

30 April 2015

Tim Watling
Committee Secretary
Senate Rural and Regional Affairs and Transport References Committee
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Mr Watling

INQUIRY INTO THE FUTURE ROLE AND CONTRIBUTION OF REGIONAL CAPITALS TO AUSTRALIA

The Australian Sustainable Built Environment Council (ASBEC) Cities Task Group welcomes the opportunity to provide a submission to the Senate Committee Inquiry into the future role and contribution of regional capitals to Australia.

ASBEC is the peak body of key organisations committed to an efficient, productive and sustainable built environment in Australia. Membership consists of industry and professional associations, non-government organisations and government observers who are involved in the planning, design, delivery and operation of our built environment. Collectively, ASBEC's membership has direct reach to more than 300,000 professionals in the built environment sector and represents an industry worth more than \$700 billion in value.

ASBEC's Cities Task Group is focused on policy that improves the long-term productivity, liveability and sustainability of cities, urban communities and their underpinning infrastructure.

The Task Group seeks to provide comment on the following areas of concern, outlined in the Inquiry Terms of Reference:

- a) an assessment of current demographic trends and the changing role of regional capitals;*
- d) investment challenges and opportunities to maintain or grow regional capitals, including infrastructure, community and human services, communications and natural resources;*
- e) incentives and policy measures that would support sustainable growth in regional capitals;*
- g) any other related matters.*

a) An assessment of current demographic trends and the changing role of regional capitals

Publish 2014 and 2015 State of Australian Cities reports

We refer the Committee to the excellent [State of Australian Cities](#) (SOAC) reports produced by the Department of Infrastructure and Regional Development. Reports were published for 2010, 2011, 2012 and 2013. The Government has not yet released a report for 2014.

Defining major cities "as those with a population of more than 100,000 residents", the reports provide detailed information about the current demographic trends and changing roles of cities including Cairns, Townsville, Toowoomba, Newcastle, Wollongong, Albury-Wodonga, Launceston and Geelong in the analysis. State of Australian Cities was a unique publication with a high level of immediate application due to the format and approach to reporting data through a cities-based lens. The very high level of downloads achieved for the report over its life is a testament to its useability which has not been found in any other source yet produced by the Government. The report was widely commended and

considered a critical addition to the ongoing development of evidence-based policy of the type being sought by this Inquiry.

- **Recommendation 1: That the State of Australian Cities reports continue to be published, providing both a current snapshot and understanding of progress in and the changing roles of Australia's regional capitals.**

d) Investment challenges and opportunities to maintain or grow regional capitals, including infrastructure, community and human services, communications and natural resources;

Best practice infrastructure planning and new investment, based on independent, transparent advice supported by broad cost-benefit analysis.

Infrastructure provision is critical to ensuring the ongoing productivity and liveability of Australia's regional capitals. All tiers of government are under pressure as balance sheets are stretched to accommodate growing demands for vital infrastructure. Tackling Australia's infrastructure backlog is central to halting our productivity growth backslide and bolstering our international competitiveness.

Good infrastructure planning and development in Australia is inhibited by: the politicisation of plans and decisions; funding and finance constraints; narrow business case analysis; lack of foresight; inefficient procurement processes; and ineffective community engagement. There is no shortage of recommendations and ideas to overcome these challenges.

Most recently the Productivity Commission Inquiry into Public Infrastructure and the House of Representatives Inquiry into Infrastructure Planning and Procurement identified much-needed reforms. Off the back of these comprehensive policy analyses, what is now more urgently required is leadership to take these recommendations forward to deliver the infrastructure desperately needed to support business, build more liveable, resilient communities and create new jobs.

- **Recommendation 2: Infrastructure Australia lead the development of a transparently evaluated 30 Year Infrastructure Plan, through effective engagement with State, Territory and Local governments, community and business (see also our recommendation 5 below for a new Intergovernmental Agreement supporting cities research, investment and planning).**

A 30 Year Infrastructure Plan would be implemented through effective engagement, planning, decision-making, funding and execution across electoral cycles with support from the community and industry. A National Spatial Masterplan could further augment an Infrastructure Plan and in parallel outline the overarching vision for the nation, transparently identifying key growth areas and infrastructure priorities in line with the roles and responsibilities of the Federal Government and in collaboration with the states and territories. Critical to the realisation of this vision is funding and leadership.

- **Recommendation 3: Governments work collaboratively with each other and with the private sector to release new funds for infrastructure investment based on independent, transparent advice supported by broad cost-benefit analysis.**

The Committee should consider a fresh approach to infrastructure funding that draws on the experience of the United Kingdom's City Deals policy initiatives. This approach proposes new financing mechanisms delivered through a better understanding of the value and breadth of productivity benefits that flow, not just from individual projects, but also from packages of projects and initiatives. This approach better reflects the true value of infrastructure investment supporting jobs and more liveable, productive and sustainable communities.

- **Recommendation 4: The adoption of more innovative funding and financing strategies to move beyond the status quo; coupled with enhanced governance arrangements to support infrastructure prioritisation and delivery.**

There is no silver bullet for infrastructure funding and financing. A range of policy levers need to be deployed. Alongside these, a robust, independent and transparent process and governance model for the evaluation, prioritisation and decision-making is essential to support infrastructure delivery.

While many infrastructure projects are prioritised through clear and rational assessment, in some cases decision making risks being misconstrued, and may appear to be driven by political expedience where no clear process or guidelines for assessment have been developed. When communities are competing for scarce dollars, clear processes are essential to assess, rank and prioritise projects. Decisions must be robust and stand the test of changing political and economic circumstances.

e) Incentives and policy measures that would support sustainable growth in regional capitals;

Leverage the unique roles and responsibilities afforded to every sphere of government, industry and the community in developing our best urban centres and cities.

Different spheres of government hold different roles and responsibilities in ensuring the productivity, sustainability and liveability of our cities and urban communities. Each sphere of government must maximise the potential of our urban centres and cities through a coordinated approach leveraging all available powers.

- **Recommendation 5: through a Minister for Cities, the Australian Government lead the development of an Intergovernmental Agreement with the states and territories supporting: better data collection and research to understand our cities; agree the investments required to drive productivity; and to support new financing arrangements that leverage the strengths of every sphere of government helping to deliver more productive, liveable and sustainable cities.**
- **Recommendation 6: State and Territory governments work with the Australian Government to: implement in their own projects, and more broadly encourage, good and best practice urban design; measure success using consistent indicators and data collection across cities; and deliver new funding for productivity enhancing infrastructure prioritised through independent, expert and transparent advice.**
- **Recommendation 7: Local governments collaborate to lead the identification of critical infrastructure for funding, through effective community engagement, as it contributes to local productivity, liveability and resilience.**
- **Recommendation 8: State, Territory and Local governments commit to achieving and requiring best practice urban design in those projects where they have development control.**

Governments must have effective city strategic planning systems and work collaboratively to: establish clear roles and responsibilities across spheres of government; and remove duplication and red-tape to incentivise best practice development and value-for-money outcomes. In addition there is a critical role for industry to support best practice and continuous improvement.

- **Recommendation 9: Industry work collaboratively with government and the community to identify, apply and promulgate best practice approaches to urban planning and design including commercial, residential, streetscape and public space development and infrastructure.**

Deliver world-class urban environments through a commitment by all spheres of government to adopt and champion Creating Places for People: An Urban Design Protocol for Australian Cities.

Creating Places for People: An Urban Design Protocol for Australian Cities (the Protocol) is a collaborative commitment to best practice urban design in Australia. It is championed by peak community and professional organisations, businesses and all three levels of government. Urban design is both a process and an outcome of creating localities in which people live, engage with each other, and participate in the physical place around them. *Creating Places for People* does not take a one size fits all approach. It provides broad principles that take into account the unique characteristics of a location,

people's experience and well-being; and encourages excellence and collaboration in the design and custodianship of urban places. *The Protocol* establishes twelve broadly agreed principles for quality urban places in the Australian context. These principles can be applied to any project or location—whether it is in a large capital city, regional centre or rural town.

- **Recommendation 10: All governments deliver world-class urban environments through a renewed commitment to adopt and champion [Creating Places for People: An Urban Design Protocol for Australian Cities](#).**

g) Other related matters.

Measure and report success through transparent and consistent indicators applied across all our major cities.

Measuring and reporting success, not as a score-card but to track progress, will incentivise best practice and support long-term evidence-based policy development.

- **Recommendation 11: The adoption of transparent and consistent indicators by all State and Territory governments applied across all our major cities to measure:**
 - **Economic prosperity**
 - **Sustainable land-use and transport**
 - **Natural resources**
 - **Green infrastructure and ecosystem health**
 - **Resilience**
 - **Health and liveability**
 - **Social inclusiveness**
 - **Good governance**
 - **Housing diversity & supply**

Leading 'flagship' indicators, drawing on the core categories above, should be developed in consultation with stakeholders and encourage public debate about city performance.

As we transition towards a more services-driven, knowledge based economy our cities and regional capitals are engines of growth. With more than 80 per cent of Australia's GDP generated within cities, it is imperative that better public policy be implemented to support their productivity, liveability, sustainability and resilience.

The above recommendations represent opportunities for policy-makers to achieve multiple objectives across a wide range of portfolios through a coordinated and strategic focus on improving the productivity,

Yours Sincerely

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