FUTURE MELBOURNE (ECONOMIC DEVELOPMENT AND KNOWLEDGE CITY) COMMITTEE REPORT

INTERNATIONAL ENGAGEMENT FRAMEWORK – DRAFT INDIA STATEMENT

9 August 2011

Presenter: Jane Sharwood, Manager Business and International

Purpose and background

1. The purpose of this report is to seek endorsement of the draft International Engagement Framework – India Statement (refer Attachment 2) in order to facilitate a further consultation process with relevant business, community, cultural and other levels of government. The outcomes of this process will be reported to the Committee in November 2011.

2. The Future Melbourne (Finance and Governance) Committee endorsed the New Delhi and Mumbai post travel report of Councillor Shanahan and its recommendation to draft an India strategy consistent with the Council’s International Engagement Framework in February 2011.

Key issues

3. The draft statement recommends ongoing development of partnerships with other levels of government, business organisations and cultural institutions to enable Council to leverage their expertise, given its own limited direct involvement in the Indian market to date.

4. The draft statement recommends Council leverage existing connections with New Delhi and Mumbai, and focus on Melbourne’s capabilities in sustainability/environment protection services, professional services, education, tourism and creative industries for business development activities.

5. The approved Business and International 2011-12 budget includes $82,150 to implement a range of projects to support Melbourne’s connections with India.

6. The general direction of the draft India Statement has been discussed with key external stakeholders. It is proposed that the endorsed draft statement be circulated for feedback with relevant stakeholders in Melbourne and India.

Recommendation from management

7. That the Future Melbourne Committee:

   7.1. endorse the draft International Engagement Framework – India Statement;

   7.2. note that the endorsed statement will be subject to a further consultation process with key stakeholders in Melbourne and India; and

   7.3. note that the outcome of these consultations will be reported to the Future Melbourne Committee in November 2011.

Attachments:

1. Supporting Attachment
2. Draft India Statement
SUPPORTING ATTACHMENT

Legal

1. No direct legal issues arise from the recommendation from management.

Finance

2. The approved Business and International 2011-12 Budget includes $82,150 to implement a range of projects to support Melbourne’s connections with India, particularly via programs proposed for Delhi and Mumbai.

Conflict of interest

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

Stakeholder consultation

4. The general directions of the draft India Statement have been discussed with key external stakeholders such as the Victorian Commissioner in India, the Australia India Institute and the Australia India Business Council (Victoria). It is now proposed to circulate the endorsed draft statement and seek feedback with other relevant stakeholders in Melbourne and India.

Relation to Council policy

5. Council Plan 2009–2013 Goal 3 – Economic Prosperity, establishes the policy and operational context for Council’s international relations program, specifically via:

5.1. objective 3.1.4. Promote Melbourne as a great place to visit, do business and study; and

5.2. objective 3.1.8. Ensure Melbourne’s international reputation and presence in global markets.

6. In April 2010, Council endorse the International Engagement Framework to direct Melbourne’s international relationships into the future. The framework covers four priorities; building economic prosperity, facilitated learning, support community, cultural and civic links and participate in international governance. The framework identified building links with Delhi (India) as a priority to build economic prosperity.

Environmental sustainability

7. The draft statement anticipates profiling Melbourne’s capabilities in sustainability and environment protection services via business development activities and the proposed staff exchange between the National Capital Territory of New Delhi and the City of Melbourne.
International Engagement Framework – India statement

Snapshot of Melbourne’s connections with India

The City of Melbourne’s formal connections with India date back to 1999, when the Council became a member of the Business Partner City Network (BPC). The Indian Merchants Chamber (IMC), based in Mumbai, is also a member of the network. The IMC hosted the annual BPC Roundtable on three occasions; 2001, 2006 and most recently 2010. In both 2001 and 2006, a business mission also accompanied the official Council representatives.

High level discussions between the then Lord Mayor and the Chief Minister of the National Capital Territory of Delhi during the Melbourne 2006 Commonwealth Games were the catalyst to the development of a three year strategic city alliance between the City of Melbourne and Delhi. The alliance, formally enacted in 2008, identified opportunities to undertake exchanges around shared interests such as Commonwealth Games knowledge transfer, business and trade, sport, arts, culture and education and city management.

In May 2006 and following the recommendation of the then Lord Mayor’s Melbourne Delhi Reference Group, an honorary representative was appointed to support the development of the Melbourne Delhi strategic city alliance. This honorary role continues to provide high level advice and support to develop connections with senior government representatives in Delhi.

The Council has also developed a strong working relationship with one of India’s leading business organisations, the Confederation of Indian Industry (CII), through a memorandum of understanding signed in March 2006. In addition to its role as a leading voice for Indian business and its contribution to the development of government policy, CII also plays an important role in the development of two way international trade through an active business mission program.

Since the first City of Melbourne business mission in 2001, business and civic missions have visited India in 2006, 2008 and 2010. These visits have focused on building business and civic links with key decision makers in both Delhi and Mumbai.

Following advice from the Enterprise Melbourne Advisory Board, Council adopted the International Engagement Framework in April 2010, to guide its international relationship program into the future.

1 The City of Osaka and the Osaka Chamber of Commerce and Industry established the Business Partner City (BPC) network in 1988.

BPC supports a range of activities that assist trade and investment between member cities. Activities include:

- Business missions to help link small and medium size companies;
- Promotion of international business between companies of BPC members; and
- Information exchange on economic matters, including infrastructure issues affecting business in each of the BPC cities.

Current member cities are Osaka, Hong Kong, Singapore, Bangkok, Kuala Lumpur, Manila, Jakarta, Seoul, Shanghai, Ho Chi Minh City, Mumbai (Bombay), Tianjin and Melbourne (City of Melbourne in partnership with Australian Industry Group). The combined population of these cities is more than 75 million, without taking into account their regional hinterlands. Osaka acts as the centre of the Kansai region, which on its own accounts for three percent of the entire world’s GDP.

Melbourne was invited to join the network as the first and only Australian member in October 1998.
The framework covers four main areas of priority; build economic prosperity, facilitate learning, support community, cultural and civic links; and participate in international governance.

To address Council’s objective to be an economically prosperous city, the framework will focus particularly on international links with Osaka (Japan), Tianjin (China) and New Delhi (India).

By increasing exports and inwards investments in key industry sectors – including financial services, biotechnology, advanced manufacturing, retail, education, tourism, environmental sustainability and professional knowledge services – the City of Melbourne will be supporting and enhancing the city’s specific strengths.

The Australia India relationship – a snapshot

Australian exports to India have been experiencing steady growth over the past five years, with Australia ranked fifth (behind China, United Arab Emirates, United States of America) in terms of India’s principal import sources. While Australia’s trade with India is dominated by natural resources trade (coal, gold, copper ore and other concentrates and petroleum), services exports and particularly education has been an important part of the trade mix.²

Education

Changes to Australia’s skilled migration program in 2010 have led to a sharp decline in the number of Indian students travelling to Australia to study. In Victoria there has been a 30 per cent reduction in enrolments and a 9 per cent reduction in overall commencements. India has been the second largest source country for enrolments in Victoria (behind China). Declines were particularly marked in the English Language Intensive Courses for Overseas Students (ELICOS) and Vocational Education and Training (VET) sectors. This year about 7500 new students commenced study in Victoria.

Tourism

There has been a steady growth of inbound tourists from India to Australia since 2007. Approximately 59,000 overnight Indian visitors visited Melbourne as at the year ended 31 March 2011 which was about 14 per cent higher than the previous year. This constant increase in inbound tourists from India has been generating an economic impact of about $334 million for the year.³

People to people connections

Melbourne population with Indian ancestry has increased significantly due to the high growth of permanent migrant and international students from India in the last five years. According to the 2006 Census of Population and Housing (Melbourne), the population with Indian ancestry in greater Melbourne was about 70,000. This number will certainly increase significantly in the upcoming census 2011.⁴

² DFAT Country fact sheet – India (2011)
⁴ Ancestry (Region) by country of birth of parents available at www.abs.gov.au
A partnership approach to strengthening Melbourne’s links with India

The International Engagement Framework will guide the development of a long term and productive relationship with India. The focus for Delhi will be civic, government, educational and cultural relationships, whilst the focus for Mumbai will be business and educational partnerships.

Given Council’s resource constraints and limited experience in the Indian market to date, a partnership approach is considered the best approach.

To do this Council will establish new and strengthen current partnerships with a range of Australian and Indian based partners. These will include:

- Government to government relations including Department of Foreign Affairs and Trade, Austrade, Victorian Government (particularly Victorian Government Commissioner for India, Department of Business and Innovation and Tourism Victoria) and the National Territory Government of Delhi;
- Business through bilateral organisations such as Confederation of Indian Industry, Indian Merchants Chamber, Australia India Business Council, Australian Industry Group and Indo Australia Chamber of Commerce (IACC);
- Education and cultural exchanges via Australia India Institute, Asialink, Australia Education Foundation; University of Melbourne, Monash University, RMIT University; and
- Community organisations such as the Federation of Indian Associations of Victoria.

Council will have the opportunity to consider how it can add value to projects initiated by partner organisations, such as business missions, cultural engagement programs and so on. Initiatives currently being developed by both Victorian and Commonwealth Government will present such opportunities for strategic investment to further connections with both Delhi and Mumbai.

Melbourne’s key industry sectors that will benefit from strengthened connections with Delhi and Mumbai are:

**Sustainability/Environment Protection Services**

Melbourne currently enjoys a reputation as a highly liveable city, which is partly due to a strong focus on creation and maintenance of a sustainable and environmentally-friendly city. While both Delhi and Mumbai differ in scale to Melbourne, the cities all share the challenges of the impact of climate change, energy use, water shortages, housing and economic development. Melbourne has developed an international reputation for sustainable architectural design and green building technologies that can be leveraged in India.

**Professional Services**

Mumbai is the financial capital of India and there are opportunities for Melbourne financial services cluster, particularly in the superannuation sector and banking, to build partnerships for the future.
Education

India is a young country, with more than 50 per cent of its population under 25 years of age.\(^5\) The Indian Government has ambitious targets for universal education and a significant opportunity exists to position Melbourne as a centre of learning excellence in India. Through Council’s varied programs such as ‘A 24-hour City’, and, ‘International Student Program’, Melbourne will continue to welcome and value inbound students. Developing pro-active internships and exchange opportunities in specific areas of strength with Indian Government and organisations for students and professionals alike, will further add to the Victorian Government’s efforts to promote Melbourne as a preferred Tertiary and VET education destination for students.

Tourism

Given Melbourne’s significant Indian community, the city is destination for a visiting family and friends market, in addition to conference and event participants. Council will continue to work closely with Tourism Victoria and Melbourne Airport to increase the number of direct flights from major Indian cities to Melbourne.

Creative Industries

Melbourne has a strong reputation for its design and creative industries, including architecture, exhibition, fashion, furniture, graphic design, jewellery, industrial design, multimedia and product and web design.

As the creative industries hub of India, Mumbai will be a focus for increasing collaborations between business, government and organisations. Excellent opportunities exist to improve connections between ‘Bollywood’ and all elements of the Victorian film industry and to attract film makers to use Melbourne as a film location.

Proposed India program – 2011 – 2012

Council’s proposed actions to deliver an India program will focus on opportunities arising from existing relationship with Mumbai and Delhi, using a partnership approach and guided by the priorities identified in the International Engagement Framework (adopted by Council April 2010).

<table>
<thead>
<tr>
<th>Goal One – Build Economic Prosperity</th>
<th>Activity Objectives</th>
<th>Anticipated Outcomes</th>
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<tbody>
<tr>
<td>Generate market intelligence</td>
<td>Provide business intelligence to the Victorian/Melbourne business community on trade and investment opportunities.</td>
<td>Increase exports and inward investment in Melbourne’s key industry sectors, including sustainability/environmental services, professional services, education/training, tourism and creative industries.</td>
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<tr>
<td>Inbound delegation support</td>
<td>Provide access and market intelligence to inbound Indian business delegations for Melbourne business through City Research. Focus will be given to those delegations which align to identified city capabilities and which are recommended by partner organisations. Use Melbourne Town Hall as a focal point for business development activities and civic hosting.</td>
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<tr>
<td>Outbound delegation support</td>
<td>Provide promotional support of Victorian Government Super Trade Missions through the Enterprise Melbourne website. Provide use of Melbourne Town Hall for activities such as pre-departure and market intelligence briefings.</td>
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<tr>
<td>AIBC/AEF/AII Sponsorship Activities</td>
<td>Creation of networking opportunities linking Indian and Melbourne business. Provide market intelligence to Melbourne businesses Support and strengthen relationships with key stakeholder in AIBC, AEF and AII Use Melbourne Town Hall as a focal point for development of existing relationships with these organisations through delivery of joint activities that seek to provide opportunities for Melbourne business to learn and interact with India.</td>
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<tr>
<td>Promote the Small Business Grant</td>
<td>Increase diversity in the city by supporting the establishment of new and creative small businesses</td>
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| Program to Indian business community | community networks promote SBG as a catalyst to support innovative economic activity amongst Indian community in City of Melbourne. | • Encourage and support businesses to enter and expand into India  
• Support member-based organisations within the city  
• assist existing businesses to expand to new areas |
| Strengthen partnership with CII and encourage business delegation to Melbourne | Re-negotiate MoU between CII and Council to clearly define and further concentrate on specific areas of mutual interest. | • Concentrate on areas like sustainable energy, environmentally-friendly construction technologies, and financial services sector.  
• Target at least one delegation every two years. |

**Goal Two – Facilitate Learning**

| 2011 Delhi-Melbourne School Leaders Exchange Program  
23 May – 3 June 2012 | 2 week professional learning program on school leadership for 4 selected Delhi school principals. Program includes homestay and school visits. | • Promote Melbourne as a tourist and study destination.  
• Showcase Victoria’s education system.  
• Strengthen relationship with New Delhi Government  
• Strengthen relationship with the University of Melbourne/AEF  
• Facilitate intercultural understanding between Delhi and Melbourne schools |
| Australia India Design Platform (AIDP) Networking Function | Host networking function to support AIDP; a series of forums and workshops over three years in Australia and India. | • Provide networking opportunities for Indian and Australian design communities  
• Highlight Council as a champion of ethical production and supply |
| National Capital Territory of New Delhi Staff Internship | Development of a staff internship program in partnership with the National Capital Territory of New Delhi | • Establish links within specialised sectors of the New Delhi government and business  
• provide opportunities for Melbourne-based government, business and education organisations to showcase capabilities  
• facilitate future linkages and business opportunities in India |
| WE Wellingkar School Student Internship Program (Mumbai-based tertiary education) | Work Placement program for two WE School students to undertake an 8-week professional development and learning | • Promote Melbourne as a tourist and study destination.  
• Enhance City of Melbourne’s reputation as a knowledge and learning capital  
• Promote Melbourne as a services sector hub of excellence.  
• Build Council’s relationship with academic and government |
| **Increase exchanges between Melbourne and Delhi/Mumbai in education, creativity, city governance and other areas of excellence.** | | }
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<th>Goal Three – Supporting community, cultural and civic links</th>
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<td><strong>Consider Council involvement in 2012 Australian Government cultural program</strong></td>
<td><strong>Collaboration with the Australian High Commission to produce a uniquely Melbourne facet to the existing 2012 cultural program to be delivered in Mumbai/New Delhi</strong></td>
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<td>- Support and strengthen relationships with Australian High Commission</td>
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<td>- Promote Melbourne as rich in the arts and as a tourist destination</td>
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<td><strong>Event Partnership Program (EPP) promotion to Indian community</strong></td>
<td><strong>Through Council’s existing Indian community networks promote EPP as a catalyst to support the Indian community to deliver cultural and community events within the City of Melbourne.</strong></td>
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<td>- Support the local Indian community including students</td>
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<td>- Promote Melbourne as a culturally rich, vibrant and creative city</td>
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<td>- Establish inclusive community-based events within City of Melbourne municipality that provide all residents with opportunities to become more knowledgeable of and enjoy Indian culture</td>
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<td>- Further enhance the city’s reputation as a cultural and tourist destination and add to Melbourne’s economic prosperity through increased visitor attraction</td>
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<th>Goal Four - Participating in international governance issues</th>
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<td><strong>Business Partner City Network Membership</strong></td>
<td><strong>Continue to actively participate in Network forum such as annual Roundtable.</strong></td>
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<td>- Support and strengthen relationships with the Indian Merchants Chamber. Allows Council to position itself as a global participant with strong clear messages on subjects such as governance and the environment</td>
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<tr>
<td><strong>- Advocacy and representing Melbourne’s interests in international forums</strong></td>
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