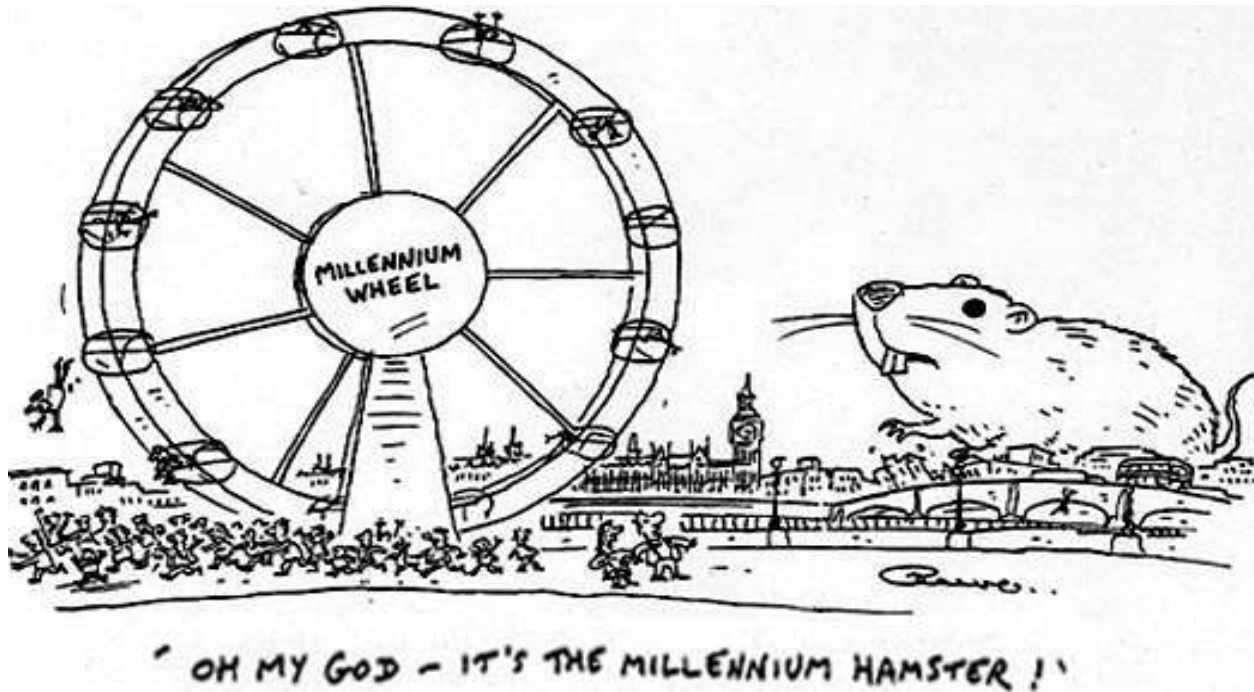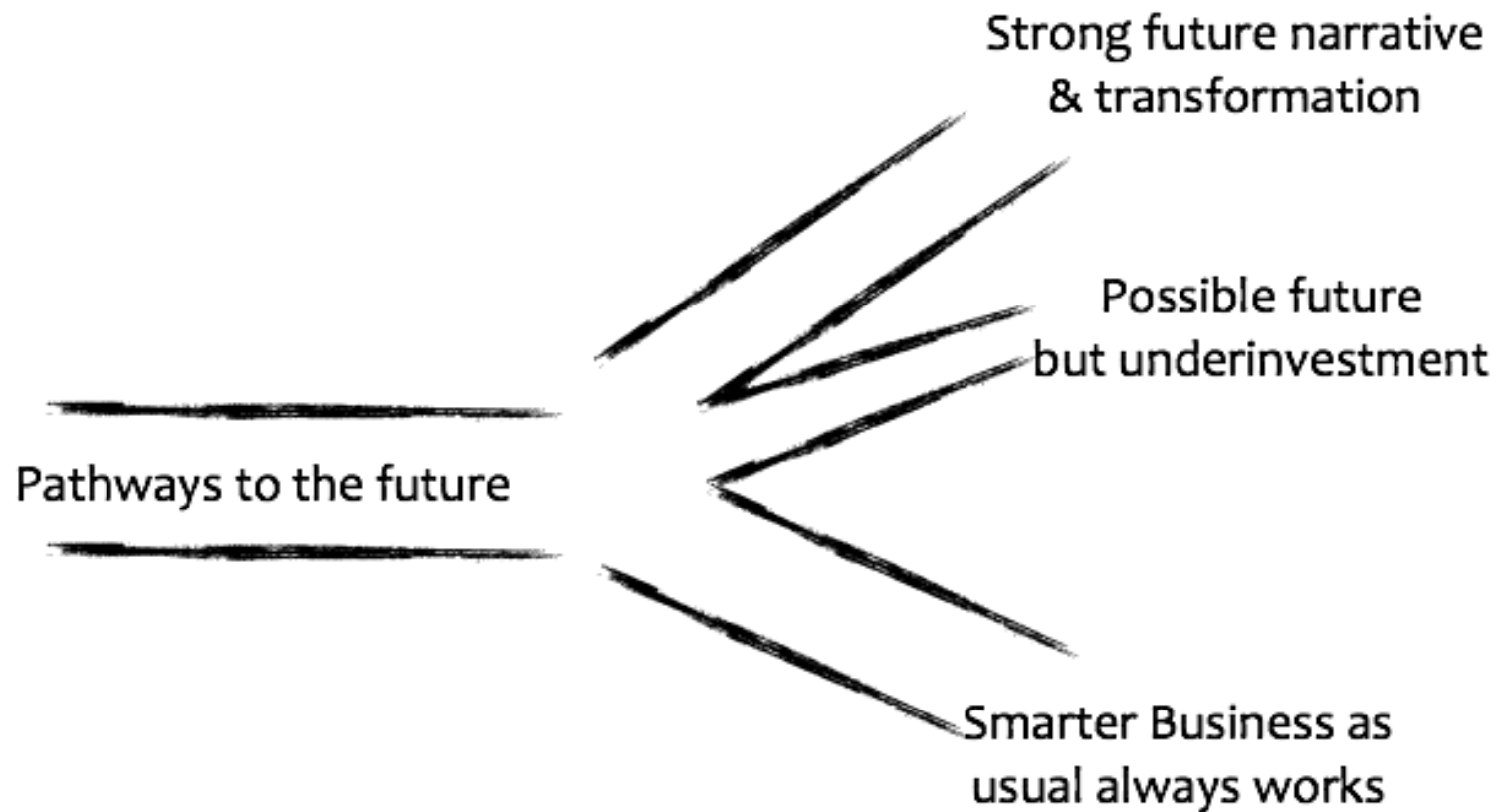# STUCK ON THE TREADMILL OR A NEW WAY?

POSSIBILITIES FOR PENRITH PROGRESSION

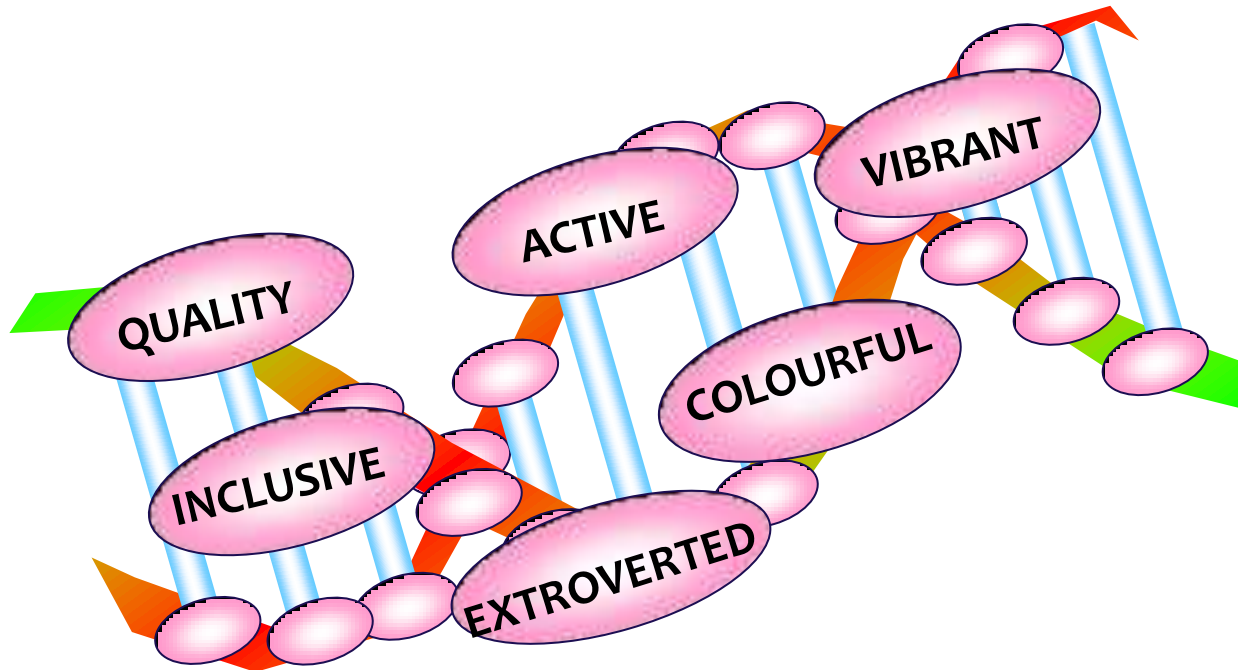PRESENTATION TO THE PENRITH PROGRESSION CONFERENCE
May 2014.

Michael McAllum,
michael.mcallum@globalforesight.net

Starting with the End in Mind

Strong future narrative & transformation

Possible future but underinvestment

Pathways to the future

Smarter Business as usual always works

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SO WHAT IS THE STORY FOR PENRITH: ONE THAT REFLECTS ITS DNA?

DANGEROUS TIME OR THE BEST INVESTMENT OPPORTUNITY FOR THE NEXT 100 YEARS?

Our built form is a semi permanent record of how we have seen ourselves as a society, the energy sources and technologies we have had access to
and our capacity to communicate.

So if our identity, energy sources and communications change so will our built form

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NETWORK

A Revolution in the Making?
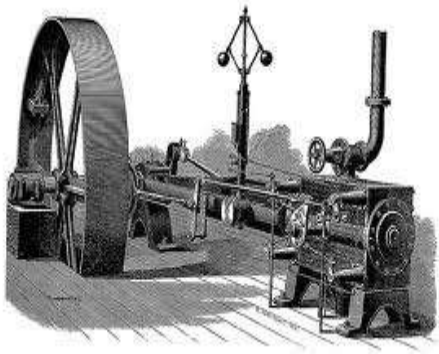
1st Industrial Rev.
Circa 1800

Factory cities

Steam

Printing

2nd Industrial Rev.
Circa 1900

Suburban cities

Oil & electricity

Telephony & Film
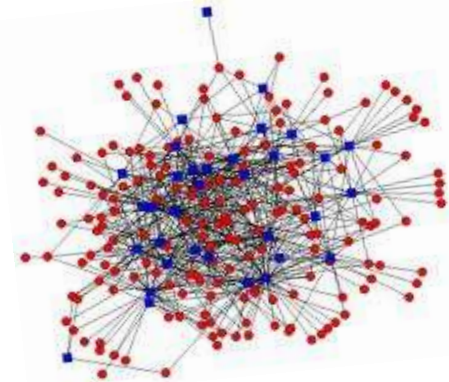
Networked Rev
2005… …..

Interconnected villages
Renewables

Social networking technologies

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A future where Organisations that look more like Ecologies (gardens) than Machines
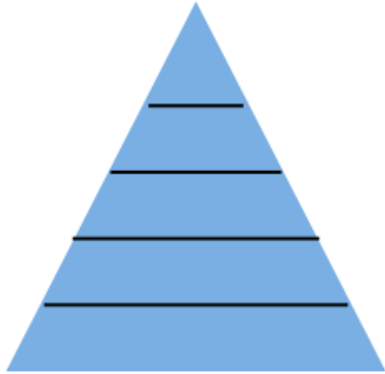
MODERN

Centralised

Mechanistic

Efficiency & performance focus
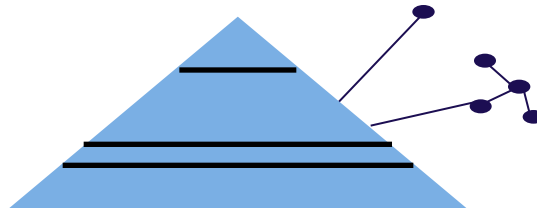
POST MODERN (CIRCA 85 -2005)

Decentralised

Digital

Specialisation/ Outsource focus
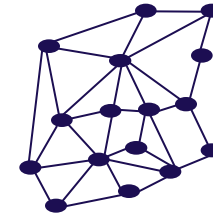
NETWORK CENTRIC

Distributed

Networked

Ecological/connectivity focus

BEYOND TECHNOLOGY
THE NETWORKED WORLD IS A WAY OF THINKING
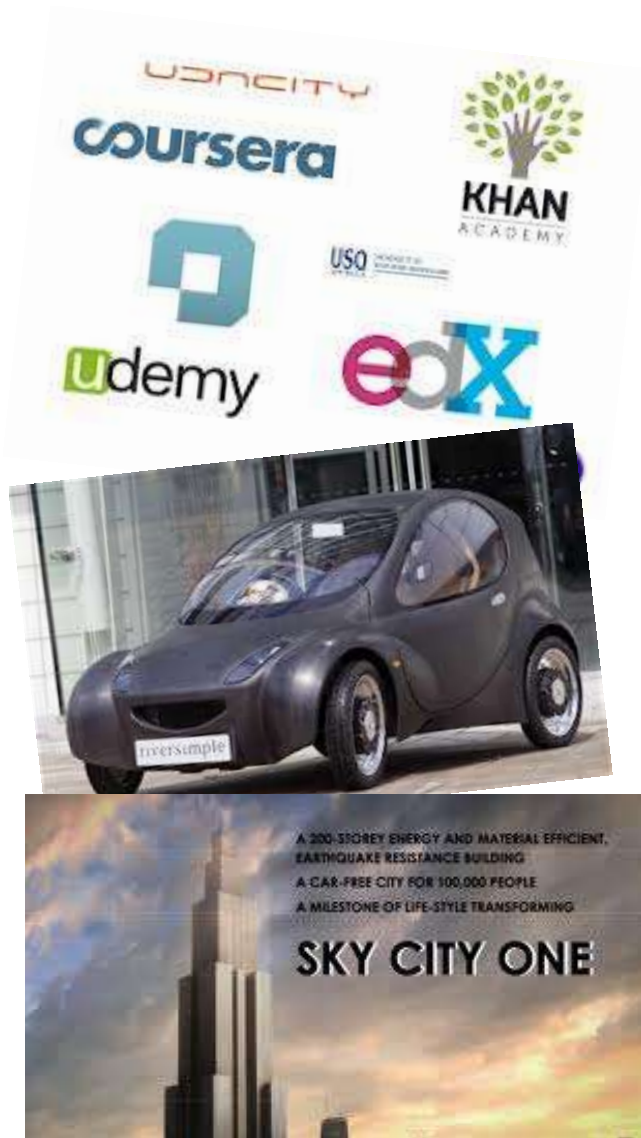
Shift from centralised efficiency based systems to distributed networks

Organisation form changes

Rapid move from supply side to demand driven thinking and consumption

Advantage moves from head to head competition to collaboration

Rapid growth in new business models that use far fewer resources to create value.

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THE OPPORTUNITY

"Jeremy Rifkin's 3rd Industrial Revolution sets forth a comprehensive realistic, technically sound model for transitioning the global economy into a more sustainable future. Rifkin's vision of 'distributed capitalism' strikes a powerful chord among CEO's in the design and construction industries who will be tasked with turning theory and promise into practice".

Mark Casso
President of the Construction Industry CEO Roundtable

POSSIBILITIES FOR PENRITH

1. An ECOLOGY not a machine.

2. Design a COLLOBORATIVE COMMONS

3. Reframe for the EXPERIENCE economy

4. Use CROWD SOURCING to engage

5. Leverage the BRAND to rethink Penrith as a networked & distributed city of the 21st century.

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CONSIDERATIONS FOR NEW DESIGN & DEVELOPMENT

Agree on a shared future story

Be part of an integrated whole rather than just focusing on the parts

Design in 21st infrastructure including free and fast connectivity

Start to let cities feed themselves

Accept that the future is post combustion engines

Rethink institutional form

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RETROFITTING FOR HOMO URBANUS

Make suburbs integrated connected locations

Reuse the Boxes

Revise regulations, codes & standards

Keep everything walkable

Diversify housing choice /price

Provide environmental repair

Invest in quality

Changing the conversation …
From Complication upon Complication

Emerging problems or issues

TRANSACTIONAL CYCLE

Solution design

Impact & effect on the system

Implementation

to Transformation

Potential Pathways

C20th limits

New design

Triggers

Changing Constructs

TRANSFORMATIONAL CYCLE

TRANSACTIONAL CYCLE

Accelerations

Assumptions

"New normal" solutions

Adapted by Mike McAllum of the Global Foresight Network from the original transformational model of Richard Hames & Marvin Oka

8

Transformation & Risk

No narrative
Paint by numbers strategy

New design

Changing Constructs

Wrong business model
Rigid organisation form
Poor collaborations

Little engagement
Unclear pathway

Potential Pathways

Its all a question of timing

Triggers

TRANSFORMATIONAL CYCLE

Assumptions

Lack of clarity in how rules for success are changing

Over investment in yesterdays model

C20th limits

TRANSACTIONAL CYCLE

"New normal" solutions

Accelerations

Adapted by Mike McAllum of the Global Foresight Network from the original transformational model of Richard Hames & Marvin Oka

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DESIGNING BETTER FUTURES

We need to move beyond the noise and the blame,

We must find new frameworks for conversation,

In order to create new narratives that are inclusive and allow all to contribute

So that we can transcend where we are now.

For to do otherwise is to contemplate scenarios that are nightmarish if they were to come to pass.

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PENRITH: A CITY OF OPPORTUNITY

PENRITH: A GROWTH CITY

THEN 2004 — NOW 2014 — NEXT 2024

POPULATION
- 172,000 — 2004
- 190,000 — 2014
- 212,000 — 2024

BUILDING APPROVALS IN PENRITH CITY WERE $477m IN THE 2012/2013 FINANCIAL YEAR - 2.34% OF THE TOTAL VALUE IN NSW

NUMBER OF DWELLINGS
- 2004 — 56,000
- 2014 — 69,000
- 2024 — 79,000

PEOPLE PER HOUSEHOLD
- 2004 — 2.93
- 2014 — 2.82
- 2024 — 2.74

MEDIAN AGE
- 34 PENRITH
- 36 SYDNEY

% UNDER 20 POP.
- 29% PENRITH
- 25% SYDNEY

THE PENRITH LIFESTYLE

EMPLOYMENT BY OCCUPATION
TOP 3 - DIVERSITY OF EMPLOYMENT
1. Clerical & admin
2. Trades & technical
3. Professional

CAR OWNERSHIP
OWNERSHIP OF 2 + VEHICLES
- 55% PENRITH
- 44% SYDNEY

1,692 MORE WOMEN THAN MEN HAVE A BACHELOR OR HIGHER DEGREE QUALIFICATION IN PENRITH

MOVING
HAVE NOT MOVED IN LAST 5 YEARS
- 63% PENRITH
- 57% SYDNEY

LANGUAGE
TOP 5 GROWING LANGUAGES
1. Filipino
2. Punjabi
3. Hindi
4. Arabic
5. Samoan

QUALIFIED, EDUCATED
2 in 5 have a post school qualification

HOMES
DETACHED HOMES
- 81% PENRITH
- 59% SYDNEY

4+ BEDROOM HOMES
- 36% PENRITH
- 29% SYDNEY

UNITS/TOWNHOUSES
- 19% PENRITH
- 41% SYDNEY

PENRITH ECONOMIC GROWTH

GROSS REGIONAL PRODUCT (GRP)
% ANNUAL CHANGE IN GRP FROM PREVIOUS YEAR
- Penrith
- NSW
- Sydney
- Australia
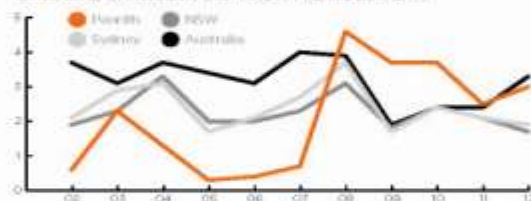
PERSONAL INCOME
AVERAGE INCOME PER PERSON
- Penrith
- Blacktown
- Liverpool
- Actual data
- Projected data
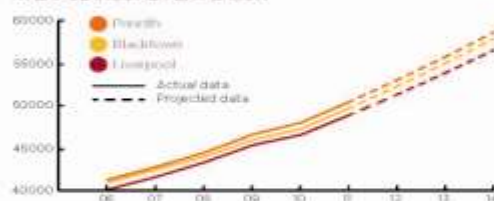
GROWING INDUSTRIES
TOP 3 INCREASE IN JOBS 2006-2011
- 1,633 — Health Care and Social Assistance
- 761 — Transport, Postal and Warehousing
- 418 — Education and Training
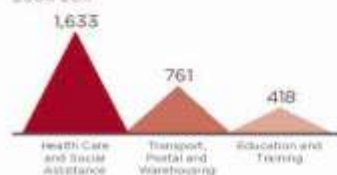
GROWING OCCUPATIONS
TOP 3 INCREASE OF PERSONS WORKING 2006-2011
- 1,089 — Machinery Operators and Drivers
- 1,070 — Professionals
- 686 — Community and Personal Service Workers
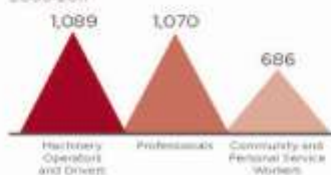
BUSINESS FORMATION
TOP 3 NEW BUSINESS FORMATIONS 2009-2012
- 100 — Financial and Insurance Services
- 49 — Education and Training
- 42 — Accommodation and Food Services
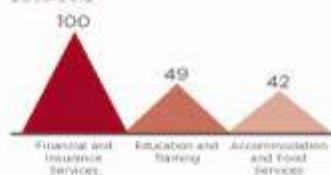
PENRITH: A CITY OF OPPORTUNITY

PENRITH COMPARISON

S SYDNEY
POPULATION: 4,028,524
POP. GROWTH: 2.3%
AREA: 4,063.7 km²

P PENRITH
POPULATION: 190,428
POP. GROWTH: 1.9%
AREA: 404.9 km²

L LIVERPOOL
POPULATION: 195,355
POP. GROWTH: 2.1%
AREA: 305.5 km²

B BLACKTOWN
POPULATION: 325,185
POP. GROWTH: 2.2%
AREA: 246.9 km²

10% OF WESTERN SYDNEY LIVES IN PENRITH

PERSONAL INCOME
MEDIAN INCOME (WEEKLY)

- S $632
- P $623
- L $510
- B $565

LOCAL WORKFORCE
% OF WORKFORCE COMPRISED OF LOCAL RESIDENTS

- P 56%
- L 38%
- B 44%

MORTGAGE/RENT
MEDIAN MORTGAGE PAYMENT (MONTHLY)

- P $1,983
- L $2,167
- B $2,100

MEDIAN RENT (WEEKLY)

- P $360 / $330
- L $400 / $338
- B $390 / $370

House / Unit

HOUSE PRICES
MEDIAN HOUSE AND UNIT PRICES

- P $395,000 / $281,000
- L $489,000 / $295,000
- B $460,300 / $340,000
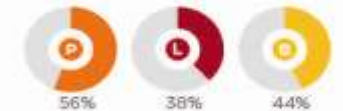
House / Unit

EDUCATION
HIGHEST TERTIARY QUALIFICATION
VOCATIONAL CERTIFICATE

- P 22.0%
- L 17.3%
- B 17.1%

LEADING SKILLS CITY

BACHELOR OR HIGHER DEGREE

- P 10.6%
- L 12.6%
- B 17.2%

BUT GROWTH REQUIRED IN UNIVERSITY DEGREES

TENURE
% OF RESIDENT HOME OWNERSHIP

- P 26% / 42% / 26%
- L 23% / 40% / 26%
- B 23% / 43% / 26%

own outright
own with mortgage
rent

LOCAL ECONOMY
GROSS REGIONAL PRODUCT ($. BILLION)

- P $6.83
- L $7.47
- B $11.91

NUMBER OF LOCAL JOBS

- P 71,474
- L 72,246
- B 111,251

NO. OF RESIDENTS FOR EVERY LOCAL JOB

- P 2.7
- L 2.7
- B 2.9

OVER **5000** FULL-TIME EQUIVALENT JOBS WERE CREATED IN PENRITH CITY DURING THE 5 YEARS BETWEEN THE 2006 AND 2011 CENSUS

Sources: ABS, RP Data, Penrith City Council

THE PENRITH OPPORTUNITY

OVER THE NEXT 20 YEARS, PENRITH IS PROJECTED TO GROW AT **1.9%** ANNUALLY FOR A TOTAL POPULATION INCREASE OF **46.9%** FROM **185,000** IN 2011 TO **271,000** IN 2031

+42% THE POPULATION OF THOSE UNDER 15 WILL GROW BY **42%** BY 2031

+187% THE POPULATION OF THOSE OVER 65 WILL GROW BY **187%** BY 2031

33,000 NEW RETIREES WILL CALL PENRITH HOME IN THE NEXT 20 YEARS

11th PENRITH IS THE **11TH FASTEST** GROWING LGA IN THE SYDNEY REGION

PENRITH'S GROWTH TRAJECTORY POSITIONS THE ECONOMY WELL FOR THE FOLLOWING *FUTURE WAVES* INDUSTRIES IDENTIFIED BY DELOITTE

- Reskilling an ageing workforce
- Information & communications technology
- Community care & residential aged care
- Private schooling

PENRITH PROGRESSION

penrithprogression.com.au

The Transformation Landscape…1

Rapid & radical reframing
existing value

Customer centric
design of experiences

Shift from mechanistic
to ecological design

Redesigned energy & infrastructure

Releases value through new business models

**The Emerging
Networked &
Distributed society**

Changes the form & shape of many things

Hyperspace planning
& management

Radically different communication platforms

New institutional
& socio-economic fabric

Everything is networked
& collaborative

The Transformation Landscape…2

Manufacturing redesigned through 3D printing

Highly customised tourism 'experiences

On line & experience economy retail

Ecologies of new value created including from waste

Redesigned energy & infrastructure

Food thru multiple channels

Releases value through new business models

The Emerging Networked & Distributed society

Changes the form & shape of many things

Education becomes student centric learning

Radically different communication platforms

Customer centric Public Service

Health /Wellness connect & are local

Local Government is rethought

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Transformation Process Mastery
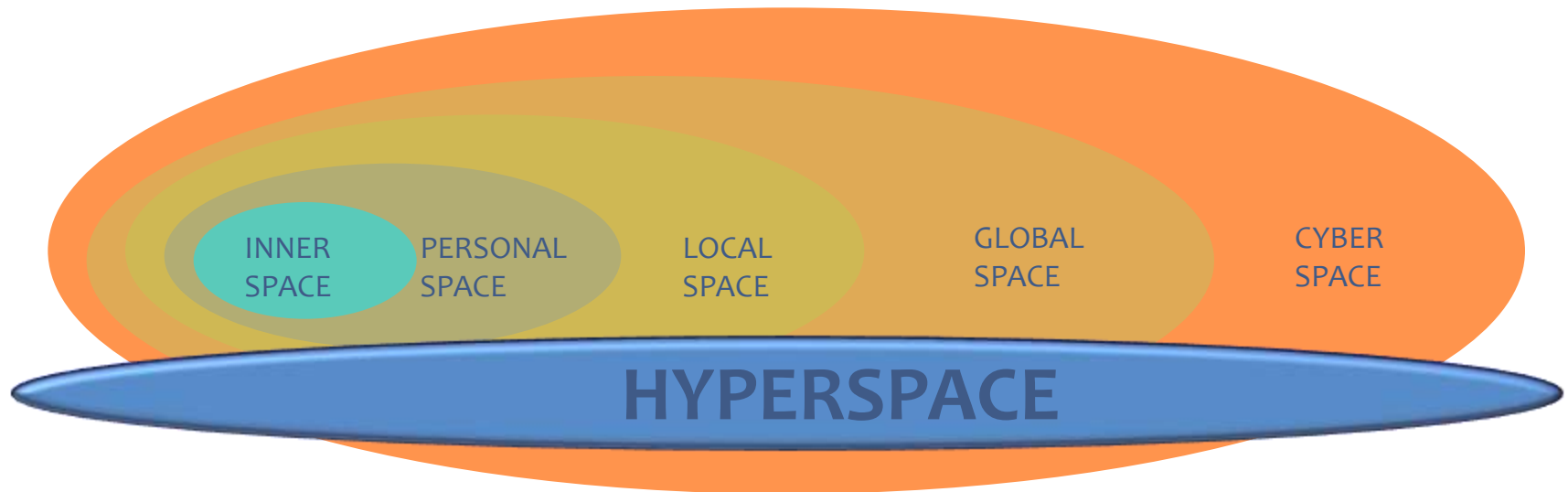
Hyperspace can be defined as the ability to move freely, in real time and with next to no cost (less friction) between spaces.

This reframing of form and space is driving unprecedented disruption and new value creation.

The emergence of new business models in every sphere will drive the disaggregation of previously large scale entities, the removal of many 'middlemen' roles and the emergence of new aggregators who are can act in a frictionless way to service demands .

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Rethinking Design through Sharing Knowledge and Collaboration
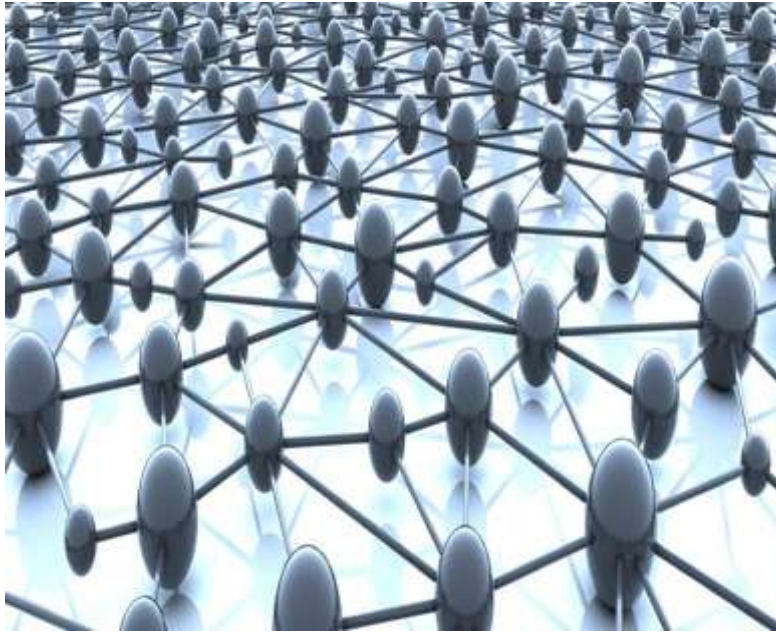
Could we and should we use crowd sourcing to design the future?

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Conversations that Matter: Unpeeling the Onion

TODAY'S
REAL

LITANY
How we see today (data)

*Change the
measures*

THE SYSTEM
What is really happening

*Change the
fundamentals*

THE WORLD VIEW
Our culture

Change our culture

MYTHS & METAPHORS
The stories we believe

Create a new story

IMAGINED

Adapted from Sohail Inayatullah's
Causal Layered Analysis Model

FORESIGHT
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7 Steps to the Future

In shifting from a mechanistic world to a distributed world...

Change the measures.

Crowd source solutions.

Master hyperspace.

Design clear pathways.

Start different conversations.

Build simple narratives.

Look at the whole system 1st.

GLOBAL FORESIGHT NETWORK
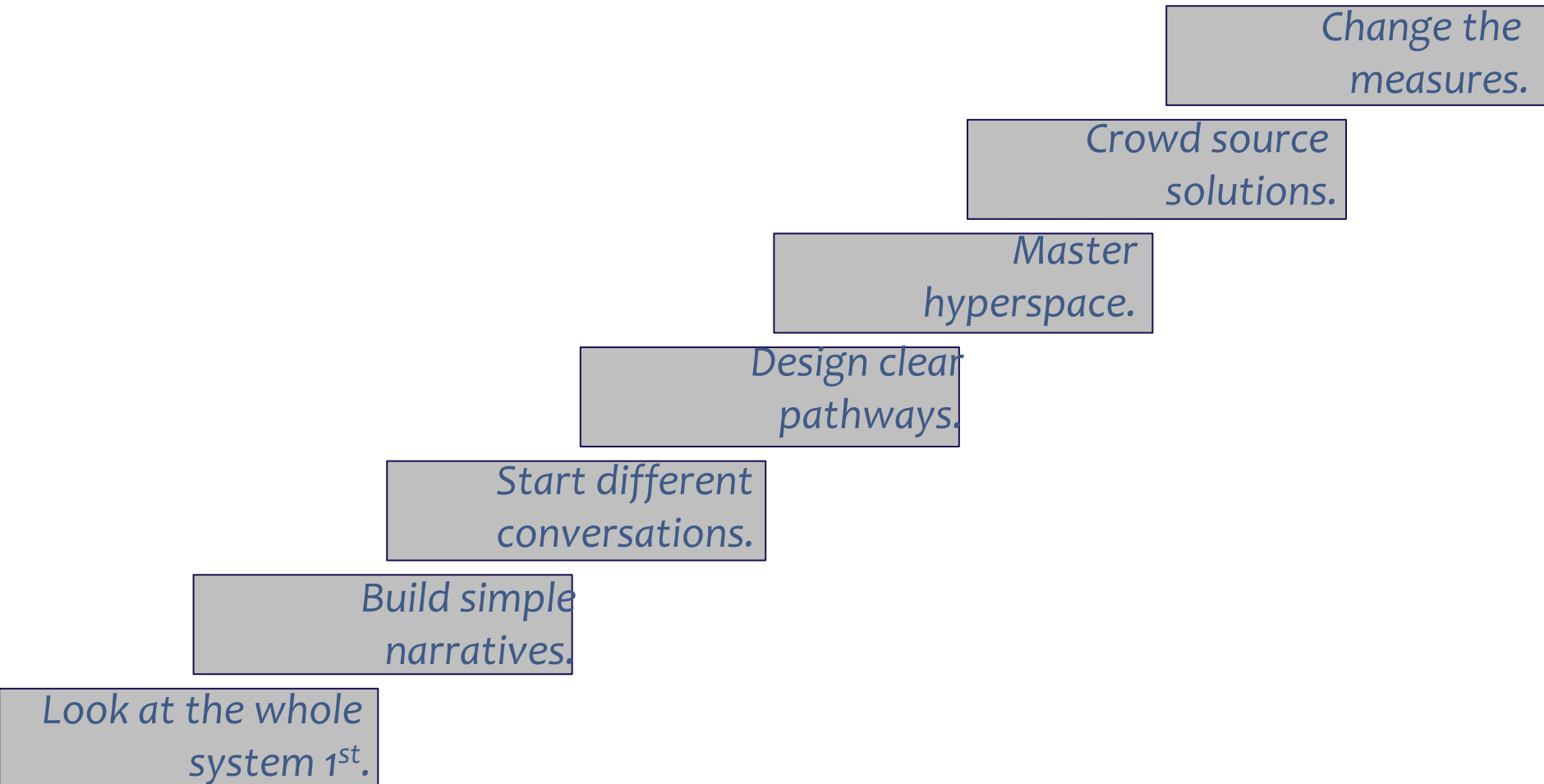
Successful change requires five things:

1. A clear demonstration of the benefits that the change is designed to achieve.

2. Attention to the processes of change.

3. Development of appropriate structures, including business models, to drive the change.

4. Adequate resourcing, especially appropriate capabilities.

5. The development of an ethos or culture that is aligned to the intended change .

Living in Paradox