

Final Committee for Perth responses to IWA Discussion Paper.

(Noted that responses have been inserted into online submission form).

1. What do you think the implications of the pandemic for infrastructure will be in the recovery phase and over the medium and long-term? Do you see any new opportunities or challenges?

The Committee for Perth has examined available information regarding the impact of the COVID-19 pandemic on workplaces and the workforces as part of our new major project examining the Future of Work. It found some evidence regarding the short term impacts of the COVID-19 pandemic, yet determined that the medium to long term impacts are not yet known.

Reports of the impacts of COVID-19 on infrastructure to date are strongly associated with the adaptation to working conditions in a restrictive or lockdown environment and reflect an acceleration of trends already in place. This includes rapid adoption of existing technologies and cloud computing; increased use of video conferencing services, online shopping, online education and delivery services. As a result, expansion is occurring in sectors associated with ICT infrastructure and delivery, increased pressure is being placed on ICT infrastructure and expectations regarding access to high quality ICT infrastructure has increased.

The degree to which these trends will persist in the longer term is not yet known. Research undertaken in New Zealand during COVID-19 lockdown periods indicates that 73% of workers reported being equally or more productive while working from home, and that 89% want to continue to work from home at least part of the time post lockdown (O’Kane, 2020).

If trends towards remote working are maintained they could have benefits for workers including heightened productivity (due to reduced travel time), increased workforce participation, particularly among females, and enhanced capacity for Greater Perth to compete in global markets.

It is also apparent that if this continues, the notable decline reported in the use of public transport and travel to major employment centres will be retained, yet to an unknown extent. Both the COVID-19 pandemic and the predicted global recession could also place considerable pressure on social services. This includes access to affordable housing and accelerated demand for services such as tele-health.

Committee for Perth research also highlights that there is potential for the COVID-19 pandemic and associated recession to speed up the adoption of new technology within the workforce and this could have an impact on the types of jobs available and could lead to a mismatch between available jobs and the skills available in the workforce. This could heighten demand for education and training services as people seek to re-train and upskill to obtain employment.

2. Are there early learnings resulting from the pandemic around the resilience of our economy and our infrastructure that we should consider as we develop the Strategy?

Infrastructure planning should consider the potential impacts of the COVID-19 pandemic on infrastructure demand however, as previously outlined, the medium to long term impacts of the pandemic are not known.

The only viable way to factor potential impacts into infrastructure planning and decision making is therefore to apply a scenario based planning approach to ensure that infrastructure decisions are robust, flexible and responsive to changes and challenges.

In this regard it is important for the strategy to consider both high and low population growth options for the state and options which consider a relatively rapid return to pre-COVID economic and business conditions, and options which consider medium to long term impacts if social and economic activity remains repressed in the medium to long term.

Under all scenarios, strategies should aim to maximise Western Australia's economic resilience. Committee for Perth research undertaken as part of the *Bigger and Better Beyond the Boom* project has found that Greater Perth's economy has exhibited relative resilience over the past half-century yet it remains reliant on the mining and resources sector and lacks diversity. While this has arguably been a strength for WA during the COVID-19 pandemic, the pandemic has highlighted that a lack of economic diversity can be a major disadvantage during periods of economic shock and change.

The *Bigger and Better Beyond the Boom* final project report, *Perth's Pathway to Prosperity*, highlighted the need for a more diverse and resilient economic future, and identified infrastructure investment as a key component of this.

WA's economy remains heavily dependent on the mining and resource sector, but the sector has become more diverse, technologically advanced and innovative, providing new opportunities for a resilient, productive and innovative economy, but also challenges, such as a shift in the types and location of jobs available within these industry sectors. Investing in infrastructure to support innovation in the sector including education and training, connectivity and communications infrastructure to assist the workforce, including regional workforces, to adapt to shifting demand for skills is therefore important.

WA is also home to primary and 'bright light' sectors and industries with capacity and/or a need for growth and innovation, including agribusiness and ag-tech; professional, technical and scientific services; higher education; tourism; recreation and creative services; health and social services (including aged care); and advanced manufacturing, and there is an opportunity for collaborative action to facilitate the short and long-term growth of these sectors.

Infrastructure will be needed to support growth in these sectors including transport and connectivity infrastructure, communications infrastructure, education and training infrastructure, hospital and health infrastructure, tourism and cultural infrastructure and investment in infrastructure to support and enable research and development such as facilities needed for scientific research.. The IWA Infrastructure Strategy should identify and consider the infrastructure needs of potential growth industries and aim to support infrastructure projects which address these needs and will build economic diversity in WA.

Committee for Perth research also indicates that the productivity of employment hubs is supported by connectivity including access to strategic transport infrastructure including roads, public transport, port or airports; connectivity to specialised technology, science or innovation clusters; and ICT connectivity. Strategies to build economic resilience should therefore consider strategic infrastructure investment and planning to increase accessibility and connectivity.

3. What elements should a well-developed 20-year Strategy include?

The strategy should aim to provide leadership to address key problems facing Western Australia and facilitate the development of the infrastructure required to support Western Australia's future economic growth and competitiveness.

Develop the strategy to improve Perth and Western Australia attractiveness and respond to:

- Population growth.
- Economic growth and diversity
- Urban competitiveness and liveability
- Social inequality and social infrastructure needs
- Arts, culture and tourism opportunities
- Smart technology
- Information and communications technology
- Connectivity (multi-modal transport and digital)
- Sustainability
- WA's shift to clean and renewable energy sources
- Future industry and workforce needs

The strategy should be evidence based and include:

- Widely sourced evidence regarding the outlook for/and challenges facing Western Australia in the short, medium and longer term across social, cultural, environmental and economic spheres including population, social, cultural, economic and technological change and the current state of infrastructure in the state.
- Infrastructure objectives, strategies and priorities which are directly linked to addressing key challenges for Western Australia's future and taking advantage of strategic opportunities.
- Unique challenges, opportunities and strategic priorities for each region in Western Australia.
- Clearly outlined principles, processes and milestones for community involvement in decision making.
- Processes, strategies and actions to ensure interagency collaboration at all stages of decision making and development.
- Strategies and actions which aim to build capacity for quality business case development within government agencies.
- Strategies for infrastructure funding and financing, including the identification of new and innovative funding mechanisms.
- Processes and timelines for regular monitoring and review of the strategy.
- Outline of process for parliamentary approval of the strategy.
- Strategies to achieve bipartisan support to give it longevity beyond political cycles.

4. Are there any additional or alternative principles that should guide the development of the Strategy?

It is our view that in addition to the principles identified in the discussion paper, the strategy should aim to be aspirational and set Western Australia on a pathway to a more prosperous, innovative and resilient future. To achieve this the strategy should identify a vision and aspirational objectives for the Western Australian economy, environment, culture and society and for the quality of infrastructure and services in the state.

5. Are there other strategic issues that we have not addressed that should form part of these objectives?

Key additional issues which we believe should be included in the strategy objectives include:

- Focusing infrastructure investment toward the integrated delivery of land use, transport, economic, social and cultural goals.
- Building a diverse, innovative and resilient economy
- Facilitating a shift to renewable/clean energy
- Supporting and enabling technological advancement in industries and workplaces
- Maximising urban competitiveness and liveability
- Enhancing multi-modal connectivity in urban locations
- Delivering smart and efficient infrastructure solutions
- Responding to demographic change
- Improving infrastructure planning and co-ordination
- Establishing WA as a technologically advanced, innovative and future focused state.
- Facilitating the development of strategic, networked hubs in Greater Perth as multi-modal centres of employment, innovation, technology and urban living.

6. What are the macro trends that you see as important over the 20-year timeframe? What risks or opportunities do they provide to the Strategy?

There are multiple macro-economic, demographic, socio-economic, environmental, geopolitical trends which should be considered as part of the strategy. These include population ageing, technological advancement, labour force change, shifting workforce structure, climate change, urbanisation and global instability. There are widespread opportunities and challenges associated with these trends, some of which are outlined below. The strategy should aim to identify ways in which infrastructure investment can assist to capitalise on key opportunities associated with global megatrends and address key challenges.

| | |
|---|---|
| Technology, Innovation and Digitisation | <p>Opportunities: Emergence of new high value industries and businesses. Technology driving innovation, productivity growth and rapid change within core WA industries including mining and energy, agriculture, manufacturing, retail, health and social service sectors. New, high-value jobs. Smart, efficient infrastructure and infrastructure management. Demand for new commodities such as metals and minerals for high-tech componentry. Competitive advantage through innovation. Shift toward working from home and new communications technology increasingly enabling remote work and reducing pressure on infrastructure, notably urban transport infrastructure.</p> <p>Challenges: Decline/headwinds facing some traditional industries, notably retail and traditional manufacturing. Reduced demand for some skills and particularly for low skilled labour. Reduced demand for labour in regional areas (such as on mine sites) Ongoing 'disruption' to existing industries and businesses. Relatively low global rating against innovation and 'smart city' indices. Increased demand/need for quality ICT infrastructure.</p> |
| Climate Change and Shift to Renewables | <p>Opportunities: Abundant natural/renewable energy resources. Substantial natural gas reserves. Development of new clean energy businesses. Secure, reliable long-term energy sources. Opportunities for export of renewable energy. Improving battery technology.</p> |

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|--|---|
| | <p>Growth in solar energy.</p> <p>Challenges: WA and Perth remains highly fossil fuel dependent and is perceived as a climate change laggard. Fossil fuel displacement over time. Projected rising temperatures and extreme weather events. Increasing resource scarcity.</p> |
| Social Change and Urbanisation | <p>Opportunities: Population becoming more urban - 8 in 10 West Australian's now live in Perth – delivering opportunities for Perth. Population ageing will provide new opportunities in aged care, the health sector and real estate. High birth rates in Africa and India (the Indian Ocean Rim) will generate new economic opportunities.</p> <p>Challenges: Population decline in the regions. Ageing population. Increasing proportion of 'dependents' compared to people of working age. Increasing global competition to attract people of working age. Higher cost of aged care. Stress on the health system. Shifting in work conditions towards contract, part-time and flexible work. Pressure on urban infrastructure and environments from population growth, increasing economic activity and demographic change.</p> |
| Globalisation, Rise of Asia & Geo-political Forces | <p>Opportunities: WA is perceived as highly liveable on a global scale. Increasingly globally connected, and corporate and trade connections with countries in Asia, Africa and Indian Ocean Rim have expanded. Improvements to connectivity - physical and information/ communication. Abundant natural resources. Opportunity to export services. Increased demand for education and tourism services (pre-COVID-19). Demand for commodities and agricultural products in growing economies. Ongoing dispersion of production processes leading to further specialisation. Strong store of base minerals. Ongoing commitment to free trade. Security of supply of safe, healthy, sustainable produce. Stable government.</p> <p>Challenges: Increasingly competing with other capitals in Oceania and Asia to attract investment, business, skilled people and visitors. Heightened global competition in service, technology and processing industries. Increased competition to attract and retain talented and skilled workers. Income inequality. Addressing underperformance in attracting international students and visitors. Reduced global economic growth, particularly in developing countries. Economic instability.</p> |

7. How can regions work together to identify and deliver large-scale opportunities, projects and programs which extend across regional boundaries?

Inter-regional collaboration could be assisted through the development of a collective vision and objectives for infrastructure in Western Australia combined with processes requiring and enabling inter-regional co-operation as part of the development of major infrastructure projects. It is our view that infrastructure projects should aim to deliver cross-boundary benefits.

8. What do you think are the greatest infrastructure needs and priorities across the regions and Perth?

The Committee for Perth has not undertaken research to identify infrastructure priorities in regional Western Australia, however we have identified infrastructure priorities for Greater Perth through major research projects including *Hashtag Perth*; *Bigger and Better Beyond the Boom* and *Get a Move On!*.

A summary of infrastructure priorities identified through these projects is provided below.

1. The development of World Centre for Indigenous Culture in central Perth as a living centre of First Nations People.
2. Develop innovation clusters with an anchor industry.
3. Invest in public transport infrastructure to connect key hubs/clusters of employment, innovation and higher density living, initially focusing on six key hubs: Subiaco, UWA/QEII, Curtin/Bentley Technology Park, Fremantle, Murdoch and Joondalup.
4. Provide a long-term plan for public and active transport in the Perth and Peel region supported by political commitment, funding, and cohesive action by State and local Government.
5. Invest in improving amenity and services to support inner city living.
6. Establish the Perth City Centre as an education precinct.
7. Implement 'smart city' initiatives for infrastructure efficiency and improved liveability and urban competitiveness.

9. How can declining population in some regions be slowed or reversed?

The Committee for Perth has not researched population growth or decline in regional Western Australia however it is our view that opportunities to halt or reverse population decline will differ significantly by region. Issues identified by the Committee for Perth Reshaping Working Group as important for regional Western Australia include connectivity and isolation (improving access to regional Western Australia through direct air connections and improved road and rail) as well as enhancing digital connectivity.

10. Should Western Australia have a second major city of more than 200,000 people? Which of the State's existing centres should become a second major city and why?

The Committee for Perth has not undertaken research regarding a second city in Western Australia however it is evident that there are few cities in Australia (with the exception of state and territory capitals) with populations exceeding 200,000 people. It is therefore evident that, without a clear economic driver, the establishment of a second city with a population exceeding 200,000 could be difficult to achieve. Therefore the potential for, and possible benefits and costs of developing a second city in Western Australia should be carefully assessed based on evidence.

This evidence includes consideration of the current size of populations in centres outside Perth and Peel; economic drivers for growth within these centres; drivers for population growth; opportunities for and constraints, challenges and costs associated with growth; and the degree to which development of a second city would assist in meeting economic, social, cultural and environmental objectives for the state.

11. What, if any, other infrastructure sectors should be addressed in the Strategy?

The list of infrastructure sectors identified within the document is considered comprehensive.

12. How should the Strategy address private sector infrastructure requirements?

Private sector infrastructure requirements are part of the mosaic of infrastructure needs in the state and should therefore be considered as part of the strategy. The strategy should also consider private sector and not for profit sector infrastructure providers and the capacity of the private and not for profit sectors to deliver key infrastructure needs in the state.

13. How can the Strategy assist to coordinate and integrate across infrastructure sectors? What interdependencies do you consider most important?

A primary role of the strategy should be to coordinate and integrate infrastructure across sectors and to provide a unifying vision and objectives to unite government agencies towards delivering projects to achieve common goals. Co-ordination will be needed at a state and regional level.

The Committee for Perth has consistently identified lack of a unifying vision, combined with poor cross sector integration or collaborative/co-ordinated infrastructure planning as a core weakness of infrastructure planning in the Perth and Peel region.

Issues associated with infrastructure planning and delivery in regional Perth and Peel include the lack of a unifying regional vision, local government fragmentation, inefficient service delivery, inequity between authorities and a lack of cohesion in the objectives and actions of regional agencies. This has led to disparities in resources and levels of service and has limited the ability of all levels of government to effectively address regional issues or plan for future regional infrastructure.

The 20-year Infrastructure Strategy can assist in addressing these weaknesses by providing a shared vision and objectives for infrastructure provision, supported by long-term, bi-partisan political commitment. This will assist in ensuring that infrastructure investment by all agencies is guided towards the projects that will deliver the highest impact and are consistent with broad economic, social, cultural and environmental objectives for the state and region.

Interdependencies of highest importance in the Perth and Peel region include transport, land use (housing, education, health and employment) and digital technology and communications.

14. Do the opportunities and challenges identified in this section reflect the most important and/or pressing matters in each sector?

The opportunities and challenges identified in the Discussion Paper provide a broad overview of the pressing matters in each sector however it is noted that in a large and diverse state such as Western Australia, opportunities and challenges will differ substantially across different regions in the state. It is our view that the strategy will need to consider and rank specific sector based opportunities and challenges within different regions and prioritise investment in infrastructure accordingly.

15. Are there particular aspects of infrastructure provision in these sectors which you think IWA should focus on?

As previously outlined, it is the view of the Committee that infrastructure needs within each region will differ that this should be reflected within the sector priorities for each region.

Committee for Perth research prepared as part of the *Get a Move On!*, *Bigger and Better Beyond the Boom* and *Hashtag Perth* projects indicates that, in Greater Perth, IWA should focus on ensuring that infrastructure supports the development of economic resilience and

diversity as well as promote resilience, innovation, technological advancement, multi-modal accessibility and sustainability within each sector.

16. In what way do you think the core sectors may change (for example, emergence of new sectors, or shifts in the importance or significance of sectors) over the life of the Strategy?

Committee for Perth research does not suggest that core sectors will change over the life of the strategy yet published forecasts indicate that there is potential for the significance of some sectors to increase. Sectors that are expected to rise in importance due to technological, demographic and lifestyle trends include:

- Health and social assistance.
- Education and training.
- Energy, particularly renewable energy.
- Digital connectivity and telecommunications.
- Arts, culture and recreation.

Supporting evidence regarding growth in these sectors is available in Committee for Perth research documents including *Perth's Pathway to Prosperity* and *FACTBase Bulletin 70: Has the Future of Work Arrived?*

17. What are your thoughts on the proposed methodology to develop the Strategy?

The Committee for Perth generally supports the methodology proposed for the preparation of the strategy however it is our view that a strong shared vision for the state should underpin the strategy, along with comprehensive and aspirational objectives. This vision and objectives should form the foundation for the assessment and prioritisation of projects.

18. What approaches can IWA take to compare and assess priorities across different sectors, regions and issues? What prioritisation criteria should be applied?

The Committee for Perth would support the identification of sub-regional objectives and priorities as part of the strategy. These objectives would recognise the specific opportunities, challenges and investment priorities of each region within WA and allow the prioritisation of projects that best meet regional needs.

19. To what extent should IWA consider the potential for infrastructure to directly promote new economic development and diversification (including in the regions), as opposed to improvements in core service delivery?

Quality infrastructure provision is a core component of economic development and diversification and it is our view that this should be a core objective of the strategy and a fundamental factor against which infrastructure projects are assessed and prioritised. The weighting provided to economic development and diversification compared to other social, cultural or environmental objectives should be based on the breadth of strategic objectives, and regional priorities which should consider the unique opportunities, challenges and priorities identified for each region.

The *Perth Perceptions Survey*, undertaken for the Committee for Perth in 2012, 2015 and 2018 has identified public transport, safety, education, economic growth and diversification, health and welfare and housing as top priorities for infrastructure investment in the Perth and Peel region, as outlined in the table below.

| Q7.Thinking of the future, how important do you rate the following values and characteristics to Perth's future | Average proportion of respondents who identified characteristic as extremely important |
|--|---|
| Efficient public transport system | 82% |
| Safe | 82% |
| Good educational facilities | 81% |
| Strong economy | 80% |
| Good health & welfare systems | 79% |
| Range of suitable housing choices | 76% |
| Diverse economy | 71% |

Perth Perceptions Survey 2012 n=505, 2015 n=520, 2018 n=613

20. What is an appropriate significance threshold to apply, to enable a focus on larger and more strategic infrastructure? Should it vary across different regions and/or sectors and, if so, how?

The Committee does not have evidence available to provide a considered response to this question. As a guide however, it is suggested that criteria is developed rather than a dollar value applied.

21. What specific scenarios should IWA consider from a top-down perspective, particularly as part of its 11 to 20 year outlook?

Scenario planning should consider a range of high to low growth population, economic, social and cultural outcomes taking into account best to worst case scenarios for the management of:

- COVID-19 (assuming an effective treatment or vaccine is not available prior to the strategy development);
- COVID-19 associated economic recession.
- Climate change;
- Technological changes, the adoption of technology (within and outside the workplace) and associated impacts on infrastructure requirements and demand.
- Geopolitical instability.
- Globalisation and/or a global shift towards nationalism.

22. Do you have any comments about the proposed engagement approach?

Committee for Perth research has established that consultation and engagement with the community is important for ensuring that projects obtain broad community support and that decision making can be supported by political leaders.

The Committee's 2019 *What We Thought Would Kill Us Learnings and Recommendations* report identifies ten core recommendations for community engagement at all stages of an infrastructure or development project from long term strategic planning to project planning, project assessment and implementation.

The research found that long-term, bipartisan strategic plans for infrastructure are important to provide a clear vision, goals and objectives for future growth and investment. This research indicates that developing robust, long-term plans and providing opportunities for meaningful community involvement in the strategic planning process can improve transparency and build public and political support for future land use change and development. In this regard we suggest that, in addition to stakeholder engagement, IWA

directly engages with the community, particularly by providing opportunities for community input into the development of the strategic vision and objectives.