

Planning a Learning City for Subiaco to Develop an Innovation Cluster in the Health and Community Services Sector

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Abstract

This project examined the existence and development of an innovation cluster around the Health and Community Services Sector in Subiaco. The importance of the Advanced Business Services Sector for the City of Subiaco and the innovation cluster was also assessed. The project examined the role of the City of Subiaco in encouraging the development of an innovation cluster. The major recommendation of the project was for the City of Subiaco to adopt the learning city model to encourage further development of the innovation cluster

1.0 Introduction

The City of Subiaco is a vibrant inner city area that is home to the University of Western Australia. A large number of hospitals and medical research facilities are located in and around Subiaco. The City of Subiaco recognised the potential economic advantages of the development of an innovation cluster in and around Subiaco.

1.1 Research Methodology

The project commenced with a literature review on the development of innovation clusters, the innovation process in the medical industry and the role of Advanced Business Services as supporters of innovation. The literature review also considered the role of local governments in the development of the learning city concept.

Data on the structure of both the Health and Community Services Sector and the Advanced Business Services Sector in the City of Subiaco was examined. The structure of medical innovation in the Perth metropolitan area was also considered through an analysis of a register of Biotechnology Firms (DOIR 2005).

1.1 Project Methodology

A model was developed for the structure of medical innovation in the Perth Metropolitan area. A visual plan for a potential innovation cluster strategy for the City of Subiaco was developed for the purpose of consultation with the industry.

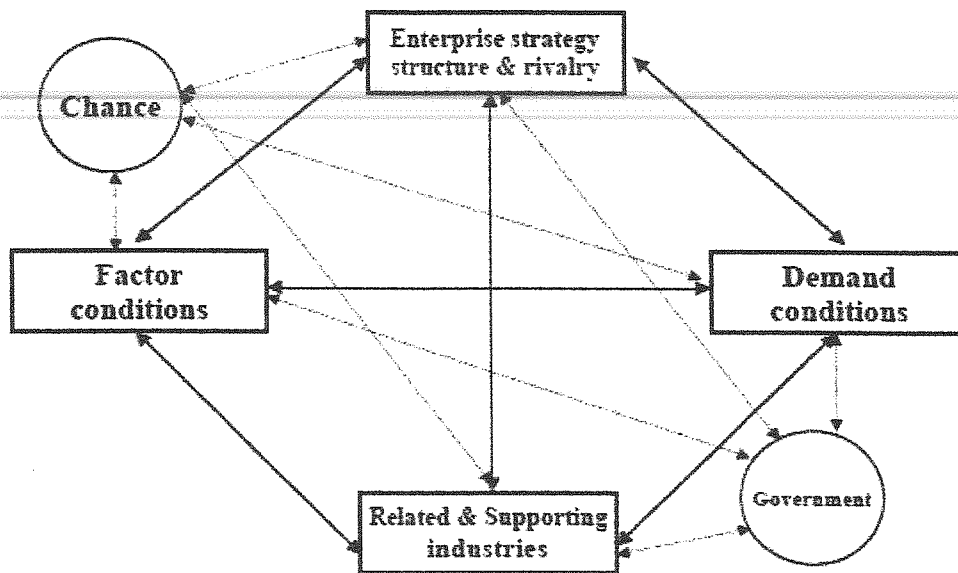
Consultation occurred in a number of phases. Surveys and interviews were conducted with a number of key stakeholders including representatives of major hospitals and research facilities. Representatives of small firms in both the Health and Community Services Sector and the Advanced Business Services Sector were also consulted. The State Government was invited to participate in the project through interviews and the industry forum. Other industry

representatives were also invited to attend the forum. The consultation phase resulted in a significant revision of the innovation cluster strategy for the City of Subiaco.

2.0 Research Findings

The research identified that there are a number of factors that contribute to the development of industry clusters. These are best described by Porter (1990) and are displayed in figure 2.

2.1 The Development of Industry Clusters



Source: Porter (1990)

Figure 1 Porter's Industry Cluster Diamond

Porter (2001) has also identified that industry clusters do not respect political boundaries and have a tendency to spread over distances larger than small localities.

2.2 Innovation Clusters

The research revealed that innovation clusters tend to develop around higher education and research facilities and can be defined as "networks of interdependent firms, knowledge producing industries...bridging institutions...and customers, linked in a value-added creating production chain" (Guinet 2001). Short, medium and long term benefits of innovation clusters have been identified (Andersen 1994).

2.3 The Importance of Networks and Place

Both networks and place were identified as of critical importance to the development of innovation clusters. Networks are critical to the innovation process relying on interactions both forwards and backwards amongst participants in the innovation process. Networks can occur locally and globally.

The development of a sense of place can be critical to the success of initiatives designed to foster a “learning city” (Larsen 1999). The concept of place becomes an attractor of knowledge workers. “The real role of local governments will be to increase the livability of communities as an attractor of talent” (Blakely 2001, p. 139).

2.4 Facilitators and Supporters of Innovation

The role of Advanced Business Support Services in supporting industry innovation was recognised. Whilst there is a role for governments to facilitate innovation, industry must take a lead role in driving innovation. Universities can be significant drivers of innovation.

2.5 The City of Subiaco and the Health and Community Services Sector

The Health and Community Services Sector is an important generator of export activity in the Subiaco economy (SGS 204). Analysis of the Biotechnology Register (DOIR 2005) indicated that there is significant clustering of biotechnology firms in the Subiaco region.

2.6 Medical Innovation in the Perth Metropolitan Area

Further analysis of the Biotechnology Register (DOIR 2005) resulted in the development of a high level map of the structure of medical innovation in the Perth Metropolitan area shown as Figure 2.

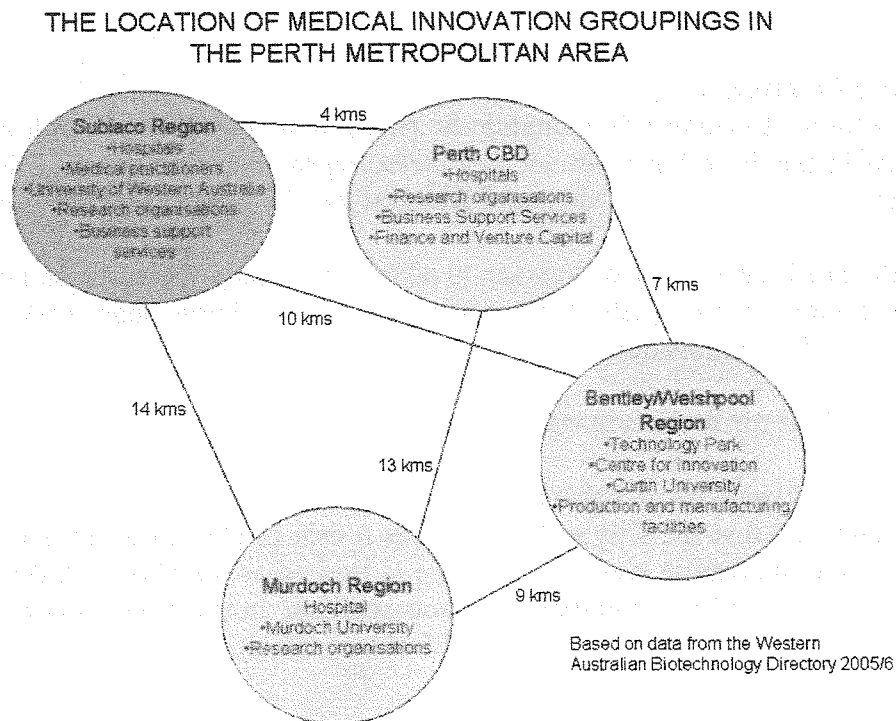


Figure 2 The Structure of Medical Innovation in the Perth Metropolitan Area

2.7 Advanced Business Services Sector

The Advanced Business Services Sector is also an important export industry within the Subiaco economy (SGS 2004). The research recognised the potential importance of the Advanced

Business Services Sector for the innovation cluster but also identified the need for further research into supply chains.

3.0 Project Findings

A range of project findings identified the significant outcomes of the research and consultation. The following is a brief summary of the project findings.

3.1 Health and Community Services Sector

The importance of the Health and Community Services Sector for Subiaco was identified as well as some of the peculiarities of this sector that might have important impacts on Subiaco. Consideration was also given to the innovation process in the medical service with emphasis placed on the importance of collaboration for this sector.

3.2 Advanced Business Services Sector

The project found that locating near the innovation cluster was less important for Advanced Business Services Sector who favoured Subiaco for its location near the CBD and the vibrant lifestyle.

3.3 Learning City

The project highlighted the advantages of the learning city concept for the development of an innovation cluster as well as the factors within Subiaco which already support the learning city concept.

3.4 Future Planning

The State Government is currently planning the future structure of the Health and Community Services Sector in the Perth Metropolitan area including the redevelopment of the QEII Facility and the relocation of King Edward Memorial Hospital and Princess Margaret Hospital.

There exists the need for the City of Subiaco to address the many pressures on its urban amenity and to plan to create a learning city that can attract and retain knowledge workers who work in and support the medical innovation cluster.

4.0 Project Recommendations

4.1 The Role of the City of Subiaco

The Project identified that the City of Subiaco has a role to play as a facilitator of the future development of the innovation cluster. This role is limited as the City of Subiaco is unable to directly intervene in medical collaboration and medical innovation. However, the project identified a number of reasons why the City of Subiaco should act now to protect and enhance the innovation cluster.

4.2 The Innovation Cluster Strategy

A revised innovation cluster strategy addressed the role of the City of Subiaco and the feedback from consultation. This revised strategy is set out in figure 3.

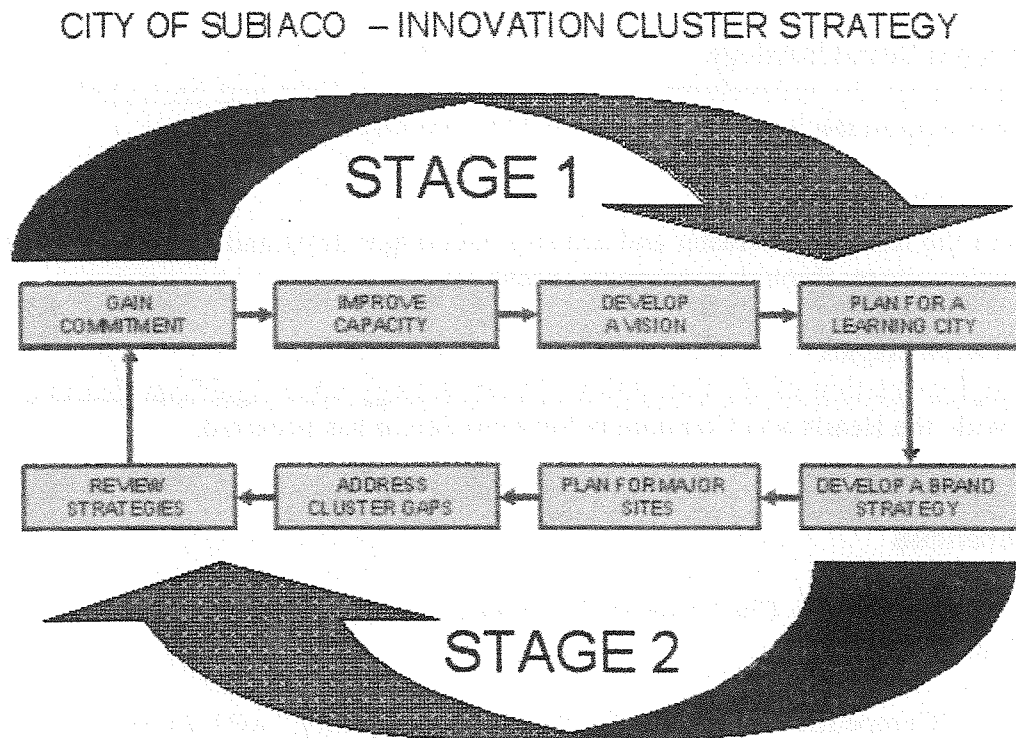


Figure 3 Recommended Innovation Cluster Strategy

The Project recommends that the City of Subiaco undertake a number of action including the following major actions.

4.2.1 Gain Commitment

Convene a group of high level senior officials from a number of key stakeholders including universities, State Government and research institutes to foster commitment to the innovation cluster concept.

4.2.2 Improve Capacity

Establish formal linkages with key organisations, train staff to understand the needs of the innovation cluster, and review processes to ensure they support the development of the innovation cluster

4.2.3 Develop a Vision

Consult with residents, stakeholders and industry to develop a vision for the learning city concept within the City of Subiaco.

4.2.4 Plan for a Learning City

Create plans for the development of the learning city concept that address existing pressures on the urban amenity of Subiaco, provide a genuine mix of housing and transport choices, adopt zoning and development control changes for the development of the innovation cluster and consider a structure plan for the urban area between the University of Western Australia and the Sir Charles Gairdner Facility.

4.2.5 Develop a Brand Strategy

Engage a consultant to develop and implement a brand strategy to leverage from and communicate the importance of the innovation cluster .

4.2.6 Develop a Brand Strategy

Lobby and encourage the redevelopment of significant greenfield and brownfield sites in a manner that will support the innovation cluster and the learning city concept.

4.2.7 Address Cluster Gaps

Identify gaps in the innovation cluster and actively encourage firms and institutions to relocate into the innovation cluster through appropriate incentives

4.2.8 Review Strategies

Review the implementation of the innovation cluster strategy once significant learning about, and dialogue with, the Health and Community Services Sector has occurred.

5.0 References

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