

SPEECH

Institute of Public Administration Australia: The Future of Perth – What sort of city are we planning for?

'Who are we planning for?' by Marion Fulker, CEO Committee for Perth,
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Opening Remarks

Perth was planned mid last century to become a central business district surrounded by four suburban corridors and we have executed to that vision perfectly. As you have heard from Eric and Charles, the new strategy is to increase density in appropriate locations to create new mixed use environments so that we can accommodate an increased population.

Expected to be a metropolis of 3.5 million people by 2050 this extensive growth will impact on Perth's physical and cultural environments so who are we planning for?

I am going to focus on challenging the assumptions about the Perth of the future in terms of how it will present itself locally as well as the global stage.

Firstly I confess to not being a technician unlike my fellow speakers today. A MBA does not give me the right to critique the plans of professionals. However, over the past decade I have worked in the property industry and run a think tank which focuses on the future of the metropolitan area. These roles have provided the opportunity to travel to many cities across Australasia, the UK and the US. Therefore my perspective comes to you as a lover of cities, a keen observer of them as a holistic organ - not just their physical presence but also their culture and context.

Secondly I admit to originally being a girl from Sydney who crossed the Nullabor in the mid eighties and cried when I saw Perth laid out sobbing 'is this it?'. Since those early days, I have watched Perth grow as an increasingly important capital city as well as a sprawling metropolis. A place of natural beauty that is geographically more relevant in this century than it was in the last.

Let's look at how high levels of sustained growth coupled with changing economic and social conditions and a radically dynamic global environment will alter who we are planning for...

I think we are all familiar with the population forecasts for Perth.

Based on the 2006 Census, Perth had a population of 1.4 million. Current ABS projections suggest the metropolitan region now sits at about 1.65 million people and will grow to between 2.4 and 2.9 million by 2031 and up to 3.5 million by 2050.

But:

- Who are these people?
- Where will they come from? and
- Why will they come?

Traditionally we have not thought much about the cultural make-up of future populations. We have also not given a large amount of consideration to Perth's global position or the impact on global trends on local planning. These are both issues I think we need to consider in planning for the Perth of the future.

Today, more than ever, high performing cities drive high performing regions and nations. So we not only need to think about who we are planning for – we need to be consciously planning to increase the competitiveness of Perth in the global market. Yes, this week we maintained our position as the 8th most liveable city on par with Adelaide, but Melbourne was in this position a few years ago and is now in 2nd place which has been part of a 25 year strategy to get out of the shadow of Australia's defacto capital city – Sydney which is losing ground.

My presentation will focus on these issues while also considering a couple of additional factors - principally the aging population, which we have all heard a lot about but are still grappling with; and the increasing divide between the haves and have nots.

To start thinking about our future population it is useful to recap on who we are today. As previously mentioned there are currently around 1.65 million people in the greater Perth region.

And according to the last Census data we have a median age of 36, with females just over half of the population. 29% of us identify as being of English ancestry and 25.5% consider ourselves of Australian ancestry so there is a dominance of white European heritage and Perth has the highest proportion of English born residents than any other Australian city.

However as a whole we are actually quite diverse. The Office of Multicultural Interests tells me that Perth has over 200 nationalities represented in our population and I think this provides a huge opportunity for us to be a more welcoming and tolerant city.

This is an opportunity we are yet to realise which may be due to a traditional desire for cultural uniformity stemming from our colonial past and the left-overs of the 'white Australia' and assimilation policy eras which we have not yet entirely shaken.

This has reinforced migration patterns which, overtly or not, have favoured migrants from the United Kingdom, Ireland and Europe – nations which have been considered to be a 'good cultural fit' with Australian values. Perth's development and lifestyle offering has matched up well with their needs and aspirations.

A good example has been new comers sharing our ideals of home ownership – a house with a backyard, as well as our love of space and our desire for access to lifestyle and amenity. As a result, despite our high level of immigration, there have been few discernable impacts on urban planning and policy.

The 1950s migration of Italians and Greeks as skilled workers represented a significant policy shift at the time and provided immediate positive benefit to our nation building and did not ultimately threaten or impact on our collective identity.

In fact, a man which I consider to be of great intellect, Bernard Salt, said in Perth last week - the ancillary benefit of this migration was that Australians became exposed to new foods. He gave a small example of a fundamental cultural shift believing that Mediterranean migration was the reason why we moved from a nation of tea drinkers to a nation of coffee drinkers in the 70s.

However the next major change in **who** we plan for will be fuelled by a migration shift which, Bernard Salt predicts, will result in the Asianisation of Australia. The community will be challenged by this as well as by changes in environmental and local economic and social conditions, all of which will have a big impact on the make -up of our communities and ultimately our future urban form.

The four key changes I am going to look at include:

- Changes in the economic and geographic structure of our local population;
- Population ageing and the need for skilled labour;
- Globalisation; and
- The rise of Asia.

Local economic and geographical structure

The first issue I would like to address is a growing divergence in our population.

This is a local issue which is already apparent in Perth. It is characterised by a shift away from an egalitarian Australia to one where there is an increasing gap between the 'haves and have nots' – geographically as well as economically.

The Committee for Perth seeks to speak from an informed perspective and through a research collaboration with the University of Western Australia one of our FACTBase bulletins reported that there is a 'shifting geography of economic stress' meaning that low income earners are being pushed to the fringes into areas where they can access housing that is more 'affordable' but only in an upfront sense. As suburbs sprawl ever outward communities can become isolated from employment and essential social services and incur increasing transportation costs to remain connected.

In Perth our areas of economic stress used to include inner and middle ring areas – the Balga's, Girrawheen's and Mirrabooka's. Today, our emerging areas of economic stress are those in the outer city limits places such as Two Rocks, Alkimos, Butler and Clarkson.

Not only is there an increasing gap growing between the wages of high and low income groups - there is also an increasing physical gap between where we live.

I think that this is of particular urgency not only because of the social problems it can cause but because people in the lower wage sectors are essential to the future of the city – they are the people we rely on - our teachers, nurses and our police who ideally should live within the communities they serve, as well as our retail and hospitality workers, our cleaners and labourers.

These people are essential to our economy but will struggle to cover their cost of living and many will be forced out to the fringes without policy intervention. You only need to reflect on the issues in Western Sydney that were top of the political agenda in the last Federal election to understand how strong the voices of the disenfranchised can be.

Recognising that this was a critical issue facing the city, the Lord Mayor has established a taskforce to develop a demonstration project that will provide affordable housing in the city aimed at key workers. At a broader policy level we need to make sure that increasing density creates new opportunities for low income earners to live in all parts of our community and have ready access to employment and services.

We are also experiencing a growing divergence in community attitudes and expectations.

There is the new globally connected, inner city, green conscious, culturally aware, globally connected group which are increasingly setting the policy agenda; while more traditional suburban and rural groups seemed focussed on keeping things the way they are.

In these ways our community is becoming more divergent and it is possible that as the population grows we will see increasing gaps in community expectations which will be an ongoing challenge for politicians and policy makers.

Ageing Population and Need for skilled labour

Those of us in government and on 'the Terrace' understand that Perth needs a workforce that contains highly skilled professionals as well as more workers for our service sector. And there is no

doubt that with an ageing population as well as a growing economy the only way that we will meet our workforce needs is through immigration, a policy set at the national level.

The Chamber of Commerce claims that WA will need an extra 400,000 workers most of which cannot be 'home-grown'. Research undertaken by ACIL Tasman shows that these people will predominately come from non-Anglo countries and this view seems inevitable when you consider factors of globalisation and the rising prominence of Asia and I will come back to this in a moment.

The impact of globalisation

According to Bernard Salt and prominent economist and strategic planner, Brian Haratsis, globalisation will have a number of predicted impacts for the Australian economy and population including:

- Integration with world economies based on free trade arrangements and industry labour market requirements and the beginning of a new intergenerational era defined by a rapidly ageing international population.
- Fast population growth.
- The need for major investment in infrastructure, particularly transportation and technology infrastructure.
- Re-urbanisation and densification.

They say that success of Australia is more dependent than ever on the 'movement' economy including freight, business travel, tourism, labour force mobility and migration.

The rise of high tech industries and highly skilled work forces in countries like India and China who have lower cost bases and vigorous economic growth also poses new challenges and risks for other nations including Australia. This means we need to think more about the competitiveness of Perth and make sure that it becomes more economically diverse; is rich in skills and human capital; has a very high quality of life; and is innovative and connected both technologically and physically.

The rise of Asia

Crucially, in addition to globalisation, the rise in the size and strength of the Asian economy could change the face of Australia and Perth in particular.

In 2009 China replace Japan as Australia's most important export market with exports valued at \$38 billion as compared with \$42 billion to China. Just two decades earlier Australian exports to Japan were \$13 billion and more than double the value of exports to our then next most important market, the United Kingdom at \$ 6 billion.

And the importance of this relationship is likely to increase. In his book Big Australia? Haratsis explains that eight of the top ten container ports in the world are located in Asia. He predicts that by 2025 it will be relatively easy to travel by road and rail from Europe to and through Asia, which could

result in strategic long-distance international corridors emerging across the Asian continent which could be advantageous to Australia.

According to Salt, there is the potential for regional centres such as Broome to achieve greater prominence, capitalising on the resource growth in the north-west as well as proximity to Asia. Having a major centre in the north will not compromise but rather strengthen Perth's role as the state capital.

Perth therefore has the potential to rewrite Australia's growth story as the world's most isolated capital city becomes the resource capital of Australia and the focal point for China-centric growth.

Putting this into context of **who** we are planning for, I believe that we need be realistic and acknowledge an impending shift in our immigration patterns away from a primarily UK based immigration towards a majority of Asian, Indian and Middle Eastern immigration.

There are a number of potential reasons for this including the obvious impacts of strong economic, geographical and transportation ties as well as an ever increasing number of middle class Asian and Indian immigrants seeking improved standards of living and quality of life. There is also predicted to be a wave of middle-eastern immigrants.

There will be a need for Australia to attract young workers in order to counter-act the burdens of an aging population. It is likely that we will need to look to countries such as India and the Middle East, for both high and low skill workers because according to ABS predictions, these are two of the only regions which will retain relatively young population bases.

Globalisation will also continue to change the way we work, with more and more of us using technology to work across traditional nation boundaries and time zones, we will be travelling more for work and moving from city to city and country to country throughout our career.

Conclusion

So, putting these changes together, I think we are planning for a very different Perth in the future.

- It is a Perth that is bigger with up to 3.5 million residents.
- It is a Perth that is older – with a predicted median age in 2050 of about 45 years.
- It is a more multicultural Perth, with a reduced dominance of residents of Anglo-Saxon heritage and a growing number of Asian, Indian and Middle Eastern migrants.
- It is a Perth rising to the challenges of economic and cultural divergence and seeking to avoid ghettos and cultural exclusion.
- It is a capital city of increased corporate power due to very substantial economic opportunities arising from our natural resource wealth; time zone and proximity to Asia.
- It is a city whose population travels more than ever before.

- It is a Perth which has ample work opportunities for young people but is one in which they still might struggle with meeting traditional aspirations such as home ownership due to high costs of living.

The implications for planning and policy today

So we need to plan for a city with more diverse needs, culturally and spatially.

- We must promote tolerance in our city and this should begin with acknowledging respecting and celebrating Aboriginal people and their culture. I feel that unless we can reconcile with our first nation people we are less likely to welcome and embrace others.
- We need to look to best practice models from other multi-cultural cities to seek ways of positively embracing cultural change and the best example in Australia would be Melbourne that celebrates and leverages its racial diversity.
- We need to make an effort to understand new migrants and their needs, which might be different to the cultural needs that we have traditionally planned for. It might mean planning for different types of housing, health services or retail opportunities, however I think that in order to enable a multicultural city to thrive **all people** need to feel welcome, understood and included.
- We need innovative strategies for affordable housing provision across **all areas** of Perth – not just in the cheapest areas - to make sure that lower income households retain access to employment and services which will go some way to breach the gap between the ‘haves’ and ‘have nots’.
- We need to develop nodes of activity to accommodate mixed use and higher density housing while protecting the amenity and character of established lower density suburbs. Our activity nodes should truly be mixed use live, work and play environments. If we want vibrant areas with restaurants, bars and cafes as well as residential we should be thinking about how we manage issues such as noise up front – and maybe we just need to get brave and take a buyer beware approach. If you want to live near cafes, restaurants and nightclubs – it is going to be noisy.
- We need more medium and high density housing to enable more compact urban forms; to meet the needs of our shrinking household sizes; and to provide entry level properties for young people seeking to get into the market.
- We also need to develop new and innovative housing typologies. We know that our population is ageing and there is growth in couple and single person households yet 3x1s and 4x2's dominate the housing stock. With factors such as the increasing cost of housing; inadequate provision of aged housing and aged care; as well as a desire to remain within

proximity to employment and services means that the current stock won't meet the majority need. The future could see more families move in together – 1950s style, in order to afford housing in their preferred location and so that younger family members can take care of their elderly relatives. This may lead to demand for more houses accommodating separate residential forms - housing typologies which may also suit parts of the new migrant community who could look to retain their traditions of living with and supporting their extended family.

- Similarly we might see a rise in Asian-inspired housing design with more emphasis on fung-shui than home cinemas.
- Crucially our governments must invest in appropriate infrastructure such as education, technology and transportation that keeps pace with population growth and allows us to grab economic opportunity.
- Perth needs to develop a high quality vision and associated brand to assist us to position ourselves in the highly competitive global market place and take our citizens on the journey.

In closing, I feel that Perth is at a significant fork in the road – one where it could seize the abundance of opportunity before it or squander it all.

I want to live in that first city and this will take visionary planning, diligent implementation, political courage, leadership from all facets of the community and individual action to make Perth the best it can possibly be – the most highly liveable and globally important city in the nation.