

Sydney, NSW



Chapter 1

Introduction



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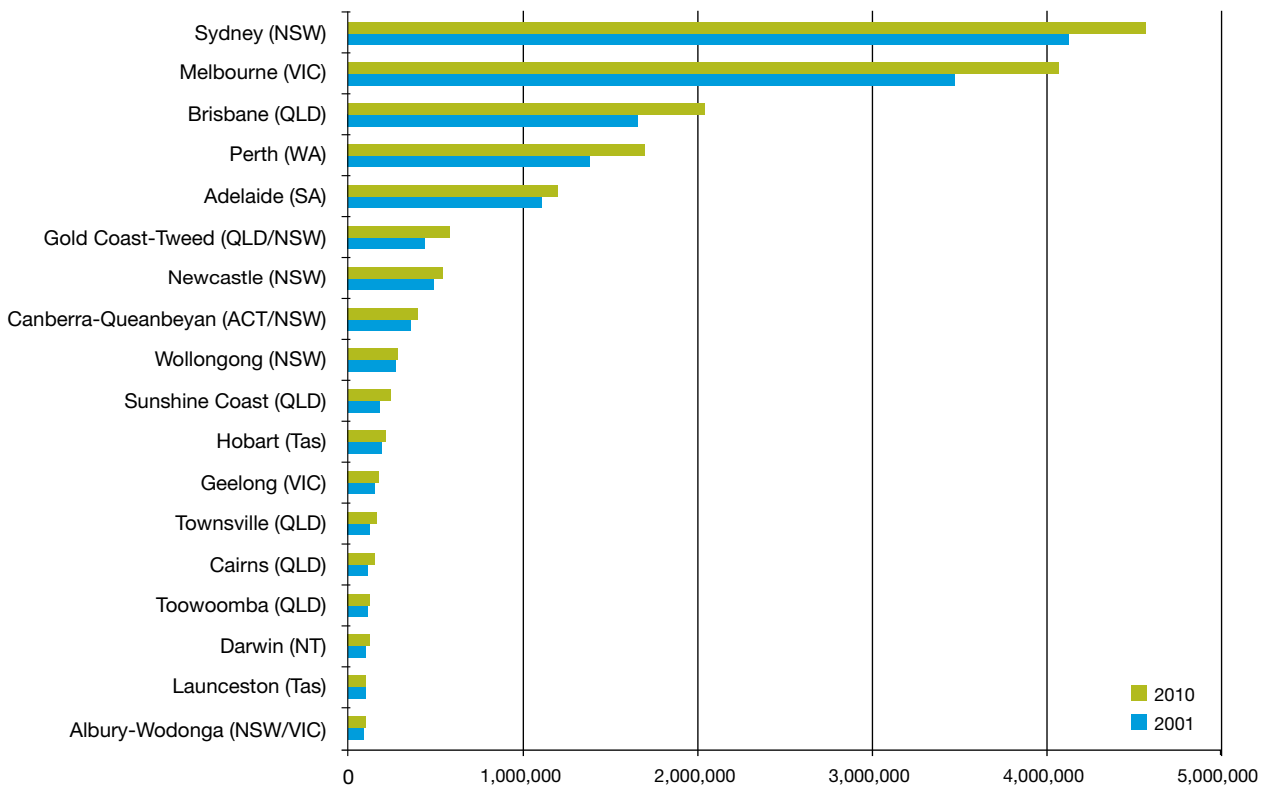
To secure the ongoing prosperity and wellbeing of our communities, we must ensure that our cities meet the needs of current and future generations. We must ensure that economic growth can be sustained and increased without compromising the natural environment or our quality of life. This is the basis of a sustainable future.

The Australian Government has a role in planning for, and delivering, an urban Australia that is more productive, sustainable and liveable. The development and management of our cities affects national prosperity and the wellbeing of all Australians, no matter where they live.

Three-quarters of Australians live in 18 major cities with populations over 100 000 (Figure 1). While Australians enjoy some of the most liveable cities

in the world, our cities face a number of long term challenges: the need to improve productivity growth; provide affordable and accessible housing; create safe community spaces; meet the needs of a growing and ageing population; ensure an inclusive and cohesive society; and address the implications of climate change. The way our cities develop to accommodate future growth and change will be critical to maintaining their status as some of the best cities in the world.

Figure 1. Australia's 18 Major Cities – Population change from 2001 to 2010



Source: ABS 2011 Cat No 3218.0 Statistical Divisions used for capital cities, Statistical Districts used for Canberra-Queanbeyan and other major cities

Quite reasonably, Australians expect their cities to provide a variety of social and economic opportunities whilst also protecting valuable environmental and cultural resources. Australians are clear that they expect their governments, at all levels, to deliver these outcomes. Consistent policy objectives ensure that investments in, and management of, urban systems will create more productive, sustainable and liveable outcomes for our cities.

Diversity of lifestyle choices, improved accessibility and affordability, and less carbon dependent ways of living, need to be adopted. This includes enabling our people – our human capital – to participate fully in society through education and training and matching people to jobs; by facilitating an adequate supply of appropriate housing; by lessening dependency on private motor vehicle use and carbon fuels; and by re-thinking the way our cities and communities are planned.

The National Urban Policy establishes the first long term national framework to guide policy development and public and private investment in cities.

In establishing the framework the Australian Government is determined to improve the productivity, sustainability and liveability of our major urban centres.

Productivity

Productivity growth will be the key driver of economic growth and prosperity over the long term.

Our major cities generate around 80 per cent of our gross domestic product and employ 75 per cent of our national workforce. Cities are centres of economic activity where labour, industry and social institutions are concentrated.

How efficiently our cities connect people, knowledge, businesses and markets—and how effectively our economic and human capital is utilised—directly impacts upon the economic performance of our urban and regional areas and their ability to contribute to national productivity growth.

Sustainability

A more sustainable Australia will require better management of the consumption of resources and production of waste to reduce our impact on the environment.

Our rapidly growing urban populations are intensifying pressure on the environment through increased demand for water, energy, land and other resources, and through the production of waste and pollution.

We need to reduce the carbon pollution generated by our cities, produce environmental benefits, and become more resilient to future shocks, including the impacts of climate change.

Liveability

Liveable cities offer a high quality of life and support the health and wellbeing of people who live and work in them, and visit for business or recreation.

Liveable cities are equitable, socially inclusive, affordable, accessible, healthy, safe and resilient. They have attractive built and natural environments and provide a diversity of choices and opportunities for people to live their lives, share friendships, and raise their families to their fullest potential.

Links between productivity, sustainability and liveability

In cities the challenges and opportunities of productivity, sustainability and liveability are part of an interrelated and dynamic system. Addressing one goal can have an impact, either positively or negatively, on the others. For example, efficient public transport can address congestion and improve access to jobs and opportunity (productivity); it can also reduce greenhouse gas emissions (sustainability); and enable affordable access to education, health and recreational facilities (liveability).

Likewise, access to affordable high speed broadband will speed up business transactions (productivity); reduce the need for physical movement and transportation of people

and documents (sustainability); and enable enhanced social, cultural and educational participation (liveability).

Why we need a *National Urban Policy*

Urban issues have emerged as key features of national policy agendas. The importance of cities and their metropolitan areas to the national economy as well as their strategic role as global nodes in international markets has led governments to renew their support for cities.

The concept of urban policy transcends the confines of narrow definitions given that nearly all public policies directly or indirectly affect urban development.

OECD 2011

There are a number of reasons why an Australian National Urban Policy is critical to the future of our nation:

- Cities are integral to our economy and our future prosperity. Our cities support and rely on our regions. A positive future for our cities is important for the future of our regional areas. The way our cities are planned and built affects how efficiently they can function as generators of regional economic growth.
- We are facing significant challenges that need to be urgently addressed if we are to secure the long term productivity, sustainability and liveability of our nation. While these challenges are apparent in both cities and regional areas there are particular issues and opportunities that are more apparent in our cities.
- Our cities are where the majority of Australians live. The nature of where and how people live has a profound effect on the wellbeing of individuals, households and communities, and their ability to participate in, and make a contribution to, society.

The *2010 Intergenerational Report, the State of Australian Cities 2010* report and the *Our Cities* discussion paper and accompanying background and research paper highlighted the

contemporary challenges and opportunities faced by Australian cities:

- With the ageing of our population, the proportion of people who will be in the workforce is declining, thereby eroding the taxation base and depleting our labour supply relative to the total population. It is critical that we maximise our workforce participation, carefully target immigration policies and ensure our workforce is highly skilled. As our population ages, the costs of our health system increases. As we become more diverse as a community our housing and lifestyle wants and needs also change.
- Global warming, climate change, and a range of recent natural disasters are highlighting the vulnerability of our cities and the need to price carbon. Cities must adapt to the expected impacts of climate change. Our cities need physical, economic and social resilience.
- We are now operating in a global economy where we compete for commerce and skilled labour. We must strive for maximum amenity and liveability for our urban communities and to attract visitors, whether they are here for business or leisure.

The complexity and scale of these challenges requires a national approach to cities. The Australian Government, as a key player in the future of our urban systems, must provide leadership on innovative, adaptable and resilient solutions.

The decisions that government, business and individuals make have a significant impact on our cities. It is necessary that we know what effect our decisions are likely to have on our cities, and to set clear aspirations and directions that guide actions and interventions.

Coordinating actions in cities

States and Territories, together with local governments, have primary responsibility to plan for urban growth and change. To support the States and Territories in this role, the Australian Government works cooperatively with these jurisdictions through COAG.

The Australian Government has made significant investments in Australia's urban communities through its contribution to the development of economic, transport and other infrastructure; health, housing, education and training; and social services and welfare. These investments, together with a range of Commonwealth policies and regulatory activities, influence the way cities are planned, managed and developed. However, in the past, Commonwealth policies, investments and activities were not always coordinated with other levels of government, nor well understood from the spatial/geographic perspective of cities.

Council of Australian Governments' Reforms

On 7 December 2009, the Council of Australian Governments (COAG) agreed to a national objective and nine criteria to ensure Australian cities are globally competitive, productive, sustainable, liveable, socially inclusive and are well placed to meet future challenges and growth.

COAG agreed that by 1 January 2012, States and Territories will have in place plans that meet the criteria and noted that the Australian Government will link future infrastructure funding decisions to meet these criteria. In order to do this, the Australian Government will:

- consider whether State capital city strategic planning systems have met the criteria;
- have reference to, and endeavour to act in a manner consistent with, those capital city strategic planning systems which meet the national criteria; and
- consider whether there is a jurisdiction-specific mechanism to ensure independent and expert advice is provided to governments on the development and implementation of capital city strategic planning systems.

The Australian Government undertook to contribute to the reforms through:

- using its property and assets to support innovative urban development, wherever possible;

- better coordination of the management of Commonwealth properties with State and local planning systems, including for airports, as outlined in the Aviation White Paper;
- better coordination of the management of Australian Government services, for example, the location of major Australian Government service delivery facilities, with State, Territory and local planning systems; and
- improved linkages and streamlined approval processes under relevant Commonwealth legislation.

As part of these reforms, the COAG Reform Council (CRC) is currently undertaking a review of jurisdictions' capital city strategic planning systems against the nationally agreed criteria. This review will conclude by December 2011. Once the CRC has completed its review, the Australian Government will consider what further actions, if any, are necessary to deliver on our objective to provide more productive, sustainable and liveable cities. The Minister for Infrastructure and Transport will work with the Minister for Regional Australia, Regional Development and Local Government and the Minister for Sustainability, Environment, Water, Population and Communities in leading the Australian Government's activities in regard to cities' policy.

The National Urban Policy represents an important contribution from the Australian Government to the COAG cities reform agenda by:

- establishing national principles and priorities to guide States and Territories in the development of strategic planning systems to ensure our cities become more productive, sustainable and liveable;
- articulating how the Australian Government will coordinate its own policies, investment and activities in cities, in partnership with State, Territory and local governments, the private sector and communities; and
- outlining how the Australian Government will uphold the COAG agreement through its policies, investment and activities.

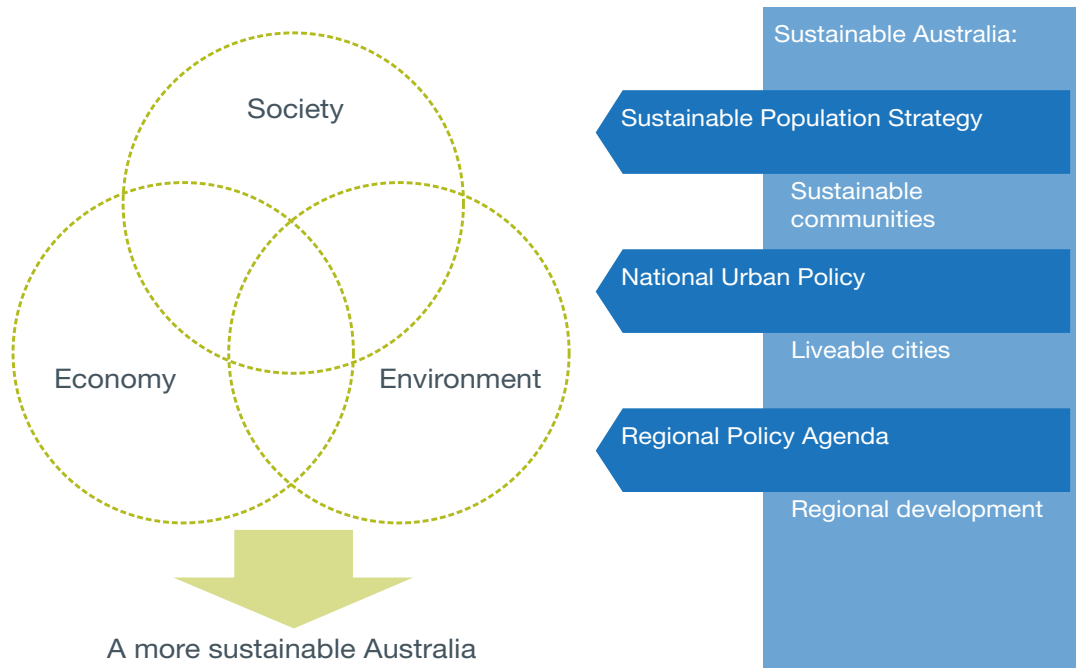
The Sustainable Population Strategy and other national policy initiatives

To support a sustainable Australia, the Government knows it needs to help to get the balance right to meet Australia’s future challenges.

Three key initiatives in the 2011 Budget underpin the Government’s approach to building a sustainable Australia: the National Urban Policy;

measures supporting the Sustainable Population Strategy; and the Regional Policy agenda. These commitments will enable us to achieve more productive, sustainable and liveable cities and build strong regional communities, providing a platform for a more sustainable Australia.

Figure 2 Policies to build a more sustainable Australia



Population growth over the coming decades is expected to be concentrated in our major cities. The National Urban Policy complements the Australian Government’s Sustainable Population Strategy. The National Urban Policy is a critical component of a Sustainable Australia framework. It applies the principles of the forthcoming Sustainable Population Strategy specifically to the urban context. In doing so, it ‘translates’ the Strategy into tangible outcomes for cities, such

as meeting future infrastructure needs through first achieving more efficient and effective use of existing infrastructure.

Together, the National Urban Policy and the Sustainable Population Strategy will provide for an evidence-based approach to how the Australian Government can contribute to meeting current and future challenges, to ensure that Australia remains a prosperous, fair and environmentally-sustainable society.

The Australian Government is also putting in place a Regional Policy agenda to acknowledge regional diversity; to ensure place-based thinking; to empower communities to innovate and shape their own future; and to ensure a fair balance of investments and access to services for regional Australia. These are important investments in regional Australia.

The Prime Minister will also begin a rigorous COAG process that asks State and Territory leaders to champion the development of Commonwealth-State reforms that are of particular relevance to their jurisdiction, whether it be labour mobility in the west or easing congestion in Sydney.

This Government is funding projects across the country in every capital city to help ease congestion and the time spent in cars and traffic.

Key components of our national transport infrastructure are located in our major cities which are both hubs of activity and gateways to international and domestic markets. The Australian Government, through Infrastructure Australia, has improved investment planning and project assessment and has developed the National Ports Strategy and a draft National Land Freight Strategy. These will inform the future investments and reform policies of the Australian Government, and can serve as a guide to the transport and logistics industry and for State and Territory Governments in the long term development of critical city infrastructure.

In 2009, through the National Aviation Policy White Paper, the Australian Government committed to working with airport lease holders and other levels of government to achieve a more balanced airport planning framework. The Australian Government's commitment to improved integration between governments in aviation planning is demonstrated by the Australian Government and the New South Wales Government working collaboratively to examine the long term aviation needs of the Sydney region and on the long term planning of the Greater Sydney region.

More recently, the Australian Government commenced a two year study for a possible high speed rail network along the east coast of Australia. This will provide the Government with a critical analysis of the issues which are involved in constructing a modern passenger rail connection between our three largest cities of Brisbane, Sydney and Melbourne.

In addition, the National Broadband Network will have a significant impact on the connectivity and inclusiveness of our cities, as well as enhancing our relationships with the rest of the world.

The Australian Government is undertaking significant reforms to the way infrastructure projects of national significance are planned, assessed, funded and regulated.

Roles and responsibilities within cities

Role of the Australian Government

How the Australian Government plans and coordinates its activities has direct and indirect impact on our cities; from how the Australian Government works with State and Territory governments to fund infrastructure, through to how we structure our investment in health and education services.

The Australian Constitution establishes that State and Territory governments have principal responsibility for the planning and management of cities. Nevertheless, since Federation, the Australian Government has had a substantial role in cities through: direct investment in housing and social and economic infrastructure and economic policy settings; property ownership; labour market regulation, immigration and taxation policies; and regulatory functions. In this way, over the years, the Australian Government has helped to shape our cities. This involvement has not always been based on clear principles and objectives.

There has been strong support for the Australian Government to increase its involvement and leadership in cities. The National Urban Policy outlines how the Australian Government's future actions will be shaped to produce better outcomes for our cities.

State, Territory and Local Governments

Queensland's experience shows the importance of linking population, land use, transport and infrastructure planning. Our 20 year plan has given the civil construction industry a clear line on long-term infrastructure opportunities and given it the confidence to invest, to employ and to relocate whole workforces here. It's not hard to imagine how powerful this could be if replicated in a national context.

These principles should underpin a national plan....

Anna Bligh MP, Queensland Premier

State, Territory and local governments are key players in shaping and managing our cities. These levels of government provide most of the facilities and services that maintain community wellbeing such as health, education, law and order. They invest in infrastructure, such as roads and railways, as well as investing in or regulating other utilities like power and water. Together, these levels of government have the primary responsibility for planning for urban growth and change and have the responsibility for statutory land use planning development approvals.

To ensure infrastructure and services best meet the needs of communities, it is important that they are delivered by the closest level

of government equipped for the task. This is the principle of subsidiarity. The Australian Government considers that its role complements, but should not duplicate, the roles played by other levels of government.

Industry and the Community

The private sector is a powerful shaper of cities. Through multiple individual decisions and investments, market forces have a strong impact on the economic, environmental and social fabric of our cities. Increasingly, the private sector is providing critical infrastructure in cities, such as power, gas, telecommunications and transport infrastructure, which was previously the domain of governments.

Individuals and households, as consumers of goods and services, and as employees and citizens, interact with governments and businesses to influence how our cities are planned and operate. Continued engagement with the community and industry is essential for the successful planning and operation of our cities.

The National Urban Policy will, in the broadest sense, seek to guide public and private investment to achieve optimal socio-economic and environmental outcomes in our cities.



Darwin, NT

What people value most about our cities

Building upon research undertaken for the Australian Government by Auspoll on what aspects of cities our communities value the most, a significant national survey titled the *My City: The People's Verdict* was commissioned by the Property Council of Australia. Over 4,000 people were surveyed in all of Australia's capital cities. The findings provide a snapshot of what people value most in their cities.

The survey looked at the importance residents place on particular attributes of a city; and the performance of their city on each of these attributes. Residents were asked to rank 17 attributes that make a city liveable, and in order of importance, they were as follows:

- It is safe for people and their property
- There are good healthcare services
- There are good employment and economic opportunities
- It is an affordable place to have a good standard of living
- The city is clean, well maintained and unpolluted
- There is a good public transport service
- There is a good road network and minimal traffic congestion
- There are good schools and other educational facilities
- There is a good range of quality affordable housing
- There is a wide range of recreational outdoor environments (like parks and playgrounds, cycle paths, beaches and countryside etc)
- There is a wide range of cultural entertainment options (like cafes, restaurants, markets, theatres, nightspots and sporting events)
- The climate is good
- The natural environment is attractive
- There is a diverse range of people who get along well
- There are good approaches to environmental sustainability and climate change
- The look and design of the city (the buildings, streetscapes and cityscape) is attractive

Nationally, our cities scored highly on recreational outdoor environments, natural environments, cultural entertainment, and school and education facilities. However, our cities rated poorly on roads and traffic congestion, public transport services, environmental sustainability and climate change, and providing quality affordable housing.

The survey also found that most residents support increased Australian Government involvement in capital cities, particularly in terms of developing a population plan to manage growth and taking a greater role in planning and investment.

Your Say – outcomes of community consultations

Through the *Our Cities* consultation process the Australian Government has received feedback from State, Territory and local governments, business and community groups, and many individuals.

The National Urban Policy discussion paper, *Our Cities—building a productive, sustainable and liveable future*, and background paper, *Our Cities—the challenge of change*, were released for public consultation on 1 December 2010. A three-month consultation process was held, designed to coincide with the consultations on the *Sustainable Population Strategy for Australia* Issues Paper. More than 200 submissions and survey responses were received and approximately 400 State, Territory and local government, industry and community representatives attended consultation meetings

across all 18 Australian major cities.

A further 40 representatives of non-government organisations and urban researchers contributed to workshops.

Feedback from survey responses, submissions, city consultations and stakeholder workshops has informed the development of the National Urban Policy. Many respondents also provided submissions to, or cross-referenced, the Sustainable Population Strategy.

The main messages drawn from the consultation process were:

- there was broad agreement to the aspirations outlined in the *Our Cities* discussion paper;
- the Commonwealth has an important, but often poorly defined, role in the planning, development and management of cities;
- many current Commonwealth policies, investment programs and activities have a



Sunshine Coast, QLD



significant influence on how cities function and grow;

- a greater understanding of the spatial implications of Commonwealth and State activities in cities is required;
 - a call for greater Commonwealth leadership in cities, but a strong assurance has been sought that the constitutional roles of States and Territories will be respected;
 - the systems currently in place to manage cities are not adequate to meet the challenges of cities. Accordingly, cities need to be more proactively managed to meet their current and future challenges, including:
 - accommodating future population growth through adequate planning and investment in social and economic infrastructure;
 - securing the future prosperity of Australian cities by ensuring cities are globally competitive and can support Australia's economic growth;
- ensuring that cities can meet the needs of future generations by way of sustainable development and preserving and protecting the environment and natural resources;
 - promoting healthy, equitable communities and lifestyles in cities and facilitating access to jobs and opportunities; and
 - supporting governance frameworks which enable efficient and effective planning, management and investment in cities in order to give long-term certainty to investors and communities.
- there is a continuing need for greater coordination of activities within and between all tiers of government, including with the private sector.

Launceston, TAS

