

## Level 9 Geography Fieldwork Assignment

### Research question 1: How 'international' is Melbourne?



Study Area Map

#### 1. Describe the distribution of foreign-owned businesses in the study area.

There is evidence of a strong concentration of foreign-owned businesses in Melbourne's CBD overall, though the distribution does not have a set pattern and was not consistent from area to area. There is a strong concentration in Area 3 surrounding such companies as Nando's and Fred Perry. There is less concentration of foreign-owned companies in Area 6 in the streets surrounding Crabtree and Evelyn, and fewer still in Area 4.

#### 2. Are there any patterns that emerge in relation to the main city streets?

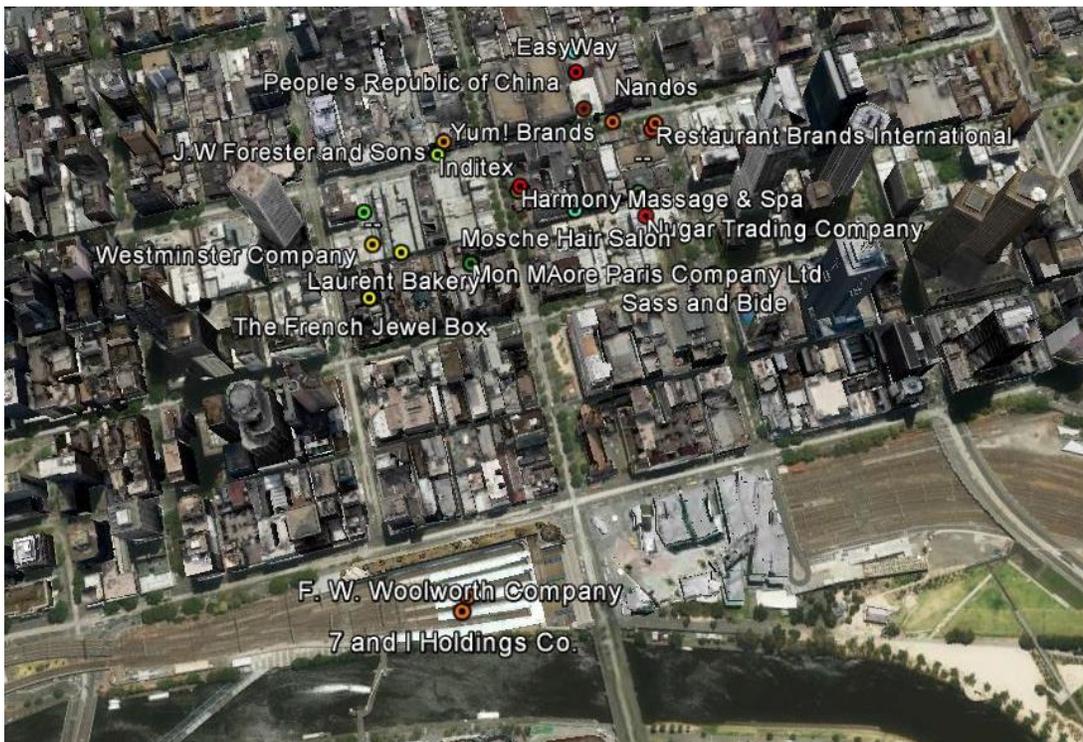
Most of the larger foreign-owned brands seem to be in locations on main streets in the CBD, though some are in arcades and smaller side streets.

#### 3. Why do you think this might be the case?

This is probably because they are very visible locations for passers-by, so they attract business. Some of them are convenience stores (e.g. 7-11) so they need to be in places where there are lots of people.

4. List examples of foreign-owned businesses identified within the study area.

- 7-11 (United States)
- Adidas (Germany)
- Crabtree and Evelyn (United States)
- Daiso (Japan)
- F.W. Woolworth Company (United States)
- Fred Perry (Japan)
- Gloria Jean's (United States)
- Guylian Chocolate (Belgium)
- HSBC Banking (United Kingdom)
- Inditex (Spain)
- J.W. Forester and Sons (United States)
- Mon Amore Paris Ltd Company (France)
- Nando's (South Africa)
- Renato International Company Limited (Hong Kong)
- Starbuck's (United States)
- Swarovski (Austria)
- Ted Baker (United Kingdom)
- Vodafone (United Kingdom)
- Yum! Brand (United States)
- Zara (Spain)



**5. How many countries are represented?**

In total, as seen on the spread sheet imported into Google Earth Pro, from the forty stores sampled around Melbourne, there were 15 countries represented other than Australia.

**6. Which continents/regions of the world are most represented?**

The most represented regions are North America (United States) and Europe (United Kingdom).

**7. In what categories of business do the foreign-owned multinationals seem to focus?**

The main areas of involvement seem to be in clothing (retail), convenience (food) stores and financial services, with some technology.

**8. Why do you think Melbourne attracts these businesses?**

Melbourne is a good market with a high concentration of population and tourism. It is one of the world's major cities and is quite wealthy, so it is a good market for such businesses. Many of these businesses are found in lots of big cities around the world.

Melbourne attracts a significant amount of foreign investment, partly because foreign investors have confidence that their investments are safe and will grow. Investors regard Melbourne an excellent place to invest because of its population growth, highly skilled workforce, and strategic location, strong record of economic growth and stable governance and regulatory environment. As a record, in 2013, Australia was the 14<sup>th</sup> largest recipient of foreign direct investment (FDI) inflows in the world according to the Global Investment Trends Monitor.

**9. The top four foreign currencies exchanged for Australian Dollars in the Melbourne CBD are United States Dollars, British Pounds, Euros and Japanese Yen.**

a) What does this tell you about Melbourne?

That Melbourne is an international city, a commercial city, and a tourism city.

b) Exchange of Euros increases during our winter. Why do you think that is?

It increases drastically during our winter because it is the summer holiday season for Europeans, and the Melbourne attracts tourists from Europe. This increases our economy because they would have to pay for accommodation, food etc.

c) What might be the relationship between these currencies and the businesses you observed?

As observing most of the businesses when walking around in the CBD, we noticed that most of the businesses are influenced by or originated in Europe, USA, Japan and United Kingdom. This is why that

the relationship between these currencies and the businesses has enhanced the exchanging process for foreigners.

**10. If you were dropped blindfolded into these streets and looked around at the shops and businesses, do you think these streets would look similar to those in other major world cities in, for example, the United States, United Kingdom or Europe?**

To an extent yes, they would look similar because lots of these businesses are located in many major cities in the world. In saying this if one was dropped in New York or Los Angeles or San Francisco, all American cities, you would predominantly see American outlets because they are so dominant. This too would apply to specific parts of Europe such as Italy and France, as well as the UK, as they have big home-grown manufactures and companies.

**11. Would this sense be consistent in all parts of the study area, or are there sub-areas that could make you think you were located in another part of the world?**

One exception in the study area is Chinatown. If you did not know you were in Australia you might think you were in Asia, or you could be in a Chinatown anywhere in other big cities. One clue would be the side cars are parked on and the types of cars and number plates, though.



## **Research question 2: Where do the things we consume, originate?**

### **12. To what extent does the nationality of shop/business ownership reflect the origin and place of manufacture of the things it sells? Why do you think this might be the case?**

Distinguishing between ownership and the manufacturers is that ownership assumes all risks and responsibilities for the business, including debts or where they get the products from such as from sweatshops in undeveloped or developing countries or locally. Foreign-owned and Australian clothing stores are all likely to have their clothes made in poorer countries with cheaper labour.

### **13. Based on the data you have collected and mapped, where does our money go?**

From the relative companies investigated, one would find that a great deal of Australian consumers' money goes towards many foreign countries such as United Kingdom, France, United States, China, Japan and even Spain.

### **14. If you had to estimate, what is proportion of Australian *made* products found in shops in CBD?**

Approximately 40%.

### **15. Did you see much evidence of this, even in Australian-owned businesses? In other words, for Australian brands/shops, how Australian are they really?**

Many Australian and foreign countries make their products overseas because the workers are much cheaper and therefore the companies make a larger profit. However, many people are now starting to understand the exploitation of these foreign workers and are switching back to Australian made products and companies. It could also be that people think the local products are higher quality.

## **Summary**

### **16. With all of the data in mind, what does it tell us about Australia's connections to other countries?**

Culturally Australia has had lots of people migrate from other countries since World War 2, especially from Europe and Asia and is a very multicultural country with lots of mixing. Foreign relations of Australia are influenced by its location, and its position as a leading trading nation and as a significant donor of humanitarian aid. Australia's foreign policy is guided by a commitment to multilateralism and regionalism, as well as to strong bilateral relations. As a cultural factor that connects Australia and other countries are through education, innovation, sport, health care, media and communications. This has influenced our perspective of how we view the connection we have with other countries. Australia attracts a lot of foreign investment because it is seen as a safe place to invest, as it is very stable politically and does not have borders with other countries.

**17. What are your views on multinational companies and why do you hold these views?**

Both home and host countries would be worse off in a world without multinationals. There is a worry that foreign companies will hurt domestic jobs and wages, but they still employ local people. There are mixed views of whether the presence of foreign firms has a positive effect on productivity in the host country. Foreign investment has proven that significant boost in economic growth. So therefore, my view on multinationals is mixed however it has positive effects on Australia as it created a stable society.

**18. How much does Australia rely on its connections with overseas countries?**

Foreign investment supplements Australia's domestic saving and enables us to expand our economy. It fills in the gaps between what Australia saves and what Australia invests each year. For example, according to data, in 2014, 89% (\$383 billion) of Australia's capital flow was sourced from domestic savings while 11% (\$45 billion) was sourced from overseas (ABS catalogue 5206.0, 2014). So therefore without the investment of foreign businesses, Australia would be unstable to build our economy to its full potential and would have less funds available to spend of hospitals, schools, roads and other government services. Australia has always relied on foreign investment to help drive economic growth, and with it, growth in employment. One in four businesses in Australia with 200 or more employees have greater than 50 percent foreign ownership (ABS catalogue 8167.0, 2014). We have become dependent on the foreign investment industry as it played a big role in improving or offering employment to us as Australian citizens.

**19. Refer to the 1961 Melbourne picture. Aside from the obvious technological changes, what might you expect the difference to be over fifty years ago in terms of the number and type of foreign-owned businesses in the city?**

Melbourne has always been a hotspot for international visitors; even fifty years ago it would call for some international outlets too, but probably mainly from the UK. There would not be as big a range as nowadays. There would not be many businesses from Asia, but more from Europe. As seen in the photo 'LONDON STORES LTD.' is written, which could be evidence of English shopping outlets available in Melbourne city. The number of foreign-owned business would still be at a reasonably low level, as Australian productivity and manufacturing would dominate the business scene of Melbourne.