

Executive summary

While the struggles and passions of rural life are often used to define the Australian spirit, for the vast and overwhelming majority of Australians, life in the cities is the reality.

Some city dwellers may yearn for a sea change or a tree change, but few of them will take such a step. For Australians, living in the nation's major cities will be the norm both for the present and for the future.

Australia is one of the world's more urbanised nations, with just over three-quarters of the population living in 17 major cities of 100,000 people or more and the majority of urban dwellers living in five cities—Sydney, Melbourne, Brisbane, Perth and Adelaide. The population of Australia is projected to be 35 million by mid-century, with our capital cities becoming home to the vast majority of this increased population.

Within the largest capitals, urban areas are growing rapidly, with net overseas migration seen as the main contributor to population growth. The local government areas of Wyndham, Melton and Whittlesea in Melbourne; Wanneroo, Swan and Rockingham in Perth and Ipswich in Brisbane are among the fastest and largest growth areas in the nation. In 2007–08 they experienced growth rates above 4 per cent and population increases of 4,000 or more for the year.

Australian urban life provides extensive economic, social and cultural benefits for residents. Large net migration and the concentration of overseas-born people in the cities have created a cultural and linguistic diversity that has helped further define and enhance modern urban life.

While Australian cities perform relatively well in terms of quality of life and other social issues, they are confronted by significant challenges including population growth and demographic change, transport congestion, living affordability, infrastructure development, productivity growth, climate change and ecological sustainability. Australian cities will need to respond effectively to these challenges in order to sustain the high quality of life enjoyed by urban communities into the future, and remain globally competitive.

Overcoming the negatives and enhancing the positives to improve the lifestyles of Australia's urban residents requires discussion and debate, which can only be initiated on a national level, in national forums and with research and data collected and presented uninhibited by local concerns and/or prejudices.

Depictions and studies of individual cities—capital and/or major—are commonplace. However, a holistic study of the phenomena of Australian cities, measuring economic, environmental, social and demographic changes, has never before been undertaken. Systematic data compilation, which can reveal trends and provide a platform of knowledge for the development and implementation of future urban policies, has been deficient.

The *State of Australian Cities Report 2010* begins to redress that information deficiency and sets the scope and context for Australian Government involvement in urban policy and planning, which has as its focus improved living standards for the people who live in the nation's major cities.

The economic strength of Australia's major cities is evident. They contribute nearly 80 per cent of national Gross Domestic Product and the employment of 75 per cent of the nation's workforce. The major cities are also responsible for some 84 per cent of Australia's economic growth in the period 2003 to 2008 and 81 per cent of employment growth between 2001 and 2006. There is nothing to suggest that those trends will change.

Stronger, more sustainable and more liveable Australian cities mean a stronger Australian economy and an enhanced lifestyle for all Australians.

In the economic and lifestyle context, the well-being of urban communities also need to be understood to support policy development and delivery.

The report found that the past outward urban expansion has meant a greater distance between residential and employment areas with a resultant greater use of cars, higher transport costs, more vulnerability to oil price rises and the loss of agricultural land or habitat. More recently, however, the pattern of growth has seen an increasing proportion of population growth accommodated in existing inner and middle suburban areas, most notably in Sydney.

The level of car dependency in Australian cities has increased at a faster rate than population growth, creating traffic congestion problems as infrastructure and public transport have failed to keep pace with population growth.

Congestion, the bane of urban dwellers, if not addressed will continue to grow as a serious negative not only for lifestyle but also for the negative economic impacts. Quoting the Bureau of Infrastructure, Transport and Regional Economics, the report estimates that the avoidable cost of congestion for the Australian capitals was approximately \$9.4 billion in 2005. Projections show that by 2020 this cost will rise to \$20.4 billion, impacting adversely on Australian productivity and national, state and territory and local economies.

Congestion not only lengthens working hours but also tilts the work/family balance contrary to the aspirations of the majority of Australians. In addition, congestion leads to productivity declines. In Australia's eight capitals, the freight task—the movement of goods—is expected to grow by 70 per cent between 2003 and 2020 and, as trucks compete with other traffic in ever more congested roads, productivity will decline and costs to business increase.

Congestion and growing vehicle numbers result in air quality declines. Transport emissions are one of the strongest sources of emissions growth in Australia. That growth is expected to continue, with direct CO₂-equivalent emissions projected to increase 22.6 per cent between 2007 and 2020—or around 1.58 per cent a year.

Declining air quality is linked to commonly reportable health conditions among children and young adults, with respiratory conditions and exposure to urban air pollution now accounting for 2.3 per cent of all deaths.

All three spheres of Australian government—national, state and territory, and local—have roles to play in addressing and meeting the key challenges and opportunities to improve the productivity, liveability and sustainability of Australia's cities. This can only be achieved by working in partnership with communities and the private sector.

The design of urban environments can contribute to the health and wellbeing of communities by supporting active living, active and passive recreation opportunities, public transport and social connectivity. Evidence suggests that well-designed public open space is restorative for the community, reducing the mental fatigue and stress of urban living.

Australian cities can provide many opportunities to lead the nation towards a more sustainable future. The way cities are planned, built and function can promote more efficient use of resources, including water, energy and land, minimise the production of waste and encourage more reuse and recycling, reduce greenhouse gas emissions, and support biodiversity in and around urban areas through better management of open and green space.

State and territory governments lay down strategic planning frameworks, and local governments implement planning policies that ideally reflect local aspirations. However, while the eight state or territory governments and 155 local governments will significantly influence the future direction of Australia's major cities, there is an inherent need for a coordinating and oversight role for the Australian Government, given its primary economic, social welfare and infrastructure roles. Fitting the policies—sometimes allied, sometimes conflicting—of state, territory and local government into a national framework can only be achieved by a national collaborative approach.

In the rollout of new infrastructure, local, state and territory governments increasingly look to the Australian Government for the necessary capital to supplement their own financial inputs.

In meeting growing local, state and territory demands, the Australian Government, however, must ensure that taxpayer funds are allocated to deliver improved living standards and quality of life for all Australians, as well as the national economic good, rather than satisfying particular local demands.

The data and material presented in the *State of Australian Cities Report 2010*, will assist the Australian Government, in cooperation with state, territory and local government, and in partnership with the community and industry, to improve Australian urban policies. This will not only continue to provide the major cities contribution to the nation's economy but also enhance the living standards and life quality for our communities.

