Observatory PASCAL

Place Management, Social Capital and Learning Regions

PURE Regional Visit Report

MELBOURNE, AUSTRALIA

24th – 27th March, 2009

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Preamble

This was an early Consultative Development Group (CDG) visit within the PURE CDG cycle. It benefited directly from the experience of the visit to Thames Gateway, two CDG members of which were involved in the Melbourne CDG visit: David Campbell as host link person (LP), Chris Shepherd as a CDG team member. Some points in this Melbourne Regional Visit Report (RVR1) reflect on the process of the visit.

The visit was very thoroughly planned, and prepared in thoughtful detail. This enabled the CDG to concentrate on the work itself, rather than worry about details of travel arrangements etc. The LP built in visits to geographically more distant locations around metro-Melbourne and out to the regional centre of Geelong. The visit also deliberately included the experience of using the region's city and State (V-line) rail systems, and seeing the different generations of older and new suburbs by road. There was also the cultural experience of the season's opening VFL match between Carlton and Richmond before an exuberant but good-natured crowd of 90,000 at the iconic MCG ground.

The Briefing Paper that built on the initial Regional Profile enabled the CDG to identify and probe a set of key issues confronting this very complex and geographically spread out metropolitan region in its efforts to engage higher education more fully in its development. Of particular value to the CDG was a very informative session City of Melbourne session. The City plays a crucial role in the efforts to get the different universities involved in the region and working together in the regional interest.

 Three days and an evening proved a very short time to attempt such a task; consequently the CDG had no time together and alone to consult, debrief, and plan for a considered feedback report. Time was also tight in some meetings for the CDG to be able to lead the discussion in ways that allowed them to pursue lines of inquiry and test their evolving understanding of the issues. Without this it is hard hold up a mirror in which the region can perceive itself clearly though outside eyes.

A slight difficulty was periodic confusion between region-initiated case studies, seen as part of the region's own emergent Action Plan, looking forward, and good practice exemplars, by their nature from the recent past and present rather than the future that the PURE network might seek to collect, as part of a compendium from all regions for the total PURE project.

The members of the CDG express their warmest appreciation to those who organised the visit, notably David Campbell, CEO of OKC and his colleagues, Jane Niall and her colleagues in DIIRD, and those like Sue Kilpatrick who arranged the visit to Geelong and other locations, as well as to all who gave so generously of time and energy to inform the work of the visit. The level of interest, and the energy shown in most of the discussions, were remarkable. Irrespective of the particular focus and task chosen by the region within the project, it is clear that Melbourne has much to offer to partner regions, as well as prospects for significant learning, and the benefit of an improved capacity for engaging higher education in the region's development, in exchange.

Essential Characteristics of the Melbourne Region

Melbourne is the capital city of the geographically compact State of Victoria in Australia's south-east. The city has a population of over 3.5 million in the State's total of five million within a national total of 20 million. It is widely acclaimed as one of the world's most liveable cities.

The State includes a number of vigorous and distinctive regional centres, as well as a more remote rural hinterland. As elsewhere in Australia, there is an equity concern about regional, rural and outback regions, sometime sharpened by a keen political edge, given the particular Australian parliamentary representational and voting systems.

Melbourne itself has no metropolitan government. The City, with an elected Lord Mayor, is at the historic, business and cultural heart. It is a key focus and driver of efforts to combine the energies and common purpose of the region; it carries the image for the whole of Melbourne. However, with a resident population of 80,000 residents (massively swollen each day by commuters) it is only one of 31 local administrative regions for over 3.5 million people.

Sub-regional histories, identities, realities and stereotypes are found in broad regions within the city. The West and the North are distinguished by greater poverty and disadvantage, and an even higher ethnic diversity than the great diversity that characterises the whole region and country. The metropolis already sprawls for many kilometres in all directions other than into the Bay. A recent attempt to plan its long-term future (*Melbourne 2030*) has not entirely brought planning and ever-greater sprawling under control.

Australia has a federal system. Powers are divided, not always in ideally convenient ways, between federal and State levels. Regional development partnerships have to cope with different levels of government which are not always harmoniously articulated. At the time of the CDG visit Australia, including Melbourne, had suffered less from the global fiscal and banking crisis and economic recession than many OECD countries. On the other hand the threat of global warming and its consequences is real and present in the form of sustained drought and severe water shortages.

Earlier in the year, devastating bush fires not far from Melbourne claimed over 200 lives, annihilated whole small communities, and constituted the worst natural disaster in Australia's history. This tragedy, as well as environmental issues more broadly, featured strongly in formal and informal exchanges during the visit. The CDG is interested to know how far they might have affected and altered thinking about university partnership for the region's successful and balanced development.

This report makes no attempt to explain in full the economic profile, trends, aspirations and activities of the region. In the main, the story is one of recovery from the loss of much earlier industry. There is optimism, ambition, economic vigour and many forms of regeneration. There is the familiar, contemporary predominance of the small and medium enterprise (SME) sector, and an equally familiar difficulty for this sector in engaging with and gaining from the resources and partnership of higher education. Some institutions appeared better than others at engaging with SMEs; the TAFE sector may prove to be the key to progress for those with weaker links.

All the States's nine universities, of very varying mission, strength, identity and history, including Ballarat and the Australia-wide Australian Catholic University, ACU, have at least some physical presence in Melbourne. Victoria also has a very strong Technical and Further Education (TAFE) sector, providing vocational education and training up to and including the earlier year levels of higher education. Four of the State's universities are 'dual sector'; that is to say they include both 'TAFE/VET' and higher education within the one institution, and under one administration. Because many institutions have multiple campuses, some form and mix of tertiary education is within at least geographical reach of the great majority of the population.

Significant recent federal policy reviews, known as the Bradley and the Cutler Reports, have perturbed the sector. There is an expectation of significant consequential policy change affecting all of further (TAFE) and higher education. This makes Melbourne's involvement in the PURE project timely. In particular, the federal government response to the Bradley report calls for greatly increased participation in tertiary education. There are different and contested views as to what the mix of VET/skills and higher should be. There is also concern that the competitive paradigm may seriously weaken regional universities' market position, and their capacity to widen access; and that despite statements supporting universities' third mission, no distinct funding will be available to develop this.

For further information about the profile, interests and priorities of the Melbourne region, see the Regional Profile and Briefing Paper on the Pascal Website.

Hopes and priorities, obstacles and barriers

The aspirations of Melbourne's and the State's leaders are high. There is keen awareness of global competitiveness, as well as of the worsening geo-economic crisis; and a keen sense also of competition for resources and business with other Australian States in this federal country. The term 'coopetition' was coined to refer to the aspiration to combine the desirability of cooperation with the reality of competition. This tension proves powerful and often problematic: sponsored competition and reliance on the market to drive up the quality of performance have long been Australian 'givens' in a prolonged neo-liberal era. There is no evidence of any fundamental change, a paradigm shift in this sense.

The State and the region have earned a reputation for valuing balanced development, in the sense of emphasising the social, civic and community, equity, empowerment and participatory local democracy. The former Department for Communities commissioned and produced a number of studies on these purposes and processes, the core values of which were evident to the CDG, despite and alongside concern with pressing economic and environmental challenges.

The Main Findings of the CDG

Melbourne is a complex and difficult entity. It is at an early stage of building an effective and sustainable trust-based region-wide partnership in which all the higher education institutions are capable of pulling together. This includes a strong technical and education (TAFE) sector involved in short-cycle higher education in a fast-changing and competitive situation. A further complication is the existence of the four 'dual sector' (TAFE and HE) institutions along with free-standing TAFE Institutes. The CDG did not meet with TAFE representatives; but the role and involvement of TAFE was agreed to be significant.

The key link (and CDG host agency) is the Office of Knowledge Capital (OKC). OKC is young and still formative. Its initial funding and life are time-limited, and it is under pressure to demonstrate its utility to watchful funding partners. The largest single stake-holder is the City of Melbourne. Other partners are the City-based universities and, for the State Government, DIIRD – the Department of Industry, Innovation and Rural Development. In the eyes of the CDG, the success of OKC is of considerable importance for Melbourne, if the region is to pull its higher education institutions together, and together work to strengthen the contribution of HE to the development of the region and the State.

The CDG met the OKC Steering Committee and was impressed by the commitment made by all the universities to consort together and seek areas of common collaborative interest. Not all cities can lay claim to this tangible measures of effort and goodwill. Comparison with for example Dublin in Ireland and the North-East in England could be of reciprocal interest.

Good planning capability and a strong clear base are evident at State and City of Melbourne level. There are evidently purposeful governmental authorities at these two levels, but the absence of intermediate levels of government corresponding to the wide and sprawling metro-Melbourne reality makes for difficulty in terms of strategic planning.

It is not surprising that in preparing for participation in PURE, the host group identified no less that four meanings and levels of 'region', from the whole State of Victoria at one extreme to the City itself at the other, with two roughly concentric rings between, for the main metro-Melbourne with its collection of local administrative authorities, and out to a wider travel-to-work region stretching as far as the City of Geelong to the South-West.

It will be important to the successful and collaborative development of the whole to be able to live simultaneously with this plural sense of region, and to respond to the different realities that each represents. Despite the complexity, some of the potentially destructive competitiveness that an ambitious city-region with ambitious universities experiences can be managed by means of these different geographical and socio-economic realities.

The CDG could not but be struck by the different kinds of discourse, based in very different levels of trust and drawing on high or low reserves of beneficial experience from working together already. The meeting in Geelong combined City and University participants who clearly enjoyed a high level of trust and reciprocity. The University was seen as deeply integrated into and owned by the City in all its (public, private and civic) manifestations The University's own strategic plan, and the multi-authority and multi-agency Geelong Region Alliance (GRA)'s *Geelong Region Plan*, are impressive. Geelong and SW Victoria provide a striking example of integrative engagement in a region within a region.

Although not so well tested because of what they CDG schedule could accommodate, an impression was gained of similar mutuality and rapport between Victoria University and its neighbour stakeholder-partners in the Western suburbs. On the other hand, the discussions in the large group assembled in the South-East, held in the City of Knox and centred on the huge and entrepreneurial Monash University, were clearly at a much earlier stage.

Even though discussions about SEMIP, with its Precinct to nurture innovation and partnership as a driver of regional innovation mentored by DIIRD, have been held for over a year, contributions were guarded. Both in words and in manner, the CDG gained a sense of a much tougher road ahead to achieve the commendably ambitious plans to make this a 'second knowledge capital' within the metropolis.

The commitment is commendable, but there is much to do. Generally in Melbourne the CDG gained a sense that spi9n-out companies are much less common that in a number of other places. More broadly it was unclear what contribution research is currently making to regional development. On the other hand, there is a clear-minded understanding of what is at stake and of the difficulties of working across cultures and languages, especially between the dominant but fragmented SME sector, and the huge and perhaps formidable enterprise of Monash University with its different faculties, resources and ambitions. Thus there was discussion of the need for 'business GPs' to broker relationships. On the downside, there were signs of the mutual blame and stereotyping familiar in early stages of such an often protracted process.

Behind these current Melbourne stories we need to remember that Australian universities in 2009 have grown up and grown larger through a sustained era of intense competition. The same principle continues to drive higher education policy at federal level. In the Australian federal system, HE essentially falls within the federal jurisdiction. There are inherent contradictions in a federal level

based on competition, yet which favours working in partnership. This is something which the AIC (industry perspective) spokesperson pointed out to the CDG, drawing an unflattering contrast with the different North European approach.

This context makes it difficult to build open partnerships, especially with one's closer neighbours, as the OKC's coining of the term '*coopetition*' reflects. The clear vision shared across the region's leadership, of Melbourne as an Asian regional knowledge capital, demands the active involvement of the universities, but there is a long way to go. At present the balance between strategic and reactive behaviour on the part of the universities left the CDG uncertain as to how leadership is developing; nor, if it exists, is the connection to federal and States economic planning always evident. Creation of the OKC is timely; the potential is great but the road is not easy.

In the view of the CDG, OKC is a significant attempt to create a partnership boundary-spanning body which can devise win-win strategies. It now needs some quick wins, and evidence of benefit to the different parties, to secure the support of ambitiously independent HEIs. *This 'living experiment' could sensibly sit at the heart of a Melbourne PURE Action Plan*. The City can both gain and offer a great deal by sharing this experience with other metro-regions, looking at what approaches to collaboration they are attempting, and comparing ways of overcoming obstacles along the way.

On the positive side, the sense of identity and purpose, and the positive experience of engagement, which the CDG saw in the more local sub-regions, is a strong asset. There is great diversity between rural, regional and metro regions, all included in the wider perceptions of the 'Melbourne region'. Universities are also diverse. They perceive and present themselves in different ways. They are divided within as well as among themselves; but there is much belief and passion in service and engagement. This manifests itself in ways ranging from faith-based duty as at ACU to hard-nosed economic-oriented ambitions to engage, where State policy and university (or faculty) self-interest align. Although the CDG lacked the time to visit all universities and meet their community partners, it was evident from the meeting of the OKC Steering Committee that others like La Trobe, RMIT and Swinburne which the CDG did not visit also had passion and purpose for engagement.

At the level of the whole City, the Committee for Melbourne has for some years provided a venue and a forum for ideas: a form of public interest 'community' leadership whereby 'the great and the good' seek to influence the way Melbourne that develops and thrives. There is keen interest here in what the universities have to contribute. The involvement of vice-chancellors ensures direct as well as informal interaction with the HE sector. An example is the Committee's Task Force report *Higher Education at a Tipping Point'* in August 2007. Without having met the Committee, the CDG can only guess at whether it reflects the special social capital value of this City, and a 'community' capacity to underpin both economic and social development; this seems a reasonable speculation.

Among the places that we were able to visit, a strong sense of regional identity and engagement was evident at Deakin in the Geelong region, and at Victoria University in the Western suburbs. However there is also passion for engagement, and strategy and practical arrangements for it, for example in Melbourne, the State's leading elite 'sandstone' University, as well as in the unique case of the Australia-wide ACU.

The role of TAFE and relations with the TAFE sector are problematic, significant and important to address. The TAFE middle skills level is seen, eg by the AIC spokesperson whom we met, as most vital to meeting skills deficiencies and accelerating economic development.

Both TAFE and universities are undergoing changes in their policy environment at federal level, following the reports of two committees, chaired by Bradley and Cutler, Strong State leadership is required to determine a response and a way forward. This is to all appearances available; the CDG

was impressed by the purposeful energy of the key Department DIIRD, and the State Minister responsible for TAFE and higher education.

The federal 'mixed paradigm' policy context explained above makes working difficult; the turbulent wider policy environment is well mirrored in the region's RBP prepared for the CDG. The Bradley Report's pragmatism and the Government response are disappointing: advocates of engagement apparently failed to make a coherent enough case to be convincing, so Bradley's support for engagement stopped with kind words. The government followed the advice to will the end but not the means, leaving universities and regions to manage third mission development without distinct resources.

The partners which created OKC, and through this chose to join the PURE project, incline to focus for the region's *PURE action plan* on several *case studies*. Those mentioned include the SE Innovation Precinct with Monash, led by DIIRD, the Geelong and SW Victoria regional and rural sub-region, the VU-Western Bulldogs partnership, and the leadership role of the City within the larger Melbourne metropolitan region.

We need to distinguish such case studies from *examples of good practice* that may be drawn from the region as part of a PURE Good Practice compendium. Some such case studies where much has already been achieved might of course feature both as on-going 'action plan case studies' and as exemplars of good practice. As indicated above, the CDG is inclined to consider OKC itself an important subject for study – and in future, perhaps, also as an example of emergent good practice.

Some of these subjects may feature within the region's choice of priority themes for sub-cluster work within PURE, for example *regional and sub-regional innovation systems*. In any event *the region* will unavoidably be involved in the wider PURE examination of the meaning, diversity, and utility of various understandings of *the region*. This will include the relationship between defined jurisdictional and administrative regions, and smaller regions within them, based for example on identity and functionality.

To anticipate: at any rate in this Melbourne region any polarised either-or definition of what constitutes 'the region' will fall over; the solution if engagement is to work and the region is to derive full benefit, will be more nuanced, and inclusive of *de facto* regions whose fitness for purpose will be demonstrated through different mechanisms for different outcomes. Different HEIs will contribute to the development of different 'Melbourne (sub-) regions' in different, ideally complementary, ways.

Different areas of regional development

The PURE project seeks to understand and to compare across different regions what priority is given to the different aspects of development: from the most obvious and measurable economic to the less tangible social, civic and cultural underpinnings. These may make economic development more sustainable, as well as enhancing the quality of life itself, towards which it might be assumed economic growth is ultimately directed.

The CDG was not able to examine these different substantive aspects of development in any systematic way. As a generalisation, and with an eye to Australia's and more specifically Victoria's socio-economic profile, history, identity and values, it is reasonable to suggest that this region has a more mature and balanced view of development than the narrowly econometric; but that urgencies may often obscure this, so that it becomes a kind of unspoken 'cultural underpinning', but not an explicit policy objective, other than within some obvious portfolios such as health, social welfare, law enforcement.

Other than noting this, and in particular the obvious concern about a well acknowledged environmental crisis and a need for sustained and combined action to combat global warming (all

the more so following the tragic and devastating recent fires), the CDG is not in a position to comment in any informed way on each of these dimensions: the civic and citizenship; the cultural, beyond noting Melbourne's near- iconic cultural status, and the significance of design and the creative arts as part of its knowledge city identity; the economic; and the broadly social, including health.

Critical national policy issues that may influence and preoccupy the region

This report has made a number of references to the federal policy environment. The still quite new Labor Government in Canberra led by Kevin Rudd after a twelve year term of neo-liberal Coalition leadership has for the moment eased the chronically oppositional federal-State political situation. Rudd has launched many new policy-developing initiatives, including in this area the Cutler and Bradley reviews. It remains to be seen how far the federal Administration is able to sustain purpose and direction in the face of the recent global fiscal-economic crisis. In this sense the parallel succession of Bush by Obama is felicitous; but again it remains to be seen what global level shifts will occur as the global economic crisis continues to play out.

How the region perceives and is responding to the new global crisis

So far the global fiscal/economic crisis is on everyone's lips but maybe not on the agenda, beyond acknowledging its importance. In terms of the longer-term ecological crisis, in which Australia under Rudd has had a relatively honourable recent record, the bushfire disaster provides an unwelcome opportunity to see whether concerns and good intentions can be converted into sustained and collaborative action involving the different universities working together as well as individually.

For the PURE Vancouver agenda May 2009

(a) **Specialist sub-group cluster subjects and possible partner regions**

  - *Extrapolation suggests at least the following for consideration:*
  - The complex nature, meaning and utility of 'the region' for engagement purposes.
  - Building regional innovation system (RIS) and cluster capability involving the SME sector(s).
  - The integration of TAFE (FE, community) and HE sectors, with special attention to short cycle HE, and the Victorian dual sector approach.
  - Balancing the economic with the social inclusion, equity and diversity agendas.
  - A long-term strategic approach to sustainable partnership in combating the global warming threat, specifically over land use, water and transport.

(b) **Possible examples of good practice to be written up later**

  Several examples caught the interest of the CDG. These were in no sense carefully considered in the time available.

  Some coincided with suggestions in the pre-visit papers, such as the VU-Bulldogs alliance, and the work of the Geelong region and maybe its rural hinterland with Deakin, which may also feature as case studies. Others are proposed in the RBP and require further consideration beyond what was possible during the CDG visit.

(c) **Initial use of and reactions to the Benchmarking Tools**

  This is at an early stage, with more questions than worked examples. Universities are at different stages of trying the tools out (specifically the HE benchmarking tool). It was agreed that the

region should assemble views and questions, and bring these to Vancouver to inform the planning discussion there.

(d) First indicative notes about a Region Action Plan

Again, there was no focused discussion of a Region Action Plan. However, it became clear that a series-of-case-studies approach is favoured; the visit probably reinforced rather than altering this. These might include the SE Melbourne Innovation Precinct SEMIP, centred in Knox; the Geelong and SW Victoria region with Deakin and the TAFE Institute; the leadership role of the City of Melbourne; and others to be determined between now and mid-May.

Given its eminent 'sandstone' and *Universitas 21* identity, the regional and disadvantaged engagement work of the University of Melbourne might make an unexpected and illuminating further study.

If it were not too delicate in a competitive environment, a comparative study of the different internal arrangements for engagement across all the universities could be of great value, together with the role of institutional leadership in relation to engagement.

The CDG also recommends adding OKC to the list, as a central action research project within a project; and considering some 'hard and soft' indicators of progress which may connect with the draft region benchmarking tool.

Annex

Full list of those whom the CDG met during the visit to the Melbourne region:

PURE Steering Group - March 25

- **Dr Marj Horne, Australian Catholic University.**
- **Prof Hal Swerrien, LaTrobe University.**
- **Jane McLouighlin, Monash University.**
- **Bronwyn Jones, University of Melbourne.**
- **Anne Badenhorst, Swinburne University.**
- **Prof Peter Creamer, Victoria University.**
- **Elly Hutton, Department of Innovation, Industry and Regional Development DIIRD.**

City of Melbourne - March 25

- **Geoff Lawler, Director Sustainability and Regulatory Services.**
- **Jane Sharwood, Manager International and Business.**
- **Michael Anderson.**
- **Dale Bowerman.**
- **Anne Malloch.**

South East Melbourne Innovation Precinct - March 25

- **Jane Niall, Deputy Secretary, DIIRD.**
- **Elly Hutton, DIIRD.**
- **Faye Burton, Project Manager.**
- **Prof Rod Hill, Pro Vice Chancellor, Monash University.**
- **Jane McLaughlin, Monash University.**
- **Greg Redden, CSIRO.**
- **Damien Thomas, CSIRO.**
- **Clive Davenport, CSIRO.**
- **Prof Errol Harvey, CEO, MiniFAB.**
- **Jeff McAlpine, Monash City Council.**
- **Suzanne Ferguson, City of Kingston.**
- **Paula Brennan, City of Greater Dandenong.**
- **Peter Chaffey, City of Knox.**
- **Rod Nelson, Enterprise Connect.**

Deakin University, Geelong - March 26

- **Prof Sue Kilpatrick, Pro Vice-Chancellor.**
- **Graeme Dennehy, Chief Operating Officer.**
- **Kirsten Kilpatrick, Senior Project Officer.**
- **Michael Betts, Managing Director, Betts Williams Group.**
- **Andrew Scott, CEO, G21 Geelong Regional Alliance.**
- **Lawrie Miller, Executive Director, Geelong Chamber of Commerce.**
- **Helene Bender, Director, Allabout Tours and Travel.**
- **Ed Coppe, Principal, Strategic Investment Management.**
- **Michael Dowling, Dowling Corporate Consulting (and Deakin University Council).**
- **Keith Jackson, Regional Director, Department of Planning and Community Development.**

Victoria University, Footscray - March 26

- **Prof Peter Creamer, Pro Vice-Chancellor.**
- **Steve Pereira, Sponsorship Manager.**
- **Western Bulldogs Australian Football Club.**

University of Melbourne, Parkville - March 26

- **Helen Hayes, Director, Knowledge Transfer and Partnerships Office.**
- **Bronwyn Jones.**

Minister for Regional and Rural Development, Skills and Workforce Participation - March 26

- **The Hon Jacinta Allan, MP.**
- **Brendan Sheehan, Director, Skills Victoria DIIRD.**
- **Chris Gartner, Adviser.**

Australian Catholic University, Fitzroy - March 26

- **Prof Gabrielle McMullen, Deputy Vice Chancellor.**
- **Prof Chris Sheargold, Associate Vice Chancellor.**
- **Dr Marj Horne.**
- **Mary Campbell.**

Australian Industry Group - March 27

- **Megan Lilly, Director, Education and Training.**

Victorian Government Panel - March 27

- **Jane Niall, DIIRD**
- **Justin Hanney, Chief Executive, Regional Development Victoria.**
- **Lynne Williams, Deputy Secretary, DIIRD.**
- **Fiona Williams, Executive Director, Department of Sustainability and Environment.**
- **Michael Kane, Executive Director, Department of Premier and Cabinet.**
- **Edmund Misson, General Manager, Department of Primary Industries.**
- **Deborah Peterson, Deputy Secretary, Department of Primary Industries.**
- **Diane Sydenham, DIIRD.**
- **Pin Ng, Senior Policy Adviser, DIIRD.**
- **Elly Hutton, DIIRD.**
- **Brendan Sheehan, Director, Skills Victoria.**
- **Justin Bannikoff, DIIRD.**
- **Peter Allen, Under Secretary, Department of Human Services.**