

Management report to Council**Agenda item 6.2****Strategic review of City of Melbourne's international relationships****Council****Presenter:** Peter Armstrong, Acting Director Economic Development and International**26 April 2022****Purpose and background**

1. The purpose of this report is to seek endorsement from Council to proceed with the review of the City of Melbourne's international relationships ('Review'), consistent with the focus of Major Initiative 8 in Council Plan 2021-25.
2. The Review is one of Council's key strategic activities in Council Plan 2021-25 as well as action 35 in the Economic Development Strategy 2031. Previous strategic frameworks that have informed City of Melbourne's priorities for international programs are no longer current.
3. The purpose of the Review is to deliver a new strategy to optimise future and existing partnerships that will enable mutual growth and opportunity in the context of a changed global, national and local landscape. This will ensure City of Melbourne engages with the right cities and networks, in order to deliver on the Council Plan and the best possible outcomes for Melbourne and its strategic partner cities.

Key issues

4. There are a wide range of global challenges and opportunities facing Melbourne, accelerated by the COVID-19 pandemic and geopolitical tensions over the last two years. Melbourne's longer-term future success depends on how well it positions itself globally to address these opportunities and challenges.
5. City of Melbourne's international engagement currently promotes the city's prosperity, through leveraging Melbourne's current and emerging international city partnerships including robust relationships with Osaka, Tianjin, Nanjing, Suzhou, and Bandung and others to varying degrees, including Milan, Boston, Thessaloniki and Chengdu. City of Melbourne has also been exploring emerging opportunities across India. Prior to the pandemic, much activity was focussed on hosting inbound civic and business missions, a bi-annual outbound trade mission to China and Japan, and working with industry cohorts to profile Melbourne capability globally, through seminars and forums.
6. Throughout the pandemic and while borders were closed, activity pivoted to virtual platforms with numerous programs delivered, to continue to promote Melbourne's knowledge and creative sectors to key overseas markets, and to build best practice in the city by learning from global cities leading in COVID-19 response and economic recovery/activation.
7. Melbourne has reopened and City of Melbourne has an even more critical role to play in accessing and leveraging international networks. Prior to the pandemic, Melbourne was Australia's fastest growing city with a thriving visitor economy, international education sector and highly skilled immigration, fuelling population growth. With the pandemic, closed borders and rolling lockdowns, these have been hardest hit. For the City of Melbourne, strategically targeted international engagement in strong partnership with other tiers of government, along with industry leaders, is key to revitalising these sectors, over the short and medium terms.
8. Over the longer term, Melbourne's future economy is largely dependent on Melbourne's innovation and knowledge economy becoming globally competitive. These knowledge intensive sectors are global in their outlook, making international engagement essential. City of Melbourne has a key role to play in helping local innovation sectors understand how to engage internationally, and to build robust ecosystem-to-ecosystem linkages.
9. Melbourne is also a multicultural city, which is a huge asset that should be leveraged further to serve Melbourne's international strategic interests. A robust set of international relations will help better serve our communities through exploring untapped latent potential, and driving stronger engagement with our multicultural diaspora including with our international student community.

10. In light of the vast changes in the global landscape and the new priorities within the current Council strategic frameworks, it is timely and critical to commence the Review. This will ensure City of Melbourne engages with the right cities and networks, in order to serve clear Council business objectives and continue to deliver the best possible outcomes for Melbourne.
11. Attachment 2 outlines the proposed scope of the Review. The Review sets out to consider two key questions:
 - 11.1. What role should the City of Melbourne play in international engagement, in the short, medium and long term?
 - 11.2. Which cities, countries and networks should City of Melbourne engage with to ensure international engagement delivers the best outcome for both Melbourne and its international partners?
12. Four themes will be examined, enabling a detailed exploration of a potential City of Melbourne value proposition and point of difference in international engagement. The Review will consider and prioritise potential international engagement and activity in the following areas:
 - 12.1. Economic development.
 - 12.2. Knowledge acquisition and sharing.
 - 12.3. Community, cultural, people-to-people links.
 - 12.4. Aid and development.
13. For the delivery of the Review, management proposes to select and appoint a panel of eminent experts in international engagement to guide the Review (including representatives from government, industry and tertiary institutions), while leveraging existing City of Melbourne expertise to deliver the Review and draft a new international engagement strategy. The panel will provide guidance, expertise and advice to ensure that City of Melbourne's international activity is at the forefront of international best practices, is purposeful and contributes to Major Initiatives in the Council Plan.
14. External stakeholder consultation will be part of the Review, including with State and Federal Government partners, industry sector/associations, chambers of commerce and tertiary institutions. The Review will be important to re-setting the City of Melbourne proposition for international engagement.
15. The expected outcome is the delivery of a current international engagement strategy that is highly aligned to Council Plan 2021-25 and the Economic Development Strategy 2031.

Recommendation from management

16. That Council:
 - 16.1. Endorses the proposed scope of the strategic review of the City of Melbourne's international relationships.
 - 16.2. Endorses the planned process for the delivery of the review, incorporating the appointment of a panel of experts guiding City of Melbourne expertise in the review and drafting of a new international engagement strategy.
 - 16.3. Requests management provide the Future Melbourne Committee with a draft international engagement strategy for consideration by October 2022.

Attachments:

1. Supporting Attachment (Page 3 of 5)
2. Project scope international engagement review (Page 4 of 5)

Supporting Attachment

Legal

1. There are no direct legal implications arising from the recommendation from management.

Finance

1. Funding for these initiatives will be subject to Council decisions as part of its Budget approval procedures.

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 material or general conflict of 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.

Stakeholder consultation

4. Stakeholder consultation is expected to include State and Federal Government partners, industry sector/associations, and tertiary partners.

Relation to Council policy

5. The Review and delivery of a new international engagement strategy is Major Initiative 8 in the Council Plan 2021-25 and action 35 in the Economic Development Strategy 2031.

Environmental sustainability

6. The Review and delivery of a new international engagement strategy does not present immediate environmental or sustainability issues. However, outcomes of the Review may recommend opportunities to leverage international relationships to explore, exchange and learn from international best practices in addressing environmental sustainability challenges.

PROJECT SCOPE

MI8 – INTERNATIONAL ENGAGEMENT STRATEGY – SCOPE OF THE REVIEW

Background

City of Melbourne will review its international relationships as part of Major Initiative #8 in Council Plan 2021-25 and action 35 in the Economic Development Strategy 2031, to optimise future and existing partnerships that will enable mutual growth and opportunity in the context of a changed global, national and local landscape.

The review sets out to consider two overarching questions:

- What role should the City of Melbourne play in international engagement, in the short, medium and long term?
- Which cities, countries and networks should City of Melbourne engage with to ensure international engagement delivers the best outcome for both Melbourne and its international partners?

The desired outcome is a review of existing relationships and a refreshed approach to international engagement. This will ensure City of Melbourne engages with the right cities and networks, to deliver on the Council Plan and the best possible outcomes for Melbourne and its strategic partner cities.

The problem

Considering the vast changes in the global landscape, and the refreshed priorities within Council's strategic frameworks, it is both critical and timely to review the priorities for international programs, and Council's approach to international engagement.

Project scope

It is proposed that the review will be delivered by leveraging existing City of Melbourne expertise, under the guidance of a management-appointed external panel of eminent experts in international engagement. The panel will provide guidance, expertise and advice to ensure that City of Melbourne's international activity is at the forefront of international best practices, is purposeful and contributes to Major Initiatives in the Council Plan. The outcome will be a set of tightly defined recommendations as to **why, how and with whom** City of Melbourne should be engaging internationally.

In reaching its conclusions, the review should – as a minimum – consider and identify the City of Melbourne's primary role in international engagement in four key areas:

Theme	Intended outcomes
Economic Development	<ul style="list-style-type: none"> • Support Melbourne's knowledge-intensive industries to become globally competitive, to enable long term recovery and prosperity • Support international focussed actions in the Economic Development Strategy, with recommendations on how, why and identifying the right cities/networks.
Knowledge acquisition and sharing	<ul style="list-style-type: none"> • Increase exchanges and facilitate learning between Melbourne and international best practice cities in City of Melbourne's priority areas and support delivery of Major Initiatives in the Council plan, and to support advancement of the United Nations Sustainable Development Goals
Community, cultural, people to people links	<ul style="list-style-type: none"> • Promote Melbourne's brand and enhance cross-cultural understanding
Aid and development	<ul style="list-style-type: none"> • Impart learning to (and learn from) countries in the region, within the United Nations Sustainable Development Goal framework

PROJECT SCOPE

The review will also address the following questions:

- What does beneficial and successful international engagement look like for the City of Melbourne?
- What role does/should the City of Melbourne fulfil in international engagement that other levels of government do not?
- How can the City of Melbourne leverage opportunities with other levels of government through city to city engagement?
- Which cities, countries, networks, and stakeholders should City of Melbourne engage with into the future, in a way that delivers the best outcomes for Melbourne and its partners?
- How do we develop and/or refresh our relationships with strategic partners – existing and new – to consider emerging opportunities for Melbourne in the vastly changed global context?

The Council Plan has several actions specifically related to international engagement; the review should make recommendations on how to deliver on these actions.

The review should propose principles for future international activity e.g. support identified key challenges and opportunities for the city and/or prioritise Major Initiatives in the Council Plan.