

# Economic Development Strategy

2017 – 2021







# Contents

1.0	Executive summary	4
2.0	Introduction	5
3.0	Developing this strategy	6
4.0	What is economic development?	7
5.0	Geography of the economy	8
6.0	Trends and changes in the Subiaco economy	10
7.0	Implementation	14
8.0	Program Areas	16
	Program Area 1: Marketing, Communication and Advocacy	16
	Program Area 2: Placemaking, Activation and Public Realm	17
	Program Area 3: Business Retention and Attraction	18
	Program Area 4: Governance, Leadership and Collaboration	18
	Monitoring, evaluation and review	19

# Executive summary

The City of Subiaco is in the early stages of a revitalisation. In the last two years a number of high profile, multi-million dollar development investments have been approved, with major businesses relocating to the area. This confidence from the private sector is mirrored in the public sector, with the City of Subiaco last year injecting over \$4.5 million into the Subiaco Town Centre to give Rokeby Road a facelift and create a multifunction carpark at Forrest Square. The level of growth and confidence in the area are indicators of the exciting future of Subiaco.

Whilst exciting, Subiaco's future presents a number of opportunities and challenges and it is vital that all stakeholders work collaboratively to capitalise on the opportunities and to overcome any challenges. This strategy has been developed specifically for the period 2017–2021 and creates a framework for a collaborative approach to build a Subiaco that is in line with the community vision. The economic development framework is based on four program areas to focus efforts and resources on initiatives that support and create sustainable economic growth.

The program areas are:

- Marketing, Communication and Advocacy
- Placemaking, Activation and Public Realm
- Business Retention and Attraction
- Governance, Leadership and Collaboration

Thank you to the local business community and stakeholders for their contribution in the development of this strategy. The success of the strategy relies on us all working together for the future of our city.

## The community vision

"In 2030 the City of Subiaco is a unique, popular and welcoming place. The city celebrates its rich history, while embracing the diversity and vitality of the present. The parks, public spaces, events and recreational opportunities are easily accessible and promote a healthy and happy lifestyle for all. There is a diverse range of local businesses and entertainment that contribute to a lively atmosphere. The city faces the challenges of the future with strong leadership, an innovative approach and an emphasis on community values and voices. Sustainability, in all its forms, is at the core of the community and underpins the city's operations."

**Source:** *City of Subiaco Strategic Community Plan*

# Introduction

The City of Subiaco is located in inner metropolitan Perth, three kilometres from the CBD city centre, and conveniently positioned on the Fremantle and Perth rail lines. Subiaco is classed as a secondary activity centre under the activity centres hierarchy set out in *State Planning Policy 4.2 Activity Centres for Perth and Peel* and is strategically located close to the:

- Capital City Centre – Perth CBD - West Perth
- Strategic Metropolitan Centre – UWA & QEII
- Secondary Centre – Leederville.

Subiaco's close proximity to high order centres gives it a competitive locational advantage. It allows businesses to operate within close proximity and with strong transport linkages, without the premium costs associated with being located in a strategic or capital city centre.

Many Subiaco businesses have been operating under difficult economic circumstances with a downturn in the resource sector, a state-wide downward trend within the retail sector, a surge in popularity of neighbouring competing centres, high rents and poor perceptions. This trend is not unique to Subiaco, with many high street centres in Australia and globally experiencing similar circumstances, showing that the trend is symptomatic of a larger challenge for high street retailing.

Through the city's commitment to economic development and collaboration there has been a significant level of investment in the form of new developments, new businesses and capital works, which are key indicators that Subiaco is emerging as a destination of choice. Whilst still in the early stages, it is important to continue the momentum of this revival and further build on current programs to support wealth creation and sustainable growth.

The objective of this document is to provide the strategic direction for applying economic development principles in the city, which outline key areas of influence through business support, collaboration and place development that support employment generation and higher development density for the benefit of our community.



# Developing this strategy

The City of Subiaco's *Corporate Business Plan 2015–2019* integrates the community aspirations identified as part of the visioning process for the city's *Strategic Community Plan*, and outlines the city's priorities and actions over the next four years. It is structured around the six focus areas and sets out actions that will deliver on the objectives and strategies outlined, which is currently being reviewed and expected to be endorsed in June 2017.

Focus area three 'a unique destination' seeks to create quality entertainment, shopping, recreation and leisure facilities, making the city an attractive destination. The focus area has three main objectives:

- A wide variety of accessible entertainment and hospitality options.
- A diverse range of businesses that meet the needs of a changing and growing population.
- A city that is frequented by local residents, workers and visitors.

These objectives and Informing Strategies are outcomes of creating a healthy local economy and are aligned with successful economic development.

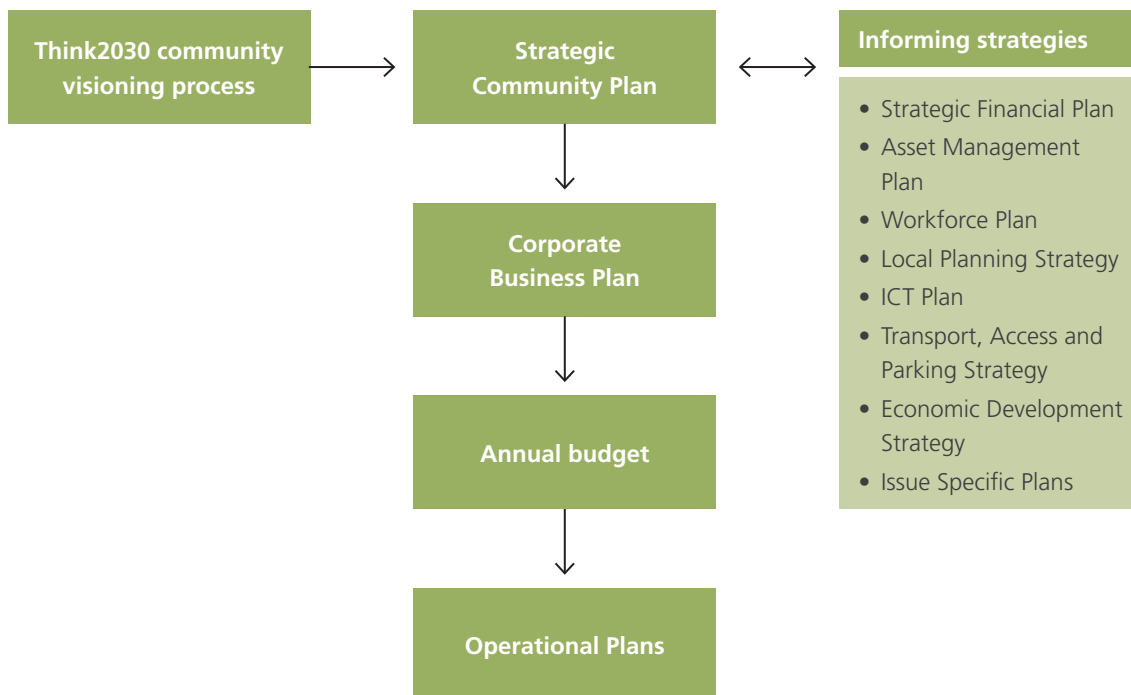


Figure 1: The Corporate Business Plan Framework and supporting informing policies, strategies and plans

# What is economic development?

Economic development can be defined as the development of economic wealth of countries, regions or communities for the well-being of their inhabitants. The objective is to increase a regions level of income and capital and distributing that wealth through job creation.

## The Economic Development Strategy vision

To create wealth through a strong, stable and diverse economy by attracting workers, residents and visitors.

## Who drives local economic development?

Local government is a key player driving positive outcomes through collaboration with all stakeholders. Local governments act as enablers, facilitators and enhances of this community driven growth, through a number of different activities outlined below:

### Placemaking

Strengthens and enhances the identity of the area, creating a sense of place that is truly unique to the area, that the community can relate to and identify with.

### Urban planning

Creates sustainable growth and development through regulation and facilitation to guide development and land use, with due consideration given to economic, environmental and social values.

### Transport, Access and Parking

Finalisation of the *Transport, Access and Parking Strategy* to guide the development of on-street and off-street parking, public transport, cycling and pedestrian walk ways that benefit the city.

### Communication and engagement

Local governments are well positioned to work with local stakeholders, providing information about community and council activities as well as consulting with and providing opportunities for stakeholders to participate in council decision making.

### Legislation and local laws

Enforces federal and state legislation and create local laws to ensure sustainable growth and support the community.

### Strategic leadership and governance

The creation of strategic and corporate plans that understand and address the current and future needs, opportunities and challenges. Council expresses leadership by aligning decisions with these strategic documents.

### Advocacy

Engages with other local governments, State Government bodies and the private sector to represent and advocate for the community, attract and retain investment and support, and create sustainable growth and development.

# Geography of the economy

Economic activity is spread throughout Subiaco with the Subiaco Town Centre being the focal point for economic activity. The town centre can be broken into three main commercial areas; Rokeby Road, Hay Street and the area surrounding Subiaco Train Station.

Rokeby Road is a main street, with significant levels of street level interaction due to the high level of population driven retail and hospitality businesses. Rokeby Road is anchored by a number of nodes that generate high levels of activity, these areas include:

- Crossways shopping centre, intersection of Bagot Road and Rokeby Road
- The Regal Theatre and the Subiaco Hotel, intersection of Hay Street and Rokeby Road
- Subiaco Train Station.

The southern end of Rokeby Road which falls outside of the town centre also generates activity due to a number of popular restaurants, cafes, art galleries and commercial activity.

Hay Street and Rokeby Road is the main crossroad junction in the Subiaco Town Centre. Hay Street is linked to the Perth CBD and has a significant level of vehicular traffic. Currently Hay Street is one-way westbound, with Roberts Road its eastbound coupling road. However both of these roads are anticipated to change to two-way streets in 2019. Hay Street consists of a similar retail and hospitality offering. There is also a prevalence of show rooms and offices on the main strip.

The Subiaco Town Centre's main commercial area is located in the Centro Precinct, which surround the train station and is a redevelopment area facilitated by the Metropolitan Redevelopment Authority. The area contains a number of mixed use developments, with active ground floor uses such as hospitality and personal services. Key anchors in the area include the major shopping chain Woolworths.

In addition to this, a Coles/Target retail and commercial development is expected to be completed in late 2017 with a number of A grade office space located in this complex.

Subiaco has a number of local neighbourhood centres, for example those on Nicholson and Onslow roads that provide lower economic activity and economic value; these centres are usually clusters of population driven businesses that deliver convenience predominately for the surrounding population.



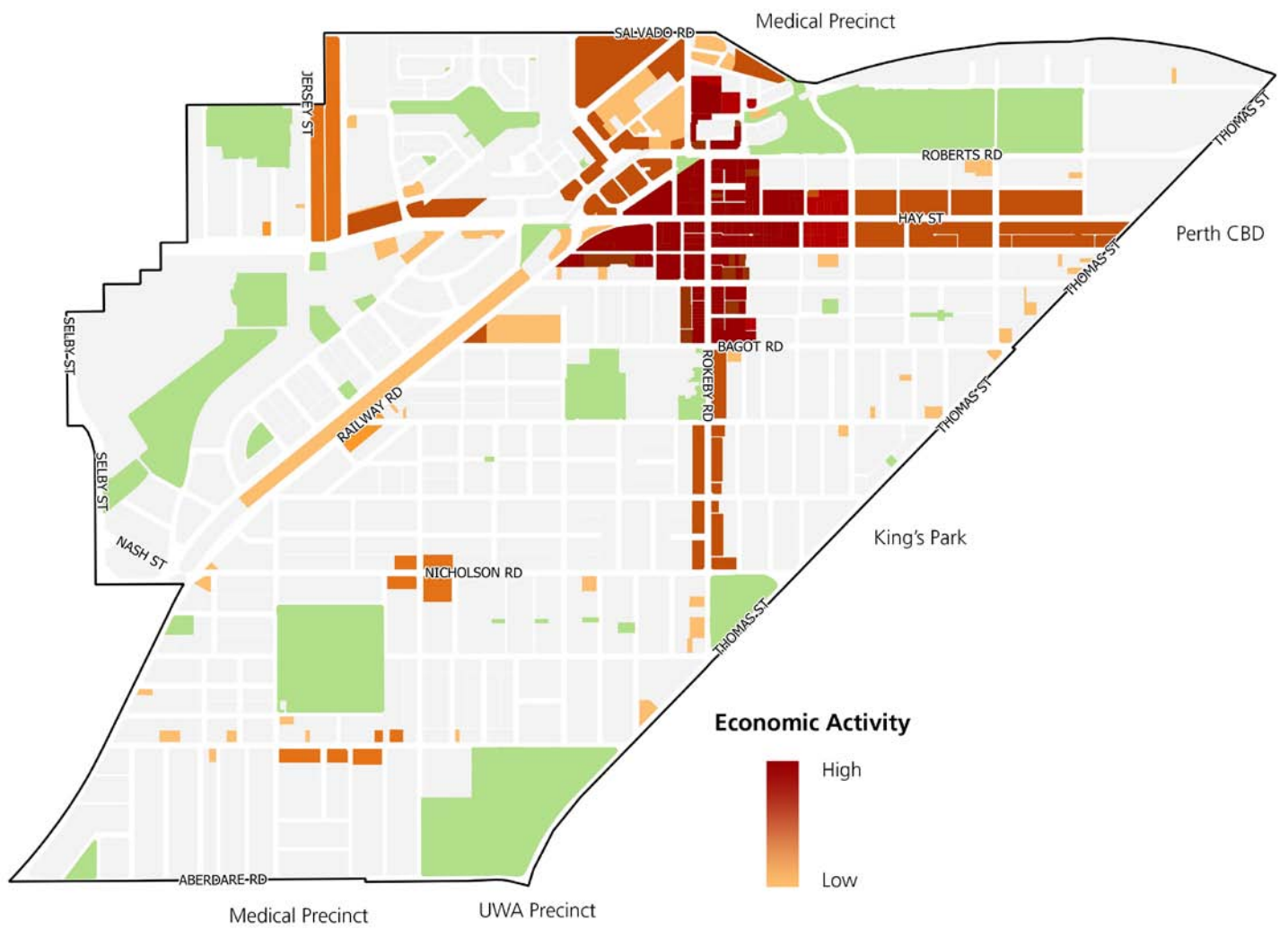


Figure 2: City of Subiaco Economic activity heat map

# Trends and changes in the Subiaco economy

## Office market

The office market is divided into different types of demand:

**Strategic demand** is driven by businesses seeking a competitive advantage by locating close to collaborators, clients and suppliers, and it is predominantly found in areas of high economic activity due to the need to be in close proximity to skilled workforces, key stakeholders, transport and perceived amenity of the area. In the Subiaco Activity Centre, strategic demand of office space is 74% of the office stock.

**Population driven** demand is driven by businesses seeking office space in close proximity to their targeted population base. Population driven demand is found in both high economic activity areas and low economic activity areas, such as in local and neighbourhood centres. In the Subiaco Activity Centre population driven demand of office space is 26% of the office stock.

There is approximately 122, 630m<sup>2</sup> of office floor space available. The majority of office space available is in the Subiaco Activity Centre, as well as the Hay Street east and west precinct.

In 2016 a study was conducted by the city to measure the vacancy rate within the Subiaco Activity Centre, indicated on the map below. During this time the area had an office vacancy rate of 18.7%. This high vacancy rate however is not unique to Subiaco with the overall suburban office vacancy rate at 16.5% a demonstration of the slowing Western Australian economy.



Figure 3: Subiaco Activity Centre and Hay Street East Precinct

## Creativity and knowledge based economy

The importance of creativity, knowledge and innovation in driving tangible economic outcomes is well recognised, as there is a strong link between creativity and innovation and productivity growth. Productivity growth is a key driver of the economy's long-term growth potential, real incomes and economic wellbeing. Essentially, creativity is driven by the presence of people with creative skills. Subiaco's concentration of knowledge dependent businesses demonstrates that knowledge creation and sharing plays a vital role in Subiaco's local economy. A number of factors influence the success and prosperity of a knowledge based economy, these are:

- Information and communication infrastructure and access
- Agglomeration of industry leaders, acting as magnets for competitors, businesses and business support industries
- Readily available transport and access and parking
- Amenity of the area.

Creating a vibrant Subiaco with high urban amenity will also assist in attracting industry leaders, associated businesses and investment in the area. Below is a summary on the significant knowledge based industries located in Subiaco:



Figure 4: Subiaco Town Centre

### Health Care and Social Assistance

There are 379 Health Care and Social Assistance businesses servicing hospitals located within Subiaco and additional businesses in close proximity to Subiaco. Health care and Social Assistance has seen the largest increase in the number of new businesses by sector within the city since the development of the previous strategy and it is expected that there will continue to be strong growth in this sector in the coming years.

### Professional, Scientific and Technical Services

The Professional, Scientific and Technical Services sector has 984 businesses located in Subiaco. This sector includes scientific research, architecture, engineering, computer systems design, law, accountancy, advertising, market research, management and other consultancy, veterinary science and professional photography, and has been a mainstay of the Subiaco economy for many years. Supporting diversity in the local economy suggests resilience and while economic downturns may affect some parts, overall the economy as a whole will continue to grow. Many businesses in this sector are located in the commercial area of the Centro precinct.

### Information, Media and Technology

Major operators such as iiNet have acted as a catalyst for Channel 10 studio and smaller related businesses relocating to Subiaco, which has resulted in 48 Information, Media and Technology companies being located in Subiaco.

There is a strong media hub with the radio stations Hit 92.9, Nova 93.7 and Mix 94.5 all having their main studio and West Australian offices based in Subiaco. Additionally Network Ten studio relocated to Subiaco in late 2016 in the Subi XO development on Hay Street. Information, Media and Technology is an emerging industry in the city.

## Population driven industries

### Retail

The city and its stakeholders' roles are to encourage and deliver opportunities for Subiaco to become the destination of choice by focussing on creating a positive and unique visitor experience to attract new visitors to the area and maintain existing visitors.

A new retail complex on Station Street will comprise of two major magnet retailers, Coles and Target, which will in turn be drivers of creating a destination and potentially encourage shoppers to visit other businesses.

### Hospitality

Hospitality has long been considered an important part of Subiaco. As a population driven industry attracting people into the area and creating visible social engagement has a significant impact on creating a vibrant place.

The construction of a new 4 star hotel at the Subi XO, includes conference facilities in Subiaco, which is expected to be completed late 2017, will have a positive impact on Subiaco's hospitality industry by bringing a significant number of visitors to Subiaco.

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## Small businesses

In Western Australia and particularly Subiaco 97% of businesses registered are small enterprises, which comprise of less than 19 staff. Small businesses play an important role in creating vibrancy and providing diversity of businesses and uniqueness to an area. These components are essential in creating a strong local economy. Small business assistance and support is critical, particularly in a non-peak market, for attracting and retaining small businesses and for helping to ensure their prosperity.

Technology and a flexibility of the workplace have seen an increasing trend of people working from home and/or establishing home based businesses. Home based businesses (HBB) stimulate the economy and create growth by consuming business services and products in the area. They support local employment through wealth creation in the provision of their services. Additionally, home based businesses contribute to the area's employment self-sufficiency, which is a vital component of a resilient economy.

## National Broadband Network

Work has commenced on rolling out the National Broadband Network (NBN) in Subiaco with work expected to be completed by the end of 2018. This major infrastructure upgrade replaces the existing broadband infrastructure with fibre-optic, fixed wireless and satellite infrastructure, making the broadband network faster and more reliable.

## Major challenges

### City of Perth Act

On 1 July 2016 the City of Subiaco experienced a boundary change as a result of the City of Perth Act 2016. The boundary shift transferred land south of Aberdare Road from the City of Subiaco to the City of Perth. Additional to the loss of residents, the boundary change has had a negative impact on Subiaco's economy with the QEII and UWA knowledge centre, and many registered businesses no longer located within Subiaco's boundary.

However the city's proximity to these knowledge centres is still a strong competitive advantage which aligns to the current growth within the city. As such relationships with key stakeholders in the knowledge centres need to be created and maintained to capitalise on the proximity to Subiaco.

### Relocation of AFL

In 2008 it was announced that Subiaco Oval would no longer be the home of Australian Rules Football league (AFL) in Western Australia, and it would be relocating to a new stadium in 2018. This relocation will have an impact on businesses and residents in Subiaco as well as patrons and visitors. Subiaco Oval has become a recognised landmark with a strong sense of history and tradition, linked to personal memories and an association with past sporting and other events.

Consequently this does provide new opportunities. The draft *North Subiaco Structure Plan*, which identifies a new narrative and a way to position Subiaco with new proposed residential development for an increase in population, and possibly a younger demographic with more disposable income should have a positive impact on the night time economy and the hospitality sector in Subiaco Town Centre.

# Implementation

To provide clear direction in relation to the implementation of the *Economic Development Strategy*, this document identifies four program areas of focus:

- Marketing, Communication and Advocacy
- Placemaking, Activation and Public Realm
- Business Retention and Attraction
- Governance, Leadership and Collaboration

These program areas are a commitment by the city to the local business community to dedicate resources to creating positive change in these specific areas that have been identified through existing strategies and stakeholder engagement. The actions that have been identified in each of these program areas will contribute to create positive change throughout Subiaco. They will be subject to an annual review in order to create a dynamic strategy that is responsive to changes in the economic climate.

The *Economic Development Strategy 2017–2021* is the overarching strategic document outlining the direction of economic development within the City of Subiaco. The Strategy will inform the development of operational plans and further detailed key performance indicators that will be used to implement and measure the overall objectives.

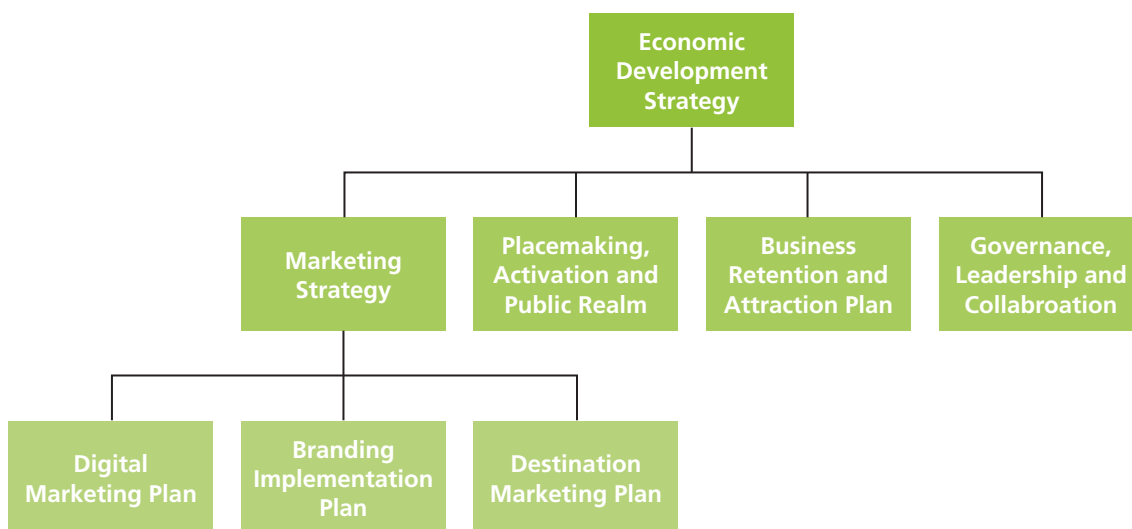


Figure 5: Economic Development Strategy and supporting and informing strategies and plans



PERTH COMEDY FESTIVAL  
26 APRIL - 21 MAY

1982  
EXPRESS

TICKETER

ROCKEY RD

1EGM 912

# Program Areas

## Program Area 1: Marketing, Communication and Advocacy

Destination marketing is the process of communicating with existing and potential visitors to influence their destination preference, intention to travel, and ultimately their final destination and product choices. By creating a marketing strategy that focuses on Subiaco as a unique experience, it will strengthen the brand of the area, giving the business community a unified message to promote the area and create a positive perception of Subiaco.

Increased positive perception also creates the ability for the city to leverage this positive perception and advocate on behalf of the area. A strong and unified business community is able to advocate with a much greater force to attract both private and public investment to the area.

### Actions

Develop and implement a:

- a. Marketing Strategy
- b. Digital Marketing Plan
- c. Branding Implementation Plan
- d. Destination Marketing Plan.





## Program Area 2: Placemaking, Activation and Public Realm

As both an overarching idea and a hands-on approach for improving a neighbourhood, city, or region, Placemaking inspires people to collectively reimagine and reinvent public spaces as the heart of every community. Strengthening the connection between people and the places they share, Placemaking refers to a collaborative process by which we can shape our public realm in order to maximize shared value. More than just promoting better urban design, Placemaking facilitates creative patterns of use, paying particular attention to the physical, cultural, and social identities that define a place and support its ongoing evolution.

Subiaco has three main major commercial areas; Hay Street, Rokeby Road and the area surrounding the Subiaco train station. These areas contain nodes of activity; however, between these nodes there are areas of underutilised or inactive spaces. The activation of underutilised spaces through improvements to the public realm such as safe city design principles and laneway activation is crucial for linking nodes of activity and creating a corridor of activity that visitors will linger in and traverse through. The more time that visitors spend in these spaces, the more vibrant they will become. By creating a positive experience it increases the visitor's likelihood of returning to the area, making Subiaco a destination of choice.

Local events activate spaces, drawing large crowds of visitors and having the ability to improve the perception of an area by showcasing its unique identity and can also create strong and lasting relationships with a range of stakeholders. By involving businesses and the wider community in the planning and running of an event they are likely to take ownership of the event, buying into its success as they have contributed to its creation. The city also has a role to play in events.

### Actions

- a. Development and implement a Place Management and Activation Plan.
- b. Conduct a night time economy research project.
- c. Develop and implement a way finding program to prioritise a pedestrian friendly environment.
- d. Ongoing support for streetscape improvements throughout the city.
- e. Ongoing support and creation of a new events and festival program.



### Program Area 3: Business Retention and Attraction

Any community's existing businesses are important assets to its economy. A business retention strategy focuses on creating an operating environment that will encourage local businesses to continue operating, but also identify support for them to expand. They are current employers and have developed attachments and loyalties within the area.

The confidence and strength of the business community is important as businesses are the drivers of growth and creators of value in the local economy. A business community that is satisfied within its operating environment and supported through good access, transport and parking management will have a high confidence in the area. Studies have shown that up to eighty per cent of all new jobs created are done within existing businesses. It is paramount to maintain a stable economy and create sustainable long term growth for the city.

The attraction strategies will focus on supporting, encouraging and promoting the area to targeted businesses and investors, demonstrating that Subiaco is an ideal location to operate a business; this will support its diversity which in turn creates resilience making the local economy less susceptible to unforeseeable economic shocks. Attraction of businesses that are industry leaders will also create substantial additional economic growth, not only within the business itself, but it will also attract industry support services and competitors that will seek to locate themselves close to industry leaders. This will also benefit existing population driven local businesses such as the hospitality and retail industries.

#### Actions

- a. Develop and implement a Business Attraction and Investment Plan.
- b. Conduct a feasibility study into Subiaco as an innovation district.
- c. Collect and publish quarterly market statistics.
- d. Support business development programs.
- e. Support flexible and effective parking management.

### Program Area 4: Governance, Leadership and Collaboration

This program area focuses on creating an environment for informed decision making, demonstrating the city's commitment to economic development and creating strong relationships with champions of the business community, and identify enablers for businesses to operate effectively. The city will encourage stakeholders to participate in implementing the actions of this strategy, and demonstrate its commitment through governance, leadership and collaboration. An essential ingredient to economic development is the collection and distribution of economic data to help make informed decisions that will impact the local economy and the business community.

The city will identify more efficient systems and mechanisms for businesses to champion, and look at the city's decision making process to consider potential economic consequences by having readily available information for its decision making process.

#### Actions

- a. Conduct data collection and research to measure economic performance.
- b. Conduct frequent media monitoring, perception analysis and economic performance trends.
- c. Strengthen the economic development focus of the city.
- d. Review of the City of Subiaco on its ability to use technology to improve service delivery.
- e. Strengthen relationships with business community organisations and associations.
- f. Create an information sharing relationship between the city and local leasing agents.

## Monitoring, evaluation and review

The *Economic Development Strategy 2017–2021* will be reviewed annually in order to ensure that the strategy is effective and responsive to any significant shifts in the economic climate. Each of the program area actions will be assessed and updated. Actions which are complete or redundant will be removed and new actions added to further the positive change in the program areas.

### Performance indicators

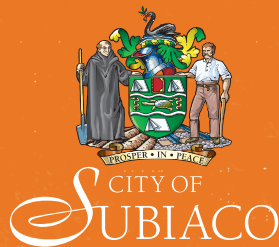
To measure the effectiveness of the strategy, the city has created four high-level performance indicators that will acknowledge the progress the strategy has made towards meeting its objectives, and creating a strong, diverse and resilient local economy. These performance indicators are:

These performance indicators are:

1. More people
2. Improved perception
3. An improved operating environment
4. Increased engagement.

To accurately measure the performance of this strategy and set targets, the next step will be to collect the baseline data for each of these Program Areas.





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