
BUNBURY SCENARIO PLANNING

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PROJECT BACKGROUND

The Regional Centres Development Plan (RCDP) initiative is about supporting the long term economic and population growth of the Regional Centres and SuperTowns identified in the Western Australian 2013 State Planning Strategy through the preparation of Growth Plans for nine Regional Centres and their catchment areas.

Regional Centres and SuperTowns are critically important to the Western Australian economy, providing a focal point for economic activity and opportunity across a range of industries. The first four Regional Centres are Broome, Greater Bunbury, Geraldton and Kalgoorlie. In the second stage of the process Growth Plans will be prepared for the Regional Centres of Albany, Busselton, Carnarvon, Kununurra and Mandurah.

Growth Plans are place based socio-economic development strategies that address a Regional Centre and its catchment area, and provide a vehicle for communities to set the direction for their future growth. The aim of a Growth Plan is to strengthen a Regional Centre's strategic positioning, attract business and investment, support the growth of competitive industries, and build a better place to live for existing and new residents.

The Scenario Planning stage is designed to explore future drivers and scenarios that have the potential to impact on the sustained growth of the Regional Centres, and work through a process of identifying solutions and opportunities to understand the future and assist communities in making more informed and better decisions about the future.

SCENARIO PLANNING WORKSHOP SUMMARY

A half day scenario planning workshop was held in Bunbury on 9th August to explore responses to the strategic challenge:

How does Bunbury position its economy and community for sustained future growth?

The workshop was designed to achieve the following outcomes:

- To stimulate thinking about why and how society is changing and how these changes might influence future economic and social attitudes, behaviours, wants and needs
- To develop a shared understanding of the future challenges and opportunities these changes present to the Bunbury economy and community
- To assess implications for Bunbury's priority Growth Drivers against plausible future scenarios
- To build regional understanding and capability around scenario thinking and planning

The workshop process followed three logical steps:

1. Identifying those factors in the external environment (drivers of change) which could have most impact in shaping the future of Bunbury's priority Growth Drivers
2. Generating two scenarios which describe the different impacts the most significant drivers of change could have on Bunbury's future economy and community
3. Assessing the implications (challenges and priorities) of these scenarios for Bunbury's priority Growth Drivers

BUNBURY SCENARIOS - DRIVERS OF CHANGE

Drivers of change are the external forces or factors (trends) which provide the over-arching logic and general direction of a scenario. Obviously there are a multitude of factors which could impact Bunbury's future. Sorting through these forces and determining those considered to be most significant in terms of their potential to impact Bunbury's future was the first task of building the scenarios.

Accordingly, there was much discussion around those drivers of change considered significant in terms of their potential to impact the success or otherwise of Bunbury's priority Growth Drivers. These drivers included the following:

- Relationships with trading partners / regional stability
- Workforce automation
- Climate change
- Urbanisation
- Land availability
- Population growth
- Ageing population
- Traditional and emerging industries
- Social integration
- Volunteering
- Government budgetary pressures
- Environmental sustainability
- Technology

Given the workshop was focused on the longer-term future, it was important to acknowledge the uncertainty associated with this scenario horizon. Accordingly, each of the key drivers of change was expressed in language that reflected their uncertainty:

- The extent to which we embrace global markets
- The extent to which we achieve social integration
- The extent to which Bunbury can be a genuine alternative to Perth
- The extent to which we balance environmental sustainability and resource use
- The extent to which population growth facilitates economic outcomes
- The extent to which we embrace emerging opportunities to grow traditional and new industries
- The extent to which infrastructure and service investment meets the needs and expectations of community and business.
- The degree to which the urban environment matches community expectations
- The extent to which suitable land is made available for development
- The effectiveness of our response to climate change

Of these uncertain factors, the uncertainty that was considered most significant in terms of its potential to determine the future success of Bunbury's priority Growth Drivers was:

The extent to which Bunbury embraces global markets

Two scenarios were then developed to explore alternate responses to this uncertainty; one scenario in which Bunbury is successful in embracing opportunities presented by global markets, and another in which it is not.

SCENARIO 1 - FEATURES AND CHARACTERISTICS

This scenario presents Bunbury as a globally connected economy driven by high levels of economic and social participation as a result of proactive relationship building and economic development facilitation since 2016.

Significant features and characteristics of this scenario include:

1. Diverse economy facilitated through proactivity

- Value add opportunities have been identified and a holistic approach to supply chain development is creating opportunities for a diverse mix of small and large businesses across the region.
- An environment has been created where entrepreneurs are able to commercialise innovative opportunities matched to the needs of growing global markets.
- A strong focus on education and training has been created that assists in the development of local business capabilities.
- Tourism is a strong and sustainable industry driving a mix of global and domestic opportunities.
- Value add opportunities associated with food processing continue to be identified and developed helping to ensure local producers are identifying and taking advantage of new and emerging markets.
- There has been a strong focus on promoting the region's economic capabilities, resulting in an increased global profile and the development of sustainable export opportunities for local businesses.
- There has also been an increase in imports, especially in the areas of tourism and international education.
- Strong local business leadership has helped to drive new opportunities for the region.
- Bunbury has built strong global relationships through active participating in identified global target markets.

2. Community cohesion

- Greater social and economic participation leads to high social integration and community cohesion.
- Increased social participation leads to greater demand for recreational facilities and services
- Bunbury is a culturally diverse and socially aware community.
- Bunbury is a highly engaged community that is actively participating in community life.
- Population growth has facilitated increased service provision, driven infrastructure growth and helped to facilitate sustainable jobs growth.
- Bunbury as a culturally diverse community has an increased level of languages spoken and a greater level of cultural understanding and awareness.

3. Globally connected relationships

- Global relationships have been fostered and the profile of Bunbury on the international market has increased as a direct result.
- Government has played an important role in opening doors and facilitating opportunities for business.
- The Bunbury “brand” is globally recognised for its quality and premium products and services.
- Bunbury is aware of its position in the global market through advanced relationships and market awareness capability building.
- Formal relationships have been established with identified global target markets.
- Government is supportive and responsive to the global market opportunities for local businesses.
- Government priorities are aligned to the needs of businesses, which is being driven through improved levels of government department integration.
- Political leadership is strong in the Bunbury region, which is resulting in tangible and sustainable outcomes for businesses.
- Red tape has been reduced and government processes are facilitating positive change and opportunities.

4. Integrated community development

- Jobs growth is occurring in precincts that are being developed around villages.
- There is a strong focus in these villages on sustainable transport, including park and ride areas and passive commuting options.
- Increased global connection has facilitated a diverse economy, with sustainable business precincts being established closer to where people live, and resulting in a highly diverse workforce.
- An improved public transport network has increased the level of commuting within the region for work purposes.

5. Economic and environmental values aligned

- The community’s attitude to protecting and preserving the environment underpins economic growth and diversification.
- There has been an increased focus on attracting and developing industries that contribute to a clean and green environment.
- Research and development into environmental management and sustainability is prominent.
- The environment is viewed as a resource, not a constraint.
- Land is available to sustainably achieve jobs and population growth.

6. Technology is driving a sustainable and cohesive community

- Technology has led to the development of clean energy production opportunities.
- Bunbury is a digitally connected community facilitating opportunities for economic diversification and growth.
- Supply chains have become more effective and efficient as a result of technological advances in transport and logistics.
- Increased levels of education participation have been driven by advancements in technology.

- Greater cultural and social cohesion is being achieved through improved communication and language technology development

SCENARIO 1 - CHALLENGES AND PRIORITIES

This scenario provided the backdrop against which challenges and opportunities were assessed for positioning Bunbury's economy and community for the future.

Challenges to Bunbury's economy and community in this scenario include:

- For local businesses to embrace and take advantage of opportunities associated with operating in the global market there is a need to build local capabilities and provide education opportunities to facilitate this growth and expansion.
- Need to build a greater level of understanding about the needs and methods of doing business in global target markets.
- Need to develop strong relationships at a local level to ensure all stakeholders are aware of their role in the supply chain, and how this flows on to the opportunities in global markets
- Build an understanding in the local business community about the global market opportunities, and develop a strong culture of support for this focus.
- Smaller businesses won't necessarily understand how they can participate in global markets on their own. Based on this the challenge is to assist smaller businesses to understand how through cultural awareness and education, partnerships and building economies of scale that businesses of all sizes can participate in the global market.
- Focus on mutually beneficial global opportunities. If the relationship is viewed as one way then the benefits won't be sustainable.
- It is important to understand that generating outcomes from relationships in global markets is not a short term strategy, a long term approach needs to be taken to build strong relationships that will lead to tangible and sustainable outcomes.
- Need to be aware of and manage community perceptions relating to growth and change.
- Priority infrastructure requirements (e.g. Port of Bunbury) to facilitate global opportunities need to be identified and addressed.
- Identify and remove barriers (e.g. red tape policy and process) that negatively impact on opportunities for local businesses to operate globally.

SCENARIO 1 - CHALLENGES AND PRIORITIES (CONT.)

Success for Bunbury's economy and community can be enabled in this scenario by prioritising the following:

- Establish industry networks that help to build economies of scale and facilitate the opportunity to work collaboratively in a “co-op-etitive” environment where businesses are working together and driving each other forward in a positive and proactive way to deliver global outcomes. A good example of this currently is the Southern Forests Food Council.
- Need to focus on identifying target markets and then establish and maintain a strong presence in those markets to build profile and strong relationships that lead to outcomes.
- Need to identify government controlled red tape/ process related challenges that are impeding businesses ability to operate in the global market and where possible remove the barriers or facilitate more efficient and effective processes that support business growth.
- Need to identify catalytic infrastructure requirements that will help to facilitate mutually beneficial global outcomes and develop a strategy to deliver required outcomes.
- Build a communications and engagement strategy to bring business stakeholders and the broader community on board with this focus on global markets. It is important though not to wait for full engagement, make a start and then encourage more stakeholders to participate as they understand the opportunities and benefits of being involved.
- Need to build a strong understanding of what is required to be successful in identified global target markets. Based on this understanding build awareness and capability across the business community to establish the right foundations and focus on high levels of communication to establish buy in and ownership from the business community.

SCENARIO 2 - FEATURES AND CHARACTERISTICS

This scenario presents Bunbury as a community and economy that has been impacted by a deterioration in global political relations and increased trade barriers. In effect, this scenario is an outcome to an international backlash against globalisation. As a result, the world is a more inward-looking place in this scenario.

Factors which have contributed to this scenario include:

- Escalating friction between global superpowers over disputed territories and trade routes with the ultimatum delivered to strategic partners, *“You’re either with us or against us”*
- Domestic populations across the world calling for a harder line on illegal immigration and border control
- Rising xenophobia in response to job losses and lack of real wage increases blamed on globalisation and workforce automation
- The rise of ‘populist’ politicians appealing to the demands of their people to *“put them first”*

Exacerbating the impact of greater trade barriers is the increased competitiveness of the international environment through the rise of developing countries who now present as genuine trade competitors in beef and energy, and the development of technology which has made Australia less competitive in previous industry strong holds such as food and minerals.

As a consequence of these outcomes, the Bunbury economy has a much greater domestic focus. Opportunities for international trade are limited, the minerals industry has closed down, causing thousands of job losses, and there is an excess supply of traditional exports.

In 2016 we are seeing various signals of this scenario unfolding:

- Brexit vote
- The nomination of Donald Trump as Republican party nominee for the 2016 US election
- Territorial disputes, island building and increased naval patrols in the South China Sea
- Growing dissatisfaction with establishment politics and the rise of populist politicians and minor parties across the world
- Increased security checks in response to acts of terror and terrorist groups

Significant features and characteristics of this scenario include:

1. Low Business Confidence

This scenario describes a low growth / negative growth economy. International trade barriers have combined with workforce automation to produce a depressed Bunbury economy. Unemployment is high, bricks and mortar businesses leave Bunbury, and a barter and black economy has emerged.

In effect, the Bunbury economy is propped up by its status as a regional centre for government welfare, health and medical services.

2. Environmental Degradation

Lack of international collaboration and consensus puts environmental concerns on the backburner. Major countries put their immediate national interests ahead of global co-operation and what is considered an *“issue for tomorrow”*. The lack of positive action that follows leads to an escalation of environmental degradation.

3. Politics and Budget

In the face of escalating global tensions and responding to US calls to do more of the “heavy lifting”, the Australian government increases military spending as a proportion of total GST. This puts further strain on the budget deficit, already suffering from an ageing population, decreased immigration, lower population growth, and increased unemployment.

As a result, government services and infrastructure spending are reduced, causing Australian standards to fall further behind the world’s leaders with regard to the quality of public infrastructure.

Across the country, the government lays off thousands of employees to reduce public spending.

SCENARIO 2 - FEATURES AND CHARACTERISTICS (CONT.)

4. Ageing Demographics

This is a low population growth scenario. Immigration is reduced due to increased xenophobia (*"They're taking our jobs"*) and reduced empathy for others less fortunate (*"There's only so much resources and its every man for himself"*). Regional areas are particularly impacted as urbanisation escalates; after all, that's where the jobs are.

Bunbury's community ages faster than the rest of the country as the youth disappear, leaving older people behind. As a result, health and medical services are in high demand.

5. Social Issues and Community Safety

The youth that do remain bring their own problems and there is a higher rate of crime and drug and alcohol abuse compared to 2016. This situation is compounded by the fact that, as a large regional centre, Bunbury is a major welfare centre, which only serves as a lightning rod in attracting disaffected youth and welfare recipients from neighbouring, smaller towns – social issues are prominent.

To outsiders and to elderly residents, Bunbury is perceived to have severe challenges with regards to safety and security, particularly after dark.

6. Housing Affordability

Housing affordability is amongst the highest in the state, attracting families from Perth whose hand has been forced to look for cheaper alternatives. "Credit stress" is a major social issue as many people owe more on their houses that they are now worth.

SCENARIO 2 - CHALLENGES AND PRIORITIES

This scenario provided the backdrop against which challenges and opportunities were assessed for positioning Bunbury's economy and community for the future. In particular, this scenario exposed the frailty of Bunbury's economy in the wake of a contraction in global trade and demand for traditional exports.

Challenges to Bunbury's economy and community in this scenario include:

- Contraction of international trade
- Aging population increase
- Unemployment rises; skill levels decrease
- Youth leave – “*brain drain*”
- Declining government revenue – greater competition for government spending
- Increase in social services required
- Increased maintenance cost on infrastructure = decrease in new projects
- Lower levels of disposable income → impact on all areas of the economy, especially retail
- Red and green tape

Success for Bunbury's economy and community can be enabled in this scenario by prioritising the following:

- Encourage diversification into alternative sectors
 - Tourism, Education, Innovation / Creativity
 - Such diversification could complement and support Bunbury's traditional industries when times are good (**Scenario 1**), and cushion the economy if times turn sour (**Scenario 2**).
- Policies, infrastructure and initiatives that expedite an innovative / creative culture and economy
 - Necessary policies include:
 - Exploiting Bunbury's **natural advantages** to attract and retain creative and innovative types to establish a new economic force and culture in Bunbury as a 21st century creative economy.
 - Bunbury enjoys natural advantages in the following criteria:
 - Liveability / Lifestyle
 - Housing affordability
 - Personal time and space
 - Proximity to Perth
 - Necessary infrastructure includes:
 - World-class internet speeds and service to enable remote working and the flow of ideas
 - Creative working hubs that facilitate collaboration and connectivity between like-minded types
 - Necessary initiatives include:
 - Emphasis on community safety and promoting an inclusive, family-oriented environment (This is the necessary bedrock for attracting young families and creative types)
 - Utilising existing spaces to create vitality housing and commercial spaces (Eg. Re-new Newcastle)
- Develop regional brands which promote local strengths and support positioning
 - Reinforce environmental strengths

- Support for a sharing economy (barter)

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