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## Crisis of complacency holding Perth back

A landmark report released by the Committee for Perth has found that Greater Perth is lagging behind other cities around the world when it comes to being competitive in the key areas of the economy and investment, infrastructure, innovation, technology, engagement and branding. The report, *Perth's Pathway to Prosperity*, found that a crisis of complacency is holding Perth and Peel back, with the prosperity delivered by the recent mining and resource boom diverting attention away from planning for longer-term economic resilience.

"The report found that while Perth benefitted from the mining boom, it also hindered growth. The economy grew and created jobs yet when the downturn came it hurt and jobs were lost. What is needed is for government and industry to work together to create a long-term economic growth strategy so that we can adapt and respond to economic changes," said Committee for Perth, Chairman John Langoulant AO.

"This current economic downturn is the perfect time to act, we need to re-evaluate our economic direction and pursue a pathway to a prosperous future. That future can only be realised if we leverage Perth's strengths, seize the opportunities and address impending risks and threats. Ultimately, we need to do more than sit back and wait for the next boom to come along and save us, we must proactively shape the future together.

"Historically, strategies for economic growth and development across Perth have been prepared at a local government level, but there needs to be a plan for Greater Perth as a functional economic unit, rather than as a collection of local economies that often compete with each other. It's the only way we will truly start to make progress."

*Perth's Pathway to Prosperity* is the result of the Committee for Perth's two-year *Bigger and Better Beyond the Boom* (B4) research project. The project examined the size, industry composition and spatial structure of the economy in the Perth and Peel region and identified industry sectors that are growing; industries in decline; and emerging economic threats and opportunities for the future. The final report is the culmination of 13 separate pieces of research, including two large-scale community surveys, nine FACTBase bulletins and special reports, study tours and internal reports, including an analysis of strategies other cities have implemented to grow and diversify their economies.

The final report contains 11 opportunities and seven recommendations that will catalyse those opportunities and create a bright future for Greater Perth.

"Co-operation and collaboration are the keys to success. What we want to see created is a future which plays and builds on our strengths, provides space and encouragement to see new sectors and businesses grow, based on solid foundations built by government, the private sector, community groups and institutions." said Steering Committee Chair and PwC Partner, Justin Carroll.

“Perth doesn’t have a clear plan or pathway to deliver economic stability and prosperity and build a competitive position in the global economy. What we’ve learnt from Sydney, Melbourne, Brisbane and Singapore is that cities need deliberate plans of action to seize the disruptive potential of global forces and drive economic growth and competitiveness. If Perth fails to act in response to global opportunities and challenges, we risk having a future where we fall further behind our competitors and our industries face increasing local and global headwinds.”

The 11 opportunities outlined in the report are:

1. Catalyse Perth’s Crisis of Complacency
2. Shift from Analysis to Action
3. Partner for Prosperity
4. Move Beyond ‘Politics as Usual’
5. Reverse Perth’s Downwards Competitiveness Trend
6. Build on Perth’s Mining and Resource Strengths
7. Adapt to Disruption and Seize Global Opportunities
8. Leverage Mining and Resource Innovation
9. Expand Bright Light and Growth Sectors
10. Boost Non-Mining Business Investment
11. Foster Perth’s Innovation Ecosystem

The seven recommendations and 25 actions from the report are:

Recommendation	Actions
<p>1. Develop the inaugural investment, engagement and attraction strategy and associated brand to promote Perth as a place to invest, work and learn.</p>	<ul style="list-style-type: none"> <li>• Government and industry to develop a prospectus for Perth.</li> <li>• Committee for Perth to lead a collaborative exercise to develop a brand strategy to promote:               <ul style="list-style-type: none"> <li>○ Lifestyle</li> <li>○ Natural environment</li> <li>○ Industry specialisations</li> <li>○ Uniqueness/distinctiveness</li> <li>○ People and diversity</li> </ul> </li> <li>• Government to create a concierge-style approach to promote Perth as a destination for international investment.</li> <li>• Government and industry to utilise alumni and networks to grow international partnerships.</li> </ul>
<p>2. Create the inaugural long-term economic growth and competitiveness strategy.</p>	<ul style="list-style-type: none"> <li>• The Premier to appoint a taskforce that reports directly with appropriate levels of funding. The taskforce must have an independent chair, experienced in government and the private sector, and include relevant Directors General and sector representatives.</li> <li>• The strategy should be built upon research and consultation in order to create a knowledge base that identifies Perth’s unique regional assets, capabilities, competitive advantages and opportunities in the global</li> </ul>

	<p>economy, in consultation with federal, state, local government bodies, industry, higher education providers, and stakeholders and community.</p> <ul style="list-style-type: none"> <li>• The strategy is tabled in Parliament.</li> <li>• Ensure the strategy has bipartisan support to give it longevity beyond political cycles.</li> <li>• Legislate five yearly updates.</li> <li>• Commit to regular monitoring and review with necessary adjustments to the strategy.</li> </ul>
<p>3. Develop the inaugural long-term infrastructure strategy.</p>	<ul style="list-style-type: none"> <li>• Through Infrastructure WA, or its precursor, and informed by Recommendation 2, identify the infrastructure required to facilitate and support Perth’s future economic growth and competitiveness.</li> <li>• Develop the strategy to improve and respond to: <ul style="list-style-type: none"> <li>○ Economic growth</li> <li>○ Connectivity</li> <li>○ Urban competitiveness &amp; liveability</li> <li>○ Social infrastructure</li> <li>○ Smart technology</li> <li>○ ICT</li> <li>○ Connectivity</li> <li>○ Sustainability</li> <li>○ Clean energy</li> </ul> </li> <li>• Infrastructure is developed to a world-class standard and where buildings accompany it they should reflect the distinctive character of WA and Perth.</li> </ul>
<p>4. Focus on sectors where Perth has a competitive advantage, opportunity or increasing demand in order to grow the economy.</p>	<ul style="list-style-type: none"> <li>• The mining, resources and METS, higher education, tourism, agri-tech, aged care, renewables, science and research sectors develop reports that identify immediate barriers to growth and communicate these to government.</li> <li>• Relevant sectors to develop case studies of examples where it excels.</li> <li>• Informed by the inaugural economic development and urban competitiveness strategy in Recommendation 2, sectors that are identified for further/future growth opportunities prepare strategies that address: <ul style="list-style-type: none"> <li>○ Global trends</li> <li>○ Innovation and technology</li> <li>○ Land/location requirements</li> <li>○ Infrastructure needs</li> <li>○ Workforce planning and development</li> <li>○ Local, global and national networks and opportunities</li> </ul> </li> </ul>
<p>5. Protect and nurture Perth’s ecosystem of innovation and entrepreneurship.</p>	<ul style="list-style-type: none"> <li>• Government to develop new clusters with an anchor industry.</li> <li>• Government to revitalise existing clusters of industry through urban regeneration projects and by co-locating enterprise support services within clusters.</li> <li>• Government to implement adequately funded ‘bottom-up’ initiatives for enterprise that both support innovation and</li> </ul>

	<p>investment within established industries and facilitate the emergence of new innovative enterprises.</p> <ul style="list-style-type: none"> <li>• Place government at the heart of innovation and R &amp; D through innovation in government service provision.</li> </ul>
6. Implement 'smart city' initiatives for infrastructure efficiency and improved liveability and urban competitiveness.	<ul style="list-style-type: none"> <li>• Government to investigate smart city initiatives and engage with other global cities, innovative industries and research institutions to identify short and long-term opportunities for the Perth region including: <ul style="list-style-type: none"> <li>○ Big data analytics</li> <li>○ Sensor technology</li> <li>○ Artificial intelligence/automation.</li> </ul> </li> <li>• Government to prepare a 'smart city' plan to guide long-term implementation of 'smart city' initiatives in regional Perth.</li> <li>• Government to move to an open source data policy by making non-private, non-commercial data available.</li> <li>• Government to engage with the private sector to understand and leverage company and sector know-how.</li> </ul>
7. Increase Perth's human capital and foster lifelong learning.	<ul style="list-style-type: none"> <li>• Government to work with industry to prepare a progressive, responsive and integrated education strategy to focus on: <ul style="list-style-type: none"> <li>○ Structuring education to be future focused.</li> <li>○ Matching resident skills and requirements of industry.</li> <li>○ Lifelong learning and ongoing skill development.</li> <li>○ Equity of access to quality education.</li> <li>○ Maximising competitiveness as an international student destination.</li> <li>○ Connecting students with employment opportunities.</li> <li>○ Global connections, particularly with Asia, Indian Ocean Rim and Africa.</li> </ul> </li> </ul>

"It's time to shift from analysis to action. Over the past 15 years, there's been no shortage of reports by government, industry and non-government organisations outlining what could and should be done. When competition between cities is so fierce Greater Perth needs to have an investment, engagement and attraction strategy and associated brand to promote Perth as a place to invest, work and learn," said Committee for Perth CEO, Marion Fulker.

"When these strategies are hopefully created we need to make sure they focus on the long-term because historically, economic planning has been hindered by fragmented governance and political cycles. We need to be much more sophisticated and even when the economy improves, we need to keep working on implementing the plan so that the economy continues to grow and jobs created."

Mrs Fulker said a good example of Perth failing to keep up with other cities was it recently dropping out of the top 10 most liveable cities in the world, after making the list for the past decade. While Perth's score remained the same, other cities had lifted their game.

"Competition between cities for business and investment, tourists, overseas students and residents is cut-throat and Perth risks losing its perceived global and regional liveability advantage if we don't keep pace with what's happening in other cities in Australia and Asia," Mrs Fulker said.

“One of the big issues is that we don’t have an easily identifiable brand to sell ourselves to the rest of the world. Yet being able to capture the highest potential benefit from global opportunities hinges on Perth retaining and strengthening its competitive position in the global economy.”

As part of the research for the *Pathway to Prosperity* report, Ipsos carried out the Perth Perception Survey, which found that the recent economic downturn has adversely impacted Perth’s perceived short-term competitiveness as a place to live and work. The survey found:

- Only 41% of people think Perth has continued to improve since 2015, 33% of people believe the region has changed for the worse.
- 40% of people in Perth report being worse off financially in 2018 than they were five years ago, while 37% believe their situation has improved.
- Job opportunity and uncertainty and dissatisfaction with current employment has emerged as a heightened issue of concern for Perth residents.
- Few people in Perth consider entrepreneurialism as an option for their employment future.

“On a personal level, what we saw during the last boom was that the wealth and the benefits weren’t equally distributed and there are families still hurting now. That’s why the report outlines the need for an integrated approach between the State Government and the mining, agricultural, tourism, education, tech and retail sectors,” added Mr Carroll.

“The Committee believes that with the right spirit of co-operation, the recommendations can be implemented within two years and Perth will be on its way to a more resilient and diverse economy that smooths out the downturns and creates more employment opportunities,” Mrs Fulker said.

“We have fulfilled the purpose of the project over the past two years by examining the economy and detailing ways in which Perth can grow and prosper. There is strong accord between what we have recommended and what other organisations, including government, have said over the past decade or so. To ensure a bright and prosperous future, there needs to be collective action on the recommendations. A failure to act could have a profoundly negative effect on Perth.”

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