



Introduction

Chapter 1

There is a growing international movement to conduct audits of metropolitan centres and introduce monitoring systems to inform, measure and communicate urban policy. A number of 'State of the Cities' type reports have subsequently emerged from Europe, the United Kingdom, Canada, South Africa and New Zealand.

Concurrently, consensus has been increasing on the need to standardise indicator sets to enable comparison and sharing of national urban data and information through international organisations such as the United Nations, the OECD and the World Bank.

To date, there has been no systematic data compilation at a national level to measure economic, environmental, social and demographic changes in the cities of Australia. This is partly because there has not been an acknowledged national requirement to capture these data, and partly because the systems being measured are highly complex and dynamic.

This is the first 'State of Australian Cities' report.

The purpose of this report

The *State of Australian Cities Report 2010* seeks to answer the central questions of where are our cities now, and how are they progressing. The report draws together existing data and information across a range of economic, social and environmental subjects to provide a national snapshot of Australia's cities.

The *State of Australian Cities Report 2010* highlights established and emerging trends and issues to promote discussion and debate on the future directions of development in our urban centres. How will population growth impact upon our cities? Is quality of life improving for urban residents? What contributions do cities make to national growth and productivity in a globalised economy? How will climate change affect our cities?

This information will be used to inform actions and policies to address key challenges and take advantage of opportunities to improve the productivity, liveability and sustainability of Australia's cities. The report sets the context and scope for further Australian Government involvement in urban policy and planning to help improve the lives of people in the major cities of the nation.

The importance of cities

The city reflects the contemporary form of living, with more than half of the world's population now living in urban settlements. With 75 per cent of our population living in cities of more than 100,000 people, Australia is one of the most urbanised countries in the world.

The major cities of Australia host many of the important international gateways and contain economic infrastructure critical to national productivity. These cities make an increasingly important contribution to national economic growth and prosperity. They house major national institutions, and, as centres of population, they are where many of our national goals and priorities take effect.

In many parts of the world, unplanned urban settlements are arising faster than uniform organised settlements. In Australia, however, our governance, planning and regulatory arrangements have ensured that: most of our urban populations have adequate shelter, water and sanitation as well as access to employment, services and social and recreational opportunities; that natural and cultural heritage is protected and conserved; and that our cities have become thriving centres of enterprise, creativity and cultural diversity.

However, the nation is confronted by significant long-term challenges, including population growth and demographic change, climate change, energy and resource limitations, technological changes and the influences of the global economy.

Australia's cities will be particularly affected by these drivers of change. By nature of their composition, organisation and function, they will respond to these challenges in ways different to the regions.

Some distinguishing features of the major cities are outlined below (and see Appendix A). (More information on the classification of major cities is provided in the sections following.)

- Over 71 per cent of people aged over 65 in Australia are residents of the major cities.
- 89 per cent of those born overseas reside in the major cities.
- 93 per cent of residents who speak another language other than English live in the major cities.
- The major cities are home to over 74 per cent of all Australian families.
- People with tertiary qualifications are highly concentrated in the major cities.
- The major cities have a significantly higher proportion of people living in semi-detached and terrace housing, and an even greater proportion living in apartments.
- The major cities have a lower proportion of home ownership than the rest of Australia.
- The major cities have a substantially higher median and mean average income, with significantly greater proportions in the highest two income deciles.
- The major cities have significantly lower car-ownership rates than the rest of Australia, with public transport use concentrated in the larger cities.
- Labour force participation is substantially higher in major cities than in the rest of Australia.
- Based on relative industry sector employment share, the major cities are dominated by finance and business services, retail and manufacturing industries.

- Among occupation sectors the major cities dominate in professional and managerial occupations.
- The major cities in the year to June 2009 generated expenditure from overseas visitors of \$15 billion out of the total overseas visitor contribution of \$17 billion.

Our cities are centres of national economic, social and cultural activity, but they will need to respond to long-term challenges to maintain the quality of life enjoyed by our communities and secure the nation's productivity in a more sustainable way.

For this task, policy-makers, businesses and the community need baseline and trend data and information on our cities to understand what is happening in them and to take informed action. This report reflects the Australian Government's commitment to evidence-based policy.

An indicator framework for our cities

The *State of Australian Cities Report 2010* aims to shed light on the central questions of where are our cities now, and how are they progressing. How can we best describe the current status of our cities and the changes affecting them, and what dimensions should be included? What indicators best capture and provide measurements of these dimensions? And how can we best organise the collection and analysis of data and information?

Cities are highly complex systems. It is therefore difficult to measure every aspect of an urban environment, especially given the variation between and within cities.

The framework applied in this report was constructed with reference to examples of national and international state-of-the-city reports from around the world. Several key themes were identified to help organise material in the report. These themes were selected as they encompass a broad range of activities and outcomes experienced by urban centres, as well as highlighting major policy issues and areas of national concern. The themes include:

- Australian cities in an international context
- Population growth and change
- Urban settlement
- Productivity
- Sustainability
- Liveability
- Social inclusion
- Governance.

Sets of indicators compiled under these themes were determined based on a number of criteria, including their relevance to the themes, representativeness, measurability, comparability and consistency.

The selected indicators were restricted to published statistics and information available in the public realm. Most importantly the indicators were selected from authoritative sources, and to provide comprehensive coverage of the major cities of Australia as far as possible.

The indicators include a mix of outcomes and drivers and therefore incorporate both 'leading' and 'lagging' indicators. These indicators reflect a balance between the information required for the development of long-term strategy and short-term needs for informing immediate action.

It should be stressed that these are not performance measures but robust and transparent assessments over time of what things are changing and in what directions, and how each city differs from another. While the data indicate significant gaps, particularly in information available at the city level, they provide a basis for further discussion on how our cities are progressing, and to guide policy and actions towards more productive, liveable and sustainable cities.

Defining our cities

The *State of Australian Cities Report 2010* applies the Australian Bureau of Statistics (ABS) 2009 Australian Standard Geographical Classification statistical divisions for capital cities and statistical districts for regional cities. Statistical districts are defined as predominantly urban areas, the boundaries of which are designed to contain the anticipated urban spread of the area for at least 20 years. They are generally defined as containing an urban centre population of 25,000 or more.

The major cities defined in this report are made up of many local government areas. Appendix B provides maps for each of the major cities described in this report. These maps outline the local government areas contained within each major city.

In this report the following distinctions between cities are made, based on data from the ABS 2006 Census.

Major cities

- Major cities are all Australian cities with populations of over 100,000 people.

Capital and regional cities

- Capital cities are the state and territory capitals—Sydney, Melbourne, Brisbane, Perth, Adelaide, Hobart, Darwin and Canberra.
- Regional cities are other cities with populations of over 100,000 people.

Size distinctions (Table I.1)

- Global cities are cities that have a population of over 3 million.
- Large cities are cities that have a population between 1 and 3 million.
- Medium cities are cities with a population between 250 thousand and 1 million.
- Smaller cities are cities with a population between 100 and 250 thousand.

Table 1.1 City categories by size, 2006

| Population | Category | City | Population | Percentage of Australia's population |
|------------------------|----------------|------------------|------------|--------------------------------------|
| > 3 million | Global Cities | Sydney | 4 399 722 | 20.52 |
| | | Melbourne | 3 892 419 | 18.16 |
| | | sub-total | | 38.68 % |
| 1–3 million | Large Cities | Brisbane | 1 945 639 | 9.08 |
| | | Perth | 1 602 559 | 7.48 |
| | | Adelaide | 1 105 841 | 5.47 |
| | | sub-total | | 22.03 % |
| 250 thousand–1 million | Medium Cities | Gold Coast | 558 888 | 2.61 |
| | | Newcastle | 531 191 | 2.48 |
| | | Canberra | 345 257 | 1.84 |
| | | Wollongong | 284 169 | 1.33 |
| | | sub-total | | 8.26 % |
| 100–250 thousand | Smaller Cities | Sunshine Coast | 237 562 | 1.11 |
| | | Hobart | 209 287 | 0.98 |
| | | Geelong | 172 300 | 0.8 |
| | | Townsville | 162 730 | 0.76 |
| | | Cairns | 142 001 | 0.66 |
| | | Toowoomba | 125 339 | 0.58 |
| | | Darwin | 105 990 | 0.56 |
| | | Launceston | 104 649 | 0.5 |
| | | sub-total | | 5.95 % |

