
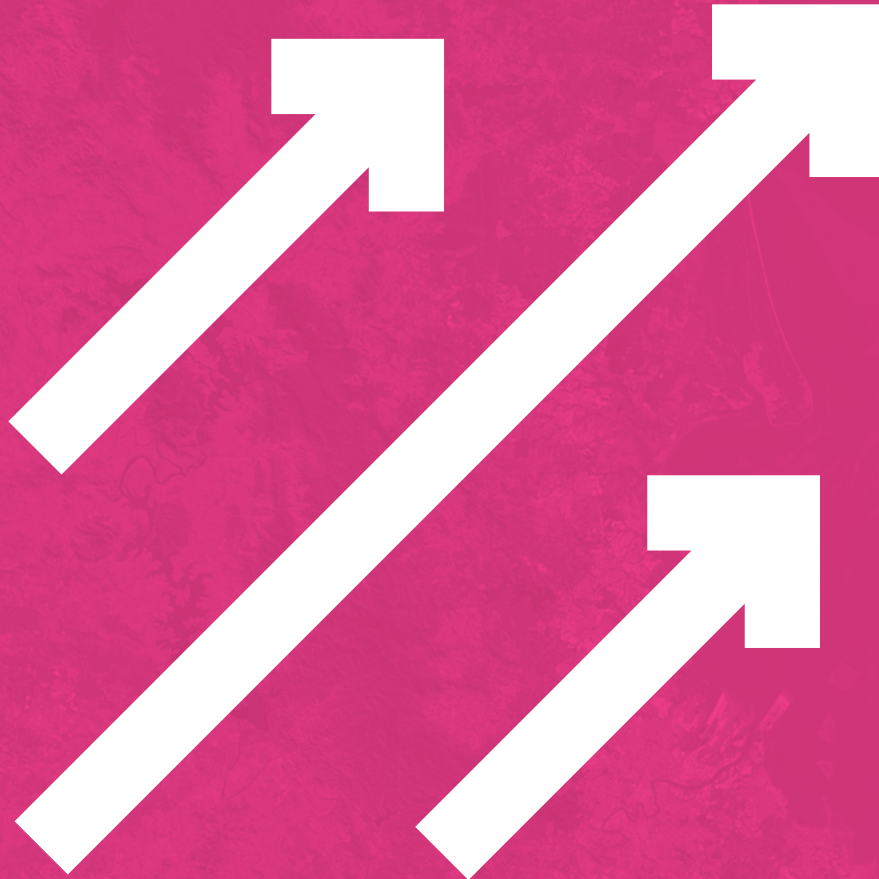


**WITHOUT
LIMITS**

SEQ2040 
GROWING BETTER



PAPER 4 ECONOMY OF THE FUTURE

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AECOM

SOUTH EAST QUEENSLAND IS RIPE WITH ECONOMIC POTENTIAL, BUT WE NEED A NEW WAY OF THINKING TO HARNESS IT. HOW CAN WE ATTRACT THE BEST AND BRIGHTEST TO OUR REGION AND PROVIDE NEW OPPORTUNITIES FOR OUR GROWING POPULATION?



01

THE CONTEXT

South East Queensland's (SEQ) economy is in transition and some of the traditional industries and sectors that have sustained our region are declining. There's now a greater focus on creating opportunities in high-value knowledge and innovation-intensive industries that will attract the best and brightest to SEQ.

To ensure sustainable growth that enhances the prosperity and liveability of the region, we must plan for a strong economy with jobs across the industry sectors that align with our competitive advantages. We need to focus on our competitive advantages and attract high-value export-oriented sectors to underpin the region's growth. As a region, we must explore new and creative ways to support a growing workforce and enable technological advancement.

In *Shaping SEQ* the Queensland Government identified five priority industry clusters to address the issue: advanced manufacturing, agribusiness, traded health and education, transport and communications, and tourism and creative.



**1 IN 7 AUSTRALIANS
LIVING IN SEQ**



**1.65
MILLION JOBS**

TOP 5

INDUSTRY CLUSTERS



AGRIBUSINESS



**TRADED HEALTH
& EDUCATION**



**ADVANCED
MANUFACTURING**



**TRANSPORT &
COMMUNICATIONS**



**TOURISM
& CREATIVE**

02

THE CHALLENGE

THE PRIORITY INDUSTRY CLUSTERS NEED TO LEVERAGE THE REGION'S INFRASTRUCTURE, ECONOMIC ASSETS AND LABOUR FORCE HOWEVER, SEVERAL CHALLENGES NEED TO BE OVERCOME TO FACILITATE GROWTH AND DELIVER NEW OPPORTUNITIES:

01.

Understanding the region's competitive advantage in addition to population growth and lifestyle.

02.

Addressing the region's jobs-housing imbalance and resulting congestion and productivity barriers.

03.

Attracting jobs, business and investment through integrated planning, delivery and investment attraction.

01.

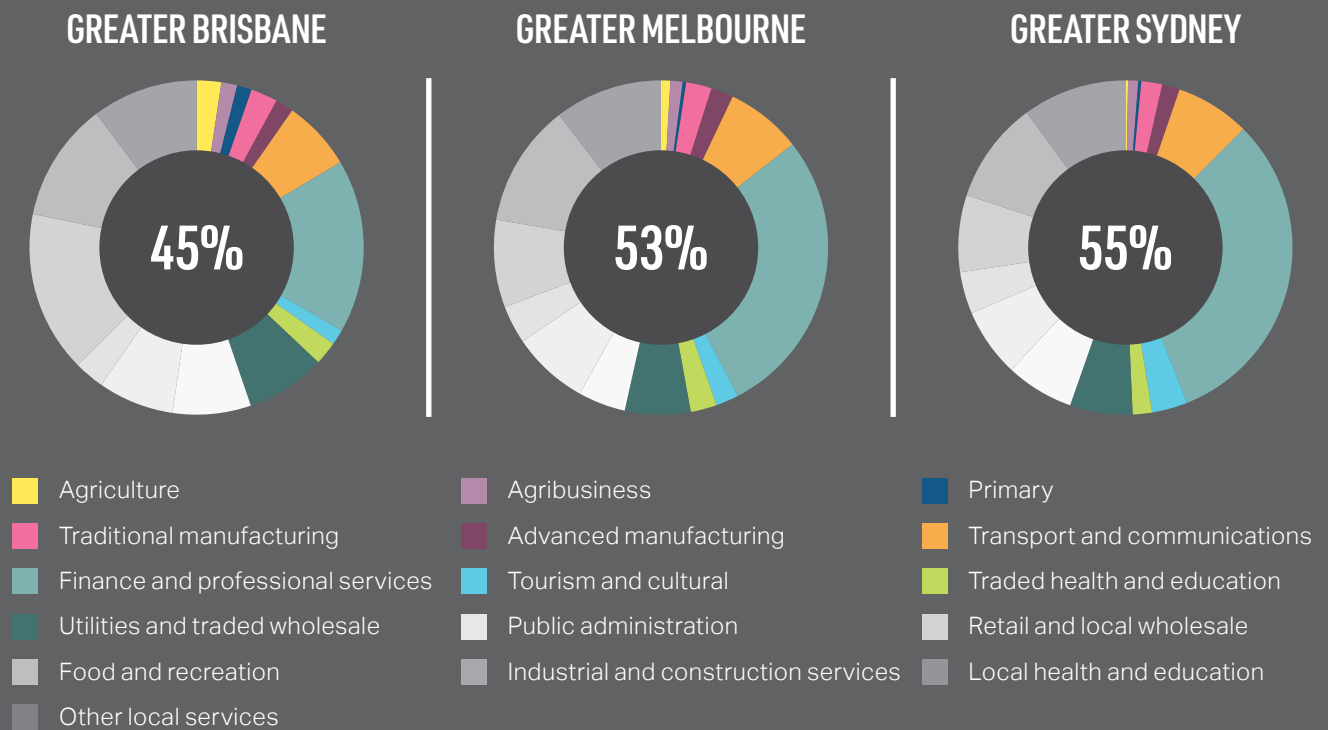
COMPETITIVE ADVANTAGE

There is little evidence to demonstrate that we have identified the competitive advantages of the SEQ region relative to Greater Sydney or Greater Melbourne. Compared to these cities, SEQ doesn't have a deep pool of export-oriented financial and professional services, but the gross value added by other trade-oriented sectors in SEQ looks very similar.

Without a clear understanding of our point of difference, we risk needing to increase incentives to attract investment and industries. Rheinmetall Defence Australia recently won a Land 400 Armoured Reconnaissance Vehicle program to establish a Military Vehicle Centre of Excellence in Ipswich, which was in direct competition with a Defence Hub in Melbourne's Fisherman's Bend. While

SEQ won the competitive process, a better understanding of our national and international advantages would put us in a stronger position to attract and enable future investment.

Figure 1. Trade oriented share of greater capital city economies in terms of gross value added.



Source: South East Queensland, Economic Foundations Paper (Page 16, 2016)






02.

THE BRISBANE FOCUS – ADDRESSING THE REGION'S JOBS

We can best describe SEQ as 'monocentric', given the distribution of employment opportunities across the region does not align with our population growth areas. By 2041, our regional population is expected to grow by 1.89 million to 5.35 million, with the majority of this growth occurring in Brisbane, Gold Coast, Ipswich, Logan, Moreton Bay,

and the Sunshine Coast. Brisbane may continue to be the economic engine; however, there is currently misalignment between residential and employment growth, creating a jobs deficit across the SEQ region.

Figure 2. Comparison of Population and Employment Growth from 2016 to 2041

|  LOCAL GOVERNMENT AREA |  POPULATION 2041 |  PROJECTED GROWTH FROM 2016 |  EMPLOYMENT 2041 |  PROJECTED GROWTH FROM 2016 |
|---|--|--|--|--|
| BRISBANE | 1,571,000 | ---> +386,800 | 1,247,608 | ---> +458,168 |
| GOLD COAST | 928,000 | ---> +351,100 | 433,431 | ---> +191,600 |
| IPSWICH | 520,000 | ---> +319,900 | 128,800 | ---> +65,011 |
| LOGAN | 586,000 | ---> +272,200 | 168,128 | ---> +70,447 |
| MORETON BAY | 656,000 | ---> +217,700 | 189,182 | ---> +74,354 |
| SUNSHINE COAST | 495,000 | ---> +191,600 | 193,092 | ---> +80,548 |

Source: [ShapingSEQ pg.54, 2017](#)

Population and employment growth projections show the jobs deficit is most stark in the western, northern and southern corridors. Without addressing it, we risk creating 'dormitory suburbs' with dispersed employment centres, long commute times and an increase in congestion that limits regional productivity.

Further addressed in paper 5 - Connected Region (launching soon).

SEQ currently lacks any significant regional economic clusters of scale in the substantial population growth areas and the housing–jobs imbalance is already placing considerable pressure on our transportation infrastructure and affordability. The coronavirus pandemic has shown us the benefits of working closer to home and has provided a catalyst for changing the way we approach planning for jobs. Still, government and industry need time to understand the real benefits and modify the model accordingly.

We must understand the advantages of the sub-regions and grow the number of jobs in these areas to meet the regional growth challenges. The regional economic clusters identified in [ShapingSEQ](#) are made up of regional activity centres, knowledge and technology precincts, and significant enterprise and industry areas. While the regional plan provides high-level intent and outcomes for the clusters in each sub-region, there is limited understanding of the comparative advantages these clusters provide from the perspective of infrastructure and assets, supply chains and markets, and workforce skills and participation. We need to understand how they function individually or as a network of clusters to accelerate the delivery of high-value

jobs across the region. There is also a risk that clusters are planned in isolation, based on short-term objectives that reinforce the status quo and the growth of population-serving industries and local drivers to maximise job numbers. Without coordination at a regional and sub-regional level, there is a risk that the role and function of the clusters will be duplicated, and the strategy will not result in the creation and attraction of new jobs. We need to nurture the right jobs and the right industries in the right places through a multi-faceted SEQ wide strategy.

03.

INTEGRATED PLANNING, DELIVERY AND INVESTMENT ATTRACTION – THROUGH JOBS, BUSINESS AND INVESTMENT

The integrated planning and delivery of clusters are critical to attract investment, business and jobs. There is no regional program currently pursuing integrated land use, infrastructure planning and investment attraction and without one, we risk duplication, delays and missed opportunities.

The recent announcement by the Minister to establish a Growth Areas Delivery Team establishes a pilot to unlock housing through structure planning, infrastructure planning and infrastructure funding arrangements for new growth areas. We support this approach and ask the Minister

to extend it to enterprise areas and also incorporate investment attraction.

Figure 3 provides a snapshot of the marketing, economic development and investment attraction organisations tasked with delivering on the plans in the region. They have a range of responsibilities and performance indicators; however, they generally report to a specific local government area or project board. Consultation with key stakeholders in this sector highlighted gaps in SEQ’s economic development model, principally overlapping remits and a lack of coordination.

Figure 3. Regional snapshot of organisations with an economic development role and responsibility

| ROLE / RESPONSIBILITY | BRISBANE ECONOMIC DEVELOPMENT AGENCY | INVEST LOGAN | INVEST SUNSHINE COAST | GOLD COAST HEALTH AND KNOWLEDGE | TOURISM & EVENTS QUEENSLAND | ECONOMIC DEVELOPMENT QUEENSLAND | STATE DEVELOPMENT | REGIONAL DEVELOPMENT AUSTRALIA |
|--------------------------------------|--------------------------------------|--------------|-----------------------|---------------------------------|-----------------------------|---------------------------------|-------------------|--------------------------------|
| PROJECT-SPECIFIC | | | | | | | | |
| SECTOR-SPECIFIC | | | | | | | | |
| LGA BASED | | | | | | | | |
| REGION FOCUS | | | | | | | | |
| MARKETING | | | | | | | | |
| INVESTMENT ATTRACTION | | | | | | | | |
| POLICY DEVELOPMENT | | | | | | | | |
| PROJECT DELIVERY / DIRECT INVESTMENT | | | | | | | | |
| GOVERNMENT ENTITY | | | | | | | | |
| QUANGO / NON-GOVERNMENT ENTITY | | | | | | | | |

03

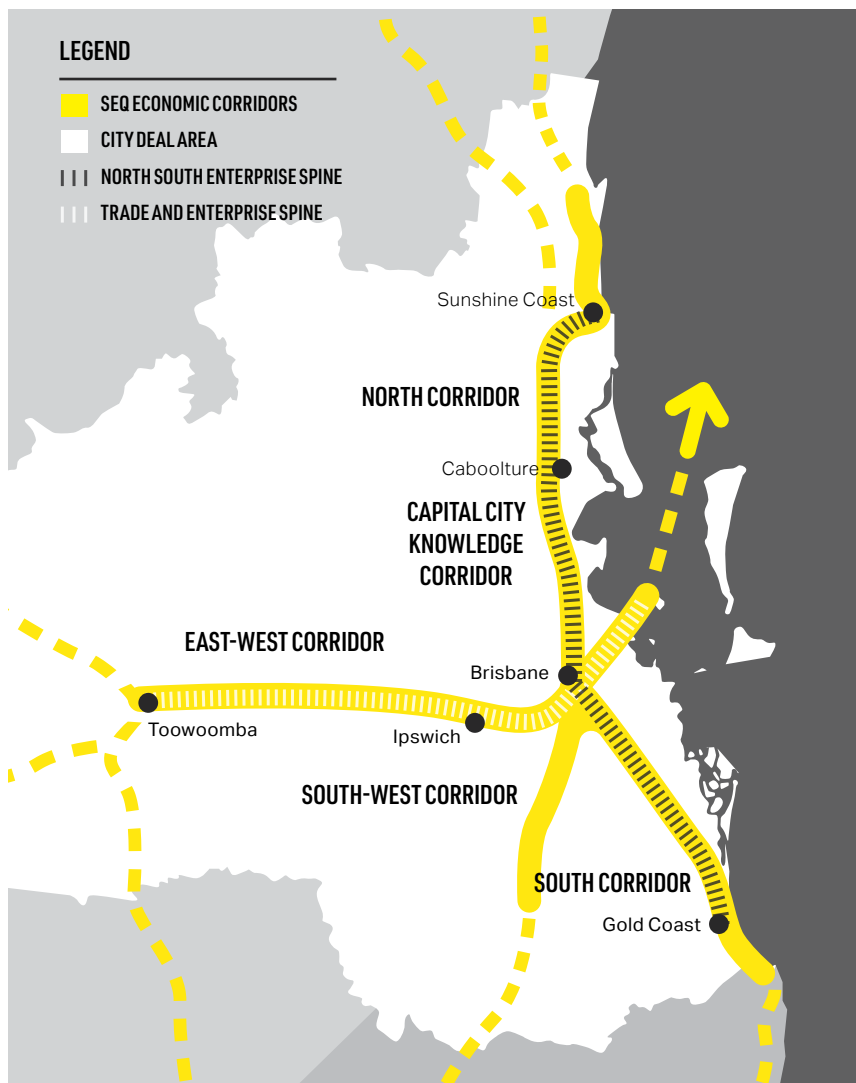
OUR PROPOSITION

For SEQ to *grow better*, we must think and act more broadly than just a business-as-usual approach. Our proposition for the economy of the future focuses on three areas:

01. We must take charge of our competitive advantages

02. We must be a polycentric region

03. We must be an attraction hub



01. WE MUST TAKE CHARGE OF OUR COMPETITIVE ADVANTAGES

SEQ's future economy requires a clear determination of the region's competitive advantage that aligns our geography, people and infrastructure and differentiates us nationally and internationally. Each regional corridor needs a core economic focus that complements its locational advantage and doesn't compete with the other corridors.

The western corridor between Ipswich and Toowoomba is being planned as part of the SEQ City Deal as a Trade and Enterprise Spine for agribusiness, advanced manufacturing, transport and communications. While we wholeheartedly support the focus on the western corridor, we must undertake a similar approach for the southern spine to the Gold Coast and northern spine to the Sunshine Coast (Figure 4) to identify the industry and employment opportunities. This approach could provide a compelling narrative to illustrate how we will accelerate job creation in high-value export-oriented sectors and unlock new opportunities, rather than simply keep up with population growth and our competitors.

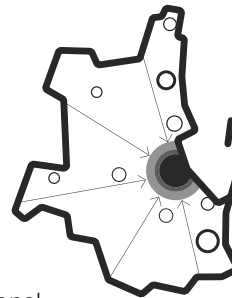
02. WE MUST BE A POLYCENTRIC REGION

A better appreciation of our competitive advantages could provide a catalyst for a 'polycentric' region, connecting our towns, cities and communities in a better way. This would create a more even distribution of employment, while also emphasising the flows and interactions between the urban centres, which will increase our economic performance and mitigate future impacts. This model would reinforce our regional financial centres and employment clusters and align housing, skills and infrastructure commitments.

The government should develop corridor activation plans (similar to Special Activation Precincts in New South Wales) to identify demographic and economic challenges, comparative advantages of the area, barriers to expansion and investment, economic activity and growth potential, and to develop the policy and infrastructure framework necessary to catalyse development.

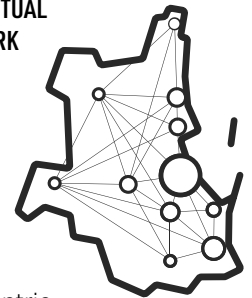
Corridor activation plans would help local and state government work with the private sector to create strategic plans, economic development strategies and development prospectuses for each corridor and its nodes. These plans would provide a robust foundation for a polycentric region and instil investor confidence by providing a road map with commitments for development and outcomes that unlock investment and jobs.

NOW



Regional
Concentration

CONCEPTUAL
NETWORK



Polycentric
Region

CASE STUDY SPECIAL ACTIVATION PRECINCTS – NEW SOUTH WALES GOVERNMENT

The NSW Government is currently rolling out [Special Activation Precincts \(SAP\)](#) based on growth opportunities for new and existing industries and significant infrastructure like Inland Rail.

While unique to regional NSW, they bring together planning and investment to focus on growing jobs and economic activity in an area. The SAP process comprises:

01. Government-led studies – technical studies inform a master plan that identifies opportunities and removes barriers to investment.

02. Fast track planning – planning instruments provide certainty and facilitate streamlined approvals.

03. Government-led development – Regional Growth NSW Development Corporation lead each precinct's delivery to enable and support orderly development.

04. Infrastructure development – government provides critical infrastructure upgrades that remove barriers to investment.

05. Business concierge – Regional Growth NSW Development Corporation offers targeted business with concierge services to attract investment and support businesses to establish and grow in each precinct.

03. WE MUST BE AN ATTRACTION HUB

Future competitive advantage will rely on governance arrangements with enterprise-oriented leadership, strong partnerships between government and industry and a strategic approach to attracting inward investment. AECOM's recent research into employment innovation clusters in Fisherman's Bend, Melbourne showed that a 'plan-enable-deliver-promote' model was critical to create successful clusters and attract investment.

We propose a regional integrated delivery and investment attraction model based on the outcomes considered in paper 1 - Leadership & Governance. This would provide certainty around land use and the timing of critical infrastructure for enterprise and growth corridors and remove barriers to investment.

The model would provide a platform to promote the region through coordinated and regionally focused development and targeted incentives and enhance the region's ability to respond to economic transitions and shocks. For example the coronavirus situation provides a unique opportunity for the region to attract businesses that are looking to relocate to build onshore capabilities, enhance supply chain reliability or decentralise to increase resilience and respond to changing employee preferences.

CASE STUDY FISHERMAN'S BEND EMPLOYMENT INNOVATION CLUSTERS, MELBOURNE

AECOM's research into Employment Innovation Clusters highlighted the key aspects of successful clusters:

A one window innovation concierge

A flexible planning framework

High-quality urban design and architectural application

Setting measurable performance targets

Planning for a collection of cooperating clusters

Providing financial and economic support

Creating an economic mega-region

Flaunting your talent and displaying your innovation to all

THE BENEFITS OF CHANGE

THE BENEFITS OF ADOPTING OUR PROPOSITIONS WOULD:



Accelerate job creation in high-value knowledge and innovation-intensive industries that will attract the best and brightest to SEQ.



Enable a polycentric region with a more even distribution of employment.



Unlock the potential of the employment spines through integrated planning and investment attraction.

However, none of this can be achieved without strong government leadership and a willing and proactive private sector. AECOM's propositions call for a move away from business-as-usual to an urgent reframing of practices and policies.

CALL TO ACTION

CORONAVIRUS HAS, OF COURSE, BEEN A STARK REMINDER OF COMMUNITY RESILIENCE AND PROVIDED MANY WITH AN OPPORTUNITY TO PAUSE. HOW WILL YOU USE THIS MOMENT TO CONSIDER THE PROPOSITIONS, BE AMBITIOUS AND DRIVE FOR A BETTER, MORE PRODUCTIVE SEQ REGION?





SOUTH EAST QUEENSLAND

PLANNING FOR A BRIGHT FUTURE

South East Queensland (SEQ) is estimated to grow to 5.3 million people by 2040. That will mean more people, new housing and additional jobs for the region. This growth will provide challenges and opportunities that require governments, industry and the community to come together now, so we can grow better.

Developed through internal workshops and 18 interviews with industry leaders, SEQ2040 – Growing Better explores Leadership and Governance, Water to Grow, Health & Wellbeing, the Economy of the Future, and the need for a more Connected Region. It examines the issues and provides propositions to address the challenges, de-risk them and create opportunities for a better, more liveable and productive region.

The initiatives we propose are shaped from listening to, learning from and synthesising a diverse range of perspectives and are built from commitments currently being considered by governments and industry which need to be recognised as real enablers for future change.

We want *SEQ2040 – Growing Better* to open a multi-faceted discussion about the future of the SEQ region, providing an opportunity to rethink our current course and future actions. Being bold, ambitious and strategic, with long-term integrated thinking. The time is now to question whether a different approach is required.

How can we shape the future of SEQ as a region that will *grow better*?



LEADERSHIP & GOVERNANCE

- Ambition
- Coordination
- Regional governance



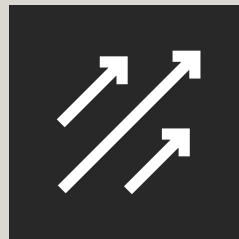
WATER TO GROW

- Climate and resilience
- Health and wellbeing
- Economic potential



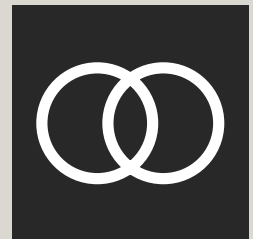
HEALTH AND WELLBEING

- Prevention
- Integrated place-based approaches
- Economic and social imperative



ECONOMY OF THE FUTURE

- Competitive advantage
- Polycentric growth
- Commitment to integrated long-term thinking



CONNECTED REGION

- Resilience
- Connected living
- Smart investment synergies

RECOMMENDATIONS – FINAL PAPER



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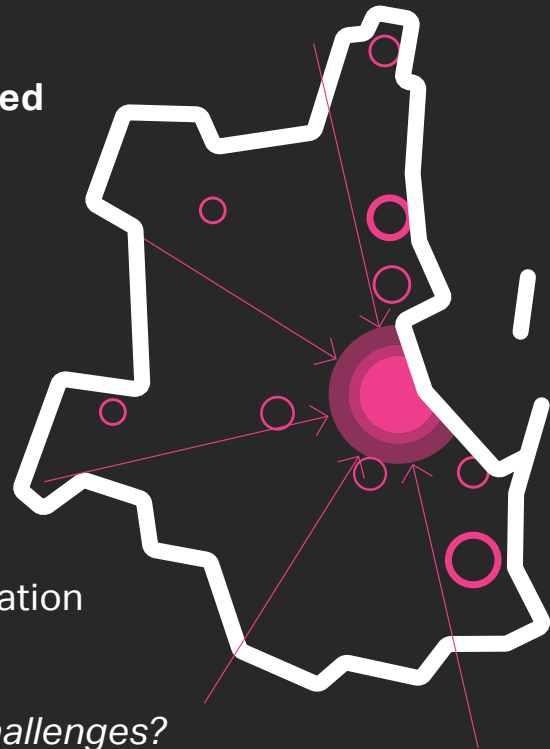
PRINCIPLES

With ambition, SEQ can learn valuable lessons from other places that have already experienced the challenges of reactive growth without change.

A broader regional perspective for SEQ can deliver a legacy of benefits at the regional scale.

This is the difference between just growing, or growing better.

NOW Centralised



Regional Concentration

Building Future Challenges?

GROWING BETTER

Ambitious Leadership & Governance

Integrated Longterm Thinking

Resilient Polycentric Growth

Community Legacy



CONCEPTUAL NETWORK



Polycentric Region

Resilient Legacy of a Connected & Integrated Regional Eco-System

WITHOUT LIMITS

Imagine it. Delivered.

ABOUT AECOM

AECOM is the world's premier infrastructure firm, delivering professional services throughout the project lifecycle – from planning, design and engineering to consulting and construction management. We partner with our clients in the public and private sectors to solve their most complex challenges and build legacies for generations to come. On projects spanning transportation, buildings, water, governments, energy and the environment, our teams are driven by a common purpose to deliver a better world. AECOM is a Fortune 500 firm with revenue of approximately \$20.2 billion during fiscal year 2019. See how we deliver what others can only imagine at aecom.com and [@AECOM](https://twitter.com/AECOM).