

**Report to the Future Melbourne (Economic Development)  
Committee**

Agenda item 6.4

**Melbourne – doing business globally**

18 November 2014

Presenter: Jane Sharwood, Manager Business and International

**Purpose and background**

1. The purpose of this report is to seek endorsement of *Melbourne – doing business globally* (refer Attachment 2), to guide City of Melbourne's international priorities 2014–2017.
2. *Melbourne – doing business globally* is a further development of Council's International Engagement Framework (IEF) which was endorsed April 2010 and has been informed by three Year One Council Plan actions:
  - 2.1. *Building Prosperity Together* (KSA 3.1.1) refer Attachment 3
  - 2.2. Outcomes of KPMG/Asialink consultancy (Action 3.3.1) refer Attachment 4
  - 2.3. An evaluation of Council's role in conducting international business missions (Action 3.3.2) refer Attachment 5.

**Key issues**

3. Each report referred to above outlines opportunities to increase Council's business development activities to facilitate export opportunities and inward investment attraction activities for small to medium size businesses in key industry sectors located in the municipality. These findings are consistent with the Australian Government's Economic Diplomacy policy (April 2014) and Victorian Government's ongoing international trade mission program (October 2014).
4. The findings of the above have been considered in the context of the outcomes of Council Plan Goal Three *A Prosperous City* which seeks to achieve a sustainable and resilient municipal economy that is globally connected.
5. In line with *Building Prosperity Together*, *Melbourne – doing business globally* emphasises how Council's international activities will increase opportunities for businesses within the municipality and provide a return on Council's financial, program and personnel investment. To achieve this outcome, it is also proposed that 70 per cent of Council resources allocated for international relations will be focused on business development activities. Council will also continue to facilitate shared learning, community, civic, and cultural links and participate in international governance where these contribute to delivering a sustainable and resilient municipal economy.
6. Melbourne, as Australia's only member of the Business Partner City Network (BPC) can facilitate targeted opportunities for businesses, particularly in the ASEAN region. The KPMG/Asialink report (2014) identified three cities in the region where Council's international business objectives and Melbourne's internationally recognised capabilities could be leveraged to advantage. The cities of Kuala Lumpur, Malaysia and Singapore (members of the BPC network) and Bandung, Indonesia, were recommended for consideration.
7. Council-led business missions to the key market of China including Tianjin do support export activities and inwards investment. It is recommended an international business mission to China, led by the Lord Mayor, is conducted once every two years.
8. This report will change the emphasis for those Council's sister city connections that are unlikely to deliver against Council's business objectives. It is proposed that future sister city decadal anniversaries become the foundation for cultural events initiated by partner organisations. It is not anticipated Council would take a lead role in the development of such activities.

**Recommendation from management**

9. That the Future Melbourne Committee:
  - 9.1. endorses *Melbourne – doing business globally*.
  - 9.2. endorses the priorities it allocates for financial, program and personnel to achieve Council's economic objectives as outlined in Council Plan 2013 -17.
  - 9.3. endorses the implementation of the recommendation arising from the KPMG/Asialink report to investigate further business engagement with Kuala Lumpur, Malaysia; Singapore and Bandung, Indonesia to further Council's objectives.
  - 9.4. authorises the Director (City Business) to make any further minor editorial changes to the *Melbourne – doing business globally* prior to publication.

**Attachments:**

1. Supporting attachment
2. Melbourne – doing business globally
3. Building Prosperity Together
4. Development of an ASEAN engagement strategy – KPMG/Asialink
5. Evaluation of the Council's role in conducting international business missions.

## Supporting Attachment

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### Legal

1. There are no legal implications arising from this report.

### Finance

2. The development and delivery of future programs and projects outlined will be subject to Council's annual budget process. In 2014–15 the approved budget is \$1.7 million.
3. *Melbourne – doing business globally* will inform the development of future budgets and projects to ensure these are aligned with Council's economic priorities.

### Conflict of interest

4. 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

5. Consultation was undertaken with a range of stakeholders during the preparation of the research papers that have informed this report.

### Relation to Council policy

6. Council's long term goals and four year outcomes, described in Council Plan, Goal 3 – 'A prosperous city' have informed the development of this report. *Building Prosperity Together* (August 2014), operational issues arising from the current International Engagement Framework (adopted by Council in April 2010) have informed the report.

### Environmental sustainability

7. Council will continue to showcase Melbourne's business capabilities in the fields of sustainable urban development/infrastructure; clean technology, including the key sectors of water, green buildings and carbon market services; life sciences and bio-technology and public sector capacity building and professional development.

## Melbourne – doing business globally

### Executive Summary

Council Plan Goal Three ‘*A prosperous city*’ seeks to achieve a sustainable and resilient municipal economy that is globally connected. *Melbourne – doing business globally* will guide Council’s international activities and ensure the delivery of opportunities to Melbourne’s businesses and seek to achieve a favourable return on Council’s financial, program and personnel investment.

To achieve this outcome, priority will be given to business development activities that increase exports and inward investment in Melbourne’s key industry sectors. Council will continue to facilitate shared learning, community, civic, and cultural links and participating in international governance where these contribute to delivering a sustainable and resilient municipal economy.

Melbourne, as Australia’s only member of the Business Partner City Network (BPC) can facilitate targeted opportunities for businesses, particularly in the ASEAN region. The KPMG/Asialink consultancy (Development of an ASEAN engagement strategy) identified that Council’s international business objectives which build on Melbourne’s internationally recognised capabilities in urban development/infrastructure, clean technology, life sciences and public sector capability building/professional development, would be best achieved through increased engagement with Kuala Lumpur, Malaysia; Singapore and Bandung, Indonesia.

Council-led business missions to the key market of China, including Tianjin, do support export activities and inward investment. It is recommended an international business mission to China, led by the Lord Mayor, is conducted once every two years.

It is recognised that a number of Melbourne’s long standing sister city connections are unlikely to deliver against Council’s business objectives. It is proposed that future sister city decadal anniversaries become the foundation for cultural events initiated by partner organisations. It is not anticipated Council would take the lead in the development of such activities but more in a supportive role.

### Background

Council’s international relations activities have developed in the context of engagement with a wide range of partners including other levels of government, business organisations such as member-based associations and bilateral trade organisations, community, cultural and educational groups. The objective of the program has been to add value to the activities of these organisations and avoiding duplication of effort.

Council’s focus has been on leveraging long standing connections to deliver enduring benefits to Melbourne, particularly in relation to business and economic activity that contributes to the long term prosperity of the city.

City	Focus of activities
Osaka, Japan 1978 (sister city)	Business, inbound investment, cultural, government to government exchange
Tianjin, China 1980 (sister city)	Business, inbound investment training programs, government to government exchange
Thessaloniki, Greece 1984 (sister city)	Community and cultural links
Boston, USA 1985 (sister city)	Bio-medical exchanges, inbound investment cultural and community
St Petersburg, Russia 1989 (sister city)	Cultural, community
Milan, Italy 2004 – (sister city)	Business (design, fashion), cultural, community
New Delhi, India 2008 – (strategic alliance)	Business, government to government exchange (limited activity)
Business Partner City Network (BPC) (Osaka, Bangkok, Ho Chi Minh City, Hong Kong, Jakarta, Kuala Lumpur, Manila, Mumbai, Seoul, Shanghai, Singapore and Tianjin)	Business exchange particularly at level of small to medium size enterprises.

The *International Engagement Framework* (IEF) was endorsed by Council in April 2010 based on recommendations from the then Enterprise Melbourne Advisory Board. It had four themes, with indicative resource allocation and potential outcomes:

Theme	Resource allocation	Intended outcomes
Building prosperity	50%	Increase export and inward investment in Melbourne's key industry sectors, including education, tourism and services sector
Facilitate learning	20%	Increase exchanges between Melbourne and international partners cities in urban sustainability, city governance and other areas of excellence
Supporting community, cultural and civic links	20%	Increase awareness of Melbourne's international linkages
Participate in international governance	10%	Advocate and represent Melbourne's interest in international forum.

The then Enterprise Melbourne Advisory Board recommended Council adopt a more flexible approach to any new alliances or partnerships advising that they should be project based, with defined outcomes and finite timeframes and that consideration of these opportunities should be informed by:

- Future growth outlook and prospects in relevant industry sectors
- Potential direct benefits to Melbourne
- Synergies with other levels of government (particularly the Victorian Government)
- Local relevance to Melbourne and its needs.

During the past four years, the IEF has generally informed the priorities of the Council's international relations program. However in the light of the priorities within Council Plan 2013–2017 and the three Year One Council actions completed, it is timely to review and renew the priorities for Council's international program. This will ensure Council's international activities undertaken align with Council's priorities and objectives and deliver the best outcome for Melbourne.

### **National and State context**

In the past fifteen years, Council has worked closely with the Victorian Government through the global network of Victoria Government Business Offices. It has also worked with the Australian Government through diplomatic and Austrade posts to establish and build on local and international business relationships and to influence and advocate for new business opportunities for Melbourne.

Mutually beneficial partnerships have also been generated with international city governments and business organisations through networks such as the Business Partner City Network.

In August 2014, the Ministers for Foreign Affairs and the Minister for Trade jointly released the Commonwealth Government's *Economic Diplomacy* policy to advance Australia's prosperity with four key pillars to:

- promote trade
- encourage growth
- attract investment
- support Australian business.

These pillars are consistent with the Council Plan Goal three 'A prosperous city' four year objective of a 'globally connected municipal economy'.

Asialink Business released *Engaging Asia: challenges of Australian business* in August 2014. One of its findings was that regardless of business size, one of the key challenges for Australian business in Asia is finding or building relationships with local partners in Asia.

The announcement of *Victorian Jobs in the 21<sup>st</sup> Century* (October 2014) outlined the Victorian Government's ongoing commitment to international business engagement through the trade missions to increase exports and secure inwards investment.

Melbourne, through its long standing city-to-city connections with key markets including Tianjin, China; Osaka, Japan and member cities of the BPC, can and does facilitate these types of connections with key industry associations and city governments.

## **Council Context**

As a capital city council, the City of Melbourne has had a long standing role in positioning Melbourne as a welcoming internationally focused city, a conduit for business, and for supporting civic, cultural and community activities. In 2010, the Council endorsed the IEF to guide the future directions of its international activities and the allocation of resources.

Council Plan 2013–17, Goal 3 – ‘A prosperous city’ has the four year outcome of “*a sustainable and resilient municipal economy which is globally connected*”.

The four year priorities include:

- Support innovative and emerging sectors
- Build on city to city connections and identify opportunities in BPC member cities within the ASEAN region for the municipality’s businesses
- Make information about the municipality available to business and investors.

In the twenty first century, these global connections are more important than ever to ensure the city’s continued prosperity. However to maximise these opportunities, it’s important to focus resources on those projects that align most closely with Council’s goals and objectives and deliver the best return on the Council’s financial, program and personnel investment.

Three of the Year One actions, for the Council Plan 2013–17, focus on Council’s business development role and the impact on the delivery of Council’s international objectives.

**1. Deliver a four year economic development framework (EDF) that will support and grow the key, innovative and emerging sectors that contribute to Melbourne’s economic, social and environmental sustainability (KSA 3)**

<p><b>1. Seek Future Growth Opportunities</b></p> <ul style="list-style-type: none"> <li>• Strengthen Melbourne’s competitiveness and stimulate innovation and growth through partnerships with government, business, community and peak bodies.</li> <li>• Develop partnerships with international city governments, businesses, industry associations, peak bodies and groups to drive investment and location decisions.</li> <li>• Help improve productivity by working with existing and new businesses to remove barriers to growth.</li> <li>• Support universities to continue to attract international students to Melbourne.</li> <li>• Foster creativity and entrepreneurialism as part of the new economy.</li> </ul>	<p><b>2. Invest For The Future</b></p> <ul style="list-style-type: none"> <li>• Directly invest in infrastructure, assets, services, events and activities to improve the amenity, liveability and functionality of Melbourne.</li> <li>• Support new and emerging businesses, and different business models, through grants and sponsorships.</li> <li>• Deliver programs and services for the benefit of all types and sizes of businesses.</li> <li>• Continue to provide leadership on sustainability, indigenous issues, housing, safety, transport, arts and culture.</li> <li>• Encourage efforts to raise private capital for transport, energy and other infrastructure investment.</li> </ul>
<p><b>3. Increase Knowledge And Capability</b></p> <ul style="list-style-type: none"> <li>• Develop a stronger understanding of Melbourne’s history, strengths, community needs and aspirations.</li> <li>• Investigate how economic change affects the wellbeing of all parts of the community.</li> <li>• Support the development of new industries establishing in Melbourne, particularly in the knowledge, creative, technology, medical research, health services and digital economy.</li> <li>• Support initiatives to concentrate R&amp;D investments into large, connected business centres, with access to top talent.</li> <li>• Provide cluster-specific support that builds on existing competitive advantages.</li> <li>• Investigate innovative ways to assist older people to continue to work.</li> </ul>	<p><b>4. Position Melbourne For Success</b></p> <ul style="list-style-type: none"> <li>• Promote Melbourne as the preferred Australian location for business, education, cultural and tourist activities.</li> <li>• Reduce regulatory barriers to make it easier to do business.</li> <li>• Seek to develop closer relationships with leading multinational companies to sell Melbourne’s unique benefits – access to high quality skills and infrastructure, stable tax and insurance systems, and attractive government incentives</li> </ul>

**Outcome:** *Building Prosperity Together* outlines the four pillars of Council activity that identifies, investigates and maximises local and global opportunities for Melbourne. These pillars have determined the priorities for *Melbourne – doing business globally*.



**2. Develop an ASEAN Statement with a focus on the Business Partner City (BPC) member cities in the context of the International Engagement Framework (action 3.3.1)**

Melbourne is uniquely placed as the only Australian city member of the Business Partner City (BPC) Network. Council co-shares this membership with the Australian Industry Group.

The Network seeks to facilitate mutually beneficial business opportunities between small to medium size enterprises of its 12 member cities. Member cities are Osaka, Bangkok, Ho Chi Minh City, Hong Kong, Jakarta, Kuala Lumpur, Manila, Mumbai, Seoul, Shanghai, Singapore, Tianjin and Auckland.

The Association of South East Asian Nations (ASEAN) is a growing and dynamic region with a population of over 618 million. The members of ASEAN are working towards the ASEAN Economic Community (AEC) in 2015. The ASEAN-Australia-New Zealand Free Trade Agreement came into force in January 2010.

Six of the BPC member cities are also part of ASEAN (Jakarta, Indonesia; Kuala Lumpur, Malaysia; Manila, Philippines; Singapore; Bangkok, Thailand; Ho Chi Minh City, Vietnam).

**Outcome:** the KPMG/Asialink research considered the opportunities for Melbourne's internationally recognised industry capabilities of sustainable urban development/infrastructure; clean technology; life sciences and biotechnology; public sector capacity building and professional development in key BPC cities, which are part of the network of ASEAN countries.

The report concluded the cities that present the greatest opportunities to achieve Council's economic objectives are Kuala Lumpur, Malaysia; Singapore; and a city in Indonesia. The report recommends Council considers Bandung as it was thought that the high level of foreign investment and trade activities in Jakarta has led to market saturation.

The report acknowledges that while Jakarta is the Indonesian BPC member city, it currently has a high level of foreign investment and trade related activity with other cities and countries leading to a highly saturated market. Bandung, Indonesia's third largest city with increasing urbanisation and growing middle class is seen as an opportunity to build long-term business connections to benefit Melbourne.

**3. Evaluate Council's role in leading international business missions (action 3.3.2)**

During the past 15 years, through the auspices of the Lord Mayor, Deputy Lord Mayor and Councillors, Council has led at least 10 business missions to a variety of business destinations. Council has played an important role as a value-add for business delegates and has significant points of difference from missions led by other levels of government.

Council acts as a strong market bridge where long-standing international connections can provide access and information to participating firms. These connections can facilitate introductions to prospective customers and clients which are highly valued. Additionally, the

Council plays the lead role as Melbourne's promoter and champion where it promotes industry capabilities, exemplar firms and the city.

The Lord Mayor and Councillors, play a vital role in generating successful business missions which leverage those connections, particularly in Asia and facilitates introductions to international counterparts. Through the targeted and tailored nature of the Council's business missions, delegates are provided with highly relevant business matching programs along with introductions to officials and business representative.

**Outcome:** Given the complexity of scoping, recruitment, delivery and evaluation of an international business mission, aimed at supporting the export activities and inwards investment aspirations of businesses in the city's key industry sectors, it is proposed that an international business mission (lead by the Lord Mayor) to the key market of China be conducted once every two years.

## Implementation plan

The City of Melbourne has a proud history of international connections which have brought many benefits to the city. *Melbourne – doing business globally* provides the framework for Council’s future international activities to deliver opportunities to achieve Council’s objective of a sustainable and resilient municipal economy that is globally connected.

<p><b>Seek future growth opportunities</b></p> <p><b>Our focus</b></p> <ul style="list-style-type: none"> <li>• <i>Strengthen Melbourne’s competitiveness and stimulate innovation and growth through partnerships with government, business, community and peak bodies</i></li> <li>• <i>Develop partnerships with international city governments, business, industry associations, peak bodies and groups to drive investment and location decisions</i></li> <li>• <i>Support universities to continue to attract international students to Melbourne</i></li> </ul> <p>Activities</p> <ul style="list-style-type: none"> <li>▪ Strengthen city to city government links to ensure the delivery of Council’s economic/business objectives.</li> <li>▪ Contribute to Victorian and Australian Government trade mission activities and joint projects with like-minded organisations.</li> <li>▪ Consolidate partnerships with bilateral chambers of commerce to leverage benefits for Melbourne businesses from inbound trade missions (information, business connections)</li> </ul> <p><b>Priority cities</b> - Osaka, Japan; Tianjin, China; Singapore; Kuala Lumpur, Malaysia; Bandung, Indonesia</p>	<p><b>Invest for the future</b></p> <p><b>Our focus</b></p> <ul style="list-style-type: none"> <li>• <i>Support new and emerging businesses, and different business models through grants and sponsorships</i></li> <li>• <i>Deliver programs and services to benefit all types and sizes of business</i></li> </ul> <p>Activities</p> <ul style="list-style-type: none"> <li>▪ Deliver Council’s Small Business Grants program – export entry grants</li> <li>▪ Deliver business services through the Melbourne Office Tianjin, China</li> <li>▪ Leverage membership of the Business Partner City network (ASEAN cities) Singapore; Kuala Lumpur, Malaysia and Bandung, Indonesia</li> <li>▪ Deliver a City of Melbourne business mission to China (every two years) focusing on Melbourne’s key capabilities</li> <li>▪ Facilitate market briefings for businesses in Melbourne</li> <li>▪ Facilitate selected inbound missions to Melbourne in key industry sectors</li> </ul> <p>Priorities cities – Osaka, Japan; Tianjin, China; Singapore; Kuala Lumpur, Malaysia; Bandung, Indonesia</p>
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<p><b>Increase knowledge and capability</b></p> <p><b>Our focus</b></p> <ul style="list-style-type: none"> <li>• <i>Support the development of new industries establishing in Melbourne, particularly the knowledge, creative, technology, medical research, health services and digital economy.</i></li> </ul> <p>Activities</p> <ul style="list-style-type: none"> <li>▪ Work with universities and other providers to profile Melbourne’s public sector capacity building and professional development expertise to new markets</li> <li>▪ Work with business associations and other relevant groups to build business cultural capability both domestically and internationally</li> <li>▪ Promote those domestic capabilities to overseas investors and businesses</li> </ul> <p><b>Priority cities:</b> Osaka, Japan; Tianjin, China; Boston, USA</p>	<p><b>Positioning Melbourne for success</b></p> <p><b>Our focus</b></p> <ul style="list-style-type: none"> <li>• <i>Promote Melbourne as the preferred Australian location for business, education, cultural and tourism activities</i></li> <li>• <i>Seek to develop closer relationships with multinational companies to sell Melbourne’s unique benefits – access to high quality skills and infrastructure, stable tax and insurance systems and attractive government incentives</i></li> </ul> <p>Activities</p> <ul style="list-style-type: none"> <li>▪ Collaborate with Victorian Government Business Network and Austrade to facilitate international investment attraction and business activities</li> <li>▪ Use the Melbourne Office Tianjin to promote Melbourne as an investment and business location</li> <li>▪ Continue to partner with Melbourne Airport and Tourism Victoria in ‘Team Melbourne’</li> <li>▪ Develop and deliver Council business missions</li> <li>▪ Deliver Business Consultation Program</li> <li>▪ Participate in key city business networks – Business Partner City network, C40 etc.</li> </ul> <p>Priority cities Osaka, Japan; Tianjin, China; Singapore; Kuala Lumpur, Malaysia; Bandung, Indonesia, C40 cities</p>
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To achieve Council's business objectives to increase opportunities, it is proposed that 70 per cent of resources will be devoted to business development activities. Council will continue to facilitate shared learning, community, civic and cultural links and participate in international governance, where these contribute to delivering a sustainable and resilient municipal economy.

**Melbourne Office Tianjin, China**

The Melbourne Office Tianjin (MOTJ) established in 1998, grew from Melbourne’s long standing connections with Tianjin. The office, as the only overseas business representative office operated by an Australian capital city council, leads the ongoing development of business and investment connections between the two cities, training and education

programs, civic and sister city activities. The office will continue to provide practical on-ground business support for Melbourne-based companies working in Tianjin and the northern China market. The office will continue to collaborate with the Victorian Government Business Office network in greater China and Austrade to support the Victorian Government super trade mission program.

### **Other international activities**

In addition to the export and trade development activities, it is anticipated there will be opportunities to work with a range of partner organisations to increase international awareness and cultural capability of businesses located in the municipality to seize the opportunity to grow their business through a 'globally informed approach'.

It is recognised that from time to time, Melbourne does receive high level Mayoral visits from sister city partners. These visits usually coincide with significant anniversaries of the formation of these connections. When such visits occur, Council may support activities planned by relevant community and cultural organisations to mark these events.

It is proposed that future sister city decadal anniversaries may become the foundation of community and cultural events initiated by partner organisations. It is not anticipated Council will take a lead role in the development of such activities but may consider funding support, within the context of Council's annual grants programs.

# FUTURE GROWTH

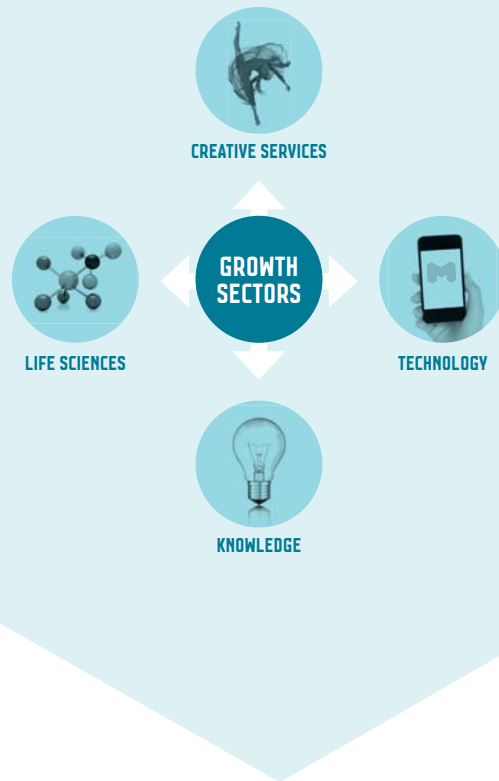
The City of Melbourne sees a range of future opportunities in several key industry sectors and is investing in and supporting business to capitalise on these opportunities.

Significant future potential for Melbourne exists in life sciences, biotechnology, clean technology, ICT, creative industries and advanced manufacturing sectors, including research institutes and medical/health facilities.

### Our focus

As businesses transition in size and scale from a discrete number of larger businesses towards more micro businesses and SMEs, the City of Melbourne is providing a range of incentives to make Melbourne a more competitive, sustainable city. Some of these include:

- developing programs and services that support Melbourne's global competitiveness
- hosting forums, exchanges and business missions that encourage knowledge transfer and partnering among industry sectors and geographic markets
- providing a wide range of business and social enterprise grants
- leading in the area of innovative policy development around environmental sustainability
- introducing landmark programs to help residents and businesses use energy more efficiently; adopt renewable energy sources; and transition to zero net emissions.
- enhancing city activation opportunities for events, business events, cruise ships and major city programs to drive visitation to local businesses.



## MELBOURNE'S FORECAST GROWTH AT 2030

CURRENT	FORECAST 2030	+/- CHANGE
\$71.9 billion gross local product	Anticipated annual growth rate of 3%	+ 3% p.a.
Approximately 430,000 jobs	Forecast to reach 660,000 jobs	+ 53%
Daily population of 805,000 people	Forecast to reach 1,200,000 people	+ 49%
Around 177,000 daily metropolitan visitors	Forecast to reach 225,000 metropolitan visitors	+ 27.5%
Approximately 59,000 students daily	Forecast to reach 111,000 students	+ 89%
36,000 international visitors daily	Forecast to reach 68,000 international visitors	+ 91%
30,000 daily interstate visitors	Forecast to reach 34,000 interstate visitors	+ 14%
14,000 daily regional visitors	Forecast to reach 18,000 regional Victorian visitors	+ 29%

# CITY OF MELBOURNE BUILDING PROSPERITY TOGETHER

## MELBOURNE IS ONE OF THE WORLD'S GREAT CITIES: A SUCCESS STORY.

Melbourne is a global city that is widely regarded as one of the world's best places to live, work and do business.

Recognised by The Economist Intelligence Unit in 2013 as the world's most liveable city for the third year in a row, Melbourne's unique strengths include:

- an internationally competitive and resilient economy
- a highly skilled, professional workforce
- proven commercial strengths as the financial services capital of Australia
- extensive capabilities in the knowledge, creative and digital services sectors
- demonstrated leadership in sustainability
- a 24-hour curfew-free airport
- world famous sporting and cultural facilities
- world recognised events calendar
- high quality natural, human and physical assets.

In order to maintain its global status and prosperity, Melbourne is rapidly embracing new business opportunities, responding to the challenges of the global economy and expanding its knowledge and digital sectors.

We are also actively managing population growth, responding to a wide range of community and societal expectations, and developing comprehensive strategies to overcome existing and potential environmental challenges.

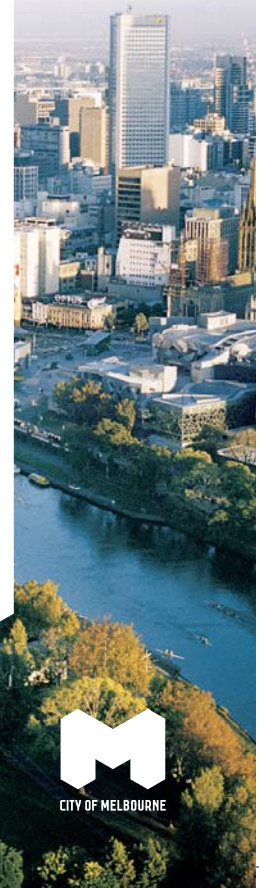
### Role of the City of Melbourne

The City of Melbourne has a long, proud history of supporting and facilitating business and economic growth in Melbourne.

We have developed support programs for businesses of all sizes from start-ups to large multinational companies, designed to stimulate new thinking, encourage collaboration and facilitate new product and service exports for the global economy. Our experienced and stable leadership team builds and nurtures international partnerships with a range of fast-growing, emerging economies in Asia and around the world.

We work closely with the Victorian and Australian governments to establish and build on local and international business relationships and to influence and advocate for new opportunities for Melbourne. We also help drive significant investment in knowledge, education, skills training, infrastructure, new community services and cultural activities.

For the last three years Melbourne was nominated the world's most liveable city (The Economist Intelligence Unit) outranking 140 other world cities. Melbourne achieved perfect scores for healthcare, education and infrastructure. Melbourne is also one of only eight cities to make both the Rockefeller Foundation's Resilient Cities list, as well as the C40 Cities list, which supports Melbourne's world-leading status in the areas of sustainability and liveability.



## CITY OF MELBOURNE'S APPROACH TO SUPPORTING BUSINESS

*The City of Melbourne has worked hard to promote Melbourne as a location for business and investment. It's important it continues to engage and support business, promote social and cultural initiatives as well as advocating and coordinating with the state and federal government.*

Mike Smith  
CEO, ANZ

The future prosperity of Melbourne relies on its ability to seize global and local opportunities. The City of Melbourne believes there are several ways to help build the right environment for the city's future economic prosperity. We have four pillars of activity to identify, investigate and maximise local and global opportunities for Melbourne. These are:

### 1. SEEK FUTURE GROWTH OPPORTUNITIES

- Strengthen Melbourne's competitiveness and stimulate innovation and growth through partnerships with government, business, community and peak bodies.
- Develop partnerships with international city governments, businesses, industry associations, peak bodies and groups to drive investment and location decisions.
- Help improve productivity by working with existing and new businesses to remove barriers to growth.
- Support universities to continue to attract international students to Melbourne.
- Foster creativity and entrepreneurialism as part of the new economy.

### 3. INCREASE KNOWLEDGE AND CAPABILITY

- Develop a stronger understanding of Melbourne's history, strengths, community needs and aspirations.
- Investigate how economic change affects the wellbeing of all parts of the community.
- Support the development of new industries establishing in Melbourne, particularly in the knowledge, creative, technology, medical research, health services and digital economy.
- Support initiatives to concentrate R&D investments into large, connected business centres, with access to top talent.
- Provide cluster-specific support that builds on existing competitive advantages.
- Investigate innovative ways to assist older people to continue to work.

### 2. INVEST FOR THE FUTURE

- Directly invest in infrastructure, assets, services, events and activities to improve the amenity, liveability and functionality of Melbourne.
- Support new and emerging businesses, and different business models, through grants and sponsorships.
- Deliver programs and services for the benefit of all types and sizes of businesses.
- Continue to provide leadership on sustainability, indigenous issues, housing, safety, transport, arts and culture.
- Encourage efforts to raise private capital for transport, energy and other infrastructure investment.

### 4. POSITION MELBOURNE FOR SUCCESS

- Promote Melbourne as the preferred Australian location for business, education, cultural and tourist activities.
- Reduce regulatory barriers to make it easier to do business.
- Seek to develop closer relationships with leading multinational companies to sell Melbourne's unique benefits – access to high quality skills and infrastructure, stable tax and insurance systems, and attractive government incentives.

## MELBOURNE'S ECONOMY



The City of Melbourne contributes around 5% to Australia's GDP. Key business sectors in Melbourne include retail and hospitality, which generates \$8.7 billion per annum as well as professional, scientific, technical, financial and insurance services. New industries and industry clusters are being established in the knowledge, creative, education, science and medical sectors.

Melbourne has more than 30 private and public tertiary institutions, teaching around 70,000 students. The city has the third-highest intake of international students globally.

*The City of Melbourne has identified and responded to the economic and social forces impacting on Melbourne (and Victoria) over the last decade by designing and delivering an array of excellent services and programs to encourage creative and design thinking and enterprising behaviours.*

*These behaviours are necessary for being globally competitive and as a result of these programs individuals and businesses have firmly positioned Melbourne as a leader nationally and internationally.*

Marcus Powe  
Entrepreneur in Residence RMIT University

### RECENT ACHIEVEMENTS

- The City of Melbourne has maintained a AAA credit rating from Standard and Poor's for more than 10 years
- Melbourne was named the world's most liveable city for the third time in a row in 2013 by The Economist Intelligence Unit
- The City of Melbourne's building retrofit program, 1200 Buildings, was awarded the 2013 United Nations Association of Australia, Local Government Award for the best specific environment initiative
- The City of Melbourne invests around \$365 million per annum in programs and services, including \$3.5 million for business facilitation and international activity, \$306,000 in small business grants and \$40.6 million for events, city promotion and tourism.



cutting through complexity™



The University of Melbourne

GOVERNMENT ADVISORY SERVICES

# Development of an ASEAN engagement strategy

City of Melbourne

Executive Summary Report

April 2014

Attachment 4  
Agenda item 6.4  
Future Melbourne Committee  
18 November 2014





## Disclaimer

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*This report provides a summary of KPMG's findings during the course of our advisory work undertaken for the City of Melbourne under the terms of our engagement contract dated 14 February 2014. The contents of this summary report do not represent our conclusive findings, which are only contained in our final detailed report.*

*This report has been prepared at the request of the City of Melbourne in accordance with the terms of the abovementioned contract. Accordingly, other than our responsibility to the City of Melbourne, neither KPMG nor any member or employee of KPMG undertakes responsibility arising in any way from reliance placed by a third party on this report. Any reliance placed is that party's sole responsibility.*

## Executive summary

**The Asian century creates a wealth of opportunities for Australia – a rapidly growing middle class moving to urbanised areas, improved knowledge capital and increasing economic influence make the ASEAN region a key economic, cultural and trading partner for Australia.**

**The City of Melbourne is uniquely positioned to draw on its strengths and capability in sustainable urban development/ infrastructure, clean technologies, life sciences and biotechnology and public sector capacity building to create opportunities for its citizens, businesses and in promoting Melbourne as a world-class city for inbound investment.**

### Emergence of the Asian century

The Association of South East Asian Nations (ASEAN), encompassing Indonesia, Malaysia, the Philippines, Singapore, Thailand, Brunei Darussalam, Vietnam, Lao Peoples Democratic Republic (PDR), Myanmar (Burma) and Cambodia, is a growing, dynamic region of approximately 618 million people.<sup>1</sup> Considered collectively, it is one of the world's largest economies with a combined Gross Domestic Product (GDP) of US\$2.3 trillion, and one of Australia's most important economic partners, with a two-way investment relationship valued at AU\$134 billion in 2012-13.<sup>2</sup>

As noted in the *Australia in the Asian Century White Paper*, 'Asia's rise is changing the world (and) is a defining feature of the 21<sup>st</sup> century – the Asian century'.<sup>3</sup> The rapid rise of Asia – including the ASEAN region – is making it the 'economic powerhouse of the world', creating demand in a diverse range of goods and services, including health and aged care, education, household goods, tourism, banking and financial services and high-quality food products.<sup>4</sup>

The City of Melbourne (CoM), as the council that encompasses the hub of Victorian businesses, social activities, culture and lifestyle has an overarching vision to be a

'bold, inspirational and sustainable city'.<sup>5</sup> Underpinning this vision is the goal of developing 'a prosperous city' and a range of activities, including:

- building on city-to-city connections and identifying opportunities in Business Partner City (BPC) member cities within the ASEAN region for the municipality's businesses; and
- making information about the municipality available to business and investors.<sup>6</sup>

Facilitation of these activities, and achievement of key priorities relating to the CoM's economic prosperity, is largely driven by the CoM's *International Engagement Framework*, which seeks to:

- promote the capabilities of the CoM's export industries (in both goods and services) aligned to industry capabilities
- profile the CoM as an attractive destination for business investment;
- facilitate learning from international locations of excellence; and
- support Melbourne's cultural diversity through community and civic linkages.<sup>7</sup>

The *International Engagement Framework* enables the prioritisation of resources and support provided across new geographies and business opportunities. In addition to the *International Engagement Framework*, the CoM's membership of the BPC Network facilitates the promotion of business interaction within the Asia-Pacific region,

<sup>5</sup> City of Melbourne, *Council Plan 2013-2017* (City of Melbourne 2013) 2.

<sup>6</sup> Ibid., 22-23.

<sup>7</sup> City of Melbourne, *International Engagement Framework* (City of Melbourne 2014).

<sup>1</sup> Department of Foreign Affairs and Trade, *ASEAN-10 Factsheet – December 2013* (Commonwealth of Australia 2013). Refers to 2012 figures.

<sup>2</sup> Ibid.

<sup>3</sup> Australian Government, *Australia in the Asian Century White Paper* (Commonwealth of Australia 2012)

1.

<sup>4</sup> Ibid., ii, 1.

contributing to mutual economic development of each member city.<sup>8</sup> The BPC Network links the CoM, its citizens and businesses to Osaka, Hong Kong, Singapore, Bangkok, Kuala Lumpur, Manila, Jakarta, Seoul, Shanghai, Ho Chi Minh City, Mumbai, Tianjin and Auckland – strengthening the international recognition of Melbourne, and facilitating trade, investment and cultural linkages within the Asia-Pacific region.<sup>9</sup>

The *International Engagement Framework*, along with membership of the BPC Network, is demonstrative of the CoM's commitment to the economic and cultural development of Melbourne as an attractive investment location, and its role as a globally-connected, growing and dynamic city.

### KPMG and Asialink's engagement

In order to achieve this vision and specified activities, the CoM engaged KPMG (in association with its partner, Asialink) to assess the potential economic, business, civic, cultural and other benefits that could accrue to the CoM, its businesses and stakeholders from greater engagement with ASEAN cities, with a particular focus on BPC cities. In developing a strategy to engage with ASEAN cities, the CoM has identified four priority industries in which to focus its efforts, being:

- sustainable urban development/infrastructure;
- clean technologies (including key sub-sectors such as water, green building and carbon market services);
- life sciences and biotechnology; and
- public sector capacity building/professional development.

### Prioritising the City of Melbourne's engagement opportunities

A high-level analysis of 13 potential ASEAN cities which presented opportunities for continued (or new) engagement with the CoM was undertaken. The opportunities presented in each city were assessed and prioritised according to:

- economic and demographic indicators;

<sup>8</sup> City of Melbourne, *Business Partner City Network* (City of Melbourne 2014).

<sup>9</sup> City of Melbourne, *Business Partner Cities Network*, available at <http://www.melbourne.vic.gov.au/enterprisemelbourne/BusinessSupport/international/Pages/BPC.aspx>, accessed 9 April 2014.

- the political and regulatory environments;
- the degree of alignment with/demand for CoM focus sectors; and
- existence of established relationships and level of alignment with stated CoM, Victorian and Australian Government priorities.

The findings of this analysis were tested and refined through stakeholder consultations, and of the 13 cities assessed, the cities presenting the greatest opportunities to the CoM were Kuala Lumpur, Malaysia; Bandung, Indonesia; and Singapore, Singapore. Each of the prioritised cities were analysed according to a framework agreed between the CoM and KPMG. The analysis framework used was designed to:

- provide a robust assessment of the key economic and demographic indicators and political and regulatory environments in each city, and the implications of these on future investment opportunities;
- consider the levels of demand and supply (from both domestic and international sources) for the CoM's priority industry sectors;
- identify existing country or city government policies and priorities, and how these relate to opportunities in each of the CoM's priority industry sectors and investment opportunities;
- consider existing CoM, Victorian and Australian Government activity in each city, and whether there are opportunities for the CoM to leverage existing activities to maximise impact and reduce duplication of effort; and
- identify appropriate engagement strategies, having regard to the political, cultural and business environment of each city.

The high-level opportunities, engagement strategies and industry focus sectors identified through the analysis are discussed in further detail below.

### Kuala Lumpur, Malaysia

A middle-income country that is undergoing rapid transformation, Malaysia is attempting to achieve high-income status by 2020 through attracting investment in Islamic finance, high technology industries, biotechnology and services.<sup>10</sup> Its increasingly pro-business environment, strategic and central location within the ASEAN region and recent entry into force of the Malaysia-Australia Free Trade Agreement (MAFTA) makes it one of Australia's key trading partners.

The Malaysian Government's *Economic Transformation Programme* creates a range of opportunities for the CoM's businesses to provide services in Malaysia – specifically Kuala Lumpur where much of the country's transformation is taking place. These opportunities include:

- development in the Klang Valley area which is creating demand for the provision of clean technologies (specifically green buildings);<sup>11</sup>
- implementation of the *Public Service Delivery Strategic Reform Initiative* which requires continuous performance monitoring of Malaysia's civil services to improve efficiency and effectiveness in delivering business and public-related service – resulting in opportunities to provide public sector capacity building courses, study tours and expertise;<sup>12</sup> and
- Malaysian Government priorities which seek to encourage local production of biotechnology products and medical devices, leading to opportunities for Victorian-based research organisations, universities and businesses to contribute to Research & Development (R&D) activities, and leverage local manufacturing capability.<sup>13</sup>

<sup>10</sup> CIA World Factbook, *Malaysia*, available at <https://www.cia.gov/library/publications/the-world-factbook/geos/my.html>, accessed 28 February 2014.

<sup>11</sup> Government Transformation Programme, *National Key Results Areas*, available at [http://www.pemandu.gov.my/gtp/What\\_Are\\_NKRAs%5E-@NKRAs\\_Overview.aspx](http://www.pemandu.gov.my/gtp/What_Are_NKRAs%5E-@NKRAs_Overview.aspx), accessed 27 March 2014.

<sup>12</sup> Economic Transformation Programme, *Public Service Delivery*, available at [http://etp.pemandu.gov.my/Public\\_Service\\_Delivery-@Public\\_Service\\_Delivery\\_\(PSD\).aspx](http://etp.pemandu.gov.my/Public_Service_Delivery-@Public_Service_Delivery_(PSD).aspx), accessed 27 March 2014.

<sup>13</sup> Government Transformation Programme, above n 11.

Building on a longstanding relationship with the CoM (via the BPC network), Victorian Government (via the in-market Victorian Government Business Office (VGBO)) and Australian Government's Austrade presence, there are ample opportunities to leverage and deepen existing relationships, and build the CoM's expertise and profile within the Malaysian market. Noting the importance of public diplomacy activities in the Malaysian market, the CoM may facilitate similar event(s) to the OzAsia Festival (seen in South Australia), or the annual Fiesta Malaysia celebrations held in Melbourne as a platform on which to deepen cultural linkages, build rapport and establish relationships which can grow and develop into more formal business-to-business and government-to-government relationships.

### Bandung, Indonesia

The most populous nation in the ASEAN region, and with the largest economy of US\$1.237 trillion in 2012 (GDP Purchasing Power Parity [PPP]),<sup>14</sup> Indonesia is rapidly emerging as a regional and global powerhouse, and is expected to be the world's seventh-largest economy by 2030.<sup>15</sup>

As much foreign investment and trade-related activity has focused on Jakarta, it is now a largely saturated market, with high levels of foreign investment and government presence. Conversely, Bandung, Indonesia's third most populous city, is the country's cultural and arts hub with a highly educated population – indeed, it is home to over 50 higher education institutions – but with a lesser degree of foreign government and company representation. As the city becomes increasingly urbanised, the middle class grows and the Indonesian Government's policy priorities for economic reform progress, there are opportunities:

- in the provision of sustainable urban development knowledge, expertise and services to government agencies faced with the challenges of rapid urbanisation, and demand for cities that service the basic needs of the growing population (particularly healthcare, water infrastructure and education). Victoria (specifically Melbourne) is uniquely positioned here, given knowledge in this sector and its capability in creating cultural hubs which are effectively integrated in the broader city landscape;

<sup>14</sup> CIA World Factbook, *Indonesia*, available at <https://www.cia.gov/library/publications/the-world-factbook/geos/id.html>, accessed 28 February 2014.

<sup>15</sup> Economist Intelligence Unit, *ViewsWire Indonesia – 6 February 2014* (The Economist 2014).

- in the provision of life sciences and biotechnology expertise, products and services to a growing middle class seeking high-quality healthcare, and government agencies and NGOs seeking low-cost, efficient immunisation solutions for lesser-developed communities to address the spread of diseases such as malaria and rabies; and
- to leverage existing public sector study tours facilitated through The University of Melbourne and the Victorian Government for Indonesian officials which seek to build the capacity and capability of Indonesian Government officials in facilitating an increasingly pro-business environment, facilitating regulatory reform and transparency in decision-making.<sup>16</sup>

Although there has been limited relationship building activity in Bandung to date, existing relationships with neighbouring Jakarta are evident through the BPC network, re-establishment of the VGBO and ongoing Austrade presence. These relationships may be broadened and leveraged as new opportunities are explored by the CoM in Bandung. In addition to these engagement strategies, given the focus of both the CoM and Bandung on being 'cultural' and 'artistic' cities, opportunities exist to promote cultural linkages between Bandung and Melbourne in respect of theatre, dance, visual arts and music activities, and leverage the Asialink Arts *Vertigo* exhibition.

### Singapore, Singapore

Consistently ranked as one of the world's most competitive cities, Singapore enjoys established physical capital, financial maturity and strong institutional effectiveness.<sup>17</sup> It is regarded as a key hub for large foreign companies, many of which choose to base their Asian operations there due to tax incentives, streamlining of license approvals and highly regarded intellectual capital.<sup>18</sup>

Singapore's pro-business environment creates significant opportunities for the establishment and further development of business-to-business relationships. In addition, given both Victoria and Singapore's internationally recognised strengths (and

focus on) particular industry sectors such as clean technologies and life sciences, there are opportunities to explore partnerships between research organisations, universities and industry. To this end, key opportunities to be explored include:

- sharing learnings from the design, planning and development of sustainable urban cities between industry, government and research organisations to develop internationally recognised expertise and best practice;
- collaboration between government, universities and industry in the design, development and implementation of clean technologies – including opportunities to compare and contrast learnings from Singapore and Australia's differing climates; and
- leveraging Victoria's R&D expertise in the biotechnology and life sciences industry to develop business-to-business relationships which enable the development of life sciences solutions in Victoria, and their manufacture in Singapore – creating efficient, accessible supply and distribution channels throughout the ASEAN region.

The CoM and Australian Government enjoy strong linkages with Singapore through a BPC relationship and in-market Austrade presence. These existing relationships may be built upon in the creation of business-to-business trade opportunities, particularly given Singapore's formal and direct business environment. To this end, the facilitation of trade missions (particularly those which leverage existing Victorian Government and Austrade activity) and industry visits are highly recommended as a key means of engaging key business decision-makers, and creating an environment conducive to the establishment of business-to-business relationships.

### Implementation options and next steps

The implementation of any engagement strategy must be undertaken in a robust, fulsome manner to maximise the use of available resources and facilitate in-depth, regular engagement. Stakeholders consulted suggested that greater benefits are likely to be realised initially through concentrated, regular engagement with one identified city, rather than less frequent and more limited engagement with multiple cities. Stakeholders suggested that of the three prioritised cities, the CoM would be best placed to begin its ASEAN strategy execution with either Singapore or Bandung – Singapore due to the magnitude of business-to-business opportunities available, a pro-business environment and strength of existing relationships; and Bandung due to the

<sup>16</sup> Victorian Government, *South East Asia Market Engagement Plan 2013* (Victorian Government 2013) 29.

<sup>17</sup> Economist Intelligence Unit, *ViewsWire Singapore – 19 February 2014* (The Economist 2014).

<sup>18</sup> CIA World Factbook, *Singapore*, available at <https://www.cia.gov/library/publications/the-world-factbook/geos/sn.html>, accessed 28 February 2014.

wealth of opportunities available due to Indonesia’s rapid urbanisation, growing middle class and demand for improved infrastructure and services.

In considering the most appropriate engagement model to be implemented in effecting these relationships, any proposal must be reflective of the social, cultural and business nuances in the identified market, and appropriately target and address these to maximise impact and relationship building opportunities. It is important to recognise that there is no ‘one size fits all’ option that accounts for the diversity seen in the ASEAN region; but a tailored, market-specific approach is necessary and must be refined according to:

- market conditions – including particular recognition of social and cultural preferences, the local business environment and identified supply of, and demand for, specified sectors, industries and services;
- the existence of established relationships, and whether these may be expanded upon or leveraged (e.g. through the BPC network, VGBOs, Austrade);
- the nature of interactions required and envisaged (e.g. business-to-business, government-to-government, industry/government collaboration, etc.); and
- the level of resourcing required (and available).

In light of the above, and in considering the prioritised cities identified, Table 1–1 outlines the industry sectors of focus, relationships and engagement strategies that may be employed by the CoM in enhancing its engagement with the ASEAN region.

Table 1-1: Suggested cities, industry sectors and engagement strategies

City	Suggested industry sectors	Nature of relationship(s)	Suggested engagement strategies
<b>Singapore, Singapore</b>	<ul style="list-style-type: none"> <li>• Sustainable urban development/ infrastructure</li> <li>• Clean technologies</li> <li>• Life sciences and biotechnology</li> </ul>	<ul style="list-style-type: none"> <li>• Business-to-business</li> <li>• Research organisation and/or university collaboration</li> <li>• Business-research organisation/ university</li> </ul>	<ul style="list-style-type: none"> <li>• In-market trade office</li> <li>• Trade missions</li> <li>• Industry visits</li> </ul>
<b>Bandung, Indonesia</b>	<ul style="list-style-type: none"> <li>• Sustainable urban development/ infrastructure</li> <li>• Life sciences and biotechnology</li> <li>• Public sector capacity building/ professional development</li> </ul>	<ul style="list-style-type: none"> <li>• Business-to-government</li> <li>• Business-to-NGO</li> <li>• Government-to-government</li> </ul>	<ul style="list-style-type: none"> <li>• Public diplomacy activities</li> <li>• Government visits</li> <li>• City-to-city partnership</li> </ul>
<b>Kuala Lumpur, Malaysia</b>	<ul style="list-style-type: none"> <li>• Clean technologies</li> <li>• Life sciences and biotechnology</li> <li>• Public sector capacity building/ professional development</li> </ul>	<ul style="list-style-type: none"> <li>• Government-to-government</li> <li>• Business-to-business</li> <li>• Business-to-government</li> </ul>	<ul style="list-style-type: none"> <li>• Public diplomacy activities</li> <li>• Trade offices</li> <li>• Trade missions</li> </ul>

Source: KPMG analysis; stakeholder consultation feedback.

Given this high-level framework prioritising the CoM’s areas of engagement and suggested approaches, stakeholders suggested that once success had been had in a key CoM focus area within one of these cities, the approach could be replicated with

other areas within that city, and with other ASEAN cities also (noting the need to tailor the approach to local circumstances). As alluded to earlier, any engagement model:

- needs to be adequately resourced to facilitate long-term, sustained engagement, and remain abreast of international competition from the United States and European Union, both of which are enhancing their engagement in the ASEAN region – and providing significant (and often matched by the identified city or country) funding to facilitate greater cultural, trade and social linkages; and
- focus on both the commercial and the cultural dimensions of engagement, noting the mutual benefits which may accrue to both cities from a range of activities and initiatives in building intellectual capital, cultural awareness, and trade and economic prosperity.

In becoming a 'bold, inspirational and sustainable city',<sup>19</sup> the CoM is presented with a wealth of opportunities to work with its ASEAN neighbours. A strategic location within the Asia-Pacific region, existing linkages through business, alumni networks and government relationships and strong support for the deepening of economic and cultural ties uniquely position CoM to expand its footprint throughout the ASEAN region and become 'a globally connected municipal economy'.<sup>20</sup>

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<sup>19</sup> City of Melbourne, above n 5, 2.

<sup>20</sup> *Ibid.*, 22-23.



*cutting through complexity*

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## Summary of outcomes – Review of the role of Council in conducting international business missions (May 2014)

### BACKGROUND

1. Council plan 2013-17, year one action 3.3.2 *Evaluate Council's role in leading international business missions* was completed in May 2014 and has contributed to the development of *Melbourne – a globally connected city*.

### KEY ISSUES

2. The evaluation found that Council has two significant roles in leading international business missions:
  - a. Acting as a **market bridge** across gaps not filled by the commercial market or other government organisations; and
  - b. **Promoting** Melbourne's industry capabilities, exemplar firms and the city as a whole.
3. The Council can play this role because its missions have several competitive points of difference:
  - a. Its **unique civic role** and status facilitates communication and connections with international counterparts that can be accessed to facilitate introductions for business mission delegates. This status is particularly important in key Asian markets.
  - b. The **small-scale** and **tailored** nature of CoM missions optimises interactions between business delegates, overseas officials and business representatives, as well as focusing on the city's key service sectors.
4. The review recommends that the Council consider leading (lead by the Lord Mayor) an international business mission to key markets **once every two years** and that:
  - a. Each mission facilitates and supports the export and inwards investment aspirations and plans of 15-30 representatives of Melbourne businesses in priority industry sectors.
  - b. These business missions be planned at least 18 months in advance to optimise the recruitment, delivery, evaluation and outcomes of each mission.
5. In addition, it is recommended that Council consider smaller civic missions overseas in the intervening years, when a business mission is not proposed. It is viewed that the civic missions contribute to creating and maintaining the city's global connections in priority geographic locations and that these connections and relationships would later be accessed by delegates in subsequent international business missions to realise their international strategies.