

## Media Release

### **The next wave of reform means Queensland's cities and regions – not just tax and competition**

- **In addition to much-needed tax and competition policy reform, getting Australia's cities and regions right is yet another way to meet the productivity challenge**
- **Prosperous places will deliver productivity benefits, particularly in a knowledge economy**
- **Business needs to help unlock the potential of place by driving collaboration with government, communities, individuals**

**13 October 2015:** As Australia transitions to a knowledge-based service economy, and looks to deliver a prosperous future for its people, unlocking the potential of the nation's places needs to be reconsidered.

In its latest [\*Building the Lucky Country\*](#) series report, *The Purpose of Place: Reconsidered*, Deloitte calls on businesses, governments, communities and individuals to collaborate to create and nurture flourishing places that deliver economic prosperity for Australians.

The report makes three simple points:

- Australia is among the most urbanised nations on earth
- Our future living standards will depend almost entirely on productivity gains
- Our cities and regions (our 'places') are latent sources of productivity growth...if we get them right.

According to report author and Deloitte Access Economics partner, Professor Ian Harper: "Governments and businesses shouldn't just think about levers such as tax or competition reform, as important as they are, to meet Australia's productivity challenge.

"In the knowledge age, place matters for productivity, and prosperity, more than it has ever done, and getting our cities and regions right is therefore more important than ever.

"As Australia responds to economic shifts and challenges, understanding the huge potential of productive and liveable places – from inner cities to rural and remote communities – will be critical in delivering the future living standards that Australians have come to expect.

"Our national story has been shaped by place, from the first Australians to the highly urbanised country of today, and productive places present so much potential when it comes to prosperity. Our transition to a knowledge economy redefines the purpose of place.

"Place transcends landscape, climate, and buildings. It's about people and what they produce, the quality of life beyond work, the effectiveness of government, and the momentum of business.

"Flourishing places act as magnets for people, investment and industry, while languishing places give many people a reason to go elsewhere. We need to reconsider how Australian places can be made to flourish rather than languish."

Deloitte Queensland Managing Partner John Greig said that, while business, government, communities and individuals could all contribute, investing in place should be imperative for business.

“Queensland is endowed with incredible natural assets and has developed thriving city precincts in Brisbane and on the Gold Coast, as well as a number of successful secondary regional hubs such as Toowoomba and the Sunshine Coast,” he said.

“But just like anywhere else, our ‘places’ also have their pros and cons. Some inevitably flourish, just as others languish.

“In Queensland, some of our regional areas are languishing, with the drought and the downturn in the mining boom. With a coordinated approach from government at all levels, as well as from the community and business, there is a significant opportunity to unlock the prosperity of regional Queensland.

“The value that can be derived from thriving places means changing purpose of place should make business, in particular, think again about place’s potential as a driver of commercial success.

“Business needs increasing returns to deliver growth, and driving innovation and raising productivity grows profits and return on capital invested. Ignoring the dynamics of flourishing places, or failing to act as a place languishes, can lead to missed opportunities.”

Greig cited a number of examples where Queensland, through the actions of business and government, as well as communities and individuals, was taking the initiative and creating flourishing, and productive, places:

- **Brisbane Airport:** As a driver of economic growth and opportunity for Brisbane city, as well as the state as a whole, the airport is growing dramatically, in correlation with the growth of the city. More direct flights into and out Asia than ever before, and future forecasts showing further significant growth trajectory, will help catalyse prosperity for Brisbane and the wider area
- **Brisbane West Wellcamp Airport:** Australia’s newest, and first privately-funded airport, in Toowoomba is an example of business taking the initiative to help drive economic activity, jobs growth and prosperity. The Wagner family has opened up the region to previously untapped business and leisure opportunities, making it appealing for further investment
- **Springfield Lakes:** Australia’s only fully master planned city other than Canberra is a flourishing outer urban place located in one of the nation’s fastest growth regions. People living in Springfield have access to everything they need, making travel to Brisbane for work unnecessary. Local precincts cater for health, wellness and education needs, with a university, shops, schools and a hospital all digitally connected to the rest of the country and the world.

“Queensland has made real progress in investing in places where people want to live and work, and we can also see this in large-scale projects in the pipeline, such as Echo Entertainment’s Queen’s Wharf development in Brisbane, and Aura by Stockland, a new master planned community on the Sunshine Coast,” Greig said.

“But our focus also needs to be on rebuilding regional Queensland, in places like Dalby, Chinchilla, Blackwater and Moranbah, where property prices have crashed with the transition to the export phase of major resources projects, and as workers have left as job prospects diminished.”

Professor Harper said; “As Australia moves from farms and factories to the networks and ecosystems of a service economy, our living standards increasingly depend on economies of scale and the knowledge capital of creativity and innovation, generated by people living and working closely together.

“The challenge for Australia therefore – and particularly for governments and business – is to create and nurture places where people want to live and work, and then to catalyse a virtuous circle of economic prosperity, rising living standards, and a vibrant society and culture.

“Reconsidering the purpose of place is ultimately a call for collaboration among four groups that, individually and collectively, have so much to gain from creating flourishing places.”

## The framework

*The Purpose of Place: Reconsidered* presents a detailed framework that classifies place and identifies the forces and players that interact to create flourishing – as well as languishing – places.

### A five-way classification of regions:

1. Inner city – the CBD and adjoining inner metropolitan areas eg St Lucia, Brisbane
2. Suburban – the metropolitan areas that lie between the inner city and outer urban areas eg Dakabin, Brisbane
3. Outer urban – the interface between metropolitan areas and non-metropolitan areas eg Redland Bay, Brisbane
4. Regional cities – non-metropolitan agglomerations of at least 10,000 people eg Gold Coast
5. Rural and remote – the rest of Australia eg Atherton

### Ten often interacting and interdependent dimensions of prosperity in place:

*Inputs (the building blocks of prosperity in place)*

1. Human Resources – people power
2. Natural Resources – endowed wealth
3. Physical Capital – buildings and equipment

*Boosters (that influence the effectiveness with which inputs are applied)*

4. Social Capital – social connections
5. Innovation and Entrepreneurship – desire for the new and willingness to take risks
6. Leadership and Contribution – capacity and willingness to lead and collaborate

*Outputs (the things that make for flourishing places and prosperous lives)*

7. Material Standards – economic wellbeing
8. Health and Safety – physical, mental and emotional wellbeing
9. Natural Amenity – beauty of the surroundings
10. Local Amenities – convenience and accessibility of meeting everyday needs.

### Four dynamic forces that interact to catalyse flourishing in place:

1. People
2. Community
3. Technology
4. Governance

### Four ‘actors’ (with much to contribute, and much to gain):

1. Individuals
2. Businesses
3. Communities
5. Government

## Where to start

“The need to boost productivity growth to sustain rising levels of material welfare is clear. Our report is very much a call to businesses, governments, communities and individuals to collaborate, as each group has something to contribute, and much to gain, from creating flourishing places,” Professor Harper said.

Reconsidering the purpose of place begins with four questions:

1. What does flourishing look like?
2. Which of the 10 dimensions of prosperity most need to improve?
3. Which of the four dynamic forces will most likely catalyse a virtuous circle of prosperity?
4. How can each of the four actors best collaborate with the others to set the process in motion?

## Building the Lucky Country: Business imperatives for a prosperous Australia

Deloitte’s [Building the Lucky Country](#) series was launched in 2011 and has been developed to prompt debate and conversations across business and government on issues facing the Australian economy.

The four reports released previously are:

1. [Get out of your own way: Unleashing productivity \(2014\)](#)  
Australia is a lucky country, with a bright future. But we have a problem – and its colour is red. Red tape, that is.
2. [Positioning for prosperity? Catching the next wave \(2013\)](#)  
Where will Australia's future growth come from? How can business and government leaders make the right decisions to position for prosperity?
3. [Digital disruption: Short fuse, big bang \(2012\)](#)  
Australia's business and government leaders don't need to look far into the future to see the new wave of digital disruption headed towards them. It is already here...
4. [Where is your next worker \(2011\)](#)  
Australia's problem in coming years won't be a lack of jobs – it will be a lack of workers...

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