

Management report to Council

Agenda item 6.9

**Proposed travel by Lord Mayor, Councillors (to be nominated):
City of Melbourne business mission to Chengdu, Hangzhou, Suzhou,
Nanjing, Taipei, Tianjin, China and Osaka, Tokyo, Japan – March/April
2020**

26 November 2019

Presenter: David Livingstone, Director International and Civic Services

Purpose and background

1. The purpose of this report is to seek Council approval for the Lord Mayor and Councillors (to be nominated) to travel to China (Chengdu, Hangzhou, Suzhou, Nanjing, Taipei and Tianjin) and Japan (Osaka and Tokyo) to lead the City of Melbourne business mission (Mission) in late March/early April 2020.
2. Melbourne's international connections significantly contribute to our prosperity through trade and investment facilitation, as well as a strategic, systematic approach to building best practice in the city.

Key issues

3. The Mission will provide an opportunity for City of Melbourne to strengthen engagement in the key markets of China and Japan. The visit to China will focus on further enhancing relations between Melbourne and its long-standing sister city Tianjin, as well as partner cities of Chengdu, Guangzhou, Hangzhou, Suzhou, Taipei and Nanjing. A key component of the China visit will be the celebration of the 40th Melbourne Tianjin sister city relationship which is a significant milestone in Australia's China engagement. The visit to Japan will strengthen Melbourne's relations with Osaka in the areas of start-ups, health and innovation, and Tokyo in best practice in waste management and sports collaboration.
4. The Mission will showcase Melbourne's expertise in the sectors of liveability, start-ups, future retail and creative economy. The Mission has been developed in close collaboration with the Victorian Government, Austrade, and other stakeholders. Given the shared interests, these partners have contributed financial and other resources, including \$20,000 for interpreting and business matching costs.
5. The business delegation will operate separately for the first part of the program with three concurrent streams. Each sector stream will be located in cities which provide the most commercial traction for Melbourne's business capabilities in that industry sector. A Councillor will lead each of the sector streams.
6. The civic framework of association with the Lord Mayor and Councillors in particular is a significant advantage for Melbourne companies. The Lord Mayor will visit most of the cities to lend the status of her office to the business delegates by hosting official functions and meeting senior officials. For the second part of the China program all delegates will assemble in Tianjin to mark the important milestone of the 40th anniversary of sister city relations. The Lord Mayor and one councillor will travel to Osaka, and only one councillor will travel on to Tokyo.
7. For the Japan leg of the Mission the sector focus will be on start-ups and health and innovation, with business matching and site visits taking place in Melbourne's sister city in Osaka. Tokyo enjoys a strong reputation and expertise in a number of areas of priority to City of Melbourne which will provide collaboration and learning opportunities.
8. The business case rationale is included in Attachment 2, and the proposed Mission program is included in Attachment 3. Business delegates will receive comprehensive pre-departure briefings and a tailored business matching program. Delegates will pay a mission fee to cover their accommodation, meals, interpretation and in-country transport.
9. It is proposed that one senior officer from International and Civic Services accompany each sector stream to manage the commercial and civic aspects of the Mission.
10. Council is expected to incur total costs of up to \$37,500 for the Lord Mayor and up to three nominated Councillors to participate in the Mission.

Recommendation from management

11. That Council:
 - 11.1. Approves participation for the Lord Mayor and up to three Councillors (to be nominated) to travel to China and Japan to lead the 2020 City of Melbourne Business Mission in late March/early April 2020.
 - 11.2. Approves an amount of \$37,500 to cover the travel costs of airfares, accommodation and day to day meals and incidentals.
 - 11.3. Notes that a report on travel undertaken will be prepared for the Future Melbourne Committee or Council within 60 days of return from travel.

Attachments:

1. Supporting Attachment (Page 3 of 13)
2. Market opportunities (Page 4 of 13)
3. Draft itinerary – City of Melbourne Business Mission – China and Japan, March 2020 (Page 8 of 13)

Supporting Attachment

Finance

1. The estimated cost of up to \$37,500 for the proposed travel will be met from within the approved 2019–20 travel budgets.

Conflict of interest

2. 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.

Health and Safety

3. In developing this proposal, no Occupational Health and Safety issues or opportunities have been identified.

Relation to Council policy

4. The General Manager City Economy and Activation, has confirmed that the travel proposal accords with the requirements of the travel guidelines outlined in the Councillor Expenses and Resources Guidelines.
5. The trip aligns with Council Plan 2017-2021, Goal: A Prosperous City, where global city to city engagement and other partnerships will contribute to the city's prosperity.

Environmental sustainability

6. The carbon emission resulting from air travel to China and Japan will be offset with the purchase of credits.

Market Opportunities

Liveability stream (partner with Liveability Victoria International)

Chengdu

Chengdu, capital of Sichuan Province, is considered to be one of mainland China's most liveable cities and is focussed on becoming a "city within a park". It is currently developing a 500 kilometre "green path" throughout the city. This project requires expertise in urban design, landscape architecture, place making and environmental services.

Chengdu city planners have made environmental protection a focus. Key priorities include reducing air and noise pollution, improving water quality and soil remediation. City of Melbourne signed a Memorandum of Understanding with Chengdu in 2017 which includes facilitating exchange and cooperation around liveability. Melbourne-based urban planning and design firms are currently exploring opportunities in Chengdu, with two already involved in construction projects.

Sichuan and Victoria have been "Sister States" since 2016 and the Victorian Government has developed a strong relationship with the Sichuan Government around creating liveable cities (Liveability Victoria International has hosted both inbound and outbound missions).

The Department of Foreign Affairs has a Consulate, and the Victorian Government and Austrade have offices in Chengdu

Tianjin

The Tianjin government strongly supports exchanges and business opportunities in the liveability sector. Melbourne Office Tianjin (MOTJ) has established good networks with government, research institutes and businesses in this sector. The Tianjin Ecology and Environment Bureau are particularly interested in engaging with Melbourne to explore opportunities in cleantech and environmental protection.

The China-Singapore Tianjin Eco-City is one of ten pilot cities chosen to test the "zero waste city" concept, which aligns with Melbourne's interest in learning best practice in waste minimisation.

Targeted mission participants

- Planning and urban design (architecture, landscape architecture, place making)
- Environmental monitoring and protection services (air, noise, soil, waste and recycling)
- Waterway quality and industrial wastewater treatment

Retail and Creative economy stream (partner with Alibaba)

China is considered the world leader in innovation in retail. This is driven by influential new retail powerhouses such as Alibaba, Ants Financial, Tencent and JD.com.

The cultural and creative industries in China are also experiencing fast growth driven by popular embrace of culture and creativity, government policies and market opportunities.

Hangzhou

Hangzhou is the home of Alibaba, one of the largest ecommerce/IT companies in the world, and Ants Financial, the most valuable Fintech company in the world. The delegation will have the opportunity to visit Alibaba and Ants Financial campuses to learn about their ecommerce and new retail ecosystems, and the technologies behind it. As the capital city of Zhejiang, one of the most affluent provinces in

China, Hangzhou offers highly innovative new retail case studies for Melbourne retailers and designers to learn from.

Shanghai

As the most prosperous city in China, Shanghai has the best of technological innovation (including retail tech), new retail stores and innovative shopping experiences. During the stay in Shanghai, Melbourne retailers and designers will be able to explore a range of new retail concepts that have drawn investment from large domestic and international companies such as Tencent, Aldi, Swisse, Sunning, and Ctrip.

Suzhou

Suzhou is the second largest city in Jiangsu province, and positions itself as the capital of the design and cultural industries. As a leading creative city in China, Suzhou hosts two key creative events annually - China Creative and Design Cultural Industry Expo and Suzhou International Design Week.

Melbourne and Suzhou established collaborative relations in innovation and start-ups in 2016. In May 2019, the two cities signed a Memorandum of Understanding to strengthen cooperation in the fields of innovation and start-ups, liveability, culture, education, trade and investment and personnel exchanges.

In recognition of our increasingly fruitful relations, Suzhou is seeking to invite Melbourne to be a guest city for their International Design Week, which would provide a valuable platform to showcase Melbourne design, and an opportunity to engage with the best designers in the world. During the Mission, a formal partnership is expected to be established between Melbourne Fashion Week and Suzhou International Design Week for future collaboration and exchange.

The Mission program in Suzhou will also strategically advance and leverage long-standing connections of our key stakeholders, such as Monash University and Melbourne Museum.

Tianjin

The Tianjin government strongly supports exchanges and business opportunities in the creative sector following the Lord Mayor's travel to Tianjin in May 2019. MOTJ has established strong networks with universities and corporates in the design space.

Tianjin art institutions are considered leaders in fashion and craft design in Northern China. The new Tianjin Binhai Science Museum is seeking an international partnership, which is of interest to Museums Victoria.

Targeted mission participants

- Individual retailers
- Precincts and shopping centres
- Fintech/Retail-Tech firms
- New media and creative branding design firms
- Fashion design - Key stakeholders for Melbourne Fashion Week including RMIT School of Fashion and Textiles

Innovation/Startup stream (ACASE and Bootcamp Osaka as potential partners)

Taipei - 2020 Smart City and Smart Healthcare Summit and Expo 24-27 March 2020.

Taipei is rapidly becoming one of the most vibrant startup scenes in Asia. With a strong venture capital industry, high quality education, significant personal wealth and technological prowess, the expo in Taipei presents a valuable opportunity for City of Melbourne to build relationships with government and industry alike. The 2019 expo saw 60 plus parallel conference sessions, bringing together over 250 global leaders and experts for in-depth discussions. With more than 30,000 visitors and 250 exhibitors, it offers great opportunities for companies operating in the startups and innovation (smart city and 'internet of things') and health sectors. The City of Melbourne is exploring the potential to

present a Melbourne Innovation Showcase at the expo and the effectiveness and cost of utilising a promotional booth.

The Taipei City Government offers generous participation subsidies for business delegations, including a complimentary return flight for the delegation leader and free accommodation and transport for delegates.

Guangzhou

As a powerful hub within the Greater Bay Area, Guangzhou has valuable opportunities for Melbourne business and startups in the sectors of:

- Artificial Intelligence – ‘Internet of Things’
- Biomedicine
- Aged Care operations facility design and construction and med-tech solutions
- Smart Power Grid technologies

Guangzhou has a mature startup ecosystem of 196 co-working spaces and many national and city level business incubators. Approximately 9500 companies are currently being incubated across Guangzhou. The 114,500 registered companies represent a huge business network for Melbourne business to connect with.

Guangzhou has strong capabilities in medical health research and is actively looking for collaboration with Australian research Institutes and hospitals.

These include:

- Guangzhou University which has six affiliated hospitals
- The Guangzhou Institute of Biomedicine which has well known programs in stem cell research and genetics research
- Guangzhou Medical Centre for Women and Children sees 4 million patients per year and conducts 52,000 operations
- Guangzhou is a hub for pharmaceutical manufacturing – the city’s output is 31.5 billion Chinese Yuan (approximately AUD\$6 billion) of drugs manufactured annually.
- Guangzhou would like to engage with Melbourne in a three city alliance with Boston, particularly around health and wellbeing research.

Japan

Targeted mission participants:

- Melbourne start-ups and scale-ups with a focus on health and medtech

Osaka

Under the umbrella of our long-standing sister city relations, Melbourne and Osaka enjoy a strong partnership in the health sector with collaborative research activities ongoing between our hospitals and research institutions, particularly in the areas of dementia and oncology. There has been a strong push in recent years to link our startup ecosystems, particularly through the Osaka Innovation Hub (OIH). While Melbourne’s startup scene is further advanced, Osaka’s is rapidly growing and they look at Melbourne as a useful model.

The Health Innovation showcase presented at OIH was well attended by Osaka investors and businesses and positioned Melbourne strongly as an innovation hub. For the 2020 Mission we intend to again work with OIH as well as new partners, Startupbootcamp Osaka to present a similar showcase. City of Melbourne will work with Austrade Osaka and the Victorian Government Trade and Investment Office (VGTIO) Tokyo to co-deliver individualised business matching programs. Each mission delegate will receive approximately five to ten meetings over the two day program. Targeted site visits to hospitals and research institutions will allow delegates to develop on-ground networks and understand differences in healthcare systems that may allow them to adjust solutions to suit the Japanese system.

Tokyo

As one of the world's most populated urban areas and largest metropolitan economies, Tokyo has a great deal to offer Melbourne.

With long-standing government to government relations in place, a two day fact finding tour will be undertaken to investigate leading policy in the areas of:

- Tokyo 2020 Olympic games preparation;
- Sports technologies and areas of collaboration;
- Waste management;
- City resilience and carbon emission reduction schemes; and
- Future of retail and city activation programs.

2020 BUSINESS MISSION – Indicative Itinerary

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CHINA

	LIVEABILITY	HEALTH STARTUPS & INNOVATION	RETAIL & CREATIVE	LORD MAYOR
	Chengdu - Tianjin	Guangzhou – Taipei - Tianjin	Hangzhou - Suzhou - Shanghai - Tianjin	Chengdu – Hangzhou – Suzhou - Nanjing - Tianjin
Day 1	<p>Arrive in Chengdu</p> <p>City orientation (optional)</p> <p>Mission Welcome Dinner – hosted by Lord Mayor</p> <p>Australian Consulate and Victorian Government Trade and Investment Office to attend</p>	<p>Arrive in Guangzhou</p> <p>City orientation (optional)</p> <p>Mission Welcome Dinner - hosted by Councillor</p>	<p>Arrive in Hangzhou</p> <p>City orientation (optional)</p> <p>Mission Welcome Dinner - hosted by Councillor</p> <p>City orientation – night economy</p>	<p>Arrive in Chengdu</p> <p>City orientation</p> <p>Mission Welcome Dinner – Australian Consulate, Austrade and Victorian Government Trade and Investment Office to attend</p>
Day 2	<p>Visit to Chengdu Planning Bureau and Government meetings regarding 15 year plan and opportunities.</p> <p>Site visit to Chengdu Green path</p> <p>Courtesy call with Mayor of Chengdu</p> <p>Welcome Lunch or dinner hosted by Chengdu Government</p>	<p>Briefing by Austrade and VGIO Guangzhou</p> <p>Meeting with Health Commission Guangdong province</p> <p>Briefing by Health Commission - Introduction of mission delegates and health/innovation capabilities</p> <p>Site visit to Guangdong Medical Valley</p>	<p>Hangzhou Retail Sector industrial briefing.</p> <p>Visit to Ergeng head office</p> <ul style="list-style-type: none"> Content marketing and new retail workshop New trends of fashion retail <p>Lunch at a new-retail restaurant</p> <p>Visit to Yintai shopping precinct</p> <p>Networking dinner - TBC</p>	<p>Visit to Chengdu Planning Bureau and Government meetings regarding 15 year plan and opportunities.</p> <p>Site visit to Chengdu Green path</p> <p>Courtesy call with Mayor of Chengdu</p> <p>Welcome lunch or dinner hosted by Chengdu Government (optional)</p> <p>Fly to Hangzhou</p>

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		Roundtable discussion at Guangdong Medical Valley.		
Day 3	<p>1:1 Business matching session</p> <p>Networking lunch with matching businesses</p> <p>Roundtable discussion with government & industry stakeholders (including Victorian Government Trade and Investment Office)</p> <p>Site visit to Kuanzhai Xiangzi Precinct</p>	<p>Melbourne Guangzhou Medtech & Medical Innovation Seminar</p> <p>Business networking lunch</p> <p>1:1 Business matching</p> <p>Site visit Guangzhou International Bio Island</p> <p>Travel to Taipei (1.5 hrs by flight)</p>	<p>Visit to Alibaba Hangzhou campus:</p> <ul style="list-style-type: none"> • Tour of Alibaba Museum • Alipay and ecommerce workshop <p>Melbourne Pop-up Store @ Alibaba Campus featuring:</p> <ul style="list-style-type: none"> • Melbourne products • Melbourne fashion • Live streaming retail <p>Lunch at Hema Fresh</p> <p>Site visit to Swisse store in Alibaba Campus</p> <p>'New Retail' smaller retailers showcase</p> <p>Networking night: Lord Mayor reception</p>	<p>Visit to Alibaba Hangzhou campus:</p> <ul style="list-style-type: none"> • Tour of Alibaba Museum • Alipay and ecommerce workshop <p>Melbourne Pop-up Store @ Alibaba Campus featuring:</p> <ul style="list-style-type: none"> • Melbourne products • Melbourne fashion • Live streaming retail <p>Courtesy call with Hangzhou Government</p> <p>Business lunch hosted by Hangzhou Government</p> <p>Site visit to Swisse store in Alibaba Campus</p> <p>'New Retail' smaller retailers showcase</p> <p>Networking night: Lord Mayor reception</p>
Day 4	<p>Site visit to Tianfu New Area Planning Museum and Park City Exhibition Hall (or Taikoo Li)</p> <p>Evening flight to Tianjin</p>	<p>Taipei</p> <p>Smart Healthcare Expo Program tbc</p> <p>Taipei</p>	<p>Travel to Suzhou via fast train</p> <p>Meeting with Suzhou International Design Week</p> <p>Business Forum & Lunch hosted by Suzhou Gusu District featuring</p>	<p>Travel to Suzhou via fast train</p> <p>Meeting with Suzhou International Design Week</p> <p>Business Forum & Lunch hosted by Suzhou Gusu District featuring</p>

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		<p>Smart Healthcare Expo program tbc</p> <p>Melbourne-Taipei Business Association Dinner</p>	<p>Melbourne showcase and runway</p> <p>1:1 Business matching</p> <p>Courtesy call with Mayor of Suzhou</p> <p>Dinner reception hosted by Suzhou Municipal Government</p> <p>City orientation – night economy</p>	<p>Melbourne showcase and runway</p> <p>Site visit to Suzhou Museum</p> <p>Courtesy call with Mayor of Suzhou</p> <p>Dinner reception hosted by Suzhou Municipal Government</p> <p>City orientation – night economy</p>
<p>Day 5</p>	<p>Government meetings regarding Jing-jin-ji & opportunities.</p> <p>Site visit to China-Singapore Tianjin Eco-City (pilot zero waste city)</p>	<p>Taipei</p> <p>Smart Hospital Leadership Summit tbc</p> <p>Travel to Tianjin (3 hours in duration)</p> <p>Hotel check in</p>	<p>Travel to Shanghai via coach</p> <p>Site visit to:</p> <ul style="list-style-type: none"> • Tencent new retail exhibition • Ctrip head office (largest travel platform in China) • Shanghai Fashion Week <p>Site visit to:</p> <ul style="list-style-type: none"> • Aldi new retail grocery store • Shanghai Media Group • Selected fashion retailers <p>Networking event in Xin Tian Di shopping precinct (Shanghai signature shopping destination)</p>	<p>Travel to Nanjing via fast train</p> <p>Courtesy call on Mayor of Nanjing</p> <p>Site visit to Nanjing Pukou Hi-tech Zone</p> <p>Travel to Tianjin via fast train</p>

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<p>Day 6</p>	<p>Tianjin</p> <p>Business forum with Tianjin Environment & Ecology Bureau</p> <p>1:1 Business matching session</p> <p>Tianjin: Site visit – Tianjin Planning Exhibition Hall</p> <p>Courtesy Call with Mayor of Tianjin</p> <p>Tianjin (All): Dinner reception by Tianjin municipal government</p>	<p>Tianjin</p> <p>Combined Melbourne Tianjin Innovation Seminar</p> <p>Combined business networking lunch</p> <p>1:1 Business matching</p> <p>Courtesy Call with Mayor of Tianjin</p> <p>Tianjin (All): Dinner reception by Tianjin municipal government</p>	<p>Travel to Tianjin via fast train</p> <p>Business matching or roundtable discussion on Retail and Creative Sectors</p> <p>Courtesy Call with Mayor of Tianjin</p> <p>Tianjin (All): Dinner reception by Tianjin municipal government</p>	<p>Lord Mayor Opening speech at Business Forum with Tianjin Environment & Ecology Bureau</p> <p>Travel to Binhai New Area for site visit to Binhai</p> <p>Science Museum</p> <p>Business workshop and lunch with Binhai New Area government</p> <p>Site visit to Tianjin Planning Exhibition Hall</p> <p>Courtesy Call with Mayor of Tianjin</p> <p>Tianjin (All): Dinner reception by Tianjin municipal government</p>
<p>Day 7</p>	<p>Tianjin: (All): Gala dinner for 40th anniversary</p>	<p>Tianjin: (All): Gala dinner for 40th anniversary</p>	<p>Site visit to</p> <ul style="list-style-type: none"> • New retail store precincts • Tianjin Polytechnic University and Tianjin Academy of Fine Arts for fashion design <p>Tianjin: (All): Gala dinner for 40th anniversary</p> <ul style="list-style-type: none"> • Melbourne Pop-up Store <p>Melbourne Fashion & student runway in collaboration with Tianjin universities</p>	<p>Tianjin: (All): Gala dinner for 40th anniversary</p> <ul style="list-style-type: none"> • Melbourne Pop-up Store <p>Melbourne Fashion & student runway in collaboration with Tianjin universities</p>

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Day 8	Travel home	Travel to Osaka	Travel home	Travel to Osaka
JAPAN				
Day 9		<p>Osaka</p> <p>Melbourne Osaka Health Innovation Showcase at Knowledge Capital</p> <p>Lord Mayor speech</p> <p>Key note speech (Medical research related by University Professor)</p> <p>Business Showcase</p> <p>Melbourne companies to present</p> <p>Networking lunch</p> <p>Mayor of Osaka Courtesy Call</p> <p>Melbourne-Osaka Industry dinner</p>		<p>Osaka</p> <p>Melbourne Osaka Health Innovation Showcase at Knowledge Capital</p> <p>Lord Mayor speech</p> <p>Key note speech (Medical research related by University Professor)</p> <p>Business Showcase</p> <p>Melbourne companies to present</p> <p>Networking lunch</p> <p>Mayor of Osaka Courtesy Call</p> <p>Melbourne-Osaka Industry dinner</p>
Day 10		<p>Company and site visits</p> <p>Osaka Governor courtesy call</p>		<p>Company and site visits</p> <p>Osaka Governor courtesy call</p> <p>Return to Melbourne</p>
Day 11		<p>Travel to Tokyo via shinkansen</p> <p>Site visit to Tokyo 2020 Olympics</p>		

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		(TOCOG)		
Day 12		<p>Tokyo Metropolitan Government meeting</p> <p>Sports tech collaboration</p> <p>Retail and city activation</p> <p>Site visit Waste management and recycling</p> <p>ANZCCJ dinner address</p>		
Day 13		<p>Site visit Innovation hub</p> <p>Site visit to Team Lab at Mori Building Digital art museum</p> <p>Return to Melbourne</p>		