



Council of Mayors
South East Queensland

Council of Mayors (SEQ)

SEQ Economic Development Forum

Brisbane

17 September 2014

One Region, One Voice

Outline

- What is the Council of Mayors (SEQ)?
- Our Economic Development approach and priorities
- The SEQ Regional Employment and Economic Forecasts project

South East Queensland

- Is home to 1 in 7 Australians
- Delivers 20% of GDP
- Covers over 35,000 square kilometres
- Has six of the eight largest Councils in Australia
- SEQ Councils:
 - Control budgets in excess of \$5.8 billion
 - Employ over 22,300 workers
 - Responsible for 36,900kms of roads



Council of Mayors (SEQ)

- The largest regional local government advocacy organisation in Australia
- Board of Directors: the 12 Mayors of SEQ
- Record of opening doors and getting results: planning, infrastructure, investment attraction, water, waste management



Our Mission



Consistently delivering better regional funding, policy and collaborative outcomes for the Mayors, councils and communities of South East Queensland

Our Strategy

- **Advocate** for a better resourced SEQ region with world standard infrastructure to support economic development
- **Influence** other levels of government to ensure that their policy and legislative positions support SEQ regional growth
- **Collaborate** in effective and innovative cooperative programs across the SEQ region

Our Priorities

- Infrastructure
- Planning Reform
- Regional Planning
- Waterways and Catchment Management

Overarching it all:

- **Economic Development**

Economic Development

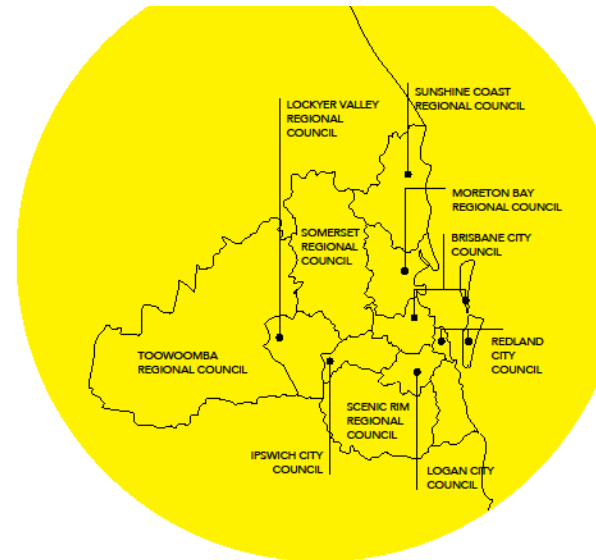
- Work together to identify and promote the region's strengths at home and internationally

- Identify and promote regionally significant economic development opportunities:
 - ▣ International relations
 - ▣ Investment attraction
 - ▣ Trade

International Relations

- Our starting point: the region's existing international relationships
- Revitalise and broaden current sister cities and other relationships
- Expand from educational and cultural base to economic, trade and investment
- Expand scope to whole of region opportunities
- Encourage local networks of ex-pats
- Highlight trade capable businesses
- Align with state and federal activities and policy

SEQ's Sister Cities



SOUTH EAST QUEENSLAND

CITIES AND REGIONS IN SOUTH EAST QUEENSLAND HAVE 29 FORMAL RELATIONSHIPS OTHER CITIES AND REGIONS AROUND THE WORLD.

CHINA

1. Chongqing
2. Beihai
3. Jiangmen
4. Zhuhai
5. Shenzhen
6. Xiamen
7. Wenling City

TAIWAN

8. Xuhui District
9. Suzhou City
10. Qinhuangdao
11. Kaohsiung
12. Tainan
13. Taoyuan City
14. Taipei

JAPAN

15. Sanyoonodo
16. Izumisano
17. Kobe
18. Takatsuki
19. Kanagawa Prefecture
20. Nerima
21. Hirakata

SOUTH KOREA

22. Ageo
23. Tatebayashi
24. Shibukawa City
25. Takasu
26. Paju
27. Daejeon
28. Yongin

UNITED ARAB EMIRATES

29. Abu Dhabi
30. Dubai
31. Semarang
32. Hyderabad

INDONESIA

31. Semarang
32. Hyderabad

INDIA

32. Hyderabad

NEW ZEALAND

33. Auckland
34. Wanganui
35. Noumea
36. Mont Dore
37. Alotau

NEW CALEDONIA

35. Noumea
36. Mont Dore

PAPUA NEW GUINEA

37. Alotau

- 50% expected population growth in next 25 years
- South East Queensland has 7 Airports, 3 of them are international.
- South East Queensland is home to Australia's fastest growing port and Australia's largest exporter of cotton and meat

Investment Attraction & Trade

- Identify projects that are “shovel ready” investment opportunities
- Develop regionally significant investment opportunities in key sectors
- The recent Major Economic Development Investment Attraction (MEDIA) project:
 - identified the legislative and policy barriers that impact upon inbound investment in SEQ
 - created plan to remove barriers to investment at all three levels of Government

Ease of Investment in Asia

- Singapore and Hong Kong rank consistently on global indices as top two countries for business investment
- New Zealand in third place
- Mainly due to:
 - Low taxes (Singapore & Hong Kong)
 - Market friendly regulations for labour, property and business transactions
 - Business incentives and infrastructure development
- Australia ranks 11th for ease of doing business
- Japan 27th and China 96th

The Barriers to Investment

1

Foreign investors have a low level knowledge of SEQ and its available investment opportunities

2

There are low project progression rates from application to construction

3

Language barriers can discourage foreign investors from doing business in SEQ

4

Liquor licensing approvals often involve lengthy delays and onerous processes

5

The Foreign Investment Review Board approval process can disadvantage foreign investors

6

The Significant Investor Visa process is administratively burdensome and carries low approval rates.

7

Australia's costly labour laws reduce the attractiveness of setting up commercial operations in the tourism industry

8

Australia's tax rates are higher than most countries in the Asia Pacific



Act Local/Think Global

- In the past, local economies were isolated and predominantly self serving
- Economic diversity was necessary to meet local demands
- Globalisation = internationalisation of production and technological change = local economies driven by global competition
- Success in the global economy is driven by quality of the labour force, innovation and access to infrastructure

The Challenges

- Accommodating population growth has been a major challenge for decades
- But population growth has brought unintended consequences:
 - ▣ Urban sprawl
 - ▣ Congestion
 - ▣ Regional inequality – with skills and high value jobs gravitating to the centre and peripheral regions struggling to find employment

The lesson: populations follow jobs

Greater Prosperity for SEQ?

- There is a natural tendency towards regional inequality
- More competitive businesses seek locations best served by the right workforce, access to suppliers and access to markets
- We can change the rules if we know the what and the how:
 - ▣ investing in transport and other infrastructure
 - ▣ identifying and working to develop and attract the skills required by our future growth industries
 - ▣ facilitating new investment
 - ▣ helping our local businesses to innovate and adopt new technologies
 - ▣ providing the land and other resources necessary to facilitate local business growth

The lesson: we need an economic strategy for SEQ that is tailored to our circumstances

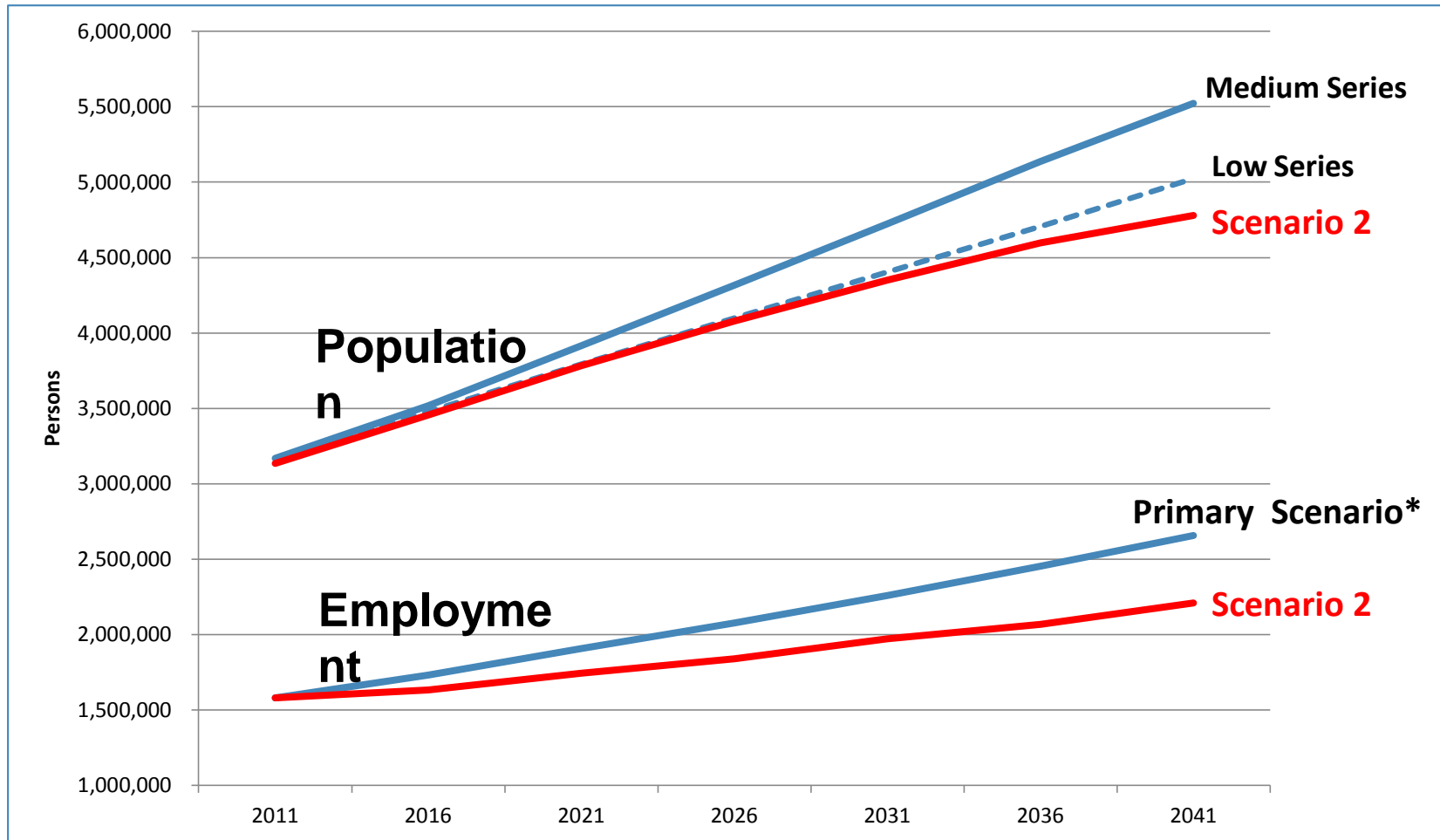
Why this Project?

- *SEQ Economic and Employment Forecast Project* was established in 2013 to inform SEQ regional and local economic strategies
- Project consultant: National Institute of Economic and Industry Research (NIEIR)
- Provides a 'long' view to 2041
- Tells us about our industry strengths in 2011 and potential to grow by 2041
- Tells us about our economic potential at the human scale - the competitive strengths and potential for growth of local employment clusters

Project Overview

- QTT supplies top down employment & population projections
- NIEIR allocates LGA employment to small areas (SA1 and SA2)
- NIEIR tests capacity of small areas to achieve QTT employment projections
- NIEIR provides alternative scenario reflecting local capacity constraints in small areas (infrastructure, accessibility, labour force availability & quality)

A Snapshot of the Forecasts



*Primary Scenario assumes medium series population

The Reality

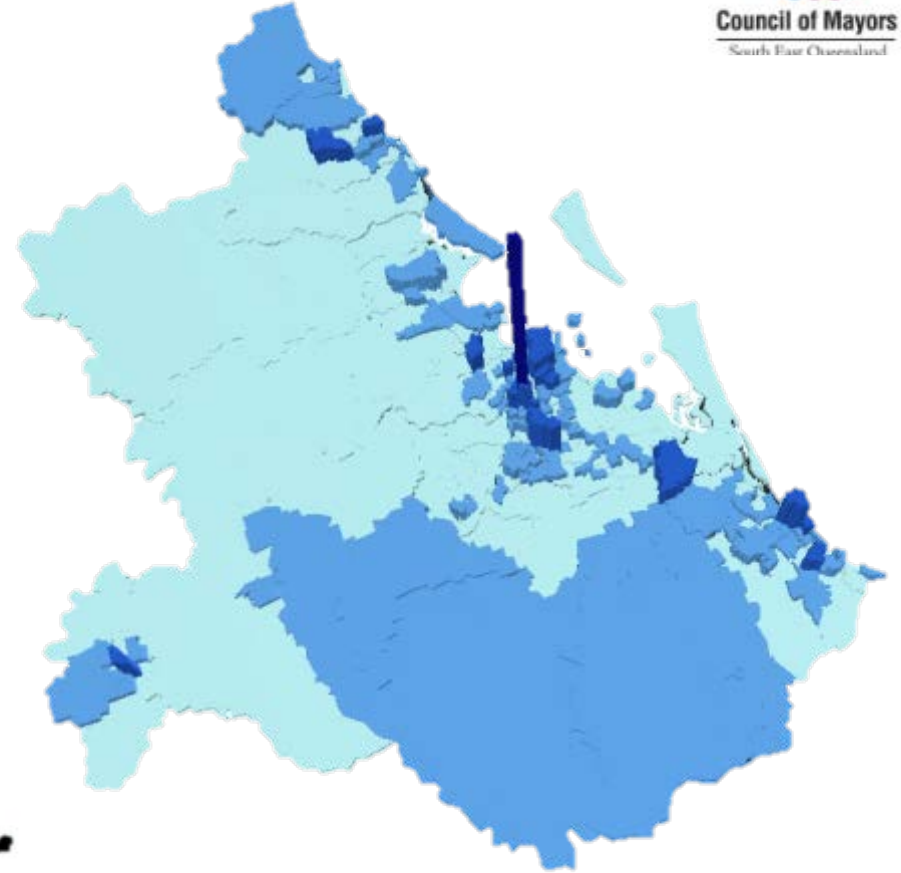
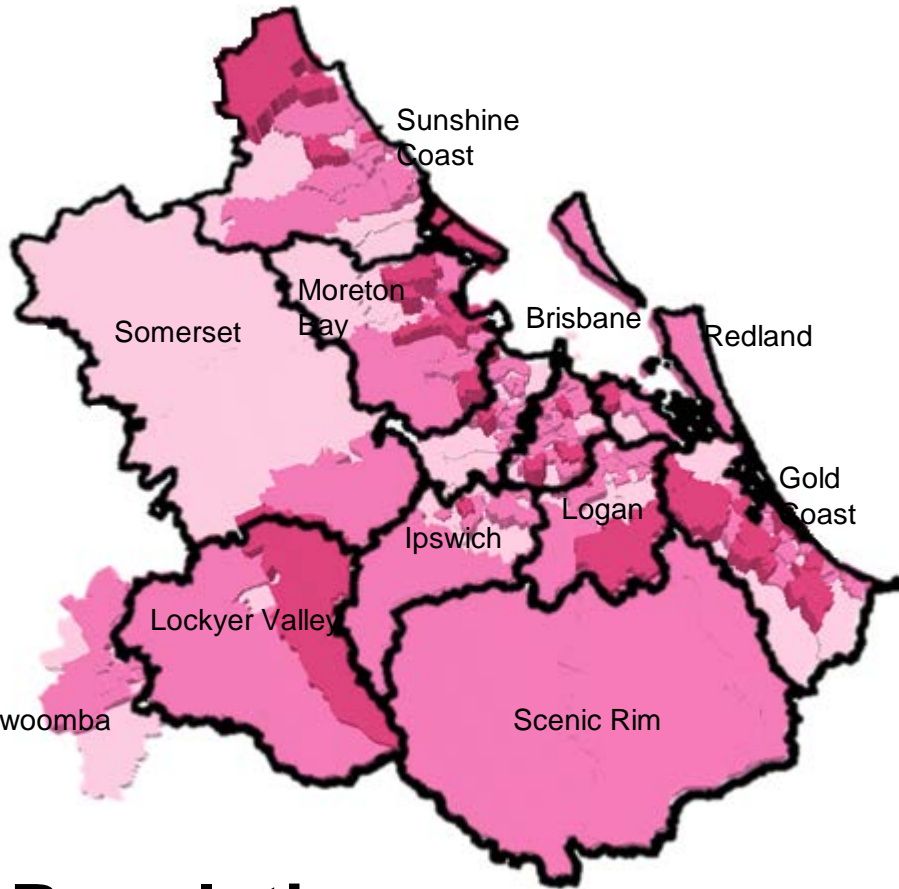
- Achieving the higher population growth scenario will require:
 - ▣ some kind of change in the way we work, and/or
 - ▣ substantial infrastructure investment, beyond anything currently planned
- The sub-LGA analysis, which informs the lower growth scenario:
 - ▣ suggests that many of our localities do not generate enough jobs to support the higher population levels
 - ▣ tells us about local constraints to growth and how we can address them

NIEIR Modelling

- NIEIR reflects empirically tested “rules of development”:
- Industries generating income from outside the region improve living standards/affordability
 - Agglomerated centres grow faster
 - High value-add clusters have strongest future growth potential
 - Labour market catchment – 30 to 70 minute travel time (decaying to zero beyond 70 mins)

2011

Employment

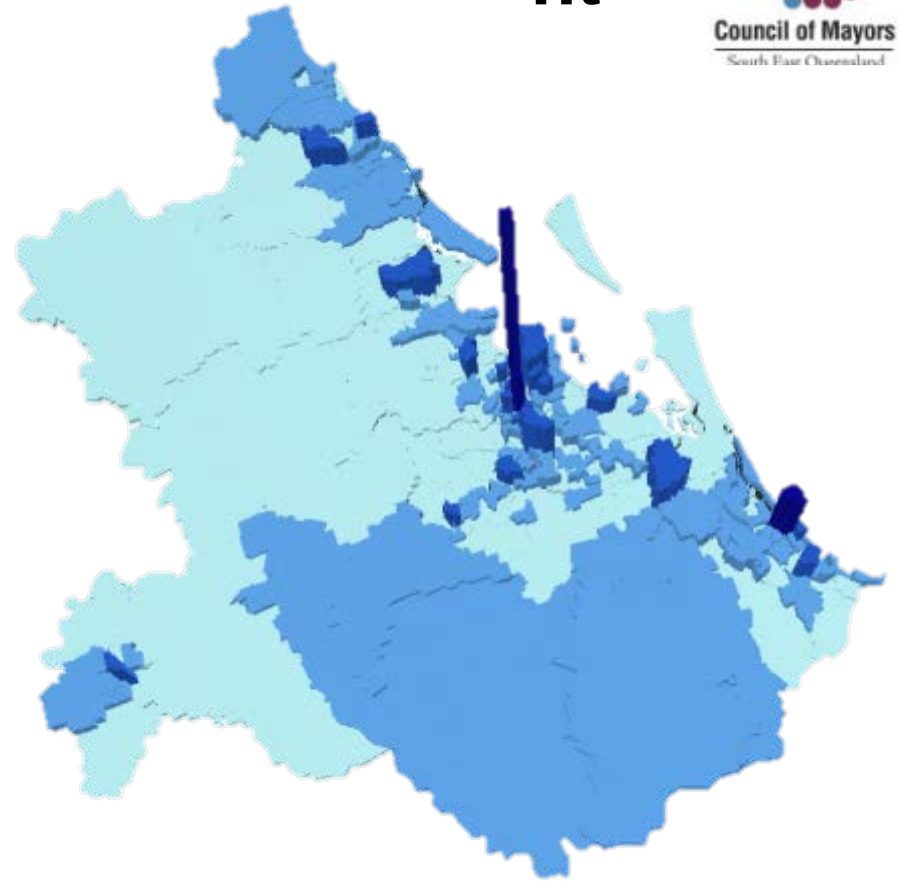
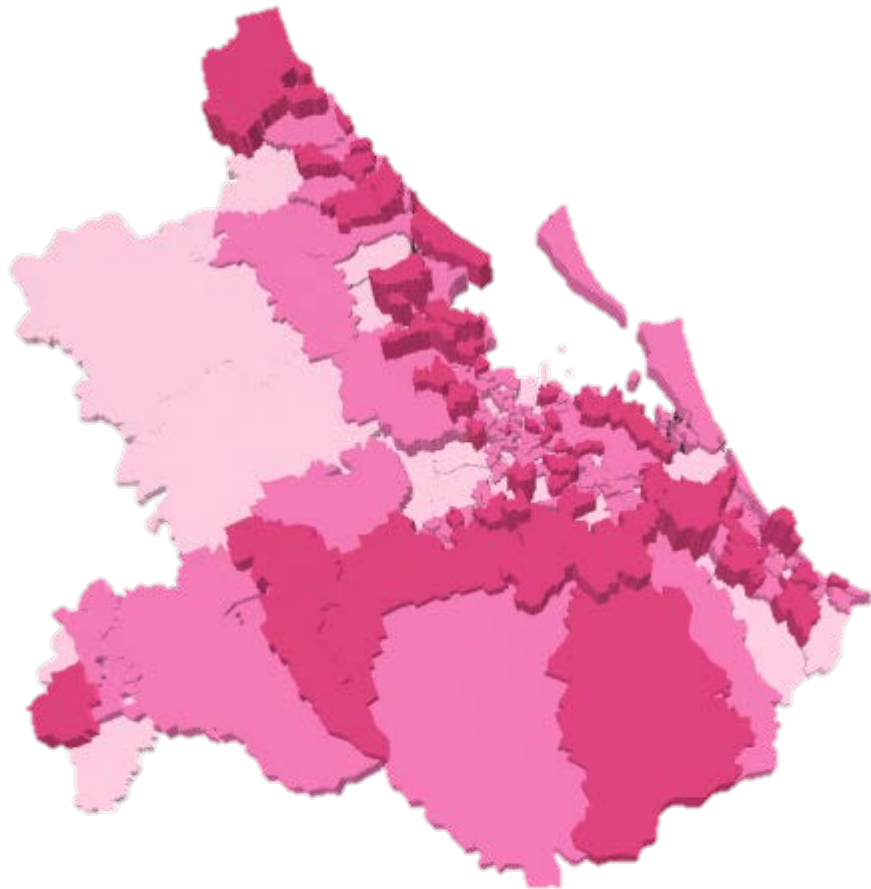


Population



2021

Employment

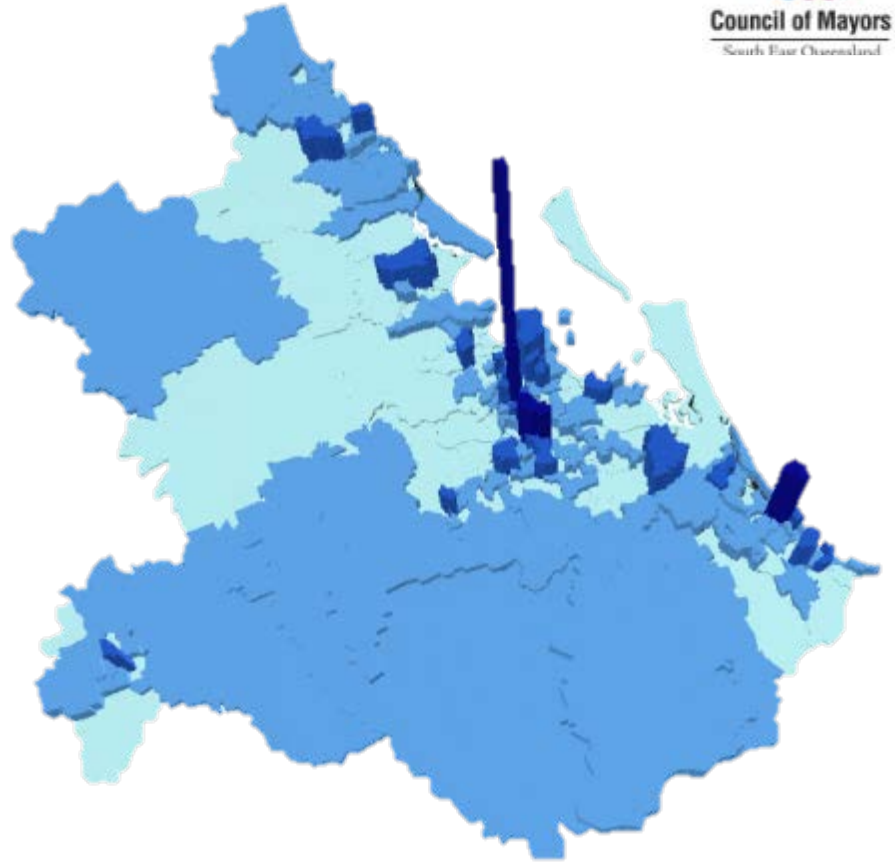
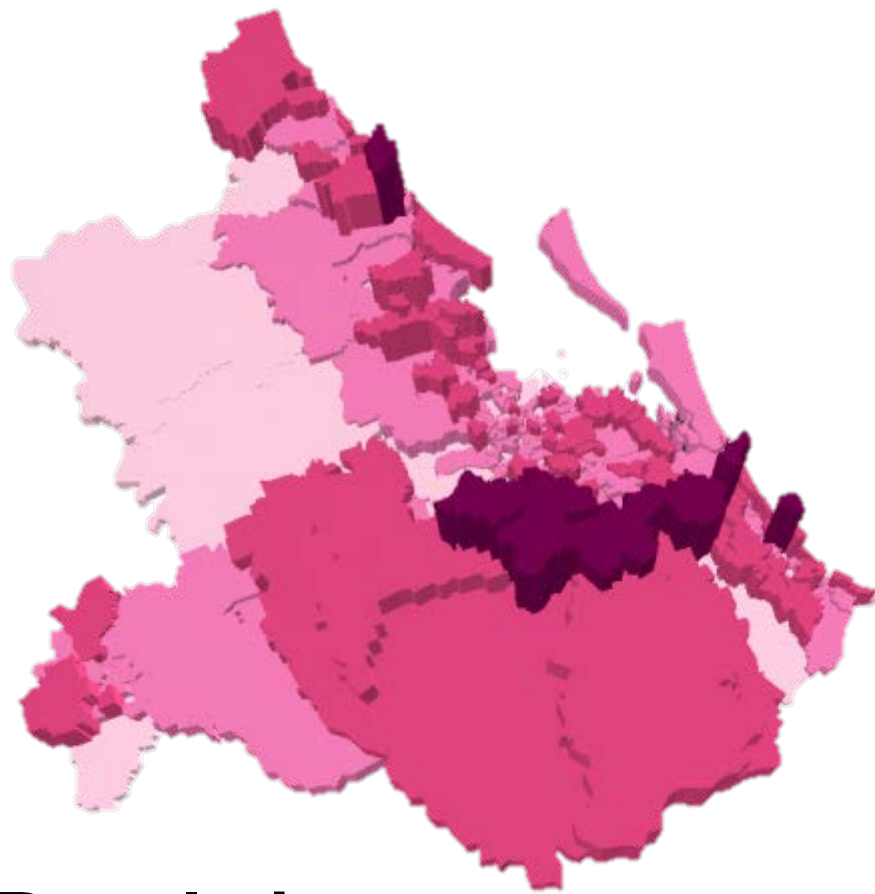


Population



2031

Employment



Population

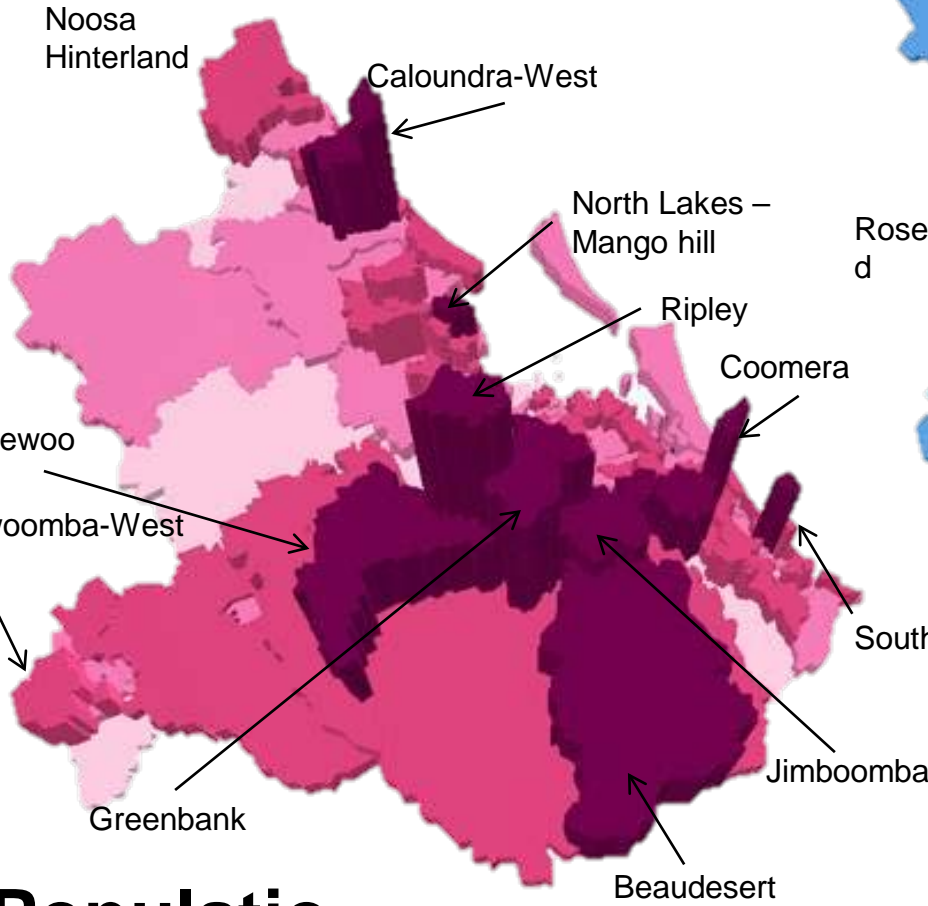


2041

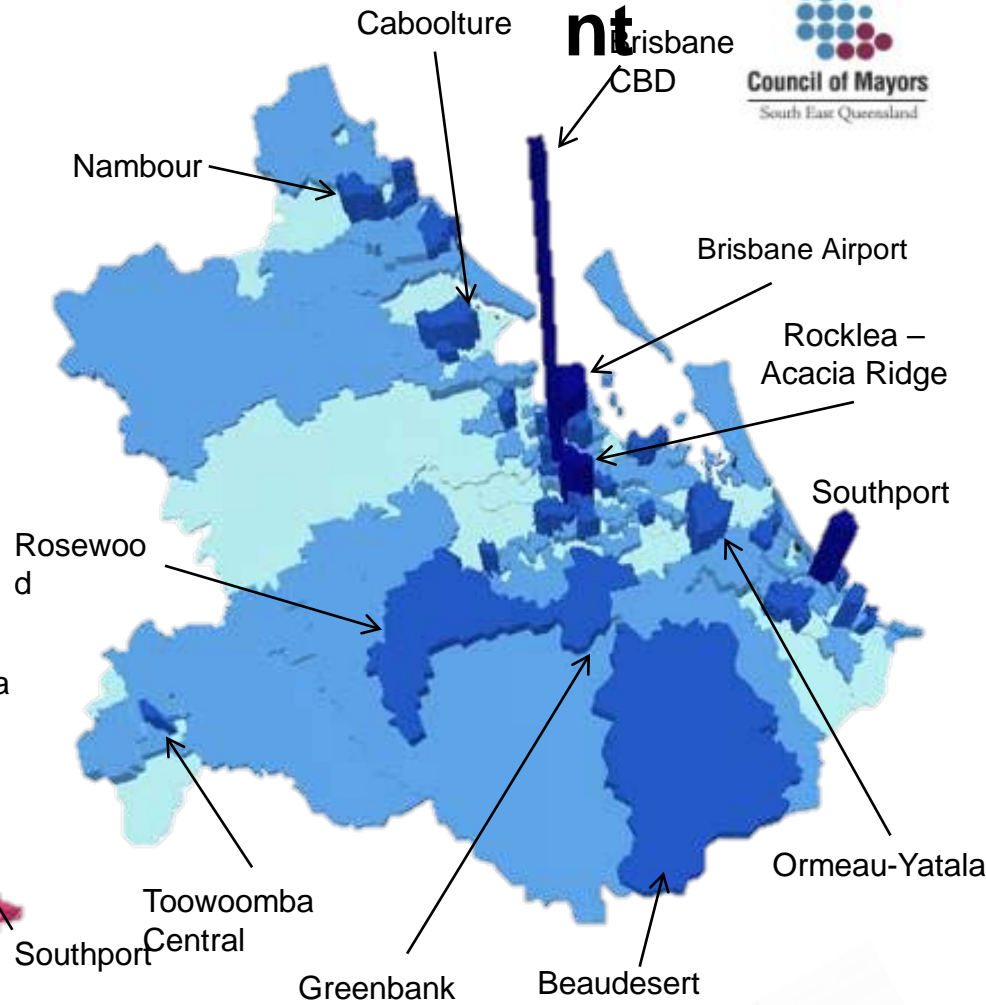
Employment



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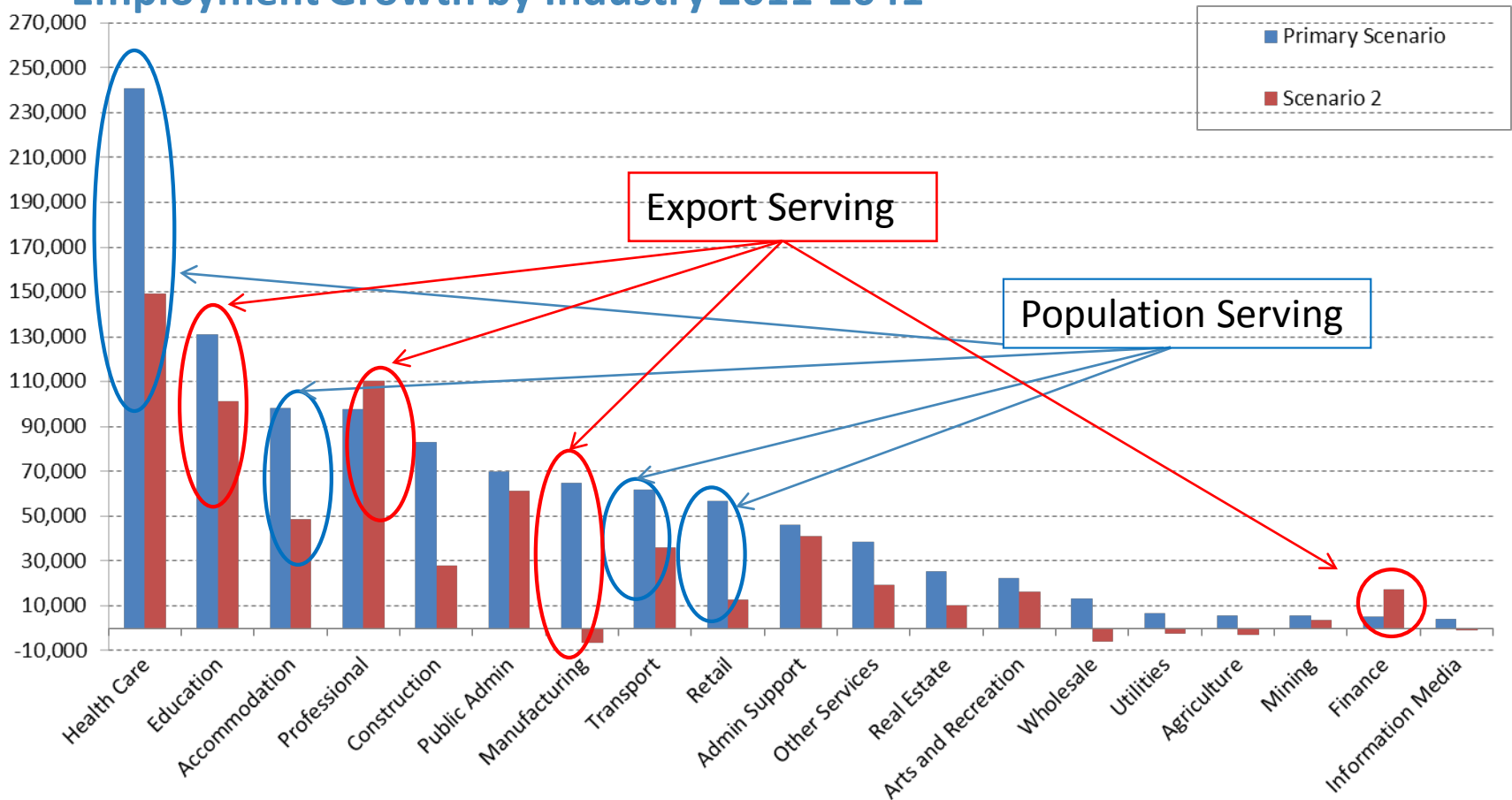


Population



Growth Sectors in SEQ

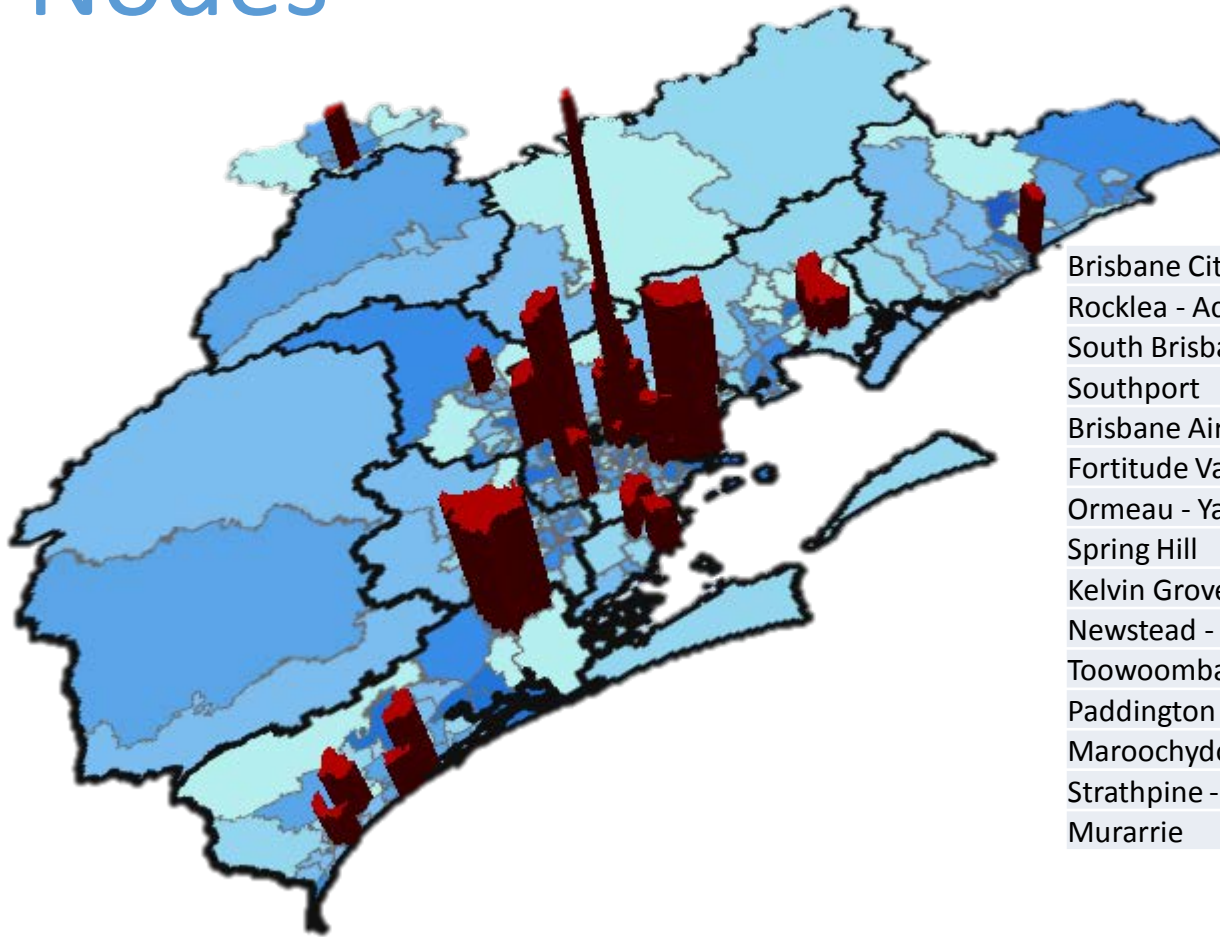
Employment Growth by Industry 2011-2041



Employment Growth Nodes



Council of Mayors
South East Queensland



Top 30 to 2041

Brisbane City	Robina
Rocklea - Acacia Ridge	Wacol
South Brisbane	Surfers Paradise
Southport	Woolloongabba
Brisbane Airport	Northgate - Virginia
Fortitude Valley	St Lucia
Ormeau - Yatala	Toowong
Spring Hill	Darra - Sumner
Kelvin Grove - Herston	Chermside
Newstead - Bowen Hills	Caboolture
Toowoomba - Central	Capalaba
Paddington - Milton	Burleigh Heads
Maroochydore - Kuluin	Eight Mile Plains
Strathpine - Brendale	Eagle Farm - Pinkenba
Murarie	Ipswich - Central

The Conclusions

- For SEQ and LGAs to achieve the projected growth from any of the scenarios, **targeted infrastructure spend** complemented by appropriate **local economic development strategies** is required
- Availability of land and/or targeting additional population growth will **not necessarily deliver a good outcome**
- **Prioritising industries that ‘export’** is key to future prosperity
- Although **all forecasts will be incorrect**, the insights into current strengths and weaknesses **provide direction** for where we can improve or overcome the challenges to sustainable and prosperous growth

What Next?

- Use the forecasts to identify the Act Local/Think Global opportunities by location and by industry
- ‘Ground truth’ the forecasts at local level and understand the competitive drivers of growth for the relevant businesses (assess capability)
- Test population growth assumptions and evaluate the infrastructure required to support them
- Where current performance does not meet future growth targets, use the forecasts to identify the missing requirements for growth

Thank You



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