

The 10 TRAITS of GLOBALLY FLUENT METRO AREAS

GLOBAL CITIES INITIATIVE
A JOINT PROJECT OF BROOKINGS AND JPMORGAN CHASE

BRISBANE

| GDP (country rank), 2012 ¹ | Share National GDP, 2012 ² | GDP/Capita, 2012 ³ | Population, 2012 (country rank) ⁴ | Share National Pop., 2012 ⁵ | GaWC Global City Ranking, 2010 ⁶ | # Global 2000 HQs, 2012 ⁷ | GDP/c Growth 1993-2012 ⁸ |
|---------------------------------------|---------------------------------------|-------------------------------|--|--|---|--------------------------------------|-------------------------------------|
| \$82,393,936,028 (4) | 8.58% | \$40,490 | 2,034,936 (3) | 9.26% | 87 | 3 | 2.49% |

1) Benchmarks — what is the city’s recent ranking performance in terms of global firms, connectivity, diversity, range of cultural assets, immigrants, visitors?

Located more than 500 miles north of Sydney, Brisbane is Australia’s third largest metro with a 2.5 million population. Its pathway of globalization has hinged upon its proximity to a commodities-rich region within the wider state of Queensland, and this connection has generated rapid economic development and strong growth expectations.

In a recent breakthrough for the city, Jones Lang LaSalle’s *New World of Cities* report evaluated it as the fastest-growing mature metro area in the world for foreign investment, ahead of Singapore and Hong Kong.⁹ The Queensland capital ranked fourth for foreign direct investment (FDI) strategy in 2012 across the whole Asia-Pacific, and it saw 40 percent year-on-year growth in FDI projects in 2011.¹⁰ Human resources, FDI strategy, and quality of living were at a record high for Brisbane in the most recent 2011 study of regional investment destinations. In terms of integration in advanced global business networks, the metro places a respectable 87th worldwide, in the same category as Vancouver, Canada and Cape Town, South Africa.¹¹ National assessments, including KPMG’s Council of Australian Governments (COAG) measure, assess Brisbane’s investment and design framework favorably, just behind Melbourne.¹²

According to benchmark studies, Brisbane’s challenges relate to cultural depth and brand. While placing an impressive 21st for quality of life by the Economist Intelligence Unit in 2011, its culture and environment

measure has fallen behind cities such as Manchester, England. External infrastructure is also regarded as a weakness, reflecting a shortage of international air links and areas of public transport deficit.¹³ For these and other reasons, Brisbane is well outside the top 100 most visited cities globally.¹⁴

2) Narrative – the city’s journey into and through globalization. What kind of economic and development trajectory has it taken? What has changed over time?

Since hosting the 1982 Commonwealth Games, Brisbane has gradually emerged onto the world scene as a metro with unique assets and forward vision. The capital of a booming commodities region, its growth in gross domestic product far exceeded the national average through most of the 1990s and 2000s, enabling unprecedented inner city infrastructure spending that accelerated the completion of key livability projects. These in turn have boosted Brisbane’s competitive offer in a new business environment where financial, insurance, and professional services clustered around the mining sector are a major source of growth. Large global manufacturing firms such as Ludowici have expanded operations out of Brisbane over this period.

Brisbane’s business credentials grew ahead of large-scale knowledge economy assets, which prompted the city council and state government to work together to develop a sustainable economic development plan, based around a friendly investment climate and an improved endogenous skills base. Creative industries have been sought as a lever for diversity and tolerance, in the city’s spatial composition as well as its ethnic mix. Progress has been made in particular in R&D expenditure and shared investment in livable urban precincts. Spanish and Italian engineering expertise has been actively tapped to deliver important infrastructure projects and plug local engineering firms into the international supply chain.

In the post-crisis period, Brisbane seeks to take advantage of its resource and population boom to establish the metro’s reputation in the Asia-Pacific region as an attractive and seamless business and logistics center. The increase in transnational air links is a major priority in the city’s globalization strategy to increase the flow of business “fly-in fly-out” visitors. Brisbane Airport is investing significantly in the expansion of aviation capacity and airport precinct development to encourage new outward-facing industries and employment. The city’s hosting of the G20 summit in 2014 is seen as the major forthcoming opportunity to showcase the growing city’s credentials not only in resources but in film, sport, fashion, and performing arts.

3) Elements of international and global orientation - In what ways is the city globally connected and relevant? What sort of trade patterns does it exhibit?

Brisbane’s international orientation has a dual dimension. On the one hand the city’s historic links with the U.K. and Canada, and geographic proximity to New Zealand, combine to form the backbone to the tourist sector and business services collaboration. On the other hand, the East Asian market offers huge new potential, especially for new resource sector investment and potential international student growth.

Domestic visitors make up a clear majority of visitors to Brisbane because of the city’s distance from Asian markets as well as its popularity domestically. New Zealand and British travelers account for a third of all international visitors. While foreign visitor numbers have softened slightly in 2012, international visitors numbers have grown by more than 30 percent since 2000, with China and South Korea the fastest-growing markets, albeit from a fairly low base.¹⁵

Brisbane’s global connections hinge on the metro’s resource and environmental tradition. More wide-ranging business events aim to tap the Chinese market through a new “Ambassadors for Life” initiative. An events and conventions strategy focuses on organizations involved in marine conservation, geo-sciences, and water. China meanwhile accounts for a third of foreign investment into the city, with Malaysian and Japanese investors also featuring heavily, all attracted by a cost-competitive business environment and opportunities in industries associated with the mining and resource sector, digital industries, food and beverage processing, logistics, and distribution.

4) To what extent is the city's international dimension inherited or intentional?

Brisbane illustrates the importance of a supportive state government in a federal system, in allowing a metro to address challenges quickly and maximize its potential in international markets. Up to the 1990s, Queensland state government regarded the city council's economic development role as limited mainly to marketing and promotion efforts. But the city's own "Capital City" policy of 1999 took on the direct task of improving mechanisms of coordination between the local and state governments through the creation of a festivals and events strategy alongside an integrated marketing strategy. This helped both tiers of government come to recognize shared problems. Brisbane and Queensland both developed a "Smart Strategy" in the early 2000s to identify how new jobs would be created, especially in the Brisbane region. Meanwhile the city's own "Smart City Strategy" has concurrently aimed to improve the flow of information and learning across the metro as the prerequisite for becoming a more knowledge-based economy.

Subsequently both tiers of government have partnered together to improve the City of Brisbane Act and develop a more positive approach to governing the city. The effect of jointly motivated strategic documents has been a shared recognition that Brisbane needs a friendly investment climate and a high endogenous skills base. State government leadership is now attuned to these needs and other economic development priorities for the city, and it has a better understanding of the most suitable role the state should have. Parkland and tourism assets, as well as some planning powers, are incrementally being returned to the city level to drive a more autonomous growth agenda.¹⁶

Perhaps the major impact of a more aligned and engaged state government has been a larger and more targeted investment prospectus. In the 1990s, Brisbane had faced challenges to attract investment other than from tourism, given its limited culture of partnership with the private sector. But the city council is exceptional within Australia as a consolidated (single tier) metropolitan council. The council has used its financial capacity to direct economic development and urban renewal. Using the revenues generated from the Queensland mining boom, the council began to fund investment attraction services to boost the city's capacity to bring in new business. Its strategy has involved a transition from a sales and marketing approach to a more holistic creation of deep regional attractiveness for business, not least through a more resilient business environment and a reliable fiscal regime. The city has also led joint ventures in commercial and industrial infrastructure and provided sponsorship toward major international events. The leadership and resource support of the city council, led by Graham Quirk, has combined with a more proactive industry leadership, whose influential "Windows of Opportunity" document synchronized productively with the city's economic development plan.

The unity of these two strategies reflects a spirit of collaboration whereby all sectors have become more economic in their thinking and vested interests have been put aside for the greater good of the metro. Over the last two decades, the city council has gradually convinced the state government to prioritize the city for key transport infrastructure funds, including for the Legacy Way toll road. An ambitious TransApex road transport system has drawn on public and private investment, and it has had a dramatic effect on congestion in a growing region. Public-private partnerships have delivered the A\$3 billion Clem7 tolled tunnel project and the A\$5 billion Airport Link toll road. Many projects were made possible by the South East Queensland Infrastructure Plan, the largest state-level public infrastructure spending program ever in Australia. The plan's expenditure has exceeded A\$18 billion (US\$18.5 billion) annually in recent years. Between the city and the state, investment in arterial road, motorway, and public transport systems reached almost A\$4 billion in 2010-2011.¹⁷ The long-term character of these investments ensured that the pipeline was coordinated years in advance in preparation for expected population growth and increased international demand.

Alongside this catalytic public investment, Brisbane has also overcome weak coordination in organizing incentives for small and medium enterprises and global firms. A city council subsidiary, Brisbane Marketing, successfully links local partners to international networks of digital, gastronomy, and logistics firms, while an Ambassadors program maximizes expatriate investment connections. The city's 2012 economic development plan incorporates a thorough outreach agenda to Chinese, Japanese, and Malaysian resource firms with the intention of triggering more diversified investments.

¹ Brookings analysis of Moody's Analytics and Oxford Economics data.

² Ibid.

³ Ibid.

⁴ Ibid.

⁵ Ibid.

⁶ "The World According to GaWC; Classification of Cities 2010," September, 14, 2011.

⁷ The data were produced by G. Csomós and constitute Data Set 26 of the Globalization and World Cities (GaWC) Research Network (<http://www.lboro.ac.uk/gawc/>) publication of inter-city data.

⁸ Brookings analysis of Moody's Analytics and Oxford Economics data.

⁹ "A New World of Cities," Jones Lang LaSalle, 2012, available at www.joneslanglasalle.co.uk/ResearchLevel1/JLL-A-New-World-of-Cities.pdf.

¹⁰ "Asia-Pacific Cities of the Future 2011/12," *fDi Magazine*, 2011.

¹¹ "State of World Cities: 2008," Globalisation and World Cities Research Network, 2009, available at www.lboro.ac.uk/gawc/.

¹² "Spotlight on Australia's Capital Cities," KPMG and Council of Australian Governments, June 2010.

¹³ "Quality of Living Survey," Mercer Consulting, 2011, 2012; "Global Liveability Report," Economist Intelligence Unit, 2012.

¹⁴ "Euromonitor International's Top 100 City Destinations Ranking," Euromonitor International, 2013.

¹⁵ "Brisbane Regional Snapshot," Tourism Queensland, 2011, available at www.tq.com.au/fms/tq_corporate/research/destinationsresearch/brisbane/10%20December%20Regional%20Snapshot%20Brisbane.pdf.

¹⁶ S. Jones, "Can Australian Local Governments Have a Role in Local Economic Development? Three Cases of Evidence," *Urban Policy and Research*, Vol. 26, No. 1, 2008, pp. 23–38.

¹⁷ "Infrastructure: Fact Sheet," Brisbane Marketing, 2011, available at www.investbrisbane.com.au/pages/Industry%20sectors/~media/Corporate/Documents/Invest/Invest%20Fact%20Sheets/Infrastructure-Fact-Sheet.ashx.

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