

ourcommunity.com.au



The Purpose of Place

Communities in Control Conference Melbourne, 31 May, 2016

Presentation by

Professor Ian Harper Economic visionary; Director, Access Economics, Emeritus Professor, University of Melbourne.

If quoting from this speech, please acknowledge that it was presented to the 2016 Communities in Control Conference Convened by Our Community & CatholicCare, May 2016 www.communitiesincontrol.com.au



Communities in Control One of the 16 Knowledge Centres of Our Community.



Professor Ian Harper

Can I start by saying thank you for the work that you do in community? As economists we're often accused of, as in the old Oscar Wilde line about cynics, knowing the price of everything and the value of nothing. Well, this particular economist does understand the value of community work, and I want to say thank you for all the people here and all the work with you right across the different dimensions of Australian community. You might think that it's not valued by those who are engaged by other aspects of work trying to drive our prosperity more broadly. At least if I speak on behalf of myself I can say that I don't underestimate that value at all. So thank you.

That was why I was very happy to accept Dennis' invitation to come and speak this morning about place. I'm not talking about the reserve bank, at least of all at this stage, but not talking about competition policy or those other different things I've had the privilege of being involved in. Today I want to talk about a piece of work in a series that Deloitte Access Economics calls "Building the Lucky Country". Now we have a series of so called thought leadership papers that look at different aspects of our prosperity more broadly and this one is number 5. If you're interested in following this up you simply go onto the web and type in "Buildingtheluckycountry" (all one word), buildingtheluckycountry.com.au and it will bring up this report. There's an accompanying video, there are some interviews and some other bits and pieces that you might be interested in, and there are also the previous four reports you can access there that as well deal with different aspects of Australia's economic development broadly conceived.

This one is about place. We thought that we needed to write about place, in fact to reconsider the purpose of place, not because the idea itself is new. And if I may say so the importance of place is not a message which communities really need to hear. Communities get the idea of place. Governments get the idea of place, and individuals -- as individuals, of course, we understand implicitly the importance of place: where we were born, where we grew up, where our parents are buried, where we may want to be buried. Place is a very deep and significant thing for us as individuals. It's business that often thinks of itself as footloose and fancy free and therefore not tied to place. This particular series is addressed to business. The main title is Building the Lucky Country, the subtitle is Business Imperatives for a Prosperous Australia. Business Imperatives. I said to Dennis look, what I want to do this morning is to invite you to be listeners in to a conversation which Deloitte Access Economics is having with business. So you're the flies on the wall.

Many of the things that I will say in this presentation you will find sort of obvious. You'll think, "Well, yes. Why get someone to come and tell us these things? This is our life." Yeah, well, fine, I understand that. I want you to be eavesdroppers, to be listeners-in on this

If quoting from this speech, please acknowledge that it was presented to the 2016 Communities in Control Conference Convened by Our Community & CatholicCare, May 2016

www.communitiesincontrol.com.au



Communities in Control One of the 16 Knowledge Centres of Our Community.





conversation because it may give you another angle on how to talk to the business community about the sorts of imperatives that drive you rather than have their eyes glaze over. I'm being a little bit black and white here, obviously it's not true of every business person, but eyes glazing over and thinking "Oh well, yes, another good cause, there's lots of good causes...." You can say "Whoa, whoa, there's another way to think about this. You can think about this as part of good business. I'm not saying you wouldn't be moved by concerns to do with community, by bleeding heart type arguments, I mean anybody, of course, at some level is moved by those. But even if you want to be the hardnosed business person, here's the set of arguments which ought to make you sit up and take notice about the purpose of place." That's the agenda.

If you're thinking "Well, why is this character coming along and talking to us about place, we're community organisations, we get this idea, ho hum...." I'm saying to you "Be an eavesdropper on a conversation that we are having with business about this." And then you might want to still come along and say "Well, you've left out this bit, you've left out that bit...." or you can emphasise other aspects, that's all good. I'm happy to have that feedback. But the main aim of this is to get into the normal economics-type conversation that we're having with business. Yes, I will talk about things like productivity. That's the language of business. Those are the things that get the attention of business and policy makers, and we wanted to inject place into that conversation. That's where this presentation comes from, okay? I'm very happy to have feedback, either directly over coffee this morning or if you like you can send me an email later on. I'm on the web at Deloitte, <u>iaharper@deloitte.com.au</u>, If you'd like to give us some feedback you can take a look at what's on the internet at the address I just gave you and can respond that way. But once more, just with feeling, the presentation isn't intended for you directly. It's intended for another party, in part about the sorts of things that drive you. That's where it's come from.

Place matters for our prosperity. Now matters for our prosperity more broadly conceived, for the reasons I've just given you, but it also matters quite narrowly for our economic prosperity, for our productivity. Now place has always mattered for that. That is why in this country, for example, the Europeans settled on the coast. They settled on the coast because they could get access to the sea. Eventually, of course, they moved a bit inland and started to grow things. But the links between Australia and Britain, in the first instance, and then Europe and other parts of the world were sea trade and then ultimately, of course, transport by air. Location matters for economic activity. You need to be close to resources that are productivity, close, as I've said, to ways of transporting those resources. Place matters. If you're miles away from anywhere, disconnected, with no local resources of any note, then you'll find that those places don't prosper.

In the internet age people conjectured that finally place and distance would be rendered irrelevant, that it wouldn't matter where you were, you'd be as connected to the rest of the

If quoting from this speech, please acknowledge that it was presented to the 2016 Communities in Control Conference Convened by Our Community & CatholicCare, May 2016

www.communitiesincontrol.com.au



Communities in Control One of the 16 Knowledge Centres of Our Community.



world on some remote desert island as you were in the middle of downtown Manhattan. Therefore, we don't expect place to be relevant anymore. That might sound nice and sound logical, but experience has put the lie to that view. At the same time that we've become more digitally connected to one another on this planet than ever was true in human history, at the same that that has occurred we have become more urbanised, not just here in Australia but around the world. Cities are growing more rapidly than they have ever grown. We have become more concentrated. Notwithstanding the fact that technology allows us to live anywhere, we are choosing to live closer and closer to one another in larger and larger conglomerations. Why is that?

Place matters for our prosperity. It always has and it matters now even more. It always mattered. Even for our indigenous forebears, the people who first came to this country, place mattered. They were nomadic peoples but where they roamed, the places they went, that was just not random. They went for hunting grounds, for fishing grounds, and yes, of course, also for ceremony and for community. In addition to filling their lives in a material sense, different places had sacred significance for them. We invented settled agriculture, settled agriculture also is driven by place. Some places are more productive, more agriculturally productive than others. Then after the industrial revolution we got to the industrial economy, and gain place mattered. This time it mattered for where you could get your power sources from. The great factories, those dark satanic mills of the industrial age, were not by coincidence located near coal fields or near rivers for water supply and for water power or near exposed areas where you could drive windmills. Place mattered.

We've moved on from the industrial economy rapidly into the knowledge economy. In this chart those tall bars show you the proportion of Australians who are now engaged in the services sector, broadly speaking the knowledge economy. Roughly 80% of all of Australia's output, 80% of all its jobs, are in the services sector. We are seeing the emergence rapidly of the knowledge economy. And these services --- do they amount to, as it were, taking one other's washing in? No, that's not true. Yes, there are service jobs that are relatively menial, in the same way that there were industrial jobs that were relatively menial. But the growth of value of services jobs is linked to the input of knowledge and creativity and innovation. Those things make services jobs extremely productive and highly valuable. And this is the reason, essentially, that we are, notwithstanding the internet and the potential of digital technology, living closer together. This is why cities are growing and getting larger, why people are not taking the opportunity to live miles away from everybody else and just connect in from time to time. No, they want to live close together and work close together. Why? Because that is where the stimulus comes from. From a material perspective, that's what drives economic output.

If quoting from this speech, please acknowledge that it was presented to the 2016 Communities in Control Conference Convened by Our Community & CatholicCare, May 2016

www.communitiesincontrol.com.au



Communities in Control One of the 16 Knowledge Centres of Our Community.



There's a very good chart prepared by PriceWaterhouse Coopers, one of our competitors. It shows the distribution across Australia's geography of GDP, of output production. It's just a map of Australia, and then vertically rising up (it's a 3D chart) bars showing you how much output, what the contribution to national output is of those different places. Now if you'd drawn that chart in the 19th century most of the productivity, most of the output, would be produced by rural Australia. The three great industries that built the material prosperity of this country of ours were wool (starting in the 1840s), gold and related minerals (starting in the with the discovery of gold by Edward Hargreaves in 1851), and then wheat and grain and more broadly the pastoral industries (in the later part of the 19th century). Now all of those industries are land-intensive, and they're all distributed around the country, so you'd see that output was very evenly distributed right across the country – well, not the very centre and the desert parts, but across all those parts that were able to be mined or farmed. The cities were there, but they were essentially administrative centres.

Moving into the 19th century you'd start to see the transition towards the industrial economy. The industrial cities like Port Kembla and Whyalla start to come up. The outskirts of cities come up as the lighter industries and manufacturing start to grow. You'd see cities dominated by manufacturing like Geelong. Now we move further into the knowledge economy and what you see is that chart narrowing and narrowing, and the bars over our cities getting taller and taller. To take the long view, if you animated this chart from the 19th century and went through the industrial age up into the knowledge age you would see these charts gradually focussing on the cities and getting taller and taller just like the glass towers themselves, an allegory for that.

More and more of our output, of our material living standards, is the result of what goes on in the big cities. Now don't hear me say that therefore all the regional areas have been consigned to poverty. That isn't true. Relatively speaking they've grown as well, compared with their surrounding areas -- but of course they haven't grown as fast as the major cities have done, and even amongst the major cities some have grown faster than others. The point is simply this: place matters for our prosperity. Being close together matters. Well, why? Because the very basis of our production is changing. We're moving rapidly towards the knowledge economy and the knowledge economy is driven, ladies and gentlemen, by ideas, and ideas are things that are unique to us as sentient human beings. And what's more, when it comes to ideas we spark off each other. As the Bible says "People sharpen people as iron sharpens iron". That's right. When we gather together, that's what you're here for. As Dennis was telling me before, "We'd have done this conference for ten years, and I suggested maybe it was time to give it a rest -well, there was just about a riot". Well, why don't you do this on the internet? What are you all doing here? Particularly when the train system is down and it's such a hassle to get here, right? Just sign on in the internet and sit in the comfort of your own lounge room and participate. Yes, as if.

If quoting from this speech, please acknowledge that it was presented to the 2016 Communities in Control Conference Convened by Our Community & CatholicCare, May 2016

www.communitiesincontrol.com.au



Communities in Control One of the 16 Knowledge Centres of Our Community.



You want to be here, yes, for the community, to catch up with people, your friends, people you know, people you respect, people you want to meet -- all that's true. But you want to be here primarily because of the stimulus. It's not just to hear what someone like me would say, or other speakers giving you input, it's what you will now do with that as you go off for the rest of the conference. "Yeah, I didn't agree what the guys said..." and out of that will come the new ideas, the new initiatives, the new connections that will drive your organisations forward. You know that. I haven't got to tell you that. And it's not unique to the community organisations you're particularly fond of because of your community orientation. This could be a meeting full of bankers. I gave a similar talk to 100 executive directors of Macquarie Bank. Let me tell you, that's not the world of charity, right? But I had the same thing with them. They could afford to do their entire conference from wherever they were around the world. So I said the same thing to them: "How come you're all here at the headquarters of Macquarie Bank in Sydney? How come you're not doing this over the internet from wherever you are elsewhere in the world?" It's the same answer. "Of course we could do that, but that's not a conference. We want to be here to fix our colleagues eye to eye, to talk about the things that are exciting us, to argue with each other, to spark off each other, to generate new ideas and impetus, to go away feeling energised."

That's what it's about. And what happens in a conference like this, in microcosm, happens, if widen the scale up, in the modern city. In the services sector, in the knowledge-intensive part of the economy, people sharpen people like iron sharpens iron. It's no coincidence that my organisation, one of the professional services firms now intensive in the knowledge economy, locates itself where the others are -- downtown Melbourne. That's where we have a deep pool of talent. That's where I can attract the people we need to attract, that's where our customers are, and that's where we encounter our colleagues and competitors and where we sharpen each other as iron sharpens iron. That's what drives our productivity.

The whole basis of economic production in this country is moving in this direction, which is making place more important, not less. I won't go into the details today, but Australia has a productivity problem. Our living standards materially are beginning to stagnate. That is why, ladies and gentlemen, wages growth is basically flat. It is also part of the reason why prices have started to fall, at least in the last quarter, why revenue growth for companies is flat, and why the Federal Government has found itself out on a limb having promised to spend revenue which hasn't turned up. The revenue hasn't turned up for precisely the same reason that wage growth is flat. If wages aren't growing, people can't pay income taxes. If company profits aren't growing, companies aren't paying as much tax as the government expected. So it's all symptoms of the same thing. What do you do about that? You try to drive productivity growth. Why has this suddenly emerged? Because the terms of trade. What's happening with China? China's changing its industrial situation and that's driven down our terms of trade, as a result of which we're now back to doing the things we need to do to grow our own living

If quoting from this speech, please acknowledge that it was presented to the 2016 Communities in Control Conference Convened by Our Community & CatholicCare, May 2016

www.communitiesincontrol.com.au



Communities in Control One of the 16 Knowledge Centres of Our Community.



standards. We can't just rely on what the Chinese have been up to. And that comes back to productivity growth. Can we drive productivity growth? Are there policies to do that? Yes. That's how come I was involved with the competition policy review. Story for another day but that's about growing our productivity -- just reorganising the way we do things to make ourselves more productive.

This, a story of place, is another part of the same thing. If we can make Australian places work they will improve our productivity, drive our material living standards up, enabling us not only to live better in a material way, but also to afford the things we want to make life in this country fulfilling -- our great national parks, our hospitals and schools, our health services, t humane services like the NDIS – making sure that we are a rich country that can do those things. All of those things key off, in the end, productivity. The great American economist Paul Krugman says "Productivity isn't everything, but in the end it's almost everything" and he's right, at least from a material side of things. And that matters for our material prosperity.

So place is important because it's changing, but there's a tension here. The more we get together to spark off each other and generate this wealth through new ideas and the knowledge economy, at the same time, of course, the more we get in each other's way.

As these great cities become bigger and more productive they also become more congested, and they can therefore become more unpleasant places to live in. Now we went through this in the 19th century. As we moved through the industrial revolution the cities became, in Blake's famous phrase, "Dark satanic mills". Well, people went there anyway, and the great migrations from the countryside to the city occurred notwithstanding the fact that the cities were full of smoke. They were dangerous places, they were filthy places, they were disease-ridden places, but people still went there because notwithstanding all of that the material opportunities available for them within these great industrial cities were still greater than trying to eke out an existence in the countryside, particularly in a feudal system. If you were at the bottom then your opportunities really lay in going into the city, even though in the first instance that was a pretty miserable choice.

That was the 19th century. Here we are in the 21st century and we have the same phenomenon. The cities are driving our prosperity, and it's still true that we all gather in the one place, and yes, we become more productive, but we also get in each other's way. We can drive each other to distraction. The difference now, however, is this: in the 19th century we put up with it. "Well, yep, one of these days we'll make enough to be able to sort this pollution out, we'll be able to improve the factory standards, we'll have the 1832 Reform Act, we'll do all that eventually " And broadly speaking, that's what happened. Took a long time, but it happened.

If quoting from this speech, please acknowledge that it was presented to the 2016 Communities in Control Conference Convened by Our Community & CatholicCare, May 2016

www.communitiesincontrol.com.au



Communities in Control One of the 16 Knowledge Centres of Our Community.



In the knowledge economy we can't do that. In the knowledge economy if the people don't come, or if they come and don't stay because there is no amenity, then you've just lost the basis of the economic productivity game that you were hoping to realise. Productivity in the knowledge economy is driven by what economists call the economies of agglomeration --that is, all pulling together into a nice big blob. That's what grows our economic output. Yes, but what if the blob doesn't agglomerate? What if people don't come, or drift away, because this agglomeration is a hellish place and there are better places to go – smaller more liveable places where those same economies of agglomeration still operate, even if not quite as strongly? People can exercise that choice. So the great difference between the industrial economy and the knowledge economy is that the industrial economy if you like dis-amenitied human life; environmental dis-amenity, social dis-amenity, was the flipside of material wealth. It was the dark side of the growth in living standards that came through industrialisation, but in the end you could ignore it. You just didn't look at that side of the coin; it would sort itself out over time. That won't happen this time. This time these two things have to travel together if they travel at all. Without amenity, environmental amenity, social amenity, without these things that make places liveable, the people won't come, or if they come they won't stay. And if they don't come, or they don't stay, there is no agglomeration. If there's no agglomeration, there is no productivity improvement in the knowledge economy. This time we can't ignore those dimensions of our communal life that make being in a place fulfilling for us as human beings.

In the 19th century we could focus on the material and park the other stuff, which is partly why Blake wrote his famous poem. The other romantics, too, protested that there's more to human life than simply money. Well, we still have our poets making that same point today, and so they should, but at least they're not running against the grain now. You're not running against the grain. The message has come right back home for groups like yourselves. The community which you seek to build, the different dimensions of our common life which you seek to improve right around this room, all the different pockets of our common life that are your mission, that are your calling, your life's work. These are things now which are part and parcel of what will grow our prosperity. For the first time we can start to think about prosperity more broadly than just material prosperity. They travel together and without one you don't get the other. That's why this message is important for you to hear, but it's also an important message to give to business. You can't separate these things out anymore. You can't say "Yeah, well, it doesn't matter." No, no, no, no, you have to look to the welfare of the workers and their community. Without that they won't come, or they won't stay, and if they don't, there goes the basis of your wealth creation in the professional service sector. It's not because Deloitte - let me pick on my own colleagues - not because Deloitte happens to be more soft-hearted than the others that we have a whole lot of policies designed to make it easier for people to work for us. We worry about their bringing their whole selves to work, and the environment in which they enjoy when they're there. We'd like to think we do have soft hearts, but actually hard heads would lead you to precisely the same conclusion. Those two things are now coming together.

If quoting from this speech, please acknowledge that it was presented to the 2016 Communities in Control Conference Convened by Our Community & CatholicCare, May 2016

www.communitiesincontrol.com.au



Communities in Control One of the 16 Knowledge Centres of Our Community.



In our recent paper we've established a ten-dimensional measure of prosperity, to pick up the point that I've just been making to you. One of those dimensions is material prosperity. It isn't going away. People still need jobs. They still need to eat and pay their bills. We're not changing any of that. But the message here is this that if you want to think about prosperity in the broad -- not because it's a good, nice, gentle thing, no, no, no -- this is a hard-headed way of thinking about this problem. You need to think about prosperity more broadly than just material gain. You need to think about health. You need to think about local amenities. You need to think about environmental amenity. You need to think about the sorts of things that make people work together productively: have ideas, take risks, show initiative. So we've set up a ten-dimensional productivity measure. Broadly speaking, we're shown that if you take the good old ingredients of people and tools and land, and then you add these boosters that are in many respects social – the things that make people work together well and productively, that encourage risk taking and entrepreneurship, that build social capital - then out the other end you're going to get some progress on one or more of these ten dimensions. What we do then is to think about place.

We divide Australia up into five broad regions. You can use all sorts of different measures to categorise place, and this is just one of them; we're not saying this is the only way you could do this. You might have a different set of places, but in this paper we distinguish inner cities from suburbs, outer urban areas from regional areas and regional cities, and finally regional areas from rural and remote Australia. You divide Australia up into those five regions.

What you see on these charts (if you're interested you follow it up on the internet, or youncan ask us for a copy of the paper itself). Looking at these ten-dimensional charts (or radar charts, or spider charts) we take these individual regions and using ABS data we try to plot where we think each of these regions is at the moment just on those dimensions. All of those ten dimensions are around the outside of the diagram, and the further out you are towards the edge of the chart the higher ranked you are on different dimensions (and the closer to the centre the lower ranked you are). Now I don't want to get into the science or the details, I just want you to look at the pattern. I want you to observe one thing - and that is that each of the regions of our country, whether it's inner city, suburb, outer urban, regional, or rural and remote, each of these regions has a different pattern of inputs, what we call boosters and outputs. It's a different mix, each with its own strengths and weaknesses.

My story is not about everybody coming to live in the centre of Melbourne or Sydney, that's not my story at all. My story is that <u>whichever</u> place you happen to be, whichever place you're thinking you'd like to make more prosperous on these ten dimensions, how might you do that? Where would you start? Well, first you need to draw a chart like this. What have we got? What are our strengths? What are our (relative) weaknesses? And how could we produce a flourishing place where we were right out on the edge of all of those ten dimensions? How

If quoting from this speech, please acknowledge that it was presented to the 2016 Communities in Control Conference Convened by Our Community & CatholicCare, May 2016

www.communitiesincontrol.com.au



Communities in Control One of the 16 Knowledge Centres of Our Community.



could we avoid its opposite, languishing on the other side of the diagram there where everything shrinks into the centre?

Now that's just saying how can we go from here to a flourishing place rather than a languishing place? How can we make sure that the strengths that we already have continue to grow? How can we make sure the weaknesses that we had in whatever region we happen to be can be strengthened? Let me add one little further piece. This process is dynamic, which means to say if you just decide to sit and watch and do nothing then the world doesn't stay the same. You never step into the same river twice. If you want to go from where you are in the direction of flourishing and avoid the direction of languishing you have to do something. You may be fortunate, and the place might flourish by itself, but it's not that likely. What's more likely is that it would languish. You need to be active about this.

What are the forces that drive a place in the direction of flourishing and away from languishing? In our recent paper we talk about four of them, as on this list.

People. This is a knowledge economy. Without people there are no ideas, no innovation, ,no basis for growth. You have to have people. So population growth, bringing people here to your place is an important ingredient, essential. And people can't just come to be individuals. They will come if they will part of a community. That's important for them. It fulfils dimensions of their lives. I'm not going to preach to you about that. You know that -- but it's on this list.

Technology. I rubbished technology before, saying "Well, it's suggesting that we can just do away with distance, and that's not true." Yes, but technology can also help us to live together in larger agglomerations without tripping over each other. It can help to make large agglomerations of people work, whether its things like the Yarra Trans application tram app so you know when your tram is or you train in the PTV apps, that help you to use the public transport system more effectively. Or whether it's using technology like I did this morning to get my little car share from Fitzroy North and come across here in a car share thing. I discovered at 8.15 this morning that my wife needed the car, oh dear. Within five minutes on my app I'd booked my little nearest Go Get Car, which is at the end of my street, and brought myself. Technology facilitates that. The whole booking process was done within 40 seconds. Bang, bang, bang. And if that car hadn't been available there are another half-dozen around where I live. Technology helps us live together, potentially keeping other cars off the road. I don't have two. I can use a community car.

And finally **governance**, which is a fancy word for how we reconcile the age-old tension between individual preferences and community preferences: the things we want to do as individuals and the things we need to do as a group? Governance is the set of rules and arrangements which try to help us to resolve that tension. Very important and as we face

If quoting from this speech, please acknowledge that it was presented to the 2016 Communities in Control Conference Convened by Our Community & CatholicCare, May 2016

www.communitiesincontrol.com.au



Communities in Control One of the 16 Knowledge Centres of Our Community.





another Federal election we see this machinery grinding up at its national level, the national expression of this. We have to keep that machinery well-oiled in order for us to live together harmoniously. Governance matters. They're the four dynamic forces that we argue in this paper can drive flourishing and avoid languishing and community is in there. So I said need to take action. What can you potentially do? Who is it who can act? Well the nice thing about this story is that frankly you can help to build place by acting across any of these four quarters here. Individuals can help to build place just by their own actions. I suppose the most famous example of that, and we cite it in the report, is David Walsh, who famously of course donated a lot of money to build the MONA in Hobart. You might think well, I suppose it's a nice contemporary art museum - but it's actually become the backbone of tourism in Tasmania. You'd be amazed at the value of one person's vision to Tasmania and the Tasmanian community.. Yes, he's a wealthy man, and yes, you may have some difficulties with where the money comes from -- but the reality that is one person had a vision, and that changed the nature of a place.

As you know, communities can do that. Let's take another little example of a community. We cited Clunes in the report, a little old goldmining town. Like a lot of goldmining towns it wasn't looking too prosperous, and then some community group decided that they'll set up a book festival there -- which has now become a national event. Not every community succeeds in that way, but there is one example where community has changed the whole trajectory of a place. Governments get place. You haven't got to convince governments of the importance of place any more, they understand it. The rejuvenation of Geelong after the demise of the motor vehicle industry is something that governments have assisted enormously by making strategic investments in place to try to create a new future.

But you do need to convince business. Because what business will typically say is "Yes, we understand all this - but if the government built a freeway here, if the government built an airport or a university or a hospital here, if the government did this or that or the other, we will stay. If not, we will go. And the whole message of our report boiled down into one sentence is this: not so fast. Because the basis of your profit growth, the basis of your prosperity, is in this place, is in making a virtuous circle of flourishing work. By shifting place, you could just be cutting off your nose to spite your face. You want to talk to me about where future returns will come from, about how I can avoid staring down the barrel of low returns to my investment as far as the eye can see. Here is my answer: the basis of productivity growth will be making places work, and you as a business have as much to gain from helping that virtuous circle to be catalysed into growth as anybody else does.

So when community groups come and talk to you about community, when an individual comes up with his or her fancy idea about how to rejuvenate this place, when the government decides that it's going to put some investment in, you - I'm talking to business - you don't just sit there

If quoting from this speech, please acknowledge that it was presented to the 2016 Communities in Control Conference Convened by Our Community & CatholicCare, May 2016

www.communitiesincontrol.com.au



Communities in Control One of the 16 Knowledge Centres of Our Community.



12

passively and say "Well, I'll see. If it looks like it's working I might stay, otherwise I'll go." Wrong. This will work only if there's collaboration amongst these four groups and yes, Mr. Business Person, if no-one else is stumping up maybe it needs to be you. You may need to go along to the local community groups, or to the government, or even to the leading individuals, and suggest ways in which we can work together to fire up this collaborative process of flourishing.

It's a challenge to business to think differently about how place builds prosperity, to think differently about how collaboration can be catalysed towards that end. I don't expect any person in this room to be bowled over by that insight, to say at some cynical level "We've always known that, this is not news to us." I know it's not news to you. But it is news to business. And furthermore, when you interact with business (perhaps you already do this. I'll be delighted if you do) you've got to change your clothes. Business will see you coming in to ask them for more corporate social responsibility commitment. Well, it's a good thing to do CSR, and that's important, but you don't want to be seen solely in that light. You have to say "I'm not here to ask for your charity. I'm here to ask for your collaborative engagement, to build our collective prosperity - including yours, and your shareholders and your stakeholders. Because our prosperity is linked together in ways that have never been true as strong as they are today." It's never been wholly true that community didn't matter, but it's much more important now than it has been before.

So my message to you this morning is that "Communities in control" isn't just a phrase that Dennis and Maureen dreamt up, it's actually true. Communities - you - are in control, and not just in control of the groups that you happen to represent. You have a role to play here which is almost unprecedented in helping to catalyse a collaborative process which produces flourishing ideally across all those ten dimensions. That's where you now come in, with a message to be taken to business.

"Times have changed. Get with the program. There's a whole new way of thinking about what builds material prosperity, and revenues, and shareholder returns - one that involves collaboration across these four groups to make places work. And so we've not come here today to ask for your charity, we've come here to ask for your co-investment in a collaborative effort to build a prosperity of place. And if we succeed in doing that, then we will catalyse flourishing and not languishing across ten dimensions of prosperity, and we can genuinely look forward to leaving a better place for those who come after us."

Thank you very much.

If quoting from this speech, please acknowledge that it was presented to the 2016 Communities in Control Conference Convened by Our Community & CatholicCare, May 2016

www.communitiesincontrol.com.au



Communities in Control One of the 16 Knowledge Centres of Our Community.

