td>Support for visiting City of Melbourne missions, partners for projects (i.e. Australia Chamber of Commerce in China, Australian Business in Europe, American Australian Association in New England (AAANE))</td>
</tr>
<tr>
<td>Bio 21 network</td>
<td>Build Melbourne biotechnology Industries</td>
<td>Leadership with AAANE of annual Victorian bio-relationships conference held in Boston prior/post annual BIO conference</td>
</tr>
<tr>
<td>Asia Society</td>
<td>Strengthening business connections with Asia</td>
<td>High level business connections within the region. Partnership opportunities for key events such as Asia Society Corporate Conference May 2008, Tianjin.</td>
</tr>
</tbody>
</table>
APPENDIX 3
Other relevant Council strategies and policies

- Melbourne Tourism Plan 2007–2012
- A Cultural Blueprint for Melbourne (December 2006)
- Knowledge City Strategy
- Melbourne Retail Strategy 2006–2012
- Future Melbourne Program (currently underway)
BACKGROUND PAPER 1

The Global Context

Globalisation is bringing the world closer and closer together. People and ideas now move faster around the world than ever before.

Many of the things Australians value – national security, economic prosperity, health – are affected by events beyond our borders. Addressing problems through international cooperation will be one of the defining issues of our generation. Consider the current importance of global interconnection in addressing problems like climate change and terrorism.

Significance of city-to-city connections

There are increasing levels of global interdependence between cities, particularly in new skills and knowledge, as well as trades in services, people and ideas (e.g. the global convergence in advertising, accountancy, law firms) and the emergence of global electronic commerce.

Half the of the world's population live in cities. There are currently 440 cities in the world with a population of more than one million people. By 2015 it is estimated there will be 30 cities with populations over 10 million. In 2007, for the first time, more people will live in cities than in rural areas, according to the UN. This is a tipping point in human history. Cities provide the scaffolding for a new, interconnected global geography. But while there have been waves of globalisation over time the current challenge is the speed, scope and intensity of this global interconnection.

‘Thinking globally and acting locally’ promotes greater international involvement and underscores the concept that many problems facing the world today cannot be solved by individual nation states on their own.

A powerful way of visualising these ideas is through the concept of ‘global public goods’. Global public goods are the goods (products, things, conditions) with benefits extending to all countries, people and generations such as global financial stability, environmental sustainability, peace, security, or the free flow of information and ideas.

As the world becomes more interconnected, an increasing number of issues are of global concern. The only way to provide such public goods in a world without an international sovereign is through international cooperation. No single state or city, regardless of its power, can alone ensure the provision of a global public good. More than ever there is a need for broad international cooperation on a wide range of issues. This determines how we all live together on the planet.

A new the geography of globalisation:

- Major centres
- Network driven
- Nodes in a grid of cross border processes
- Not bound by territorial units
- Denationalised elites

33 Imagining Australia: Ideas for our Future. Macgregor Duncan, Andrew Leigh, David Madden, Peter Tynan pp.230-32
Global city theory

World cities have existed throughout urbanised history as centres of politics, commerce, trade and finance with large populations and concentrations of infrastructure. Rome is often cited as the first ‘world’ city.

Definitions of world cities have historically focused on demographic, economic and cultural attributes.

However, since the 1990s there has been much examination by social scientists and economists of the changing nature and functions of cities as sites of command and control over globalisation processes. The terminology of *global* cities is used to describe centres of power and influence.

Global cities are identified more for their links to each other, rather than any defined characteristics. This line of thinking is primarily commercial or market-driven and aligned with the new technological processes shaping the urban landscape. It has a common premise that the status or strategic position of cities results from the services they provide to the global economy. In this way global city status is something to be attained or not, through the active promotion and development of high level service management functions on the part of cities world-wide.34

The Globalisation and World City Research Group Network (Loughborough University UK) has devised a world hierarchy of world cities primarily based on the presence, size and office headquarters in key service sectors:

- **Alpha** cities e.g. London, New York, Tokyo, Chicago, Hong Kong, Singapore, Milan
- **Beta** cities e.g. San Francisco, Sydney, Madrid, Seoul, Brussels, Moscow, Sao Paulo, Zurich
- **Gamma** cities e.g. Melbourne, Amsterdam, Barcelona, Geneva, Montreal, Copenhagen, Kuala Lumpur, Osaka, Rome35

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34 M Mark Amen, Kevin Archer, M Martin Bosman (Ed), 2006, *Relocating Global Cities From the Centre to the Margins*, United States Rowan and Littlefield p 1-2
35 Saskia Sassen, Globalisation and World City Research Group Network (GaWC) cited in, *Global Networks Linked Cities*, p.100
Kevin O’Conner from Melbourne University\textsuperscript{36} argues global status can be derived by strength of trade and services between sectors (such as trade in tertiary education). O’Connor uses Melbourne as a prime example of the knowledge-based economy boosting city linkages and global city position.

An alternative model focuses on how all cities are affected by globalisation in varying ways, not just economically. This model places more emphasis on social/ cultural exchange and the diverse sources of trans-national links between cities such as mass media, major events, migration, creativity, knowledge exchange, and coalitions including human rights organisations. These theorists assume the world is more organic than an economic determinist approach can possibly capture.\textsuperscript{37}

**What category of city is Melbourne?**

Melbourne falls in the group of emerging cities whose identity is not necessarily focused on corporate headquarters, banks, law / accounting firms, (although this is not to say these things are not desirable) but related more to cultural / creative criteria such as services and cultural linkages. Sometimes described as ‘second tier’ cities, these cities are often perceived as more affordable and offering greater quality of life. They are often partnered with larger gateways – for example, Manchester and London, or Boston and New York. The attributes are mutually exclusive rather than being subservient to other centres.

This group of cities are growing at the expense of older larger cities, often led with a shift beyond industry base to producer services. Melbourne forms part of a pack of the newer, creative cities, such as Seattle, Barcelona, and Boston. However, the hierarchy of southern hemisphere creative cities is still undecided – Sydney, Wellington, Capetown and Melbourne are all contenders\textsuperscript{38}.

**Creative cities = multifaceted competing claims**

<table>
<thead>
<tr>
<th>Transients/ tourists</th>
<th>Inhabitants</th>
<th>Creativities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Backpackers</td>
<td>Productions workers</td>
<td>Alternative arts</td>
</tr>
<tr>
<td>Packaged</td>
<td>Service workers</td>
<td>Emerging innovative</td>
</tr>
<tr>
<td>Globetrotters</td>
<td>Professional/ Creatives</td>
<td>Mainstream; embedded</td>
</tr>
</tbody>
</table>

Source: Terry Cutler, Mindsharing

By international standards, Melbourne is a remarkably civilised, attractive, safe and accessible city. It offers a varied and cosmopolitan lifestyle. Its physical features – tree lined streets, generous parks, fine heritage, high quality architecture and urban design – combined with its cultural diversity, major events calendar, arts and cultural scene and year round sport all come together to make a most liveable city.

The City of Melbourne is committed to enhancing Melbourne’s reputation as ‘the world’s most liveable city’. Showcasing Melbourne internationally as an engine of economic growth – with world-class infrastructure and innovative, creative industries – is critical to the city’s global leadership position.


\textsuperscript{37} Op cit, *Relocating Global Cities From the Centre to the Margins*. p 2

\textsuperscript{38} Internal DIIRD Discussion Paper ( draft) ‘Potential Creativity Leverage Points’ Nov 2004

#4545095v4 as at 29/02/2008
BACKGROUND PAPER 2
‘Creative City’ Concepts

The development of the ‘knowledge economy’ and globalisation are closely related. Global firms have built integrated, international production chains, with research and development facilities in more advanced economies such as the US and Australia, production in assembly plants in Asia / China, and then value adding and in design or marketing back in western economies.

Notwithstanding, the economies of India, China as well as others such as Russia and Brazil are all rapidly developing a higher order share of economic activity in knowledge-based segments of the production chain. The challenge for other advanced economies such as US and Australia is to be even more competitive in these areas.

We are now in the creative age – a time when economic value in a growing number of sectors depends on the ability of firms to embed creativity and cultural content within the goods and services they produce. Familiar goods such as clothing, furniture and food products depend on creative and cultural content for their competitive success, and consumers are willing to pay higher prices for products that are well designed and culturally distinctive.

Knowledge-intensive products such as computers, mobile communication devices and biomedical technologies are born of the ingenuity of well-educated, creative workers. These products also exploit appealing and ingenious design to enhance their success in the marketplace. Furthermore, a set of creative industries producing ‘cultural goods’ – including film and television production, new media, electronic games, publishing, advertising, design, music, and the visual and performing arts – now generate a large and steadily increasing share of our international trade, employment and gross domestic product locally, regionally and nationally.

Many cities around the globe have come to recognise the economic and social benefits that flow from the ‘creative’ or ‘weightless’ economy. Cities are implementing aggressive policies to nurture and promote creative and cultural activity. In world cities like London, New York and Berlin, or even in smaller centres like Austin, Texas and Providence, Rhode Island, the development of the creative economy has become a strategic priority, not only for generating wealth and employment opportunities. Creative industries in the UK are growing by six per cent each year, more than any other sector, and twice as fast as the overall economy. The knowledge-based creative economy will account for half of the UK economy within 10 years.

Creative and cultural activity enhances a sense of place, helps reclaim and revitalise city precincts, fosters more innovative thinking and problem-solving across all sectors of the economy, and shapes a city’s identity in the face of increasing competition.

These principles are highly relevant to Melbourne. There has been a significant policy shift across the State Government towards the support and development of the creative economy.

A creative calculation: A city’s tolerance and acceptance of diversity is key to its success in attracting and retaining people, according to Richard Florida, Heinz Professor of Economic Development at Carnegie Mellon University in the United States and author of the ‘Rise of the Creative Class’. The cities most likely to succeed in the twenty first century, he says, offer the three T’s: Tolerance, Talent and Technology. In 2004 Professor Florida assessed Melbourne with his Creativity Index, ranking it fourth amongst 268 regions globally.

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39 Refer Creating Opportunity, Invest Victoria, DIIRD, December 2006
40 Cited from the same Invest Victoria publication
The City of Melbourne has a ‘stewardship’ over Melbourne’s central creative core.

The significance of sectoral clusters

A cluster is an interconnected system of firms and institutions whose value as a whole is greater than the sums of its parts, such as a collection of similar businesses in a similar area which creates spin-off benefits. The synergies of these clusters or hubs of shared knowledge and expertise supports the development of global competitiveness. There is a trend in the layering of trading across specialist networks – sector to sector on a global basis – reframing the hierarchy of global cities. The intensity of global engagement within sectoral clusters strongly influences global positioning.

Principles for competitiveness or building stronger, more economically competitive and creative cities can be considered along these lines:

- **Critical mass for global competitiveness** – Build a creative critical mass and knowledge advantage based around the connectivity and concentrations of infrastructure and activity (such as found in the central city and inner core). The challenge is to focus these assets outwards towards global markets and partners.

- **Convergence** – Connectivity between concentrations of infrastructure and activity so that ideas are shared, technology meets content, and culture meets commerce. The challenge is to build effective links between different aspects of the creative value chain and across traditional, sectoral, institutional and location boundaries.

- **Stimulation** – Creating the environment or sense of place for creativity to flourish, by concentrations of infrastructure and activity. This creative and cultural infrastructure needs to be placed at the heart of the community, foster creative hubs of strength and form an essential part of the image and identity of the city. 41

41 Creative Economy Program, UK
How does this apply to Melbourne?

- Melbourne has strong, emerging clusters of creative activity (e.g. arts, medical research and biotechnology, knowledge, design, sport and events, media and film, tourism, advanced manufacturing). It could be argued that the core of Melbourne has a creative backbone or axis extending from Melbourne University to St Kilda.

- Council’s policy focus on Melbourne’s liveability strengths provides a strong competitive environment for the knowledge and creative industries to flourish.

- Melbourne is extremely well positioned (e.g. geographically, time zones) to support ‘creative value adding’ with core offshore production partners in Asia as compared to the US and Europe.

- Invest Victoria has identified a strong future focus on investment attraction for more specialised, higher value added industries. This will include a broader focus on innovation and technology and cluster development, as opposed to single sector marketing (e.g. Parkville Precinct, Port Melbourne, Advanced Manufacturing).

- Much of the business growth in creative industries is likely to occur in emerging SMEs – notably a focus of the City of Melbourne’s business development programs.

From a global perspective, cities do not compete, they perform. For cities to perform well, it is important they contain businesses that compete and industries that are competitive. The majority of business activity originates from within a city and is not imported to it42. Accordingly Council should be aiming improve the aspects in which Melbourne performs well globally and enhance further innovation and excellence.

Strategic Propositions: Developing a creative city economy

<table>
<thead>
<tr>
<th>Key participants</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strengthen Council’s ‘Knowledge City’ concepts as a priority in the economic promotion of the City.</strong></td>
</tr>
<tr>
<td>Office of Knowledge Capital, Business &amp; International</td>
</tr>
<tr>
<td><strong>Seek collaboration on international ‘creative city’ strategy development in other international centres of thinking (e.g. London, Toronto and San Francisco).</strong></td>
</tr>
<tr>
<td>Arts and Culture, Business &amp; International</td>
</tr>
<tr>
<td><strong>Further investigate the development a ‘creative city’ program exchange as a joint initiative for future discussions with relevant international partner cities.</strong></td>
</tr>
<tr>
<td>Business &amp; International</td>
</tr>
<tr>
<td><strong>Investigate strategies for enhancing the ‘creative city’ attributes of individual precincts and districts.</strong></td>
</tr>
<tr>
<td>Business &amp; International Arts &amp; Culture</td>
</tr>
</tbody>
</table>

42 Chis Urwinn Urban Myth Why Don’t Cities Compete? 2006
BACKGROUND PAPER 3  
Understanding Melbourne’s Global Identity

It is always hard to make generalisations about a whole country as there are wide discrepancies in climate, culture, people and infrastructure from one part of a country to another. When people think about cities, however, they are inclined to be more singular in their judgement based on practical issues such as climate, pollution, transport, cost of living, leisure attractions and sports facilities, law and order and the cultural life of the city.

Sources of primary research about global perception of Melbourne are limited. However, there are two pieces of recent research that provide a useful starting point:

- Anholdt City Brand Index (Simon Anholdt and Global Market Insite Inc); and
- A 2005 study of international perceptions of Melbourne commissioned by the Victorian Department of Premier and Cabinet.

Anholdt City Brand Index

The Anholdt Brand Index was developed from a December 2006 online survey involving 14,500 respondents across 19 countries. (Survey participants were selected on a consistent demographic basis across all countries.)

The City Brands Index survey sought responses about 60 cities, based around six dimensions. The following is a description of each dimension and an overview of the ranking results for Melbourne in comparison with other cities:

- **Presence** – The city’s international status and standing; familiarity and importance on the world stage; **Melbourne’s overall ‘Presence’ ranking: 36th**

- **Place** – Perceptions about the physical aspects of each city such as climate, cleanliness and physical attractiveness; **Melbourne’s overall ‘Place’ ranking: 6th**
  (Melbourne’s rankings within this section were 8th for climate, 10th for cleanliness and 17th for physical attractiveness)

- **Prerequisites** – Basic requirements such as accommodation and public amenities including schools, hospitals, public transport and sports facilities. This dimension is more relevant to those contemplating a longer stay. **Melbourne’s best result, ‘Prerequisites’ overall ranking: 2nd**

- **People** – How friendly and welcoming a city is, and perceived safety; **Melbourne overall ‘People’ ranking: 3rd**. Melbourne’s strongest result in this section was for friendliness (ranked 4th) followed by safety (ranked 6th). The city received a lower ranking for community (ranked 12th), suggesting it is perceived as being less cosmopolitan than other cities such as New York and London.

- **Pulse** – This dimension is particularly relevant for tourism (i.e. how easy it is to find interesting things to do, both as a long-term resident and short-term visitor). **Melbourne’s ‘Pulse’ overall ranking: 16th**. The city’s position was virtually the same for short stay (ranked 16th) and long stay (ranked 15th). On this dimension it was encouraging for Melbourne to be ranked ahead of cities including Berlin, Hong Kong and Vancouver.

- **Potential** – economic and educational opportunities offered to businesses, immigrants and students. **Melbourne’s overall ‘Potential’ ranking: 10th**. Melbourne was the strongest for employment (ranked 3rd) for education (ranked 18th) and as good place to do business (ranked 10th).
From the 20 countries on the survey panel, the 10 most positive in relation to Melbourne included all the Commonwealth members and English speaking countries. Four of the five least positive in relation to Melbourne’s standing were Latin countries.

Results from the survey are interesting as there is a dramatic contrast between how highly respondents ranked Melbourne on many dimensions and yet how low they ranked it on familiarity and importance. In other words, people participating in the survey had very little knowledge of Melbourne, but firmly believed it was a wonderful global city. This may relate to being an Australian city, which invokes excitement beyond reason in some parts of the world, rather than it being Melbourne. Melbourne has achieved significant international awareness through the 2006 Commonwealth Games and even the 1956 Olympic Games, however its brand awareness may be an echo of ‘Brand Australia’.

Notwithstanding, according to Anholdt, Melbourne is rated as one of the world’s top 10 most admired cities and has a huge amount of goodwill to trade on in the global marketplace. With a brand this strong anything branded Melbourne will find a ready market in the cities where it is highly ranked, ranging from straightforward tourism and business travel through to products and services that trigger with people’s perception of Melbourne and carry explicit ‘city of origin’ branding, cultural and educational initiatives, talent recruitment, investment opportunities.

As summed up by Simon Anholdt and Global Market Insit:  

‘In the age of globalisation, most cities have to earn through decades of laborious trade and engagement, a good enough international reputation to be able to expand their business into other fields. Melbourne is a rare example of a city that comes with its global reputation already in place, and only has to work out how best to make use of that reputation right now, as well as enhance and broaden it into the future.’

**Brand Victoria – International perceptions of Melbourne**

In 2004-05 the Department of Premier and Cabinet, within the scope of the *Brand Victoria* project, commissioned research focused on international perceptions of Melbourne in particular segments:

- skilled migration (migrant families, blue and white collar, who have moved to Melbourne);
- international students (international students who chose to study in Melbourne and international students who chose to study in Sydney);
- investment (investment companies who moved to Melbourne, and companies who rejected Melbourne); and
- young perceptions (18 to 35 year-olds who enjoy living in Melbourne).

In summary, the research (undertaken by Galileo Kaleidoscope, in association with Cato & Purnell Partners, within scope of *Brand Victoria* project) indicates a consistent theme that Melbourne is perceived as highly ‘liveable’ with the associated attributes of being: safe, affordable, tolerant, diverse, and a good lifestyle (e.g. sport, cultural scene, wine and food).

The major perceived strengths and weaknesses of Melbourne are summarised below:
## Skilled migration perceptions of Melbourne/Victoria

### Strengths:
- Liveable city
- Multiculturalism brings:
  - Vibrancy
  - Tolerance
  - Acceptance
  - Classless society
- Encompassing and welcoming
- You don’t feel like a stranger
- Climate is acceptable
- Architecturally and artistically it is diverse and attractive
- Perceived as a safe/secure environment: to bring up kids
- Lots of things for kids to do
- Easy to navigate
- Allows for freedom of self expression

### Negatives:
- Expensive
- Being so far away from family
- Retraining for Australian accredited qualifications
- Inability to bring parents to settle in Australia
- Visa restrictions

*Key perceived strengths of Melbourne relate specifically to safe haven, stimulation and diversity.*

## Investment perceptions of Melbourne/Victoria

### Strengths:
- Same as for skilled migrants
- Large pool of well trained executives
- Invest Victoria are very helpful
- Access to Europe without going to US or Europe
- Great test market

### Negatives:
- Smaller player in the global economy
- Career development is restricted
- Place to rest or retire in...
- Big fish in small pond
- Return for family
- Compromise your global ambitions
- Not seen to be the financial capital

*Key perceived strengths of Melbourne relate specifically to quality, especially in the perceived talent pool of labour. However weakness of size in the global economy is a key disadvantage.*

## International students perceptions of Melbourne/Victoria

### Strengths
- Potential for residency
- Globally recognised institutions e.g. Melbourne University
- Lower cost of educational fees compared to U.S.A and U.K.
- Closer proximity to home - still in Asia
- International student friendly courses
- Peaceful, liveable and safe environment which is conducive to study (Pleases parents)
- Multi-cultural, friendly, accepting environment
- Encouraging teachers

### Negatives:
- Weather
- Boring
- Too quiet
- Not cosmopolitan
- Kept somewhat isolated from Australian culture

Like skilled migration strengths of Melbourne relate to safe haven and diversity. However for those who reject the city there is a perceived lack of stimulation which is a barrier to participation in Melbourne.
**Younger’ Perceptions of Melbourne/Victoria**

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Negatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Melbourne is a cosmopolitan city</td>
<td>• Melbourne identity doesn’t express the underlying side of why we love Melbourne</td>
</tr>
<tr>
<td>• You won’t be bored in Melbourne</td>
<td>• Need to focus on Melbourne and the layers of Melbourne</td>
</tr>
<tr>
<td>• Food, local wines, art</td>
<td>• Need to express the exciting side of Melbourne</td>
</tr>
<tr>
<td>• Something here for everyone</td>
<td>• Jigsaw expresses diversity but not the excitement</td>
</tr>
<tr>
<td>• Affordable and friendly</td>
<td>• Can be bit too serious</td>
</tr>
<tr>
<td>• Place to see not to be seen</td>
<td></td>
</tr>
<tr>
<td>• Like Europe before it got over populated</td>
<td></td>
</tr>
<tr>
<td>• Diversity of nightlife</td>
<td></td>
</tr>
<tr>
<td>• Live bands, jazz, clubs and pubs etc</td>
<td></td>
</tr>
<tr>
<td>• Great shopping</td>
<td></td>
</tr>
<tr>
<td>• Factory outlets and markets</td>
<td></td>
</tr>
<tr>
<td>• Great nooks and crannies</td>
<td></td>
</tr>
<tr>
<td>• Sporting events</td>
<td></td>
</tr>
</tbody>
</table>

For those younger people living in Melbourne the rich and diverse excitement they experience and love about their home isn’t overtly expressed in Melbourne or Victoria’s identity. Stimulation and creativity concepts come closest.

Other key conclusions drawn from the research:

- Melbourne/Victoria is considered a safe haven and liveable, more genuinely multicultural than the rest of Australia and more peaceful and restrained than Sydney.
- Melbourne’s reputation does not necessarily match reality. For example, visitors find much more here when they arrive, and we are underselling ourselves.
- Younger perceptions are less affected by traditional stereotypes.
- Melbourne’s quality of living / lifestyle has been strongly influenced by public policy decisions such as regulation, planning and liquor licensing.
- Melbourne may be liveable, but what else is there? Melbourne needs a more ‘energetic’ when it comes to international positioning (see figure below).

**Future Positioning Needs To Move Melbourne Towards A More Energetic Positioning**

Seeing

- POTENT
- RUGGED

Feeling

- ‘mental’
- ‘physical’

Future positioning for Melbourne needs to overtly express its inherent strengths whilst also developing personality cues of energy, vitality and stimulation.
Further indicators about the perceptions of Melbourne include:

- city rating systems (e.g. EIU, Mercer, World Economic Forum);
- trade/business/ sector competitiveness indicators;
- economic performance (e.g. GDP, employment, housing affordability);
- tourism visitor numbers / market share;
- media – news/ TV coverage, opinion;
- other academic research and articles; and
- third party opinion (e.g. guidebooks / travel guides).

Aggregation of this information would provide a valuable resource about how Melbourne is perceived for agencies and businesses seeking to promote Melbourne or win business bids.

Pursuing ongoing research to track Melbourne’s global perception and attribute ratings will support the Council’s own strategic direction related to its future international activities also.

### Strategic propositions: Understanding Melbourne’s global identity

<table>
<thead>
<tr>
<th>Research and Information</th>
<th>Key participants</th>
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<tr>
<td>o Facilitate an audit of ongoing measures of Melbourne’s global perception and ratings.</td>
<td>Potential joint interest in this project with City Research, Melbourne University, Committee for Melbourne, State Government</td>
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<tr>
<td>o Assess the opportunity to develop a system of ongoing monitoring Melbourne’s global rating, notionally a ‘Global Melbourne Monitor’ on relevant key indicators, with the involvement of relevant stakeholders.</td>
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<tr>
<td>o Establish a <em>Global Melbourne</em> information portal for display of relevant research, information links and academic material.</td>
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<tr>
<td>o Build an online membership registration for the communication and distribution of information related <em>Global Melbourne</em> to relevant city stakeholders.</td>
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<th>Marketing and Communications</th>
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<tr>
<td>o Devise an international destination strategy for the Council, including a consistent brand treatment, for City of Melbourne communication to targeted international segments and markets.</td>
<td>Communication and Marketing/ State Government</td>
</tr>
<tr>
<td>o Pursue concepts to add value to the existing marketing of Melbourne, including the identification of global points of difference, as a means of supporting a more innovative and energetic positioning.</td>
<td>Melbourne Marketing, and Business Development</td>
</tr>
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FINANCE ATTACHMENT

MELBOURNE GLOBAL POSITIONING STATEMENT

The recommendations contained in the report provide a context for the delivery of Advancing Melbourne’s Interest – Business and International Strategy 2008-2012 and does not articulated actions in term of costing and therefore a detailed financial impact comment is unable to be provided.

Any funding requirements for 2007/08 will come from within the existing approved 2007/08 Budget. Any funding requirements for the financial years 2008/09 and beyond will be subject to future Budget processes.

Joe Groher
Manager Financial Services
MELBOURNE GLOBAL POSITIONING STATEMENT

The Global Positioning Statement is a policy document and it is open to Council to endorse such a policy. Legal advice will be provided as required in relation to any action to be taken pursuant to the Global Positioning Statement.

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 7 of the City of Melbourne Act 2001 provides additional objectives including:

"(a) to ensure a proper balance within its community between economic, social, environmental and cultural considerations within the context of the City of Melbourne’s unique capital city responsibilities;" and

"(b) to work in conjunction with the Government of the State on projects which that Government or the Council determines are significant to Melbourne".

The recommendation made in the report is within the objectives of Council.

Kim Wood
Manager Legal Services