

SUBMISSION COVERSHEET

Submissions may address any key issues related to the Infrastructure Australia agenda and/or in specific response to the topics raised in the discussion papers.

Please complete and submit this form with your submission. Where possible, *Infrastructure Australia* requests submissions are submitted electronically. Contact us:

Via email Write 'Submission' in subject field of the email and send to: mail@infrastructureaustralia.gov.au	Via post Address your submission to: The Infrastructure Coordinator Infrastructure Australia GPO Box 594 Canberra ACT 2601 AUSTRALIA
--	---

Organisation: Unions NSW

Contact person: Adam Kerslake

Postal address: Level 3, 4 Goulburn St, Sydney 2000

State: NSW

Postcode: 2000

Country: Australia

Email address: cdelprat@unionsnsw.org.au

Telephone: 9881 5900

Submission title: Unions NSW Submission to the *Infrastructure Australia* Inquiry.

Author(s): Unions NSW

No. of pages: 7

Date: October 15th 2008.

Please indicate if your submission:

- contains NO confidential material
- contains **confidential** material and the whole submission is provided “IN CONFIDENCE”
- contains **confidential** material, the whole submission is provided “IN CONFIDENCE”, and I also want my name, affiliation, and contact details withheld from the public domain.

Please indicate which of the following your submission covers:

- Issues Paper 1 — Australia’s Future Infrastructure Requirements
- Issues Paper 2 – Public Private Partnerships

AND/OR

General (Includes information on the following areas)

- | | |
|--|--|
| <input type="checkbox"/> Water Infrastructure | <input type="checkbox"/> Telecommunications Infrastructure |
| <input checked="" type="checkbox"/> Transport Infrastructure | <input type="checkbox"/> Energy Infrastructure |
| <input type="checkbox"/> Climate Change | <input type="checkbox"/> Infrastructure Investment |
| <input type="checkbox"/> Public Private Partnerships | <input type="checkbox"/> International issues |
| <input type="checkbox"/> Infrastructure Audit | <input type="checkbox"/> Infrastructure Policy |
| <input type="checkbox"/> Infrastructure Law | <input type="checkbox"/> Infrastructure Planning |
| <input type="checkbox"/> Other, please state: | |

Please acknowledge the submission guidelines:

- Infrastructure Australia may publish the submissions it receives on the *Infrastructure Australia* website. Submissions will be treated as public documents and communicated to the public unless marked as confidential in this coversheet.
- We encourage **evidence-based** submissions. We will not accept any submissions that contain defamatory statements, that is, any statements which have the effect of causing damage to a person's reputation. If you make any defamatory statements in your submission then a legal proceeding for defamation may be used against you.
- Authors of submissions are responsible for securing the appropriate right to use any third party material incorporated into their submissions.
- Submissions made by individual community members should not include any personal details other than your name, suburb, state/territory or country. For submissions made by organisations contact details may be included.

Please tick to indicate that you have read and agree to the above.



Unions NSW Submission to the *Infrastructure Australia* Inquiry.

Executive Summary

Discussions about the provision of infrastructure for the future need to be set in context within a discussion about the Australia's place and our economic capacity for social and economic development within the 21st century. The piecemeal approach to infrastructure that currently occurs is clearly not working. Instead there needs to be a systematic approach to all infrastructure, particularly public transport as it relates to the economy, social interaction and the environment. This should be underpinned by an iconic narrative about the role of infrastructure in Australian Society. This can be achieved through administrative, operational and land use integration.

Introduction

Infrastructure Australia has sought submission from stakeholder on issues for discussion about infrastructure that are of national significance. In our view, discussions about the provision of infrastructure for the future need to be set in context within a discussion about the Australia's place and our economic capacity for social and economic development within the 21st century.

In 2004, Professor Ed Blakely wrote of the importance of Sydney to the Australian economy when he pointed out that:

“Sydney is the headquarters of 500 global Pacific firms. 23% of the value added GDP comes through this city for the nation. No city in the US is comparable, not even New York. Sydney is the second most important futures and options market in Asia Pacific and the eleventh largest market in the world for traders. Every morning New York traders and London Traders look to Sydney for the prices of gold, oil, wool and grains. So Sydney is a very important place, not just for us, but for people all over the world. But what guides Sydney now is not just its location, but its brain power. Brain power is the essential ingredient informing this city.”

And further

“This portrait of Sydney as an economic system is underpinned by our most important resource; our people. Sydney's future has to be guaranteed by how we treat them.”

Sydney's place among the elite of global cities is not fixed and guaranteed. Indeed there is fierce competition across the world for ascendancy within the global regional economic rankings. With this

challenge in mind there are there are now regional economic development plans in place to foster regional economic development in places such as Sydney as well other parts of NSW, Melbourne, Canberra, Adelaide and South Eastern Queensland. Similar plans are in place within most global economic centres.

The Sydney Metro Strategy

In 2005 after many years of consultation the NSW Government released its *Sydney Metro Strategy*. This strategy was in essence a 25 year plan for the development of Sydney and aimed at Sydney's success within the context of global knowledge economy. The Strategy anticipated that within the next 25 years, Sydney will see:

- 1,100,000 more residents
- 640,000 new homes
- 500,000 new jobs
- The creation of Sydney as a city of 5 cities
- 3 major transport corridors
- 1 global city

Among the many aims of the *Sydney Metro Strategy* was the idea that over time Sydney residents would live nearer where they work and not have to spend more than 30 minutes travelling to and from work. The plan was that rather than have the Sydney CBD as the centre of work activity, the regional cities would also be developed as employment hubs. These 5 regional cities within Sydney would include Parramatta, Penrith, Liverpool, the Sydney CBD and North Sydney. Unions NSW endorses this notion of Sydney as a "city of cities".

In addition, two new growth corridors were ear marked for future growth; Leppington in the South West and Rouse Hill in the North West. Transport to and from these centres were planned as well as strong inter regional city connectivity was also an aspect of the plan.

The Unfinished Business within the Plan

Unions NSW took a keen and engaged interest in the plan as it has major implications for working people within Sydney. Connectivity and mobility are a fundamental challenge for Sydney residents at this time. Housing prices have soared near employment hubs (where the global jobs are) such as in and around the CBD, in the East, the Inner West and up through the global corridor into the North Shore.

The Tale of Two Sydneys

Spatial analysis of Sydney shows some disturbing trends when considered in the context of Sydney as a global knowledge hub. This is sometimes referred to as the rise of two Sydneys with the affluent one to the east, housing the knowledge workers and their well paid jobs, and to the west, one dominated by the lower paid routine production workers and the in-person service workers. This global arch of knowledge workers poses some significant challenges such as is detailed by SGS Economics:

“The result of the spatially concentrated rise of ‘knowledge workers’ in Sydney is a more geographically accentuated polarization in the income distribution, and the slow disappearance of the middle-class. These shifts are evident in the socio–economic structure of Sydney, with knowledge workers and their associated households strongly concentrated around the harbor, in the northern and eastern suburbs, and the Ku-ring-gai corridor. This is in stark contrast to a growing second Sydney to the west – characterised by lower occupational classification, greater likelihood of part-time employment and lower income levels. **The level of polarization is unprecedented, and it raises many social, economic and policy challenges.**”¹

We believe the policy challenges that are faced by governments in relation these trends impact upon discussions about the provision of infrastructure and are of national significance. Sydney as an incredibly important part of our national economic puzzle as well as home to 4.2 million Australians and is a city under great strain.

These developments as reported above by SGS Economics are causing unprecedented social and economic trends within the social and economic geography of Sydney. These trends are not inconsistent with global trends within so called global cities but they need to be addressed.

The *Sydney Metro Strategy* failed to adequately address these trends within Sydney. Just before its release the NSW Government decided that it was necessary to remove infrastructure proposals from the Metro Strategy arguing that no infrastructure proposal could be proposed without adequate consideration of budgetary circumstances. This meant that the Metro Strategy identified the problem without providing any solutions.

This matters because the absence of substantive infrastructure proposals within the context of a plan for the growth of a global city like Sydney means that:

- The polarisation in the distribution of wealth across Sydney is likely to remain and accentuate into the future. This will result from skilled workers congregating in areas in and around where all the good jobs are.
- This in turn feeds into a chronic housing affordability problem into the future in key demand areas in and around areas where the good jobs are.

¹ DIPNA Background Document Sydney’s Economic Geography: Trends and Drivers Summary Report June 2004, p. 6

- Lower skilled or lower asset based workers are forced to rent or buy and commute for long distances away from where they work.
- This in turn feeds into demand pressures on Sydney's roads and underfunded public transport systems.
- All of this affects Sydney's liveability, its environmental character and the capacity of the city to be successful in the global knowledge economy.

As Sydney special geography congeals into pockets of high income expensive areas and low income more marginalised areas, other problems begin to arise.

“Regardless of how it manifests itself, the existence of relatively depressed communities means that a certain segment of the population is cut off from the fruits of national economic development. People in these localities will not simply migrate to healthier areas².”

At the outset the point was made that Sydney's most important asset was its people and their opportunity to use their brain power in the context of the knowledge economy. The *Sydney Metro Strategy* correctly identified the importance of moving the good jobs away from the global arch toward a global circle thereby directly addressing the spatial economic challenges.

The Importance Commonwealth support for 21st Transport Options

Fundamental to the success of any successful regional program is the issue of transport. Specifically for the city is Sydney it is the connectivity between where people live and where they work. Notwithstanding the important proposals within the *Sydney Metro Strategy* to move jobs to where people live, connectivity remains one of the greatest barriers to opportunity for working families within Sydney.

An example of a creative solution would be fast train proposals submitted by Child and Associates on behalf of *10,000 friend of Greater Sydney*. It proposes travel times from the Central Coast of NSW to the Sydney CBD of 30 – 45 minutes using technology currently available (Maglev or fast wheel on track technology). In terms of operational criteria for improving the transport infrastructure of NSW, it is not always necessary to use new technologies or infrastructure. Sometimes infrastructure that currently exists can be used in a more efficient way³. This may mean running express lines along existing tracks on our rail system.

Under current arrangements, working families on the Central Coast remain land locked having to rely on the inadequacies of the F3 freeway or our current train line. This suppresses real estate prices and means that some skilled workers will choose to work below or outside of their skill sets so as to avoid the lifestyle chaos associated with regular long commute.

² Litvak and Daniels as quoted in Blakely, E.J. et-al Planning Local Economic Development, p11

³ *Sustainable Transport in Sustainable Cities*- www.warren.usyd.edu.au/transport- (22.09.08)

A fast train on the other hand would open up opportunities for both business and the Central Coast workers. The same story can be told for workers in Wollongong, Campbelltown, Penrith and other outlying yet affordable areas within Sydney.

However when this issue is considered by the NSW Government, there is never enough money available to fix the problem and we submit that this project provides an opportunity for the federal government to assume a proactive role in creating iconic infrastructure. Specifically to investigate and support major investment initiatives to provide Sydney with a publically funded fast train network connecting Sydney's regional cities and its growth corridors.

There is also a serious perception problem with public transport in NSW. Whether it is deserved or not, there is a belief that public transport is not safe, badly run and over-priced. In order to overcome this, Unions NSW would recommend investment in this iconic infrastructure project linking regional hubs. The successful delivery of such a project would encourage a greater consumer confidence and patronage and in turn allow for a reduction in ticket prices.

This reduction in ticket prices has been suggested to lead to a decrease in car traffic⁴ as it would no longer seem easier and cost neutral for inner-city residents to drive (or use taxis) to their places of work or study.

Operationally, there also needs to be an integration of current and future service providers ticketing systems. This would significantly streamline the process of transit as all tickets could be purchased before boarding. It would also improve the efficiency of this process if purchases could be made via the internet or other technologies. In global cities across the world this is accepted practice both for the provision of transit and other services.

A streamlined ticketing system would also encourage a greater degree of connectivity between different transport services. This in turn has the potential to release land currently used for parking at transport interchanges for other use.

The role for the Commonwealth in Supporting Regional programs

These 21st century economic challenges were not effectively addressed by the Howard Government. There was no national economic body responsible for the health of our important regional economies as this was seen as a state issue.

In 2004, the Planning Institute of Australia made a submission to the Sustainable Cities Enquiry where they stated that:

“One of the Commonwealth’s universally recognised roles concerns sound management of the national economy. For the most part, the Commonwealth has pursued this key role using policy

⁴Glazebrook, G., *The Scope for enhancing public transport in Australian capital cities*, <http://www.globalcollab.org/gci/adaptnet/policy/2008/australian-public-transport-> (23.09.08)

instruments that are essentially 'aspatial'. These include monetary policy, fiscal (government spending) policy, labour market reform, competition policy, trade policy and restructuring of infrastructure companies and institutions....

But there is mounting evidence that in a globalised economy, the continuing competitive advantage that can be wrung out of macro economic settings is diminishing, if for no other reason than our competitors are inexorably moving towards emulation of these settings.

While sound macro-management using traditional levers will remain a necessary condition for continuing prosperity, it will no longer be sufficient. Such policies will need to be supplemented by strategies to build key competencies, to foster clusters of industries which can support R&D and exploit tacit knowledge, and to attract and hold highly skilled workforce. When it comes to these matters the spatial structure of the economy needs to be understood as well as its aggregate indicators of performance.

Put another way, when observed at the spatial level, more opportunities to create a competitive advantage become evident in the economy. For example, modelling work undertaken by the National Institute for Economic and Industry has shown that improved structuring of Sydney metropolitan would enable the NSW economy to be \$1.4 billion larger than it would otherwise have in 15 years time and the Australian GDP would be boosted by \$1.7 billion....

When considered across the whole of urban Australia, this economic pay off from good urban management is likely to be of a scale comparable to National Competition policy”.

In their submission to the Sustainable Cities Enquiry, the Planning Institute of Australia argued among other things that the role of the Commonwealth in relation to these challenges should be to support state and regional development initiatives that consider criteria such as:

- Environmental
 - Reduced energy and water consumption
 - Reduced greenhouse gas emission
- Social
 - Household who live within 400 metres of public transport
 - Levels of divergence between urban communities
 - Education, housing and living standards for ingenious people within communities.
 - Accessibility to public spaces, parks and beaches.
- Economic
 - Levels of road congestion

- Percentage of metro jobs available via a 30 minute trip
- Growth in business services export groups
- Incidence of high order skills within key regional labour markets
- Proportion of the workforce engaged in training or work.

Unions NSW supports these criteria.

Conclusion

The piecemeal approach to infrastructure that currently occurs is clearly not working. Instead there needs to be a systematic approach to all infrastructure, particularly public transport as it relates to the economy, social interaction and the environment. This should be underpinned by an iconic narrative about the role of infrastructure in Australian Society. This can be achieved through administrative, operational and land use integration.