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The Role of Education in the Regeneration and Cohesion of the City of Melbourne

by

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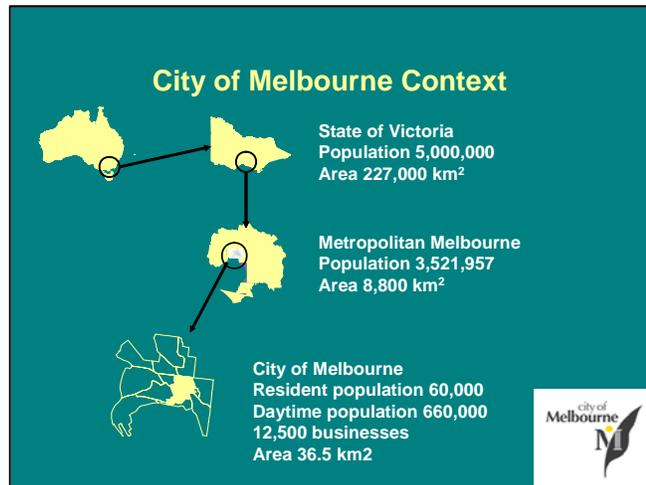
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Introduction

Cities become what they are through a complex series of economic, social and physical interactions over time. For the most part, the result of this interplay is dominated by the set of economic factors that are prevalent at any given time. These 'pre-conditions' of urban development

bring about particular forms of spatial and structural change, and thus have the greatest influence over a city's 'life' and performance and the manner in which this might change over time.

At each stage of Melbourne's more recent development, the interactions between the city's economic conditions and its education and training sector have played a role in underpinning long-term growth and recovery from 'boom and bust' cycles and in promoting social cohesion and multicultural engagement. This paper explores that role, however, the analysis is preliminary, perhaps even suggestive, and begs additional consideration of the way in which the city has been, and should be, engaged with its education sector.



In governing the economic and ceremonial heart of a metropolitan region of 3.6 million people in Australia's south-east corner, the Melbourne City Council (MCC) has sought to create and protect the underlying conditions for economic regeneration and social cohesion (though other terms are more often used to describe Melbourne's development).

In addition to its thriving, knowledge-based business community, the City is also host to 70 education and training institutions and campuses, a place of enrolment for 74,000 students, of whom 55 percent are international, and home to 14,600 residential students, who make up 23 percent of the City's population (MCC 2005A, MCC 2005B, MCC 2005C ABS 2001). The municipality of the City of Melbourne, (CoM), as Capital City of the State of Victoria, is also the business, community, cultural and sporting hub for the region and in some respects the country, with a 2004 residential population of 62,000, a daytime population of 645,000 and an employment base of 328,000 employees (also see MCC 2002: 7).

Over the years, at many times working with the education sector, the MCC has developed policies and programs which have had the effect of addressing regeneration and cohesion even if not couched in those terms. A number of current initiatives may be of interest internationally. This paper offers a brief history of such involvement, explores in more detail Melbourne's transformation since the early 1990s, and suggests some emerging issues to be considered.

Education in Melbourne's Development

During the confident years of the late 19th century, thanks to earlier gold rushes and successful pastoral settlement, 'Marvellous Melbourne' was one of the richest cities in

the world. Legislated as a municipality in 1842, the city boasted a heritage of boulevards, parks and grand Victorian buildings, much of which remains and is enjoyed today. The City's leaders also founded a number of important educational institutions, including the University of Melbourne in 1853 to train the professions for the City's growth and the Working Men's College in 1887, now the Royal Melbourne Institute of Technology (RMIT), from a donor inspired by the British worker education movement and having trade union support, to train the City's trades and technical workers (Davison 1978, Murray-Smith and Dare 1987).

Melbourne was a brash city then; the influx of migrants and itinerant workers who came to the gold fields and then settled in Melbourne contributed to a mixture that formed the city's districts. After the Great Depression of the 1890s Melbourne regained some confidence but adopted a more conservative style. The Royal Exhibition Building, built for a grand centennial exhibition 1888-9 to celebrate the arts and sciences, attracted overseas manufacturing investors into what had been to date an administrative and logistics city. Uniquely, it has been in service as an exhibition building ever since. The building was used to open the Parliament of the new Commonwealth of Australia in 1901, for which Melbourne was initially the national capital, and is now listed as a UNESCO world heritage site. The City of Melbourne's promotion of garden city and slum clearance movements during the early 20th century aligned it with education campaigns, particularly in pursuit of public health and town planning objectives. As metropolitan Melbourne reached the half million population mark the City cooperated in hosting a Victorian Town Planning Exhibition in 1919 and established a Metropolitan Town Planning Commission from 1922 (Lewis 1995: 87, 95).

Through the Depression of the 1930s social cohesion in Melbourne was frayed by poverty and unemployment whose remedies were well beyond the MCC's powers and means. Alongside this, the inter-war period was not an inclusive one, as noted in the words of the City's commissioned historian:

The Victorian 'people' was a construct which excluded the Aboriginal and the non-Anglo migrants, as well as all other less stereotypical members of the community... [N]ostalgia and introspection reflected the fact that Melbourne was culturally stagnant. There had never been a sustained period of so little growth [as the inter-war period] except for the 1890s when the population actually shrank. There were no new ethnic groups until after the Second World War..... The Second World War of course changed this substantially. The American troops, with their money, movies and nylons, were to challenge our Englishness. Our own troops were to return with a wider perspective on the world, but to find their own culture depleted. (Lewis 1995: 110)

During the Second World War the Allied headquarters for the Southwest Pacific was in Melbourne and a massive training and research effort was undertaken for the armed forces and the local university, technical colleges and other institutes.

The period of national reconstruction after WWII saw massive overseas migration into Melbourne (being the preferred destination for southern European migrants in particular) with the challenges of assimilation and an official end to the 'white Australia' policy. At the centre of a fast-suburbanising metropolitan region that provided new residential areas and received the large waves of post-war migrants, the MCC played a role in providing the urban infrastructure for a long period of economic expansion, providing the cultural, sporting and recreational focus for converging cultures and the mixing of hitherto unfamiliar lifestyles.

The 1956 Olympic Games – ‘the friendly Games’ – provided an opportunity for Melbourne and its City Council to present a more inclusive face to the world. In 1954 the Lord Mayor convened an Olympic Civic Committee to prepare Melbourne for its task as host city and this included making available 15,000 beds for visitors volunteered by householders in response to an appeal. (Lewis 1995: 110)

With the international ‘coming of age’ afforded by the success of the Games, the City of Melbourne was in fact becoming a more diverse place socially. Unfortunately, Ava Gardner was still famously able to say in 1959, while filming ‘On the Beach,’ that Melbourne was a great place to make a film about the end of the world.

National policies of assimilation and integration gave way to policy support for multiculturalism in which cultural variety was supported and celebrated. This was not always easy in practice as inter-community relations at times became tense and perhaps lagged behind official policy. Indigenous people suffered continuing impoverishment, and levels of poverty, unemployment and homelessness unacceptable to Australia’s avowed egalitarianism were apparent.

Challenges and Responses in the 1990s

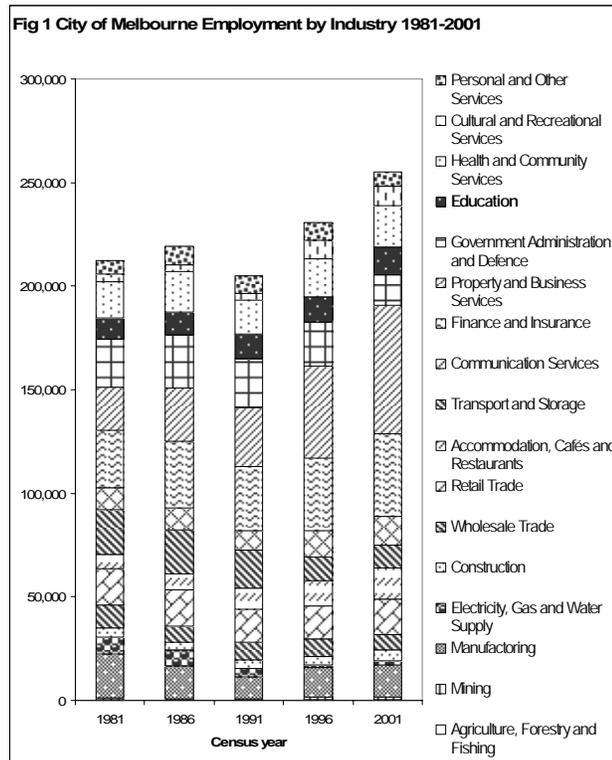
By the early 1990s global economic change and de-regulation across the national economy through the previous decade brought challenges to the City and its Council. In short, Melbourne was in recession. The development boom had ended, State government financial ratings had fallen to their lowest in decades and some financial institutions that had been 'over-enthusiastic' about their role in funding the boom times were in trouble, or had closed. Economic activity across the State was falling, and due in part to the suburban preferences of important new head office facilities, (eg, Coles Myer, Hewlett Packard, and NEC), the city centre was sliding with it. In fact, off-shore movement of investment, the introduction of tighter environmental regulations controlling inner city industrial activity, and the approaching end of economic life for some of the city's building stock was already under way and resulted in only a minor level of replacement for much of this activity. The city centre was thus experiencing the 'donut effect' that was characteristic of many of the worlds inner city locations at the time.

As a consequence, the city's economic base was moving rapidly towards an economy no longer dominated by the manufacturing base that had fuelled its success for more than forty of the post war years. Moreover, whilst the State was experiencing a situation where manufacturing was becoming less important overall, for the city centre it was reducing absolutely.

The structure of the workforce shifted further towards services (see Figure 1) and more rapid economic development in other resource-rich states such as Queensland and Western Australia drew internal migration away from Victoria. Continuing loss of

financial and corporate headquarters to Sydney as air travel boosted its 'gateway' status, more vigorous international competition among cities (see O'Connor et al 2001), and a number of unsuccessful State government economic policies and business ventures also contributed to flagging business and community confidence.

While these were issues for Melbourne as an economic region overall, the City of Melbourne faced the issues sharply. Jobs were moving rapidly to the expanding suburbs and the centre of population density moved south-eastward, away from the central city, although it retained some benefit from the historic advantage of radial public transport routes. The downtown quietened; elements of what was in



1978 called the 'empty, useless city centre' remained in place (Day 1978). As a result of these changes, the value of abandoned industrial land fell and it became available for redevelopment. Office vacancy rates climbed, especially in the lower grades of building.

These circumstances threw up a range of opportunities for inner Melbourne with new forms of value adding industry, research, retailing and service businesses arriving to take up the cheap and available space. With this came a need for re-training as a

workforce hitherto focused on production processes, had to be re-engineered with the skills now required by the 'knowledge economy'.

One of the more significant opportunities taken up at this time was in the area of higher education. Universities, TAFE colleges and private sector trainers could now afford a CBD presence due to the availability of cheaper office accommodation, and because a new and growing market existed amongst the city workforce in areas such as information technology, business management, and finance.

Concurrently, the city was generating a stronger 'lifestyle' feel as developers took to converting cheap offices to affordable apartments, restaurants and cafes opened in the city's lanes and alleyways, entertainment venues opened and the city centre was consequently rejuvenated.

By the mid-late 90's, the 'smart' workers that, in the 1970's, had moved east to the suburban 'business belt' were coming back to the inner city.

A new State government was elected in 1993 and policy reform led to a shrinkage of the public sector. Dramatic privatisation of urban infrastructure and vigorous business promotion – designed to restore investor confidence and fallen government credit ratings – brought a radically different policy environment.

Far-reaching local government reform saw a reduction in the number of Victorian councils from 210 to 78 (31 now in the metropolitan area), and the boundaries of the municipality of Melbourne was changed to encapsulate the State's capital city activities. The tight confines of Melbourne's central city development with its 19th century grid were extended by adjacent new districts such as Southbank and Docklands. Accordingly, Melbourne City Council had to rethink its municipal

strategy, faced with a need for economic reconstruction and a repositioning of its social programs.

Support for Education

In 1994, the Victorian State Government commissioned management consultants KPMG to examine the State's key competitive strengths. Among other items the report concluded that 'Activities that are distinguished by *innovation, creativity and knowledge*, are particularly important for modern economies and the key to future international growth' (KPMG 1994:11)

With respect to knowledge and innovation the report also concluded that:

- "Research and technology are major growth areas in the modern economy.
- Information and communications technology is a major strength in metropolitan Melbourne's economy.
- Melbourne is known internationally for its medical research, with hospitals and medical institutions an important part of the City's activity.
- Metropolitan Melbourne is the leading centre for education in Australia, with considerable potential for 'export' growth, particularly to the Asia-Pacific region."

(KPMG 1994:11- 14)

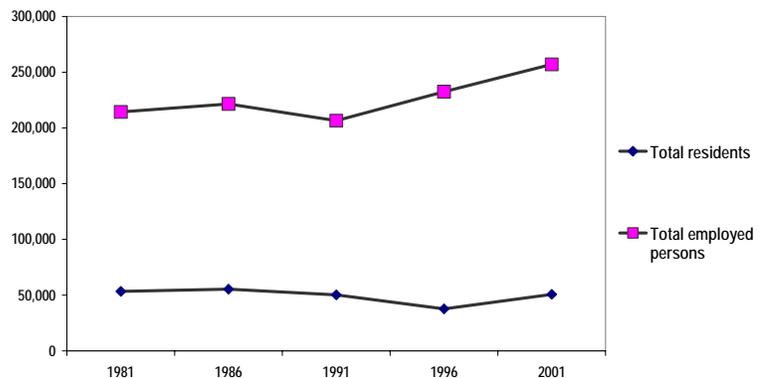
This report shaped both the State Government's and City of Melbourne's economic development activities in subsequent years. It reinforced the importance of the education sector both in equipping the workforce with the skills it needs to meet future demands of industry and as an important contributor to the city's economy through the education of overseas students.

In its first City Plan report 1999, Council adopted six “City Themes” derived from its own Benchmarking Melbourne project. One of the main aims of the “Innovative City Theme” was to strengthen Melbourne’s position locally and internationally as a place for innovation, specifically in education , medical and scientific research and development, the arts and multi-media.

How was education to be part of this revitalisation? The education sector itself was facing major challenges at the time. Reform of the vocational education and training sector (VET) brought the competition of private providers to State-owned TAFE, (Technical and Further Education) institutes, some of which merged into dual-sector universities like RMIT and Swinburne University of Technology (McPhee 2005, Smith 2005).

National reform to higher education particularly from 1988-9 brought higher student fee contributions, university mergers (one of which, on the rebound from a failed western-Melbourne ‘shotgun marriage’, broke

Fig 2 City of Melbourne Employed Persons and Residents 1981-2001



up to the advantage of the City as RMIT reaffirmed its City identity, and another, the College of Pharmacy, merged with suburban Monash University, bringing it in to a closer relationship with MCC). Tertiary institutions began a search for revenue outside government operating grants (bringing universities into the City looking for profitable engagement with business), private higher education providers and, significantly for Melbourne, offered higher education to full fee paying students from

overseas as well as of secondary and English-language colleges (see Marginson and Considine 2000, Australia 1984).

These changes to the policy context were responses to a changing economic structure in which the Melbourne City Council sought to reposition itself globally for a role in advanced economic sectors and to find market niches internationally. Within the City workforce the proportion of managers, administrators, professionals and associate professionals grew from 37 percent in 1986 to 56 percent in 2001, faster and higher than the metropolitan region as a whole. Overall employment grew, and the number of those employed in education grew by 34 percent over the same period (ABS 2001, see figure 2). The City boasted Australia's largest concentration of researchers, internationally significant clusters in health and biomedical sciences, design, ICT and advanced manufacturing. Major education institutions such as the University of Melbourne no longer saw themselves as 'a place apart', responding to the reform agenda by moving towards mass higher education and becoming more international.

In the context of, and perhaps even as part of, this growth in higher education, the MCC took a lead in recognising the contributions of educational institutions, their students and staff to the City, by seeing the need for a joint development strategy that consisted of more than a sum of the separate institutional engagement programs and projects.

Education in Melbourne's Transformation

From about 1993, the role of education in the economic and demographic regeneration of Melbourne, and in the promotion of social and cultural cohesion, is evident. The City Council played a leading and influencing role, anticipating economic change and seeking to respond to its impacts; recognising the education sector as an industry itself; repopulating the City after a period of decline; encouraging a stronger basis for social cohesion in a multicultural setting; creating an urban environment within which education and learning flourished; addressing the challenges ahead, working with the education sector – or joining it where the sector took the lead – to regenerate Melbourne for the 21st century.

Economic restructuring

As the region sought to position itself competitively through the dramatic transformation from manufacturing to service industries, the Council, along with the State Government and a high-profile business group, the Committee for Melbourne, worked to adapt the competencies of the urban workforce and the capacity of organisations located in the City or using it, with the ICT sector where Melbourne faced a skill shortage (Pappas 2005), and with the bio-medical sector where long-term capacities in medical research have been substantially expanded. This involved more formal linkages with training institutions in Melbourne, the establishment of an MCC capacity to better manage and benefit from inbound business delegations, the use of the MCC's Sister Cities program and the Business Partner City Network in collaboration with universities to engage with the international government and business sectors of such cities as Osaka, Tianjin, Boston, and Milan. Sectors with business potential for Melbourne have been identified for each city. For example in Tianjin, (which is the most successful in terms of economic outcomes), higher education, environmental management and planning, building and infrastructure

have been identified, and so the MCC, with support from other partners, operate Australia's only off-shore local government business office, which, in addition to having local trade development staff, brings executives from Tianjin to work in the MCC administration for hands-on experience and postgraduate training (MCC 2004). This initiative builds longer term relationships between the two cities that can, over time, translate into mutually beneficial economic and social outcomes.

The recovery strategy recognises the need for community resilience in facing the forces of globalisation, working with trade unions (many headquartered in Melbourne), community and other non-governmental organisations (eg through participating in the Melbourne Cares program, a 'partnership that sees corporate Melbourne working with the wider community to make the city more liveable for all of us' by addressing issues such as homelessness, depression, suicide, substance abuse and violence) and other cities around the world (eg through being the first city to sign on to the UN's Global Compact between business and the United Nations to support and encourage responsible business operations and universal values).

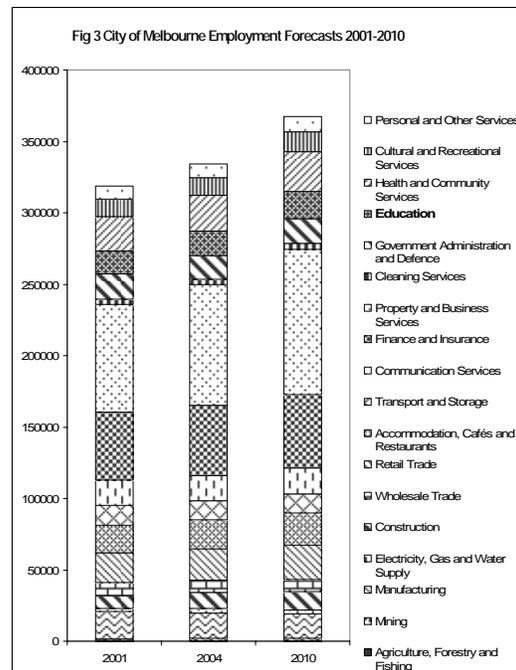
In 2000 the City of Melbourne expanded its biennial Census of Land Use and Employment CLUE survey of every non residential activity in the city to cover the whole of the municipality. One of the key findings of this comprehensive CLUE was the significance of the education sector within the municipality in terms of its employment levels and buildings and land occupied.

As a result, for the first time the council was able to see the relative importance of this sector compared to other, such as retail, which had traditionally been on of the Council's key areas of focus and support. This provided policy makers with the basis

to turn Council’s attention toward greater engagement with and support for the city’s education sector.

The *City Plan 2010* identified as a strategic direction a need to ‘grow Melbourne’s competencies as a globally-recognised, entrepreneurial and competitive “knowledge city.”’ While words like these appear in many city mission statements, in Melbourne they are put into effect through partnerships with the City’s tertiary education institutions, business and community sectors, the multicultural capability of the workforce, a highly organised major events calendar, and an MCC business plan that drives the enhancement of Melbourne’s reputation as one of the world’s most liveable cities (currently second to Vancouver along with Vienna and Geneva according to the Economist Intelligence Unit – see Attwood 2005).

For the economic changes currently under way the MCC relies upon the education institutions to help create an information-intensive central area and a number of surrounding precincts. Its plan therefore aims to ‘facilitate knowledge and information exchange between businesses, the tertiary sector, and the financial and creative communities (locally, nationally and globally)’ (MCC 2002: 24). Melbourne’s gross regional product has grown as a share of metropolitan and State gross regional product from 25.8 to 28.5 percent and from



18.9 to 22.2 percent respectively (NEIR 2002: 11). Employment in the education industry is expected to grow at a faster rate, to comprise 19,000 of 376,000 employees in the City by 2010 (See figure 3, NEIR 2002: 12).

From creating technology precincts in the early 1990s – including a Knowledge Precinct that encompassed the two main universities and the research hospitals – the MCC broadened its approach, in line with Porter's (1998) thinking, to identify a number of emergent industry clusters and to actively support them: Bio-medical precincts to the north and south of the CBD in Parkville and the Alfred Medical Precinct, a digital design precinct around the northern CBD, a communications technology hub in the new parts of the Docklands development, the development of advanced manufacturing (particularly aerospace and automobile) adjacent to the Port of Melbourne, and the expansion of tertiary education facilities themselves in a number of areas. In each of these clusters, where the driving industries are exposed to intense international and domestic competition, the MCC works to ensure not only that the urban planning and local infrastructure settings work – responsibilities well within the charter of the MCC – but also that other infrastructure providers are up to speed – eg wireless broadband telecommunications, public transport services, freight and logistics – and that the human capital and organisational capacity of firms and organisations are competitive. In this, the roles of tertiary education and research institutions are important as creators of knowledge, innovators, trainers of students, partners of employers and engines of economic and social development.

Tertiary education

Whilst the City's universities, Technical and Further Education (TAFE) institutes, colleges, registered training organisations, schools, and other education and training

providers are vital to Melbourne's economic and social repositioning, the sector is a large industry in its own right. Apart from the University of Melbourne, RMIT and William Angliss Institute of TAFE (the State's hospitality, tourism and culinary arts college) now

headquartered in the city, and Kangan-

Batman TAFE Institute

about to locate a new automotive industry campus in the

Docklands, eight of the ten Victorian higher

education institutions now have a campus or

building in the city, and 70 other Australian and

international institutes, colleges training

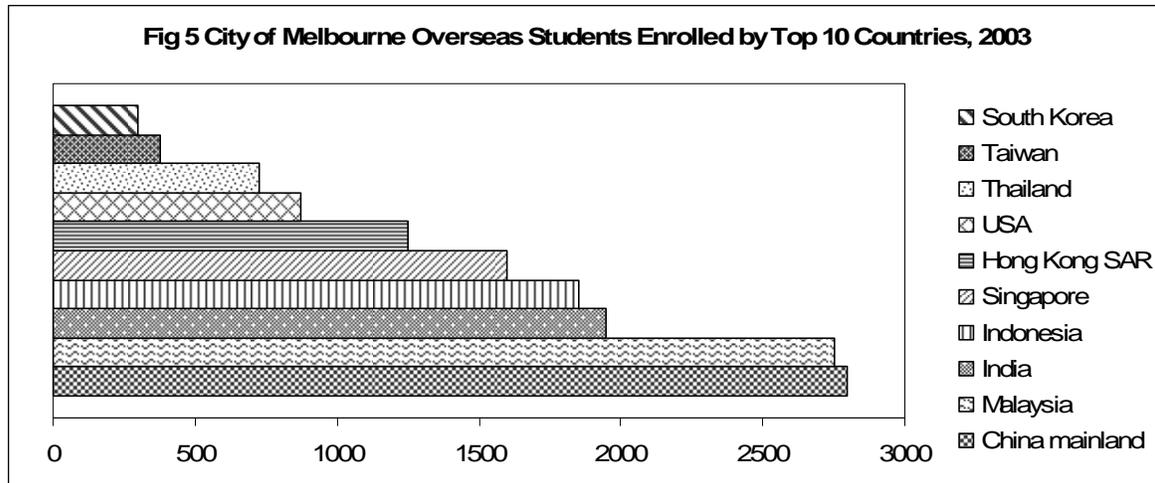
companies and schools have set up operations

(figure 4). The great

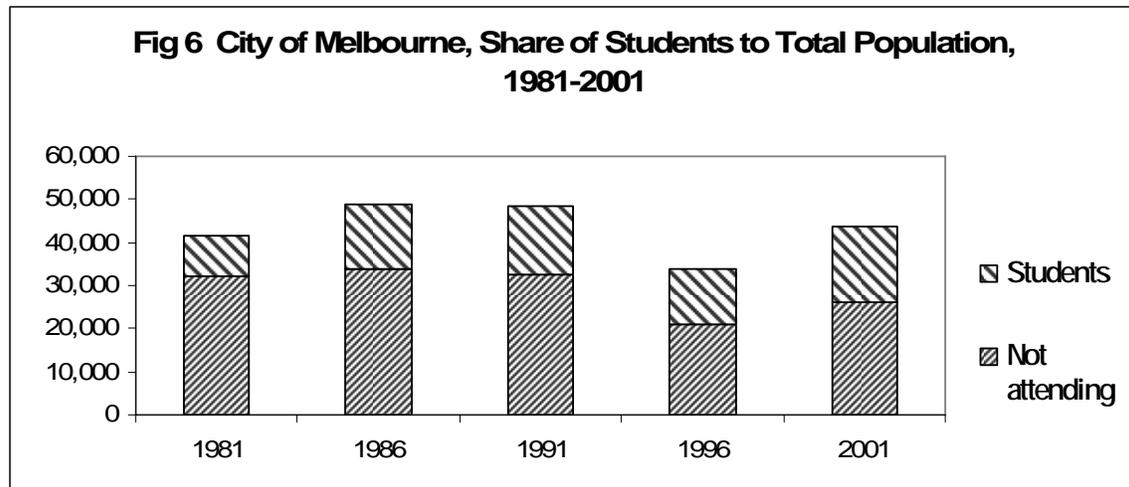
majority of international students are from Asia, as are nine of the top ten student overseas countries of origin (figure 5). National revenue to higher education institutions nationally was at AUD 13 billion in 2004, with Melbourne as a region commanding about a third of all international student fees and charges.

Figure 4





Some institutions took advantage of an oversupply of office space from the 1980s to convert lower-priced premises, others joined with or franchised to the new private providers. As with other service industries there are economies of agglomeration, with institutions following similar location requirements and competing for overlapping pools of students and staff. The City actively sponsors these clusters to emerge, and the concentration of private colleges and university campuses in a number of City streets breathes new life into them. Under Australian visa arrangements international students are entitled to work part-time and in Melbourne often find jobs nearby. Melbourne benefits greatly from the international liberalisation of trade in services, especially education, not least because students are such a large share of the population (see figure 6).



By 2004, nearly 1million square metres of floorspace was used for higher education activities, with the potential to accommodate 104,000 students (MCC 2005B). The City also hosts events for students and education providers, coordinates generic marketing with them, and takes part in campaigns to combat the xenophobia and racism that can, on occasion, threaten the City's social cohesion. It has taken the initiative to bring the public universities in the city together by forming the Melbourne Vice Chancellor's Forum under the Chairmanship of the Lord Mayor, to look at a common future and devise a new set of joint activities. This action was considered vital to the City Council's objective to position Melbourne globally as "Australia's Knowledge City", and was further encouraged by strategies for Boston (a Sister City), Manchester and elsewhere (see Appleseed 2003, Robson et al 1995, Williams 1999: Australia 2003, Garlick and Pryor 2002, Garlick 1998, Goddard and P Chatterton 1999, Goddard et al 1994, UK 1997, UK 2003 for examples of good international practice).

International education brings major benefits through the development of regional human capital, contacts and friendships between Australian and international

students and with local employers. Other benefits include research collaboration, linkages throughout the world, new business development, start-ups and entrepreneurship. Fees and living expenditure are multiplied throughout the economy as the university procures goods and services, creates employment, and opens campus facilities to the public. Long-living alumni networks, housing demand and associated investment in accommodation add further value. (For a treatment of university community engagement in Victoria, including City of Melbourne, see Winter et al 2005).

A specialist industry in student housing has formed, growing from no defined student apartments in 1992 to over 1280 units in 2004, and with an overall 3446 student apartments completed, developed or at planning stage in that year (MCC 2005A: 109). Often bought by parents of students with an eye to permanent residency (one survey showed 47 percent of international students plan to migrate Nesdale 1995: 49), these apartments are developed by a small number of companies, associated for marketing and branding with particular universities, sold on one by one but managed tightly by other specialist companies (see Houston 2003). This sector of the market has created a stock of low-price housing, enabled economic conversion of low-demand office buildings and further prolonged an unusually long housing cycle in the City's economy.

Repopulation

While the boom in education has contributed to the reversal of population decline in inner Melbourne, the City of Melbourne led this reversal by other means as well, including a 'Postcode 3000' campaign to promote residential development and population growth in and around the CBD, especially 1992-5 before the apartment

boom became self-sustaining. This program promoted inner-city living through support packages for development sites, weekend 'open houses' in occupied central city apartments and other methods. The population of the CBD and Southbank rose from 1048 in 1992 to 14204 in 2003, and in the 1996-2001 intercensal period, Melbourne was the third fastest growing local government area in the State, exceeded only by two new outer suburban growth areas. In 2004 alone, 13,000 apartments were under construction, not including student apartments. Such campaigns have gone hand in hand with the transformation of the City's economy, disproportionately attracting knowledge workers who tend to be in smaller, younger households (not so many 'empty nesters') attracted to Melbourne's liveability and 'coffee culture'. Many are employed in, research at or undertake courses through city educational institutions, whose campuses provide the city with convivial neighbourhoods attractive to the 'creative class' and which the City has worked hard to enhance for everyone. Continuing immigration is another contributor to repopulation (already 44.2 percent of City of Melbourne residents responding in 2001 were born overseas), with a disproportionately high incidence of managerial, administrative and professional occupations among recent male migrants and a preponderance of clerical, sales and service occupations among recent female migrants.

Two other features accompany the globalisation of Melbourne's CBD, both linked to education: first, high mobility, with only 30 percent of residents remaining in place between 1996 and 2001 and 36 percent of arrivals during that period being from overseas; and second, a high number employed in the 'creative industries' (59,000 in inner Melbourne in 2001). Replication of Richard Florida's USA study of the 'creative class' to include Australian data would have made inner Melbourne the

seventh most creative city in the USA ('creative' being the aggregate indicator), as well as the most diverse, the fifth most 'bohemian' and the third strongest 'melting pot' (See Berry 2003, Florida 2003 and NIEIR 2003).

The residential population of 55,000 is expected to increase to over 100,000 in the next 10-15 years. This may be small for the inner city by international standards but it represents a major turnaround for the confidence and positioning of central Melbourne. As with other capital cities, MCC is required to take a much wider role than that implied by its residential base (see Spiller 2000). The population growth also generates a requirement to advocate for the upgrade and enlarging of the schooling and adult education capacity in the City, and to address a larger and more complex set of social conditions.

Social cohesion

The economic regeneration of Melbourne has not been without tensions as income distribution has bifurcated (24 percent of residents in the City earn under AUD 10,400 pa compared with a metropolitan average of 13 percent, yet 9 percent in the city earn over AUD 75,000 compared with 5 percent, typical for 'globalising' cities) as housing affordability has been affected by displacement and higher rents. There is a disturbing incidence of poverty among students in Australia, particularly those who cannot live with parents (which Australian tertiary students tend disproportionately to do), including international students who underestimate living expenses and rural Australian students who face inner-urban rents. The cost of housing for students has been pushed up not only by the high demand accompanying the growth of inner-urban campuses, but by gentrification arising out of that and out of the very success of the City in providing attractive living environments, sometimes, as in Carlton near

the University of Melbourne, protected from redevelopment by heritage and amenity considerations (see Belleghem 2005).

Looking beyond their own students and staff, universities and TAFE institutes have active community engagement strategies and programs, especially with the City of Melbourne (see especially case studies in Winter et al 2005). The TAFE institutes meet to share their experience with industry and community involvement. With the universities the MCC has taken the initiative and brought together a Melbourne Vice-Chancellor's Forum to discuss the different university strategies and forge a common approach (see Australia 2003: University of Melbourne 2005, Dawkins et al 1998). Universities as 'sites of citizenship and civic responsibility' have shifted from 'doing good works' to more responsive and equitable partnerships with the City (Winter 2005: 11, 13). The University of Melbourne's strategic plan spells out the responsibility of a public university to serve 'the Victorian, Australian and wider regional and international communities through welfare programs, cultural activities, educational, scientific and artistic developments, and by promoting informed intellectual discourse and political debate (Davis 2005). A desire to renew the university's focus on its wider community engagement is resulting in stronger linkages with stakeholders in the City of Melbourne. The university's long-standing 'Town and Gown' program, for example, provides links with the business community, and could also be extended to incorporate governments and other bodies.

A strategy for 'RMIT in the City' that commits RMIT to contribute to the economic, social and sustainable development of the City and the planning and design of the built environment, contribute to the artistic and cultural life of the City, develop opportunities for intercultural exchange adding value to the experience of RMIT students and the community, further develop a strategic approach to meeting the

education and training needs of the City and contribute to school education, add value to industry and business, contribute to the provision of health and community services, assist community groups in the City and ensure quality management of RMIT's community service in the City is also under review. University projects in the City aim to bring marginal youth into learning experiences.

In Melbourne's Central Business District and environs RMIT is working with a range of organisations on the Melbourne Youth Learning Opportunities (MYLO) project to develop and implement a strategy for access to learning by marginalised young people. The project seeks to reach both transient and resident populations of young people, particularly those not currently engaged in employment or education. It aims to present learning opportunities that are not limited to the current physical facilities of the university including technology-facilitated access...The whereveruni project, in partnership with the Salvation Army in the City and the Maremont Recovery Centre at Korumburra, (a dairy town to the south east of Melbourne), seeks to demonstrate that effective learning experiences can be made available to socially disadvantaged and excluded individuals such as recovering alcoholics and drug addicts. (RMIT 2005)

Other universities, TAFE institutes, colleges and schools have similar strategies for engagement in the City, and with the MCC. Some universities and colleges host within them smaller institutions focused on serving disadvantaged or otherwise-unserved groups (eg the University of the Third Age since 1984 at RMIT).

Meanwhile the City Council is focused on creating 'an inclusive city which welcomes and enables all people to participate fully in City life. Population, housing, services, social inclusion and liveability are important elements of this theme', with objectives to increase participation in the cultural life of the City, to embrace and accommodate cultural diversity, to promote a healthy, active and involved civic society, and to

build on and create a city environment that promotes participation in, and the expression of, the City's various cultures (MCC 2002 City Plan op cit pp 43-44). Examples of actions taken to advance these objectives include creation of a lending library in the heart of the City, establishing a Capital City Local Learning and Employment Network and maintaining accreditation as a Safe City with the World Health Organisation. These and other objectives are reflected in performance indicators which are monitored and translated into corporate plan, annual plans and annual budgets for action (MCC 2002: 44).

The MCC is organised to focus on community safety, multicultural programs and family and children's services. For the schools sector the City provides a range of curriculum and program resources for teachers and students, a 'walking school bus' program, environmental awareness, school crossing supervisors and education to young road users. A young people's policy works to include youth in decision-making and planning.

In promoting action for social equity among businesses in Melbourne, the City was itself the first to pledge to the UN Global Compact for corporate citizenship. Given the importance of overseas born residents, recent immigrants, international students, growing tourism and flows of investment, MCC's policies for social cohesion and internationalisation are closely related, and rely on the participation of the many schools and other educational institutions within the City. Sustainability is the theme, with global relationships, international partnerships and links with rural and regional centres throughout Victoria as essential parts. A further objective is to 'facilitate knowledge and information exchange between businesses, the tertiary [education] sector, and the financial and creative communities to promote social equity, economic prosperity and environmental quality (MCC 2002: 24). The role of

education in creating an inclusive and creative physical environment has been important in Melbourne's transition.

Education and Melbourne's built environment

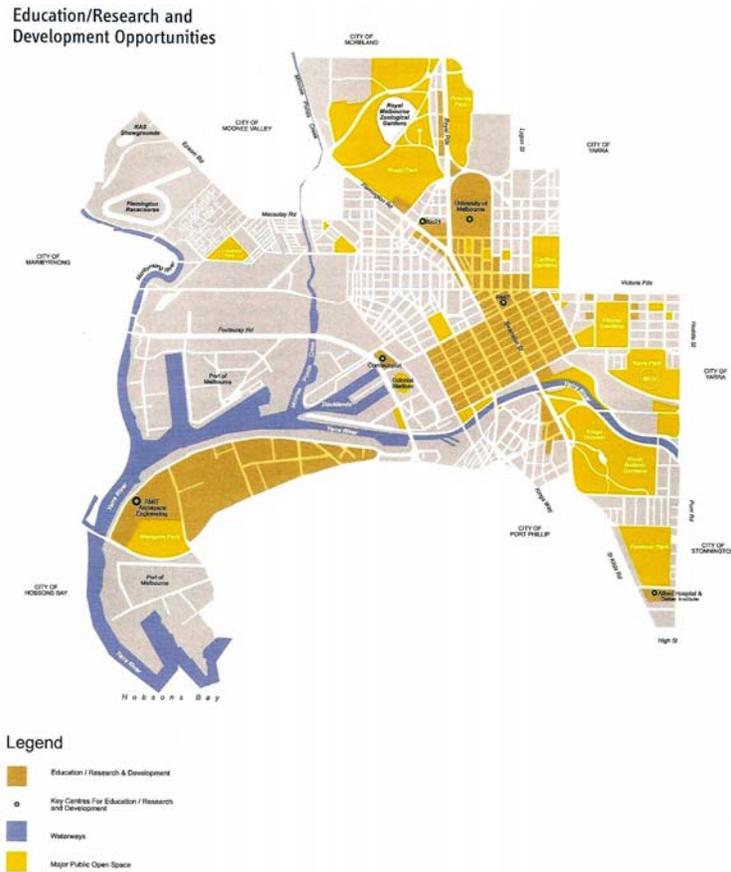
The City's efforts to create an outstanding sustainable physical environment, whether through parklands or urban design, has wrapped itself around a number of education, research and innovation precincts made lively by students and knowledge workers, others by traditional communities and more recent migrants. The City's management of environmental quality, mixed land use and urban design of these precincts has been geared to the long-term sustainability of education, training and research industries, for whose open campuses the City has worked closely to integrate with surrounding neighbourhoods whether commercial or residential. The creation of a sense of place has contributed greatly to Melbourne's liveability and its reputation: for example '... the underutilised and inhospitable city centre of the early 1980s has in 20 years been turned around into a vibrant, charming 24-hour place that is livelier, more attractive and safer than most other city centres found worldwide ...' (MCC and Gehl Architects 2004: 96).

While the City generally supports the enlargement of open urban campuses, it also takes a role in handling tensions over campus expansion (e.g., as Melbourne University Private developed into a residential area) or with major vacant university sites (e.g. RMIT's ownership of the long-empty former Carlton United Breweries site). Both universities have associated with new housing developments for international and domestic students, for which they negotiate detailed marketing and service agreements. There is an educational presence in each of the specialist precincts – e.g. the arts precinct at Southbank, the advanced manufacturing district adjacent to

Port Melbourne / Fishermans Bend, the hospital and health research clusters on the Parkville strip and adjacent to the Alfred Hospital (see figure 7) – and the MCC’s urban design guidelines, infrastructure investments and local services integrate them as best as possible, often with mixed land uses, zoning and development standards.

Some Reflections and a Look Ahead

In 2000 the City of Melbourne expanded its biennial Census of Land Use and Employment CLUE survey of every non residential activity in the city to cover the whole of the municipality. One of the key findings of this comprehensive CLUE was that the top five employment sectors were all heavily dependent on a tertiary educated workforce (professional and property services, financial services, health services, government and communications). It also revealed the significance of the higher education sector itself within the municipality in terms of its employment levels (10,000), and buildings and land occupied (approaching 1 million square metres).



As a result, and for the first time, Council was able to see the relative importance of this sector compared to others, such as retail and traditional manufacturing, which had been the focus for much of Council's economic development action and support in the prior decade. This gave policy makers the opportunity to turn Council's attention toward greater engagement with and support for the city's education sector, and to begin the process of deepening the understanding of central Melbourne's transformation to an economy built mainly around knowledge-based activity.

To clarify its role in this regard and to create a focus for action, the MCC undertook a review of its status as a knowledge economy and formed a strategy aimed at enhancing its significance. The report of this work, 'Towards a Knowledge City Strategy', was completed in early 2002, and has guided the Council's efforts over recent years.

However, changes have continued over this period and the City Council is about to commence a major review and redefinition of its Knowledge City Strategy. Whilst in its early stages, this work will undoubtedly generate stronger attention on the way in which the MCC can be a more effective and influential catalyst for the development of a new Melbourne, a Melbourne that is aware of its potential place in the global economy, knows how to pursue opportunities that will be of benefit to it, and draws together those elements of the community that will be essential to achieving results.

From the discussion in this paper it is clear that education has been, and remains, an important element in the City's capacity to accommodate, benefit from, and in some cases even initiate social and economic change. As Melbourne continues its journey of structural and community adjustment, moving increasingly into a knowledge-dominated, internationally-focused economy the role of education, especially higher

education, is set to expand. Accordingly, it needs to be well understood and actively planned for. It is equally clear that the important and necessary changes that Melbourne must respond to cannot be fully and successfully achieved if the universities and the City Council operate in isolation and with an ignorance of each others needs and aspirations. Close contact, a genuine depth of mutual understanding and, perhaps most importantly, effective collaboration will be essential.

New issues confront the City as local host and facilitator of new service industries and their mobilisation for wider economic development and social cohesion. These include the volatility of inbound international student growth as origin countries in the east Asian region build higher education and vocational training capacity; intensifying competition among cities round the world for knowledge workers and high value-added service industries; an uncertain global health outlook (eg recently SARS, avian flu), new requirements for security in the education sector as in other sectors and their balance with the protection of minority and civil rights; the imperative to take sustainability more seriously and the role of the education system and educational institutions in this. These are best taken up in the framework of consultation and collaboration that the City already has in place and is strengthening, (particularly the Melbourne Vice-Chancellors' Forum), and through liaison with the State government.

A comprehensive understanding of the economic and social significance of the universities as it relates to the life and performance of Melbourne is critical to the Council's program of university engagement, and to build this appreciation and assist in crafting an agenda for action, the MCC, together with the eight universities

represented in the Melbourne Vice Chancellors' Forum is shortly to conduct the 'Universities Contributions Study'.

This idea for this analysis came from Council's awareness of a similar study carried out in its sister city, Boston. The Boston study, titled 'Engines of Economic Growth' was commissioned by the Association of Independent Colleges and Universities in Massachusetts and evaluated the economic impact of Boston's eight research universities on the metropolitan area of Boston. It concluded, *inter alia*, that the area's eight research universities made a USD 7.4 billion contribution to the regional economy in 2004; provided over 80,000 direct and indirect jobs; and generated a talent pool of almost 32,000 graduates. The Melbourne study will provide a similar depth of understanding for our own situation, and will go beyond the economic factors in an attempt to capture an initial appreciation of the social significance of the universities.

In addition, as a part of efforts to better understand the complex issues surrounding the part played by international students in the life of the city, the City of Melbourne together with the University of Melbourne and the State Department of Victorian Communities have developed a three-year Australian Research Council research linkage project titled 'Transnational and Temporary Place-Making: Students and Community in Central Melbourne.' Given the important links between learning and one's 'urban experience', the aim of this project is to explore the aspects of the students' non-contact learning experience that contribute to or impact on his or her education. This includes both the social and physical (built and open space environments).

The emerging issues (and no doubt others) outlined in this paper need to be understood and addressed now, and in some combination they will certainly set the

agenda for the next period of economic regeneration and social cohesion throughout central Melbourne. Equally, they will define the part the City Council might (indeed should) play within that agenda.

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