



Australian Government

Our Cities, Our Future

A national urban policy for a productive, sustainable and liveable future



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Foreword



Australia is one of the most urbanised countries in the world. Our cities play a pivotal role in securing the social, economic and environmental wellbeing of our nation. Cities are not only centres of economic activity and home to the vast majority of Australians they are also gateways for the important economic and cultural contribution of regional Australia. Our cities have a strategic contribution to make to Australia's global competitiveness in an increasingly urbanised world.

The Australian Government is committed to forging a fairer, more prosperous and resilient future for Australia and is determined that Australian cities lead the world in productivity, sustainability and liveability.

As is the case internationally, Australian cities are confronted by significant long-term challenges including population growth and demographic change, climate change, increasing fuel costs and resource limitations, housing affordability, technological change, and the accelerating

processes of globalisation. As concentrated centres of people and activity, cities also provide immense social and economic opportunity, as well as substantial potential to redress environmental pressures.

The way in which governments plan and manage our cities therefore needs to respond effectively to these challenges whilst harnessing opportunities. This will be critical to maintaining and improving the quality of life enjoyed by our communities and to help secure the nation's productivity into the future.

On 1 December 2010, the Australian Government released *Our Cities—building a productive, sustainable and liveable future* discussion paper, accompanied by a background and research paper *Our Cities—the challenge of change*. These documents set out the Australian Government's aspirations for a national approach to planning and managing our cities, and invited contributions to a national discussion on the future of our cities. I thank all who participated in this dialogue, and in particular to the many individuals and organisations that committed time and energy to lodging submissions.

The Australian Government is now taking the next step in setting a framework for how—in partnership with State, Territory and local governments, business and the community—we can deliver on the aspirations Australians have for our urban communities.

The National Urban Policy establishes the Australian Government's objectives and directions for our cities as we prepare for the decades ahead. It recognises the critical roles of State, Territory and local governments, the private sector and individuals, in planning, managing and investing in cities. It also highlights that the Australian Government makes decisions that impact upon urban Australia. This is the first time that an Australian Government has sought to outline its overarching goals for the nation's cities and how we will play a role in making them more productive, sustainable and liveable.

The National Urban Policy is about how the Australian Government can facilitate better outcomes in our cities through both direct investment and by influencing the actions of others. It shows where we have already started to make substantial reforms, and proposes additional critical actions to set us on the path to creating better cities. The Australian Government has already demonstrated its commitment to better outcomes for Australian cities through simplified regulatory environments and its significant and unprecedented funding of public transport projects across most of Australia's capital cities. These efforts are part of a much more substantial reform agenda.

This National Urban Policy sets a vision for our cities to deliver future prosperity and wellbeing for our communities and reinforces the Council of Australian Governments' (COAG) national objective to *ensure Australian cities are globally competitive, productive, sustainable, liveable, socially inclusive and well placed to meet future challenges and growth.*

The National Urban Policy complements the Australian Government's *Sustainable Population Strategy* and our ongoing focus and commitment to Regional Australia. It recognises the strong interrelationships between cities and regions. The policy does not focus on capital cities alone, but recognises the important role that our major regional centres also play, and the substantial challenges that they face in dealing with the complexities of the modern economy.

The 2011 Budget began rolling out practical measures to tackle the big challenges our cities face – skills, planning and urban renewal, suburban jobs and investment.

I am proud to present the first National Urban Policy. This is a key step to making our cities more productive, sustainable and liveable and I look forward to continuing strong partnerships in delivering it.



ANTHONY ALBANESE

Minister for Infrastructure and Transport

Sydney, NSW



Chapter 1



Chapter 1

Introduction

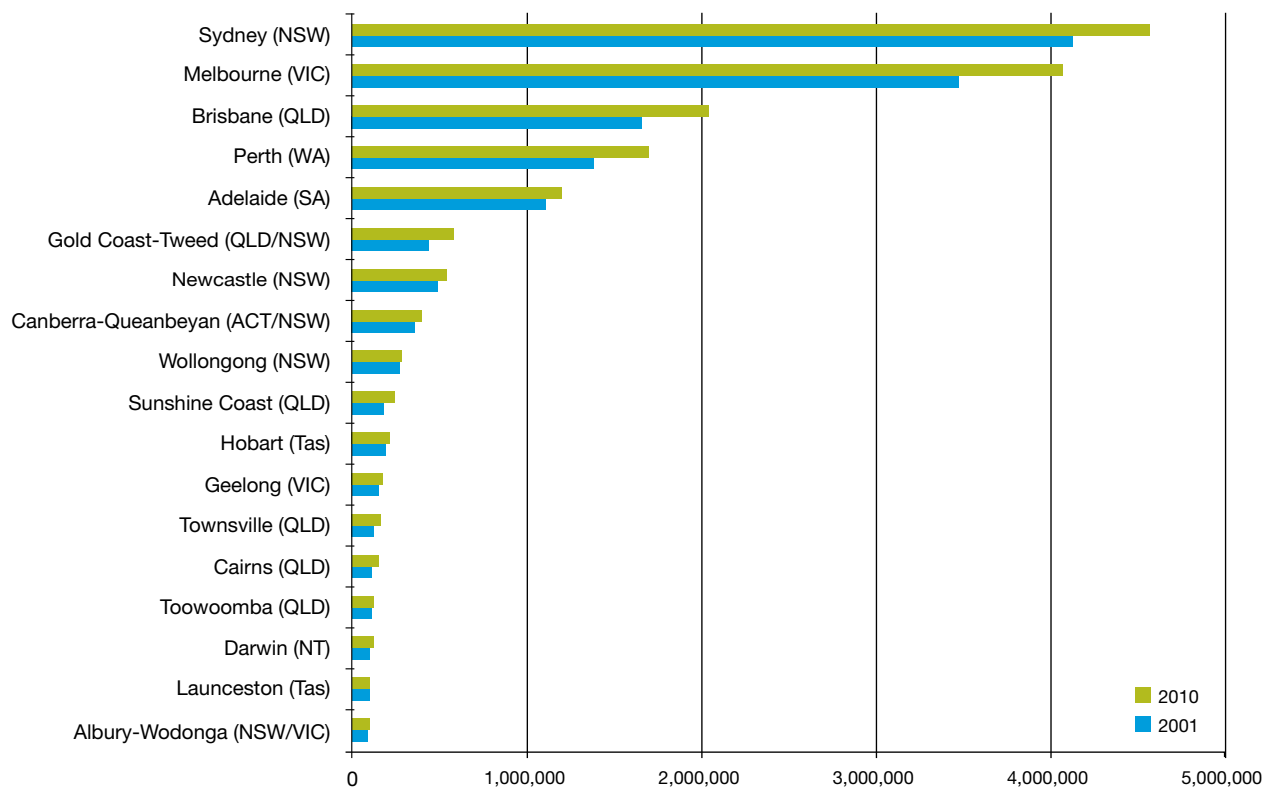
To secure the ongoing prosperity and wellbeing of our communities, we must ensure that our cities meet the needs of current and future generations. We must ensure that economic growth can be sustained and increased without compromising the natural environment or our quality of life. This is the basis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

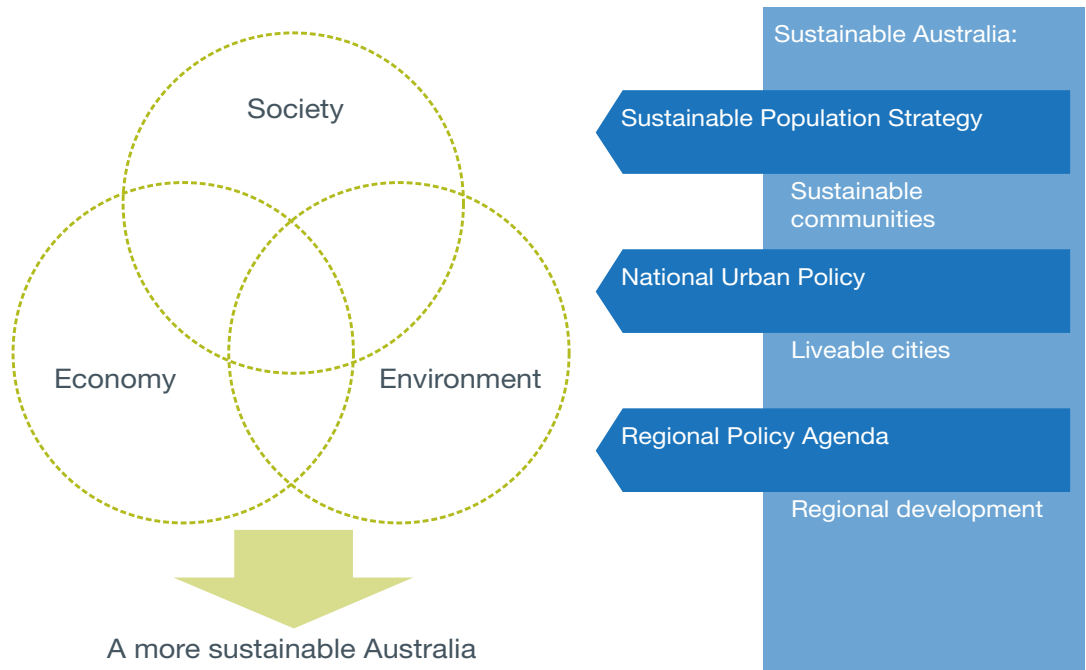
The Sustainable Population Strategy and other national policy initiatives

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



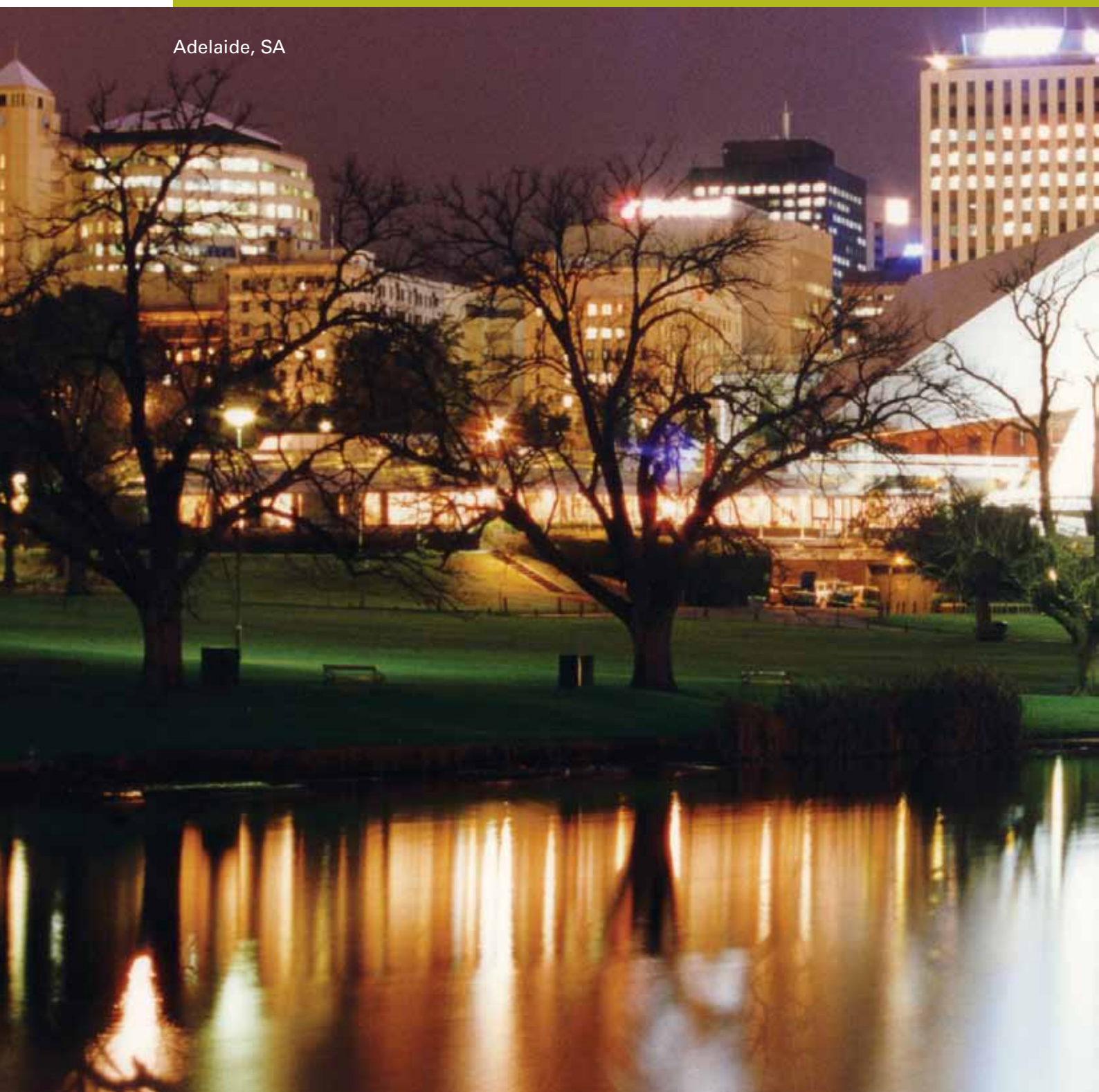
significant influence on how cities function and grow;

- 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



Adelaide, SA



Chapter 2



Chapter 2

Principles, Goals and Objectives

The National Urban Policy presents the Australian Government's agenda on the future of our cities. It is a long term, national framework to guide policy development and public and private investment in cities through articulating a set of goals, objectives and principles.

The relationship between the goals, objectives and principles is illustrated in the following diagram, and further detail is provided throughout this chapter.

Figure 3 National Urban Policy goals, objectives and principles

		OBJECTIVES		
GOALS	PRODUCTIVITY	1. Improve labour and capital productivity	PRINCIPLES	Efficiency
	SUSTAINABILITY	2. Integrate land use and infrastructure		Value for money
		3. Improve the efficiency of urban infrastructure		Innovation
		4. Protect and sustain our natural and built environments		Adaptability
		5. Reduce greenhouse gas emissions and improve air quality		Resilience
		6. Manage our resources sustainably		Equity
	LIVEABILITY	7. Increase resilience to climate change, emergency events and natural hazards		Affordability
		8. Facilitate the supply of appropriate mixed income housing		Subsidiarity
		9. Support affordable living choices		Integration
		10. Improve accessibility and reduce dependence on private vehicles		Engagement
		11. Support community wellbeing		
GOOD GOVERNANCE		12. Improve the planning and management of our cities		
		13. Streamline administrative processes		
		14. Evaluate progress		

Goals

The goals of the National Urban Policy are:

Productivity: To harness the productivity of Australia's people and industry, by better managing our use of labour, creativity and knowledge, land and infrastructure.

Sustainability: To advance the sustainability of Australia's natural and built environment, including through better resource and risk management.

Liveability: To enhance the liveability of our cities by promoting better urban design, planning and affordable access to recreational, cultural and community facilities.

These goals will be achieved through delivering on the following objectives:

Objectives

PRODUCTIVITY

1. Improve labour and capital productivity by:
 - Aligning workforce availability and capacity to meet labour force demand
 - Supporting education, research and innovation
2. Integrate land use and infrastructure by:
 - Integrating planning of land use, social and economic infrastructure
 - Investing in urban passenger transport
 - Protecting corridors, sites and buffers
3. Improve the efficiency of urban infrastructure by:
 - Maximising returns on new and existing infrastructure
 - Taking into account operational and maintenance costs of infrastructure and assets
 - Connecting private investment capital to infrastructure and assets of high public benefit
 - Utilising smart infrastructure
 - Enhancing connectivity through the National Broadband Network

SUSTAINABILITY

4. Protect and sustain our natural and built environments by:
 - Protecting and enhancing natural ecosystems
 - Supporting sustainable development and refurbishment of our built environment
5. Reduce greenhouse gas emissions and improve air quality by:
 - Supporting and investing in low emissions technologies
 - Putting a price on carbon
 - Sustainable urban planning and regulatory reform
6. Manage our resources sustainably by:
 - Reducing resource consumption and waste
 - Improving water, energy and food security

7. Increase resilience to climate change, emergency events and natural hazards by:

- Climate change science and research
- Mitigation and adaptation

LIVEABILITY

8. Facilitate the supply of appropriate mixed income housing by:

- Encouraging a range of housing types to suit diverse household needs across metropolitan areas and regional cities
- Supporting the development of aged persons accommodation, including medium and high care

9. Support affordable living choices by:

- Locating housing close to facilities and services, including jobs and public transport, in more compact mixed use development
- Supporting new outer metropolitan housing with access to facilities, services and diverse education and employment opportunities

10. Improve accessibility and reduce dependence on private vehicles by:

- Improving transport options
- Reducing travel demand by co-location of jobs, people and facilities

11. Support community wellbeing by:

- Providing access to social and economic opportunity
- Improving the quality of the public domain
- Improving public health outcomes
- Redressing spatially concentrated disadvantage
- Enhancing access to cultural, sporting and recreational activity

GOVERNANCE

12. Improve the planning and management of our cities by:

- Facilitating a whole-of-governments approach
- Integrating planning systems, infrastructure delivery and management
- Encouraging best practice governance and applying the principle of subsidiarity

13. Streamline administrative processes by:

- Improving the effectiveness and efficiency of approval processes for development
- Encouraging participation and engagement with stakeholders

14. Evaluate progress by:

- Research, analysis and reporting
-

Principles to guide urban policy development and investment

The goals and objectives are underpinned by the following principles, which will guide policy and investment decision-making in relation to cities:

PRINCIPLES	
EFFICIENCY	Our cities and the social and economic infrastructure and services that support them should be planned and managed to maximise their efficient use
VALUE FOR MONEY	Investments in our cities should be cost-effective to return maximum benefits to communities and investors
INNOVATION	The planning, design, construction and management of our cities requires creative ideas and solutions to meet the current and future challenges
ADAPTABILITY	Our cities need to be adaptable to changes in the economy, population, demographics, technology and the environment
RESILIENCE	Our cities need to be resilient to events such as natural disasters, the effects of climate change and global socio-economic processes
EQUITY	Our cities should support the equitable distribution of access to resources and opportunities, including education, jobs, housing, services and facilities
AFFORDABILITY	Households should have affordable options for where they live and work, how they travel and access services and facilities, and for leisure opportunities
SUBSIDIARITY	Planning and services should be delivered by the most local level of government that has sufficient scale and capability to reasonably deliver them
INTEGRATION	Policies and programs need to be integrated across the different levels of government, across portfolios and with industry and communities
ENGAGEMENT	Planning, policies and programs need to be informed by the views of all sectors of the community

The National Urban Policy commits the Australian Government to those principles and objectives for all future activities and investments which impact on major cities. It identifies areas of Commonwealth focus to advance its productivity, sustainability and liveability goals and objectives.

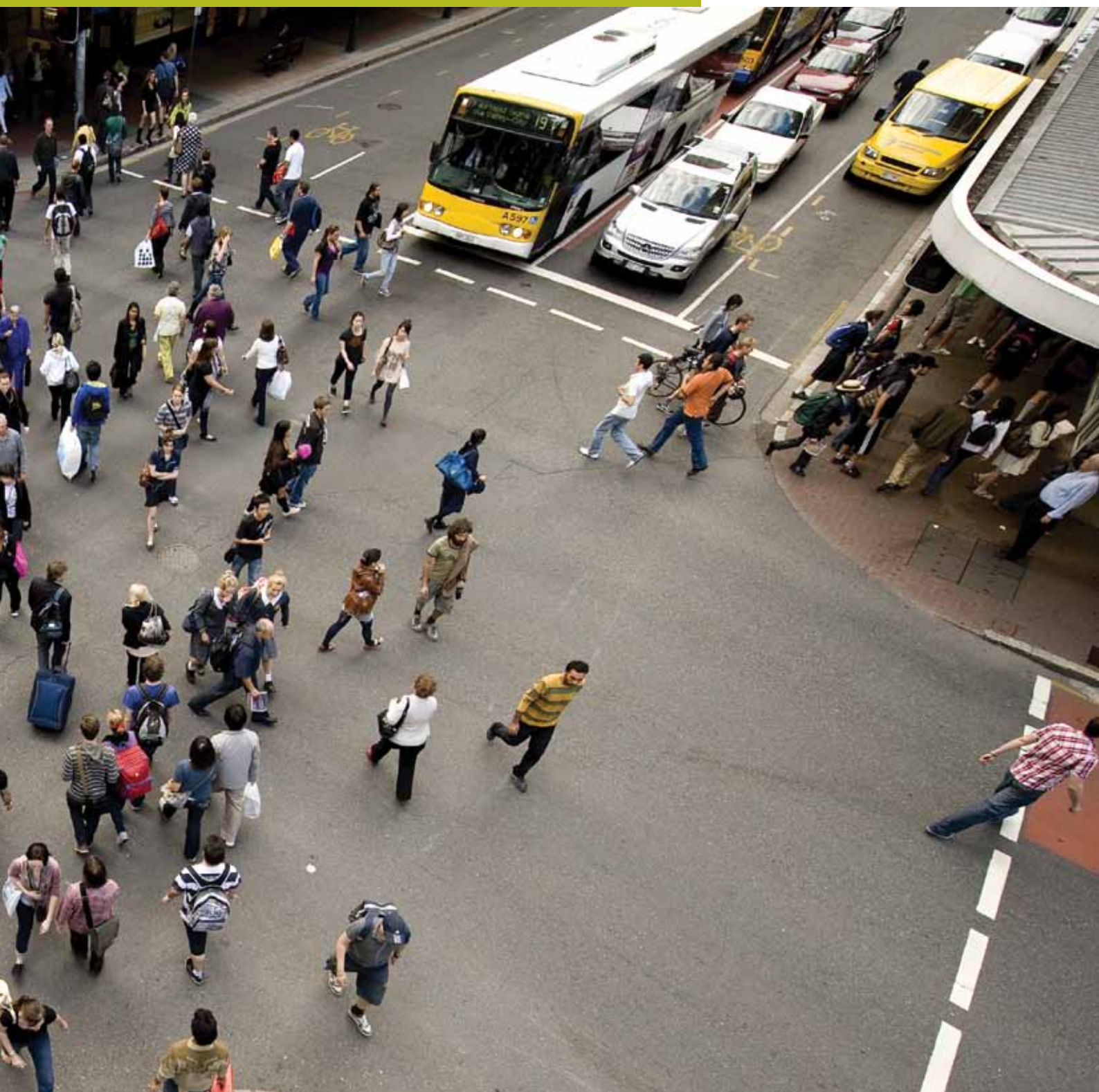
Wollongong, NSW



Brisbane, QLD



Chapter 3





Chapter 3

Productivity

Productivity and competitiveness are key goals for nations as they grow the economy and improve living standards. Australian cities are major units of the national economy and are where most Australians live. However, productivity has been at a standstill or declining for some key indicators for cities.... Therefore, a National Urban Policy is essential to overcome these impediments to the economy and improve living standards.

Future policy challenges for transport—for example, growing urban congestion and more sustainable transport—are bigger and more complex than ever before. We need a cooperative national 'whole of transport' solution, which takes into account all modes and all users.

National Transport Commission

Productivity is vital for Australia's future prosperity and wellbeing and cities are crucial to Australia's productivity. Cities are centres of economic activity, where the workforce, businesses and institutions come together. Australia's major cities are home to four out of five jobs in Australia's high growth industries of construction, health care and social assistance – industries that have collectively contributed 34 per cent of jobs growth in the last 10 years.

Many factors contribute to productivity improvement, including the skills of the workforce, infrastructure investment, technology, openness of the economy and trade barrier liberalisation, and workplace relations. How efficiently our cities connect people, industries, businesses and markets, and how effectively their economic and human capital is utilised, has a significant impact on the economic performance of our cities and their contribution to national productivity growth.

A key challenge facing Australia is the imperative to lift economic productivity to ensure that Australia's economy is built to compete and prosper in the global economy and continues to deliver wellbeing and quality of life for all Australians.

Productivity gains can be achieved by facilitating efficient and effective connections between people, businesses and markets. How effectively economic and human capital is combined has a profound impact on the productivity of our cities and their contribution to the national economy. Cities, by their concentrated form, provide immense opportunity for productivity growth, but how large cities, in particular, are planned and

managed can present challenges to productivity. For example the avoidable cost of congestion in capital cities is equivalent to 1 per cent of GDP and is forecast to more than double 2005 levels to reach \$20 billion a year by 2020 if nothing is done¹.

The Australian Government has been pursuing an extensive reform agenda to improve productivity, recognising that productivity growth is crucial to increasing living standards and contributing to the wellbeing of Australia's people. The Australian Government's policy agenda for productivity includes infrastructure investment, education and skills development, and supporting innovation and technological adoption. These initiatives are all aimed at securing the nation's long term prosperity whilst maximising opportunities for all.

Cities offer the potential for significant productivity gains, particularly where specialised or complementary activities can cluster together. The benefits that accrue from such concentrations of activities, known as agglomerations, include greater opportunities for innovation, the sharing of

¹ Bureau of Infrastructure, Transport and Regional Economics (2007) Working Paper 71

knowledge and services, and more specialised labour markets. Cities also provide economies of scale so that scarce resources, such as land and infrastructure, can be more efficiently and effectively utilised.

industry, by better managing our use of labour, creativity and knowledge, land and infrastructure. The government is currently undertaking a comprehensive set of reforms to advance this productivity agenda.

The Australian Government's goal is to harness the productivity of Australia's people and

PRODUCTIVITY	Objectives and priorities
1. IMPROVE LABOUR AND CAPITAL PRODUCTIVITY BY:	<p>Australia's productivity growth has been relatively low over the last decade. With our changing demographics reducing our available workforce relative to population size, our prosperity and standard of living is at risk of decline into the future.</p> <p>Improving the performance and use of both labour and capital is required to secure long-term national productivity. Sustained and targeted investments in people and capital are required into the future.</p>
– Aligning workforce availability and capacity to meet labour force demand	<p>Misalignment between workforce supply and demand occurs either when there is too much or too little capacity in the general population, or when people are unable to access jobs even if they are available and willing to work.</p> <p>In order to support economic development in cities and their regions, our planning and investment decisions about social and economic infrastructure should assist in managing sustainable population growth and distribution, and accessibility to jobs and education, with a focus on aligning workforce availability and capacity to meet labour force demand.</p>
– Supporting education, research and innovation	<p>While the nation develops many innovative approaches to city problems, in too many instances opportunities to generate new wealth for the nation are missed.</p> <p>Supporting education and research will increase people's capacity. There is an opportunity to foster more innovative approaches within our cities and share this knowledge, information and experience.</p>
2. INTEGRATE LAND USE AND INFRASTRUCTURE BY:	<p>The distribution of people and jobs, inadequate infrastructure, and conflicting land use activities, can limit the productive capacity of our cities.</p> <p>We can make significant structural differences to the productive capacity of our cities through more effective integration of land use and infrastructure, and build on the competitive advantages of our cities through agglomeration and high accessibility.</p>
– Integrating planning of land use, social and economic infrastructure	<p>The shape of our cities cannot be changed quickly or easily, and yet planning and shaping of our cities has profound economic, environmental and social consequences.</p> <p>There are several ways to maximise yields on land use, improve productive capacity, and leverage investments in infrastructure. One such means is to increase densities surrounding transport corridors, interchanges, and activity centres.</p>
– Investing in urban passenger transport	<p>Transport infrastructure is costly in terms of both capital investment and maintenance. Yet it is often not managed or used to its full capacity.</p> <p>Connecting centres and facilities with well targeted, reliable, high frequency, low cost, integrated active and public transport networks can provide greater accessibility options for urban populations. Placing a priority on non-car transportation systems and networks, such as public transport and active transport, is an important step in achieving better productivity, sustainability and liveability objectives.</p> <p>Smart infrastructure, pricing and travel demand mechanisms can further serve to improve the effectiveness of transport networks.</p>

<ul style="list-style-type: none"> – Protecting corridors, sites and buffers 	<p>A major impediment to the placement of new infrastructure or the expansion of existing infrastructure is the lack of planning for, and protection of, critical infrastructure corridors and sites. A further concern is the adequate protection of sufficient buffers to prevent facilities from being encroached upon by incompatible land uses.</p> <p>Best practice approaches to plan and protect corridors, sites and buffers are required as part of integrated land use and infrastructure planning.</p>
<p>3. IMPROVE THE EFFICIENCY OF URBAN INFRASTRUCTURE BY:</p>	<p>Well targeted, high quality infrastructure is vital to lift the productivity of our cities. Infrastructure is costly in terms of both capital investment and maintenance. Yet it is often not managed or used to its full capacity.</p> <p>To achieve improved efficiency it is important to create an environment conducive to well targeted infrastructure investment. This includes ensuring impediments, whether they are tax, regulatory, or market imperfections, do not prevent or distort private investment (or financing) in infrastructure where it would otherwise have taken place. It is also important that we maximise public and private investment in infrastructure by investing in worthwhile projects that have a return higher than the cost of capital.</p>
<ul style="list-style-type: none"> – Maximising returns on new and existing infrastructure 	<p>Ensuring our roads, railways, ports, airports, communications, water and electricity networks can adequately provide for economic and population growth is a constant challenge.</p> <p>To achieve improved efficiency, we need to look at maximising triple-bottom line returns on investment in infrastructure. The Australian Government is continuing to work with industry, State, Territory and Local Government to facilitate the provision and efficient use of nationally significant infrastructure.</p>
<ul style="list-style-type: none"> – Taking into account operational and maintenance costs of infrastructure and assets 	<p>The costs of operating and maintaining infrastructure and assets can place a financial burden on governments, industry and communities. Inefficient or ageing infrastructure can also waste water and energy, and generate excessive greenhouse gas emissions.</p> <p>Before building new infrastructure, or undertaking major refurbishment, consideration should be given to the long-term operational, maintenance and replacement costs.</p>
<ul style="list-style-type: none"> – Connecting private investment capital to infrastructure and assets of high public benefit 	<p>Private business is a major contributor to the infrastructure and built form that shapes and drives our cities.</p> <p>Quality infrastructure planning and prioritisation that gives long term certainty can encourage private sector participation in our nation's infrastructure, including through successful public-private partnerships that deliver greater economic and social benefits from capital investment.</p>
<ul style="list-style-type: none"> – Utilising smart infrastructure 	<p>New technologies can improve and enhance safety, efficiency, cost-effectiveness and environmental performance of existing infrastructure networks, and reduce the need for costly new investment.</p> <p>Smart infrastructure encompasses a broad range of information and electronics technologies. The use of smart technology in new and existing infrastructure promotes the optimal use of our infrastructure assets.</p>
<ul style="list-style-type: none"> – Enhancing connectivity through the National Broadband Network 	<p>Increasing the capacity for industry and communities to access information and services, and to conduct business transactions online, is required if we are to improve our international competitiveness, overcome the geographical isolation of our cities, and reduce the need to travel both internally and across borders.</p> <p>An accessible high speed National Broadband Network is fundamental to improving communications and connectivity for businesses and communities and to maximise the application and benefits of smart infrastructure.</p>

Improve labour and capital productivity

The findings of the *2010 Intergenerational Report* indicated that there would be a need for productivity growth to improve living standards while managing the pressures associated with an ageing population. There are many areas in our cities that do not make best use of the labour force. As skills and innovation are fundamental to productivity, this potential can be unlocked by supporting education and employment opportunities in these areas, as well as improving transport networks to make these areas more accessible. In doing this, we must harness the agglomeration benefits that cities provide, and foster better connections between people and business.

Aligning workforce and labour demand

The outer suburbs of our capital cities and major regional centres are experiencing population growth pressures and housing and transport affordability pressures. The proximity of existing and planned housing to employment centres is a growing problem in a number of our major cities – especially in the outer metropolitan growth areas. This can limit access to social and economic opportunity. The need for people to travel long distances from greenfields areas to access jobs in the centre of cities also places strain on transport infrastructure.

The establishment of local employment precincts combined with improved skills and participation of the local workforce in these places can:

- improve liveability in these areas through reduced travel times to jobs and services, and potential reduction in congestion;
- promote economic diversification and improved economic resilience in our major cities; and
- improve productivity and prosperity.

Supporting education, research and innovation

Enhancing flexibility and capability in our cities means integrating skills, innovation, creativity and infrastructure into industry development and transformation. This includes making the most of our education and training system so that supply and demand for training are better aligned and responsive to structural changes to the economy and students are able to make more informed training choices that match future work opportunities.

The Government is investing in capabilities in our cities. Enhancing Australia's skill levels will enable us to successfully adapt to change. A substantial reform agenda increasing opportunity for skill development has been agreed to by COAG. Through this agreement, we have set targets to increase human capital development such as increasing year 12 completion rates to 90 per cent by 2015 and halving the proportion of Australians aged 20 to 64 without Certificate III or above by 2025. Key reforms to education and training include:

- implementing universal access to early childhood education;
- the Smarter Schools National Partnerships to boost foundation skills in schools;
- uncapping the number of public university places (from 2012) to allow universities to offer a place to eligible students;
- implementing the *Skills for Sustainable Growth Strategy 2010* budget package, including measures to boost literacy and numeracy skills of Australians in the workforce.

The Government is also supporting industrial transformation by helping workers and employers move into higher, value-added activities.

The Australian Government's investment in innovation, technology and entrepreneurship will build a competitive, highly-skilled economy into the future.

Over the next decade the *Powering Ideas* agenda involves:

- reforming university funding arrangements and boosting investment with a focus on excellence and transparency, and increased support for postgraduate research students;
- investing in science and research infrastructure and taking an innovative approach to the commercialisation of research to enhance Australia's competitive edge; and
- improving innovation skills and workplace capabilities, including management and leadership skills.

This investment is underpinned by investment in infrastructure that maximises opportunities for new industries, such as Commonwealth investment in the National Broadband Network, public transport, rail and roads. Better price signals in the use of infrastructure will also promote more efficient and effective use of and investment in infrastructure.

Further initiatives to improve labour and capital productivity

To help align workforce and labour demand the Australian Government will:

- Implement a new funding program, the Sustainable Communities -Suburban Jobs program, which will allocate \$100 million to

support State, Territory and local governments to plan and provide for employment precincts, manufacturing hubs and multi-function developments close to residential area. The program aims to result in reduced travel times to work and services.

To support education, research and innovation to help cities realise their productive potential and our national productivity goals, the Australian Government will:

- Implement comprehensive productivity reforms including the Skills for Sustainable Growth Strategy, a National Resources Sector Employment Taskforce, Education Investment Fund, and Trade Training Centres in Schools Program as part of a productivity policy framework to build a high-skill, high tech, low pollution economy that will succeed independent of our mineral wealth
- Implement the Government's Building Australia's Future Workforce package which includes:
 - \$558 million to deliver around 130,000 training places tailored to the needs of different industries and regions through a National Workforce Development Fund
 - Continuing investments to the apprenticeship system with \$200 million to assist apprentices to progress and complete their training in a more timely way



Hobart, TAS

- \$1.75 billion to partner with the States and Territories on reform of the vocational education and training system
- \$263 million to deliver core skills.

Integrate land use and infrastructure

The Australian Government and its COAG partners have acknowledged the need for long-term planning and investment strategies to support urban growth and change. This is particularly reflected in the national criteria for future strategic planning of capital cities that call for long-term (15 to 30 year) integrated strategic plans supported by medium-term (5 to 15 year) prioritised infrastructure and land-use plans.

Integrating planning of land use, social and economic infrastructure

The Australian Government is working with State, Territory, Local Governments and industry to ensure that future, city-shaping infrastructure is properly integrated with current and proposed land uses.

The National Ports Strategy and draft National Land Freight Strategy have been developed by the Australian Government working with the States and Territories. These strategies will guide future governance and planning to ensure that ports and freight transport systems are better planned and integrated, including in metropolitan areas. They will inform the future investments and reform policies of the Australian Government, and will guide the transport and logistics industry and State and Territory Governments in the long term development of critical city infrastructure.

Likewise, the Sydney Aviation Capacity Study will address the short, medium and long term needs of Sydney, and will take account of both future aviation needs of the Sydney region and broader planning and infrastructure needs for residential growth and economic development. It is a demonstration of the more integrated approach to land use and transport planning being undertaken by the Australian Government. It will ensure that the Commonwealth and NSW Governments are jointly taking a long-term

strategic approach to examining aviation needs in Sydney and the surrounding region.

There is broad agreement across most governments that appropriate intensification of land use around specific transport corridors and activity centres would help to achieve sustainable outcomes. Most State and Territory governments have planning policies that target a certain percentage of infill development to meet population growth. Many also have policies to improve the number of people within walking distance to public transport or work.

Maximising the potential yield of land along public transport corridors and around major activity centres is a key to reducing urban sprawl and metropolitan expansion, and gives people the opportunity to live closer to jobs, facilities and other activities. Better integration of land use with transport and social infrastructure can also increase the operational efficiency of existing infrastructure and reduce the need for expensive capital outlays.

Investing in urban passenger transport

Connections between land uses and associated household and economic activity within cities are supported by land transport infrastructure. The Australian Government is committed to improving these connections. The Government is providing \$36 billion through the *Nation Building Program* and the *Building Australia Fund* to support the development and improvement of our national network of highways and rail lines, as well as providing some support for off-network roads, fixing road 'blackspots' and additional measures to improve heavy vehicle movements and regional roads.

Nation Building Program and the Building Australia Fund

Since 2007, the Australian Government has made a historic shift to support transport infrastructure, including unprecedented public transport investment in our cities. This includes funding for a major rail project in every State capital city on the mainland:

- Noarlunga to Seaford rail extension and Gawler Line in Adelaide;
- The Northbridge Link in Perth
- Moreton Bay Rail line in Brisbane
- Regional Rail Link in Melbourne
- The Parramatta to Epping Rail Link in Sydney.

Urban Passenger Transport

The Gold Coast Rapid Transit project is one example of the way that Australian Government investment is focussing on the critical needs of growing urban centres. This project will ease congestion through the growing commercial and tourist hubs of Southport, Surfers Paradise and Broadbeach and will also improve access along the corridor to services. Likewise the significant \$2.5 billion investment in the Ipswich Motorway will link commuters from Ipswich to Brisbane, increasing productivity and reducing congestion.

Early works have commenced on the Regional Rail Link project in Melbourne. It will provide a dedicated dual track link from Geelong, Ballarat and Bendigo to the Melbourne business district, separating V-Line regional services from metro rail services. This will expand the capacity of the network and significantly reduce congestion on both the rail and road networks. The Commonwealth's \$3.2 billion investment in this project will improve the productivity of Melbourne. Additionally, the project will provide opportunities for urban redevelopment and infill along the corridor.

The Perth City Link project that will commence construction later this year will sink rail lines in the CBD to help revitalise the Perth city and allow further redevelopment of the City centre. The project will remove the rail line divide between Perth and Northbridge and will result in a number of productivity and efficiency benefits for people and businesses in Perth.

The Australian Government is also investing in new urban rail upgrades in Adelaide, which will better link outer metropolitan communities with the work and recreational facilities across the city.

Urban roads

The South Road Superway project that has commenced in Adelaide will be the biggest road construction project in South Australia's history. It follows the recently completed Northern Expressway link between Gawler and Northern Adelaide, which has improved the efficiency of freight into the Port Adelaide area. Work on reducing congestion and maximising traffic flow on the Western Ring Road in Melbourne is progressing well. The Australian Government is contributing \$900 million to this \$1.2 billion project, which involves lane widening and safety improvements on one of the city's busiest road networks.

The F5 widening project in south-west Sydney (from Narellan Road to Brooks Road) will improve safety, reduce travel times and assist workers in Campbelltown to commute to major employment centres in south and western Sydney.

Protecting corridors, sites and buffers

Through its historic *Nation Building Program* the Government has invested heavily in improving the movement of people in and around our cities, helping to move freight more efficiently between our businesses, ports and markets.

The Government's investment is addressing the increasing freight task in our urban centres. The Government established the Moorebank Project Office in 2010, to work through the issues and options for the development of an intermodal terminal at Moorebank on Commonwealth owned land in Sydney. Moorebank represents a significant opportunity to shift freight from Botany Bay onto rail – equal to the capacity of more than one million trucks which would otherwise need to use Sydney's roads each year from 2020. This project (subject to environmental and other approvals processes) will not only benefit Sydney, it will result in significant efficiencies in freight movement, which will benefit the nation.

These examples of some of our major projects in our cities demonstrate the strategic investment that the Government is making to enable our cities to become more liveable, more productive, and more responsive to projected growth.

Further initiatives to integrate land use and infrastructure

To further progress land use and infrastructure integration, the Australian Government will:

- Apply the principles and objectives of the *National Urban Policy* to future investment in infrastructure to the second *Nation Building Program* and other Commonwealth investment programs
- Ensure that projects funded through the second *Nation Building Program* are aligned with the COAG review of capital city strategic planning systems
- Implement a new funding program, the *Liveable Cities Program* to facilitate tailored local solutions to urban design and infrastructure challenges in our 18 major cities. This program, along

with other Australian Government investment programs, will support:

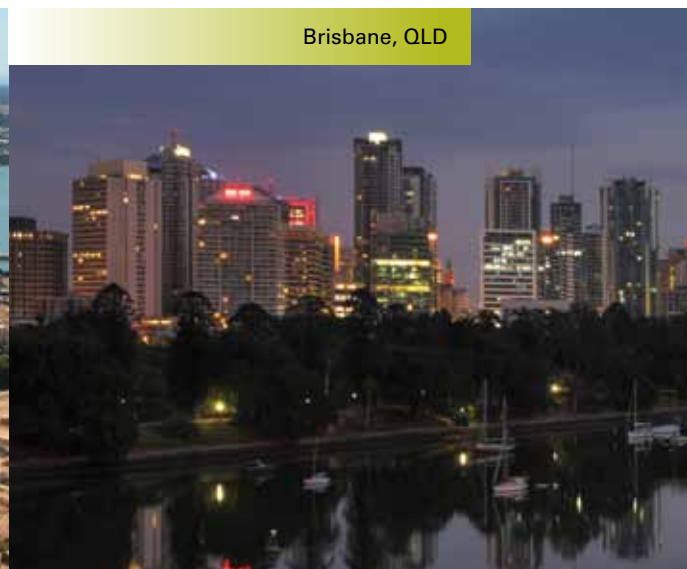
- public transport projects which facilitate increased residential density and employment nodes to improve transport connectivity within cities and accessibility to employment and services
 - road and rail infrastructure projects which increase the capacity of our cities to function more efficiently and effectively now and into the future
 - projects and reforms that deliver better use of infrastructure to ensure maximum benefit for Australian businesses and communities
 - urban renewal projects which are linked to accessible public transport and which provide mixed income housing, improved housing affordability and access to employment opportunities in our cities
 - the development of 'second CBDs' in our largest cities of urban centres, such as Parramatta for Sydney, that will create a better distribution of opportunity and lifestyle choice
 - the identification and preservation of sites and corridors for the future growth of our cities
 - projects which incorporate walking and cycling infrastructure to enhance local networks
- Require, as a condition of funding for the second *Nation Building Program*, that each capital city has in place, by 2014, a 20 year freight strategy consistent with the *National Land Freight Strategy* to:
 - identify the key demand forecasts, key bottlenecks and pressure points
 - ensure that land use planning systems adequately provide for freight terminals and transportation corridors, including buffer zones, and take into account ports and aviation freight hubs
 - ensure that freight planning and decision-making focuses on achieving whole-of-supply chain productivity gains

- identify a range of proposed investment plans, performance indicators and regulatory and pricing reform initiatives to facilitate meeting the forecast freight system demand
- Consider travel demand management policies to reduce congestion in our cities
- Commission Infrastructure Australia to further review how nationally significant transport, communication and energy corridors, sites and buffers in our major cities can be better planned, protected and managed, while minimising disruption to communities. Building upon the findings of this work, the Australian Government will:
 - make the planning and protection of national infrastructure corridors, nodes and buffers a requirement to be eligible for Commonwealth infrastructure funding
 - identify Commonwealth lands that could form part of economic infrastructure corridors/nodes, and protect them from sale or incompatible alternate use
 - further develop an effective national land use planning framework for land near airports and flight paths. The framework will support the protection of operational airspace and processes to ensure
 - that communities are not exposed to unacceptable levels of aircraft noise
- Engage with capital city airport operators, and States and Local Government on coordinated and integrated planning on and around airports through existing Planning Coordination Forums. This will include improving planning and investment in public transport links to our airports
- Use the outcomes of the 2011 joint *Sydney Basin Aviation Capacity Study* to inform policy, investment and decision-making for future aviation needs in the Sydney region
- Work with States and Territories to implement the *National Ports Strategy* by August 2011, which will improve and reform port governance and planning. The *National Ports Strategy* covers both bulk commodity ports and container ports, identifying:
 - the most effective regulatory and governance frameworks
 - ways to improve land planning and corridor preservation
 - better use of reforms to improve landside efficiency, reliability, security and safety
 - the future infrastructure requirements of Australia's ports, including road and rail links

Darwin, NT



Brisbane, QLD



- Work with States and Territories to plan and develop strategic intermodal freight hubs, which will improve freight flows and remove many large, heavy vehicles from our urban roads.

Improve the efficiency of urban infrastructure

The Australian Government has recognised that infrastructure is fundamental to the productivity of the nation and has established Infrastructure Australia to advise the Australian Government on priorities for nationally significant economic infrastructure.

Maximising returns on new and existing infrastructure

Well targeted, high quality investment in infrastructure is vital to lift the productivity of our cities and our nation. In many Australian cities population growth has outpaced infrastructure, leading to inefficiencies and greater costs to the economy. We need to overcome such shortfalls by ensuring that both existing and new infrastructure is used more efficiently in our cities, whether through better planning and integration, competition and regulatory reforms, pricing signals, or more innovative technology.

The Australian Government is committed to the implementation of national transport regulators that enable more seamless national regulation of the \$61 billion transport industry. By 2013 there will be single national laws covering maritime safety, rail safety and heavy vehicles. This will reduce the number of regulators across the country from 23 to three. These microeconomic reforms will improve safety, simplify the compliance task for transport operators and boost national income by up to \$30 billion over the next 20 years.

Taking into account operational and maintenance costs of infrastructure assets

The Australian Government is undertaking significant reforms to the way infrastructure projects of national significance are planned, assessed, funded and regulated. A more structured approach to infrastructure planning and assessment, as advocated by Infrastructure Australia through its seven step, '*Reform and Investment Framework*', will be applied to developing long term national infrastructure strategies. Taking into account operational and maintenance costs of infrastructure assets and how these are to be shared across the spheres of government will be incorporated into this approach.



Connecting private investment capital to infrastructure and assets of high public benefit

Modernising Australia's infrastructure is an enormous task, one that is ultimately too big for government to achieve alone. It will require greater involvement from the private sector, including the superannuation industry, to leverage the best outcomes for our social and economic infrastructure. It is therefore important that Australian governments help provide a policy and regulatory environment which makes it attractive for the private sector to invest in social and economic infrastructure.

Utilising smart infrastructure

Technology opens up ways for us to use infrastructure much more efficiently. Smart infrastructure can allow road and rail traffic to flow more steadily, gaining greater capacity of the infrastructure and lowering energy consumption.

The Government has invested \$90 million through the Australian Rail Track Corporation (ARTC) for a trial of the Advanced Train Management System.

Efficient motorway performance is critical to Australia's economic performance. Motorways are also important connectors to our international gateways. Motorways carry a far higher proportion of traffic than their share of pavement. For example, the Brisbane motorway network comprises two per cent of Brisbane's total road network but carries 37 per cent of Brisbane's total traffic task in terms of distance travelled and 54 per cent of the commercial vehicle traffic task.

Effective system control through integrated data collection sensors and control tools improves real time management of motorways to secure a higher and more consistent level of motorway performance. This produces travel time savings and improved reliability in the network, which has clear productivity benefits.

Geelong, VIC



Additionally, smart technologies applied to managed motorways enable better use of existing infrastructure, delivering better network performance, without the need for expensive capital upgrades that cost governments billions of dollars.

Specific benefits of managed motorways tools include:

- Variable message signs: deliver an 8 to 13 per cent increase in travel speed
- Ramp metering: delivers a 13 to 26 per cent increase in travel speed, an increase in volume (throughput of traffic) of between five and 30 per cent and a 15 to 50 per cent reduction in road accidents.

A trial of dynamic co-ordinated freeway ramp signals on the Monash Freeway in Melbourne delivered a number of benefits including time savings, reduced delays and savings in fuel usage and greenhouse gas emissions.

Reducing congestion in cities is important for community well-being. The Treasury's *'Australia's Future Tax System'* notes that the typical costs associated with congestion include travel delays, variable travel times (unreliability), high vehicle operating costs (including higher rates of fuel consumption), reduced productivity, increased driver and passenger stress, additional greenhouse gas emissions, poorer urban environment and air quality and, as a consequence, higher health costs.

Managed motorways can be effective in reducing congestion on busy roads, thus also delivering important sustainability and liveability outcomes from our transport network. Reductions in road accidents, not only improves safety outcomes but also reduces delays, ensuring people can move from their workplaces to their homes safely and quickly. The rapid growth of our cities, as well as the outward expansion of cities over the last 50 years, has created significant congestion on city roads, which has an impact on residents' quality of life and reduces, family social time and productivity.

By addressing road congestion, managed motorways can support more sustainable cities. Given that vehicles under congested conditions use more fuel and emit more pollutants than vehicles under free-flow conditions, these systems deliver important sustainability improvements through greater fuel efficiency and reduced emissions attributed to cars and trucks idling on congestion roads.

Enhancing connectivity through the National Broadband Network

In the face of increasing global competition, the Australian Government has recognised the importance of high speed information and communication networks to support innovation and future economic development and has committed up to \$27.5 billion in equity for the delivery of the *National Broadband Network*.

Further initiatives to improve the efficiency of urban infrastructure

To further improve the efficiency of urban infrastructure, the Australian Government will:

- Implement the *Infrastructure Investment and Financing Reforms* package of measures to improve the quality of infrastructure development and private sector opportunities to invest in infrastructure, including in urban areas. The reforms:
 - enhance the role of Infrastructure Australia (IA). Additional funding of \$36 million over the next four years has been committed to continue and strengthen Infrastructure Australia to develop long-term strategies to tackle infrastructure bottlenecks, improve our vital freight networks, and promote private funding of domestic infrastructure by investors like superannuation funds. IA will also publish project assessments and cost benefit analyses where information is not commercially sensitive
 - establish special tax provisions to attract up to \$25 billion of private and superannuation investment in Australian infrastructure. This will improve certainty for early stage

losses and alleviate risk by removing the *Continuity of Ownership Test* and the *Same Business Test* and uplifting early stage losses to the government bond rate

- enhance the transparency of planning, implementation and evaluation of infrastructure projects
 - ensure that the Government undertakes post-build evaluations of Australian Government funded projects
 - establish a comprehensive *National Infrastructure Construction Schedule*, listing large economic and social infrastructure projects in Australia to complement the *National Priority List*
- Introduce a *National Smart Motorways* trial (\$61.4 million over three years) to retrofit congested motorways in our capital cities with new technology which improves traffic flow, cuts energy use and emissions from idling cars, and achieves greater productivity from existing infrastructure
 - Continue to encourage the States and Territories in best practice use and delivery of *Public Private Partnerships* (PPPs) in infrastructure procurement where these provide value for money, and investigate innovative approaches to managing patronage risk to encourage private investment in urban infrastructure
 - Work with State, Territory and Local Governments to finalise the *National Land Freight Strategy* by the end of 2011. The strategy is a blueprint for a truly national, integrated and multimodal transport system capable of moving goods quickly, reliably and efficiently.



Toowoomba, QLD

National Smart Managed Motorways Trial

The Australian Government will provide \$61.4 million over three years for the development of a national smart managed motorways trial to improve congestion, lower urban emissions, and expand the capacity of existing outer city road infrastructure networks.

The program will fund smart infrastructure road projects identified by Infrastructure Australia as demonstrating high benefit-cost ratios and improving traffic demand management and the overall efficiency of the transport flows in major cities.

Efficient motorway performance is critical to Australia's economic performance. Managed motorways use system control through integrating data collection sensors and control tools to improve real-time management of motorways to secure a higher and more consistent level of motorway performance. This results in travel time savings and improved reliability, improved road safety and lower greenhouse gases emissions.

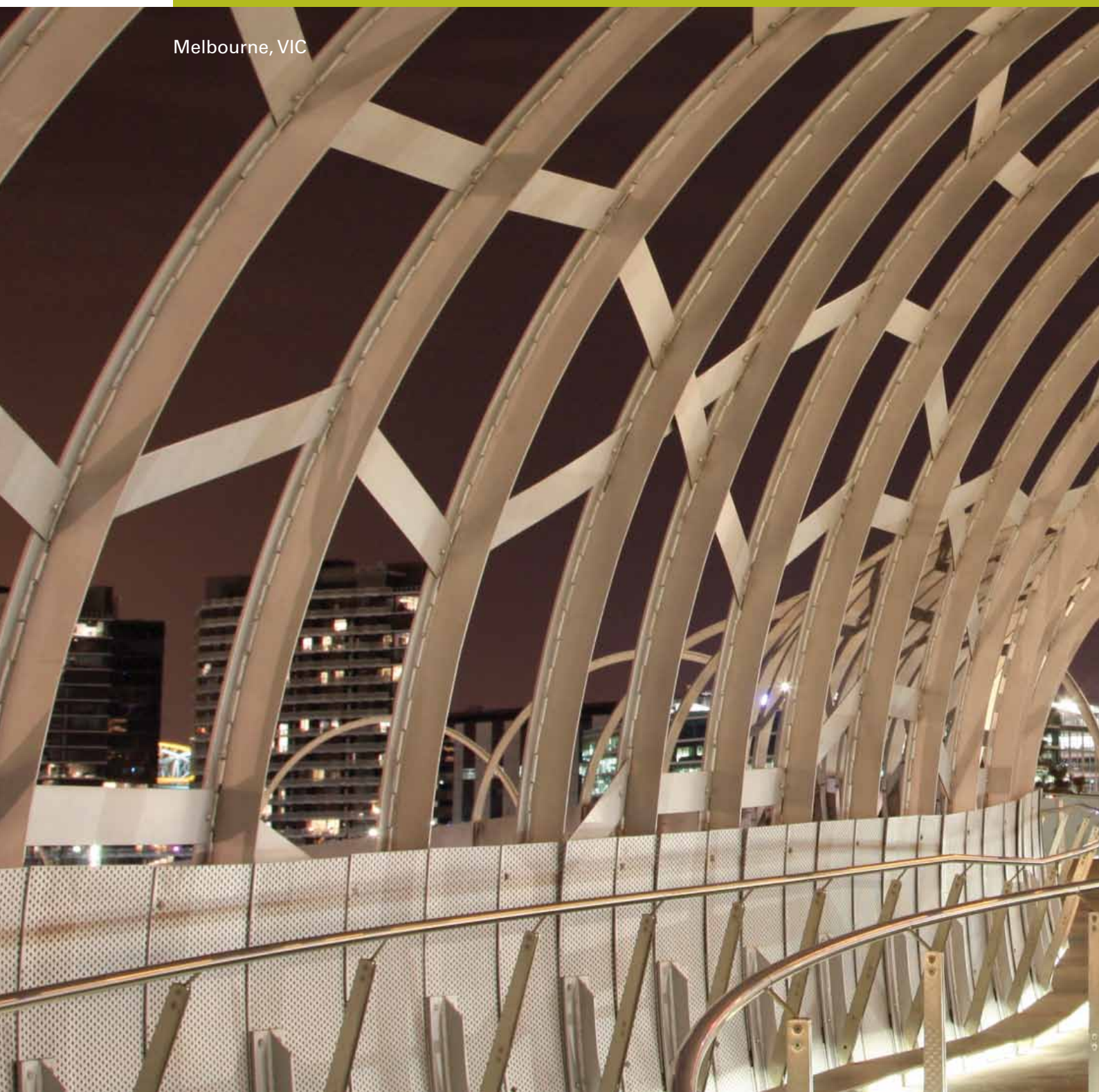
An initial set of projects that would be eligible for funding have been identified by Infrastructure Australia:

- an upgrade of the M1 West Gate Freeway in Melbourne (Western Ring Road to Williamstown Road section) to level 3 Intelligent Transport System (ITS). The Nation Building program is currently funding an upgrade of the M80 to ITS level 3. This project would complement the M80 upgrade and close a gap in the network which is projected to have the highest volumes of freight in Australia
- feasibility, project development and early works funding for the M4 (Western Motorway) in Sydney to introduce a managed motorway system, including ramp metering and potential freight prioritisation
- funding to introduce smart technology to the Gateway Motorway (Nudgee to Bruce Highway section) in Brisbane, including pole mounted variable speed limits, ramp signalling, travel time signs and variable message signs; feasibility funding and trials of technology, such as ramp metering on the Perth road network – including the Roe Highway and Graham Farmer Freeway.

All projects will be jointly funded by the Australian Government and the relevant State Government.

Funding will be subject to State and Territory Governments signing *National Partnership Agreements* on the establishment of Single National Jurisdictions for heavy vehicles, interstate rail operations and maritime regulation.

Melbourne, VIC



Chapter 4





Chapter 4

Sustainability

There is a significant opportunity for a truly forward-looking National Urban Policy to address links between consumption patterns and economic growth, in tandem with increasing capacity for enhanced performance and regeneration of natural resources, in future urban sustainability solutions—rather than merely aiming towards a damage-limitation model of reduced consumption of land and natural resources.

Australian Institute of Landscape Architects

Sustainable development refers to ‘development that meets the needs of the present without compromising the ability of future generations to meet their own needs’ (Brundtland, 1987). Recent trends in population growth and urban development are intensifying the challenges facing our communities and the pressures on our built and natural environments. Our natural environment provides many benefits and services which are unable to be replicated or that would be very costly to produce ourselves. As our cities grow, we must keep these benefits in mind and ensure that we do not impose unnecessary costs on future generations.

Demand for essential goods and services such as water, energy and land continues to increase whilst supply comes under mounting pressure. At the same time, waste generation in Australia continues to grow. Road transport has been the main source of transport emissions and accounted for 86.3 per cent (69.2 Mt) of 2008 transport emissions. Emissions from road transport increased by 27.5 per cent (14.9 Mt) between 1990 and 2008. Passenger cars were the largest source of transport related emissions contributing 60 per cent of emissions from road transport (41.6 Mt) and increased by 18.2 per cent (6.4 Mt) between 1990 and 2008².

All capital cities have increased their mode share of travel by public transport in the past five years. Many cities, like Melbourne, have set targets of increased mode share to public transport of up to 20 per cent by 2020 and have demonstrated that this is achievable with an increase of public transport patronage from 9 per cent to 14 per cent in 2009. A small modal shift to public transport and active travel (walking and cycling) can reduce

greenhouse gas emissions by up to two thirds for peak travel³.

Future development of Australian cities and regions will need to consider interactions with, and impacts on, the physical environment in order to deliver the greatest net benefits for the community. The physical consequences of climate change will add to—and in some cases compound—other environmental challenges.

The Australian Government’s objective is to advance the sustainability of Australia’s natural and built environment through better resource and risk management.

The Australian Government has been pursuing a broad range of policies and programs to assist State, Territory And Local Governments as well as business and the community, to improve the sustainability of cities by minimising the environmental impacts. At the same time the Government is exploring options on the best way to introduce a carbon price to address the challenge of climate change.

² Department of Climate Change and Energy Efficiency (2010) *National Greenhouse Gas Inventory accounting for the KYOTO target*, May 2010

³ Stanley and Barrett (2010) *Moving people – solutions for a growing Australia* BIC, ARA, UITP

SUSTAINABILITY	Objectives and priorities
4. PROTECT AND SUSTAIN OUR NATURAL AND BUILT ENVIRONMENTS BY:	<p>Cities and their populations have a detrimental impact on natural ecosystems—both within metropolitan boundaries and across the broader region.</p> <p>We need to protect our natural environments to ensure they are preserved, and improve our built environments to ensure our quality of life is maintained.</p>
<ul style="list-style-type: none"> – Protecting and enhancing natural ecosystems 	<p>Australia's natural environment is both fragile and unique. Native ecosystems are at risk of being displaced or degraded by expanding urban areas. This will have negative implications for clean air and water, biodiversity and amenity.</p> <p>To ensure our cities take full advantage of the services that our natural environment provides, and do not impose unnecessary costs to future generations, we must protect and enhance natural ecosystems, waterways and biodiversity. This can be done by avoiding and mitigating the impacts on critical environments and by incorporating quality green space, microclimate and water sensitive design into urban systems.</p>
<ul style="list-style-type: none"> – Supporting sustainable development and refurbishment of our built environment 	<p>Our built environment is a large source of energy and water consumption and waste production.</p> <p>Throughout the design, construction, operation and demolition of our built environment, consideration needs to be given to its long-term sustainability in economic, environmental and social terms.</p>
5. REDUCE GREENHOUSE GAS EMISSIONS AND IMPROVE AIR QUALITY BY:	<p>Emissions and air pollution are accelerating and changing our Earth's natural systems, affecting our health and standard of living.</p> <p>The scale of our cities provides opportunities for significant reductions in greenhouse gas emissions. There is also scope to reduce ambient levels of air pollutants in urban areas by focusing on the major sources of these pollutants including motor vehicles, the burning of carbon-based fuels and use of materials such as plastics and paints.</p>
<ul style="list-style-type: none"> – Supporting and investing in low emissions technologies 	<p>Supporting low emissions technologies, such as hybrid and electric vehicles, is an important step in reducing our overall emissions, and stimulating innovation within our economy.</p>
<ul style="list-style-type: none"> – Putting a price on carbon 	<p>The Australian Government will move to place a price on carbon and use market mechanisms to drive emissions reductions.</p>
<ul style="list-style-type: none"> – Sustainable urban planning and regulatory reform 	<p>Cities policy can drive emissions reductions through urban design and better integrated planning policy.</p>
6. MANAGE OUR RESOURCES SUSTAINABLY BY:	<p>Our natural resources are limited and valuable.</p> <p>We must manage our resources wisely by reducing our overall consumption and improving our water, energy and food security.</p>
<ul style="list-style-type: none"> – Reducing resource consumption and waste 	<p>Cities and their populations greatly affect the environment through the demand for resources. Current patterns of consumption of non-renewable resources and production of waste are a key challenge for the future of our cities.</p> <p>We need to reduce our consumption of finite resources, use and reuse resources more efficiently and minimise waste production. This can be done through pricing, behavioural change and improvements to technology and application.</p>
<ul style="list-style-type: none"> – Improving water, energy and food security 	<p>The secure supply of water, energy and food to our cities is becoming an increasing issue as our cities expand and adapt to a changing climate.</p> <p>Options to support the security of these vital systems are continually being developed, with considerable investments being made in many of Australia's major cities.</p>

7. INCREASE RESILIENCE TO EMERGENCY EVENTS AND NATURAL HAZARDS BY:	Australian cities and regions, both coastal and inland, will likely face increased challenges from climate change and other natural environmental hazards. These may include extreme weather and storm events, sea level rise, cyclonic activity, increasing temperatures, heatwaves and bushfires. Other vulnerabilities include exposure to human-induced events and disasters.
– Climate change science and research	It is important to continue to develop our understanding of climate change so that we can better predict and plan for the effects and impacts that our cities face.
– Mitigation and adaptation	<p>We need to continually work to adapt and minimise the exposure of our cities and regions to risk, and ensure our urban areas are planned and built to enable responses to be timely and appropriate to mitigate negative consequences.</p> <p>The infrastructure investments in our cities are often very large and planned to endure many decades and more. Many of our cities are located in areas that are expected to be subject to sea level rise and increasingly extreme weather events, with potentially damaging impacts on infrastructure.</p> <p>In order to ensure new infrastructure investments are not unduly vulnerable to climate change, the siting of infrastructure, operational life and design standards need to be carefully considered, alongside matters such as heat stress, inundation, and extreme storms event.</p>

Protect and sustain our natural and built environments

One of the key challenges for decision-makers is to conserve and to protect our natural assets while facilitating human habitation. Although the impact of most human activity is unintentional, human habitation can threaten the ecosystems and environments that are essential to our way of life.

In cities, natural areas and places of open space also provide for recreation and relaxation, visual amenity and urban liveability, and thereby also contribute to physical and mental health. Poor planning decisions and other factors which detract from our natural and built environments can impact negatively on the health and wellbeing of communities.

Protecting and enhancing natural ecosystems

The Australian Government has a long standing commitment to protecting the natural environment through the application of the *Environment and Biodiversity Protection Conservation Act* (1999) that enables protection and management of nationally and internationally important flora, fauna, ecological communities and heritage places.

The Australian Government is also working to manage impacts of human settlement and habitation such as waste generation on the environment through the *National Waste Policy*.

The Australian Government, through programs such as *Caring for our Country*, funds environmental management of our natural resources by supporting communities, farmers and other land managers to protect Australia's terrestrial and aquatic environments and sustainably produce food and fibre.

Supporting sustainable development and refurbishment of our built environment

The high intensity nature of our cities provides opportunities to exploit economies of scale in reducing our impact on the environment. How cities are planned, their density and spread, and the buildings and infrastructure within them, provide an enormous opportunity to reduce greenhouse gas emissions.

Along with opportunities for improvement in specific sectors such as waste, water and energy, cities can significantly influence sustainability outcomes through larger systems such as land use and settlement patterns, for example through the location of employment areas in relation to residential areas, and the availability of public

transport. Similarly, the design and construction of the urban form, whether it is a transit-oriented development, water sensitive urban design project or suburban block development, has long-term consequences for the sustainability and resilience of our cities.

The construction and operation of buildings account for almost half of the world's greenhouse gas emissions. It is estimated that investing in a more energy efficient building sector has the potential to reduce the sector's greenhouse gas emissions by between 30–35 per cent by 2030.

Further initiatives to protect and sustain our natural and built environments

To further protect and sustain our natural and built environment, the Australian Government will:

- Implement the Sustainable Communities package which will provide \$120 million to State, Territory and Local Governments, potentially in partnership with the private sector, to fund projects aimed at improved affordability and liveability in cities. The Sustainable Communities package targets the more effective planning and design of our cities and efficient use of new and existing infrastructure, and will deliver demonstration projects within capital cities and regional cities that drive urban renewal through:
 - investment in capital projects which improve public transport services and support new local jobs
 - working in partnership with the Capital City Lord Mayors on demonstration projects which enhance the liveability and sustainability of our capital cities
 - funding capital projects which support urban development or renewal projects that reduce costs and improve access to transport
 - more efficient and effective use of new and existing infrastructure through the incorporation of smart technology
 - demonstration projects to show how new investments in community facilities and

better planning can help improve quality of life in our outer and growth suburbs

- funding projects in outer suburbs and major regional cities which meet the COAG national criteria and promote improved housing and transport supply
- Invest \$29.2 million in a new Sustainable Regional Development initiative to support better sustainability planning in regions that are experiencing high growth. The Sustainable Regional Development program will support strategic assessments under national environmental law in up to seven additional regional and coastal growth areas. The program will improve environmental outcomes whilst also giving certainty to State and local governments and the private sector to invest in housing, infrastructure and resource development
- Provide \$8.0 million over two years for competitive grants to assist local communities to manage and conserve heritage places that are important to Australians. The program will also enable greater community access to heritage places of local and national significance.

Reduce greenhouse gas emissions and improve air quality

Australia has commenced a multi-decade transformation towards a low carbon economy. Putting a cap on carbon is the lowest-cost way to achieve the necessary transformation to a low carbon pollution economy. A carbon price will provide a powerful incentive for consumers and businesses to adjust their behaviour, resulting in a reduction in emissions.

Australia also continues a program of regulatory reform to progressively reduce other harmful emissions that reduce air quality.

Supporting and investing in low emissions technologies

A carbon price can be complemented by improvements to the operational efficiencies of the built environment. Reducing energy

consumption reduces operating costs for building owners, whether households or business owners. Building standards are being improved through both the regulatory environment but also through voluntary actions. The biggest challenge is the size of the stock of existing buildings and how to effectively improve their performance. Energy efficiency is a fast but cost-effective way to reducing our carbon pollution. Most Australians have opportunities to make energy efficiency improvements at home, in business and industry, or in the community.

Improving energy efficiency is conceptually the same as improving the productivity of other

resources, delivering more from the same inputs. In the past two decades Australia has improved its productivity performance, boosting growth, wealth and opportunities for our citizens. However, unlike most other developed countries, which have realised energy efficiency across a range of sectors, Australia's energy efficiency remains relatively poor.

The Australian Government has supported the development and production of more fuel efficient and low emission motor vehicles. The Australian Government is also helping to inform consumers to help them make 'greener' choices when purchasing vehicles through the publication of the *Green Vehicle Guide*.

The Green Vehicle Guide

The Green Vehicle Guide (GVG) provides consumers with user friendly ratings on environmental performance of specific models, as well as fuel consumption data – thus enabling side-by-side comparisons of individual models on a common basis. The GVG covers all light vehicles (up to 3.5 tonnes) released onto the Australian market since late 2004 and is continually updated as new models are released. The Guide is reinforced by the mandatory fuel consumption label. The fuel consumption label provides consumers with the comparative fuel consumption and CO₂ emissions values of individual models and enables consumers to estimate annual fuel costs.

Putting a price on carbon

Carbon pricing provides financial incentives for investment in low emissions technology research, development and commercialisation, including investments in renewable energy and improvements in energy efficiency.

Capping emissions and placing a price on carbon will be the key to this transformation. The energy that drives our economy and underpins our everyday lifestyle and wellbeing is also the greatest contributor to Australia's carbon emissions. To transform our economy while maintaining the growth and prosperity that we currently enjoy, Australia will need a stable supply of cleaner energy, and will need to use this energy more efficiently.

Sustainable urban planning and regulatory reform

How cities are planned and managed and the associated regulatory environment will influence the sustainability of a city. Motor vehicles account for a large proportion of transport-related greenhouse gas emissions other air pollutants in our cities. These pollutants are responsible for the smog over our major cities and health problems such as respiratory and cardiovascular disease. The Australian Government regulates the mandatory air pollution standards for all new vehicles sold in Australia.

It is estimated that over two million vehicles are subject to Fringe Benefit Tax claims every year⁴ at a cost to the federal government of

⁴ Rural and Regional Affairs and Transport References Committee (2009) Investment of Commonwealth and State funds in public passenger transport infrastructure and services, Final Report page 111.

approximately \$1.7 billion⁵. The *Henry Tax Review*⁶ noted that the existing fringe benefits taxation formula means that the taxable value of a car's fringe benefit falls as total kilometres driven per annum increases. With a rate set at 46.5 per cent, the statutory formula potentially provides a tax incentive for individuals to travel additional kilometres to reduce the taxable value of their car. In turn, this increases pollution and urban traffic congestion.

The Henry Review recommended that the tax and transfer system be reformed to play a greater role in promoting sustainable policy outcomes. In the case of Fringe Benefit Tax on vehicles the Henry Review recommended that the current formula be replaced with a single statutory rate of 20 per cent, regardless of the kilometres travelled.

Further initiatives to reduce greenhouse gas emissions and improve air quality

To reduce carbon emissions and improve air quality the Australian Government will:

- Introduce a carbon price as a comprehensive measure to respond to the Climate Change agenda from 1 July 2012. This will provide incentives for our cities to lower carbon emissions and improve energy efficiency
- Reduce incentives for unnecessary driving by replacing the current tax formula for valuing car fringe benefits with a single statutory rate of 20 per cent, regardless of the kilometres travelled
- Work with industry on the design and implementation of the *Tax Breaks for Green Buildings Policy* which provides incentives for firms to improve the energy efficiency of their building stock
- Support research and development of low emissions technologies

- Partner with governments, businesses and the community to deliver improved energy efficiency such as through investment in low emissions transport networks including electric hybrid vehicles, *Smart Grid and the Solar Cities* program
- Deliver improvement in the efficiency of new buildings and major renovations by increasing the energy efficiency requirements in the *Building Code of Australia* and introducing the *Building Energy Efficiency Disclosure Act*
- Provide leadership on national reform to ensure cities are well placed to deal with the risks of climate change impacts, including through the provision of good science and information
- Continue to work with industry and governments to improve air quality by the setting of product standards, urban design, public transport planning and climate change abatement measures

⁵ Australian Tax Office, Taxation statistics 2007-08 - Fringe benefits tax, Table 7: Fringe benefits, by employer type, taxable status and benefit type, 1997-98 to 2008-09 FBT years, retrieved 5 October 2010 from http://www.ato.gov.au/corporate/content.asp?doc=/content/00225078.htm&page=15#P1136_57143.

⁶ Henry, K. 2009 Australia's future tax system. Report to the Treasurer. Commonwealth of Australia



- Apply more stringent mandatory air pollution standards for all new cars, 4WDs and utes sold in Australia. These tighter emission standards – known as the Euro 5 and Euro 6 standards – will target the pollutants responsible for the smog over our major cities and health problems within our population, such as respiratory and cardiovascular disease. When fully in place the new standards will cut a new car's maximum allowable emissions of:
 - Hydrocarbons by up to 50 per cent
 - Oxides of nitrogen by up to 70 per cent
 - Particulate matter by up to 90 per cent
- Continue the Government's *Green Vehicle Guide* (GVG) website as a primary source for consumers wishing to make informed purchasing decisions regarding the environmental performance of new vehicles.

Manage our resources sustainably

Population growth in cities will continue to increase demand on resources, such as water, food and energy.

Water is an essential resource for our cities – their communities, environment, industries, and their economy. Population growth in cities has led to an increased demand for potable water which will continue to test capacity of water supplies to reliably meet demand in many cities into the future if not appropriately managed.

Australia's food industry is a major sector of our economy and our export trade. It supplies the majority of our food and is also a significant contributor to regional economies, communities and to our national narrative. Australia is sheltered from immediate concerns about food shortages because we produce more food than we consume, which will help meet our future food needs and those of many import-dependent countries. However, we cannot afford to be complacent in the face of challenges such as climate change, resource constraints and an increasing population. Land use issues underpin much of the current community concerns about food security, including the potential loss of productive agricultural land to urban expansion and development.



The security of energy supplies is critical in supporting economic and social activity in Australia's cities by meeting both short and long term needs. Factors affecting the supply of energy can range from short-term disruptions to supplies as a result of human and natural hazards to longer-term impacts resulting from inadequate energy sector investment. There is also a growing recognition of the importance of building resilience against hazards and balancing reliable energy supplies and environmental impacts.

The Australian Government is working with governments and industry to reduce resource consumption and waste and improve water, energy and food security.

Reducing resource consumption and waste

The *National Waste Policy* heralds a coherent, efficient and environmentally responsible approach to waste management in Australia. The policy, agreed by all Australian environment ministers in November 2009, sets Australia's waste management and resource recovery direction to 2020.

The *National Waste Policy* sets the direction for Australia over the next 10 years, to reduce waste for disposal and manage waste as a resource to deliver economic, environmental and social benefits.

The *National Waste Policy* establishes a comprehensive work program for national coordinated action on waste across six key areas:

- taking responsibility
- improving the market
- pursuing sustainability
- reducing hazard and risk
- tailoring solutions
- providing the evidence

Improving water, energy and food security

The secure supply of water, energy and food to our cities is becoming an increasing issue as our cities expand and adapt to a changing climate. Over the last few years some of our cities have experienced water shortages, which

have required stringent water restrictions to be put in place, and energy shortages which have impacted both businesses and homes. Food security may likewise be affected in the future, whether through increased transportation costs, natural disasters such as the recent floods and cyclones, or loss of fertile agricultural lands close to population centres.

Options to support the security of these vital systems are continually being developed, with considerable investments being made in many of Australia's major cities.

The Australian Government's initiative, *Water for the Future*, provides national leadership in water reform for all Australians.

It is built on four key priorities:

- taking action on climate change
- using water wisely
- securing water supplies
- supporting healthy rivers

The *Water for the Future* priorities will be delivered through a 10 year investment in strategic programs, improved water management arrangements, and a renewed commitment to deliver a range of water policy reforms in rural and urban areas.

Further initiatives to manage our resources sustainably

To manage our resources sustainably, the Australian Government will:

- Further strengthen the role of Infrastructure Australia in undertaking cost-benefit analysis of proposals for infrastructure funding, to include consideration of how to achieve better use of infrastructure to help improve the efficiency of critical infrastructure such as transport and water
- Continue implementation of the *Water for the Future* program to provide national leadership on water reform for all Australians. *Water for the Future* will enable Australia to better balance the water needs of communities, farmers and the environment

- Pursue urban water reform through COAG following the agreement at the November 2008 meeting of COAG which provides for a renewed approach to urban water reform by the Australian Government, together with States And Territories, and addresses key challenges in urban water. An agreed set of *National Urban Water Planning Principles* provides governments and water utilities with the tools to better plan the development of urban water and wastewater service delivery in a sustainable and economically efficient manner
- Implement the *National Waste Policy* which heralds a new, coherent, efficient and environmentally responsible approach to waste management in Australia. The policy was agreed by all environment ministers in November 2009, and endorsed by COAG in August 2010. It will set Australia's waste management and resource recovery direction to 2020
- Tackle climate change through putting a price on carbon and assisting households and businesses meet the costs (the details of the carbon pricing mechanism being decided through extensive consultation)
- Continue and expand the *Environmental Stewardship Program* and the investments in the *Solar Cities* program.

Increase resilience to climate change, emergency events and natural hazards

In the past decade, Australia's major cities have all been affected by extreme weather events such as long droughts, heatwaves, severe storms, bushfires, and extensive flooding. As these events are forecast to rise in frequency and intensity, Australian cities need to become more resilient by mitigating and adapting to the effects of climate change and other natural hazards and events.

Our coastal communities, which are experiencing high growth rates as a result of the 'sea-change' phenomenon, are particularly vulnerable.

Climate change science and research

The Australian Government's National Climate Change Adaptation Research Facility (NCCARF) is leading the research community in a national interdisciplinary effort to generate the information needed by decision-makers to manage the risks of climate change in areas such as water resources, health, emergency management and primary industries.

The centre is working to synthesise knowledge, coordinate research activities, broker research partnerships and provide information for decision

Wollongong, NSW



Albury/Wodonga, NSW/VIC



makers in a form relevant to their sectoral or regional needs.

The Facility is hosted by Griffith University in partnership with seven other universities and the Queensland Government.

The Australian Government is providing \$10 million to support core functions of the Facility. In addition, through the *Climate Change Adaptation Research Grants Program* the Australian Government is providing seed-funding to address priority research identified through *National Climate Change Adaptation Research Plans*, developed by NCCARE.

Mitigation and adaptation

Planning processes have generally not taken climate change risks into adequate account and existing infrastructure has generally been designed, constructed and maintained based on historical climate data. There are significant areas of existing development at risk from sea level rise and storm surge. Similarly, the outward expansion of our cities has allowed new residential development into areas of increasing bushfire risk.

Land use planning, for example, can reduce the exposure of communities and infrastructure in vulnerable regions through the allocation of land for particular types of developments. It can also

reduce emissions through better integration of land use and infrastructure planning.

Individuals, communities, governments and the corporate sector are beginning to weigh up the impacts of land use and development decisions in light of climate change risks and environmental constraints, such as future water supply.

The Australian Government in its position paper *Adapting to Climate Change in Australia*, identified six initial priority areas for adaptation action—coastal management, water, infrastructure, natural systems of national significance, preparation for and management of natural disasters, and agriculture.

A resilience model is being considered to cover a wide range of hazards facing Australia, in particular in relation to emergency management. Planning for urban areas and urban assets should have regard to the operational needs of emergency management. It is also important to understand the vulnerabilities and dependencies in and across critical infrastructure sectors. Critical infrastructure is often privately owned or operated on a commercial basis. Therefore, often the owners or operators of critical infrastructure are best placed to understand these vulnerabilities and dependencies, and to manage associated risks. Maintaining close relationships with these sectors is a key to



governments being able to enhance resilience of critical infrastructure.

Many of our major cities are vulnerable to, and are currently experiencing, the impacts of climate change and natural disasters. The Australian Government continues to provide support to cities in becoming more resilient to climate change and natural disasters via a wide range of environmental modelling, research and planning tools, as well as through local and community infrastructure programs.

The Australian Government is committed to increasing resilience to climate change, emergency events and natural hazards through such measures as the *Natural Disaster Mitigation Program* and leading national reform to ensure cities are dealing with climate change impacts, including through the provision of research and information.

The Government is supporting State, Territory and Local Governments around Australia to prepare for the impacts of climate change. A good example is Cairns in North Queensland.

Further initiatives to increase resilience to climate change, emergency events and natural hazards

To further support cities to become more resilient to climate change, emergency events and natural hazards the Australian Government will:

- Continue to work with States and Territories to develop guidance, including spatial mapping, to help reduce exposure of urban assets to climate change risks
- Strengthen the role for Infrastructure Australia in undertaking cost-benefit analysis of proposals for infrastructure funding to consider whether proposed infrastructure projects are well placed to deal with risk of climate change impacts
- Implement the *Demonstrating Coastal Adaptation Decision Pathways* initiative, by working with partners on projects that will support effective approaches to adaptation in the coastal zone.



Cairns, QLD

Cairns Climate Change Strategy and implementation

The Cairns region, which includes many low-lying coastal communities, is one of the most vulnerable areas in Australia to climate change impacts. In addition, the Cairns region is home to internationally significant ecosystems such as the Great Barrier Reef and the Wet Tropics World Heritage Area.

In 2009, the Cairns Regional Council received \$50,000 from the Australian Government to undertake a risk assessment on council urban management systems, based on CSIRO climate change predictions and develop a climate change adaptation action plan which prioritises and recommends measures to mitigate the adaptation risks. The program raised awareness of climate change and adaptation strategies within the council, which has enabled improved decision making around climate related risks and planning and the foundation of Cairns' Climate Change Strategy 2010–2015.

To ensure Cairns and other regions are well supported in mitigating and adapting to climate change, the Australian Government is supporting climate change mitigation and adaptation through a range of measures.

In Cairns, the Australian Government has supported a number of targeted initiatives to assist in implementing the *Cairns Climate Change Strategy*. The Australian Government provided nearly \$2 million for the construction of a multi-purpose community centre for education, training and disaster coordination for the Cairns Region and the wider north community areas, which are vulnerable to cyclones, storm surge, tsunamis, bushfires and landslides. Further funding through the Regional and *Local Community Infrastructure Program* was provided for the installation of renewable energy systems on council buildings.

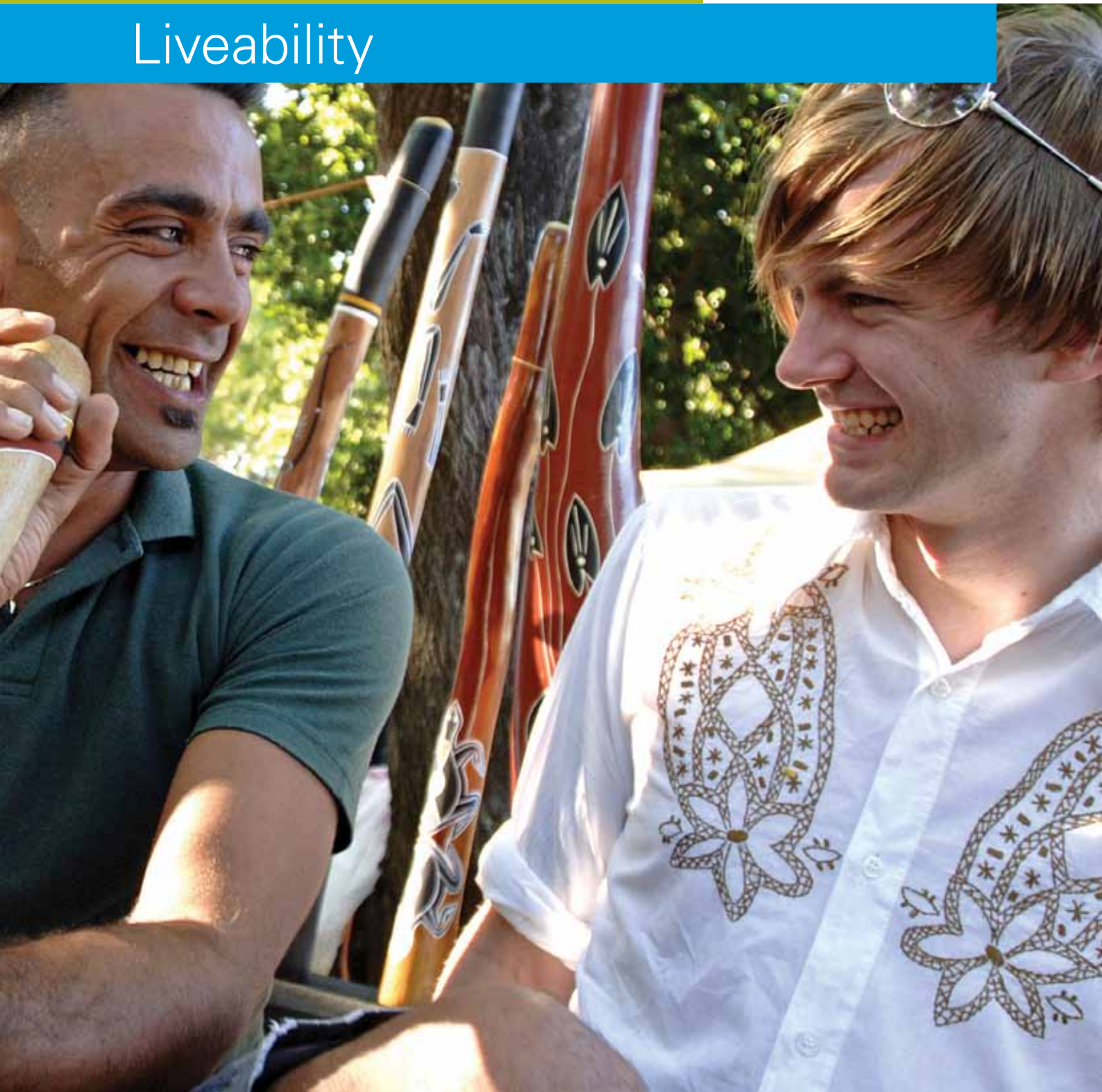
The Australian Government has also provided over \$1 million for flood mitigation in the Cairns CBD and financial support for a range of bushfire preparedness and prevention initiatives under the *Natural Disaster Mitigation Program*.

Darwin, NT



Chapter 5

Liveability





Chapter 5

Liveability

Long term residents, families and generations who remain stable in a location over a long period of time have many benefits for our cities. Benefits include a sense of pride, connection and inclusion, personal investment and 'ownership' in the region, and a willingness to contribute and participate in community activities and initiatives. In order to meet the needs of our growing population we will need diverse dwelling forms and sufficient affordable housing options across all tenures including home-ownership, private rentals, social housing and crisis accommodation, to accommodate people for short or longer periods at different points in their lives or 'housing careers'.

National Shelter, 2011

A good and attractive environment may not be an alternative to economic success but may rather contribute to it; as in the knowledge-based economy, highly qualified professionals with scarce skills can choose where to live from among different cities.

OECD, Competitive Cities in the Global Economy, 2006

In the context of our major cities, liveability refers to the way the urban environment supports the quality of life and wellbeing of communities. Quality of life and wellbeing encompasses mental and physical health, happiness and life satisfaction for individuals and supportive social relationships in communities. Quality of life is enhanced by environmental sustainability, in particular with regard to low levels of pollution and access to quality open space and natural landscapes. Wellbeing is important to economic prosperity as poor health and depleted social cohesion have high economic costs as well as social costs.

The Australian Government recognises that cities are not just centres of economic activity, where the workforce, businesses and the institutions that support their activity are concentrated but our cities are also centres for living, education, recreation and entertainment. Liveable cities offer a high quality of life and are socially inclusive, affordable, accessible, healthy, safe, and resilient to the impacts of climate change.

As our cities grow and change, there are challenges to maintaining quality of life and well-being which encompasses mental and physical health, happiness and life satisfaction for individuals and supportive social relationships in communities. The supply of appropriate and affordable housing across metropolitan areas to accommodate growing and changing populations cannot be met simply by releasing land or replacing older housing with high rise. Future housing in our

cities needs to be adaptable to take into account our ageing population and accommodate a greater diversity of household types and sizes. Residential developments must improve the amenity for the communities in which they are located.

The potential of high amenity environments to attract skilled labour, generate economic activity and support environmental sustainability is well recognised. As one of its criteria for capital city strategic planning systems, COAG has determined that Australia's planning systems must 'encourage world-class urban design and architecture.'

The planning and design of local neighbourhoods and urban centres affect a community's wellbeing and is a major factor in determining quality of life of our population. Contributing factors to the amenity of a neighbourhood include access to green and open space, water and air quality, pleasant

streetscapes, and opportunities for recreation and social interaction.

Factors that detract from the amenity of places include noise, pollution, traffic and degraded built and natural environments. Low quality environments have been correlated with poor public health outcomes such as increased mental health issues and higher rates of obesity, diabetes and respiratory illnesses, resulting in high social and economic costs. Preventative health campaigns by all levels of government are consistently aimed at encouraging activity and time spent outdoors. However, many urban and suburban environments are car dominated, and so are not conducive to either incidental exercise (for example walking for local errands or to public transport) or recreational exercise.

Many short trips in Australian cities are being undertaken in cars rather than walking, cycling or by public transport. Nearly 40 per cent of Australians commute less than 10 kilometres to work or study⁷ but less than three out of 50 commuters cycle or walk to work (1.6 per cent cycle / 4.2 per cent walk). Of commuters who travel less than five kilometres, 71 per cent use a private motor vehicle, and less than seven per cent use public transport. Of those travelling five to 10 kilometres, 80 per cent drive and 16.5 per cent use public transport.

The Australian Government has worked with States and Territories toward achieving a national cycling target to double the number of cyclists by 2016. Since 2007 the Australian Government has already invested \$40 million in a national bike path program and has been supporting greater capacity for public transport through its *Nation Building Program*.

The *National Urban Policy* builds on the existing policy agenda and focuses additional efforts in improving the liveability of our cities.

It is important to ensure that everyone in cities has access to a full range of services that meet community needs. The Australian Government is also supporting the liveability of our cities through:

- a service delivery reform agenda to provide better support for people when they need it;
- coordination of the efforts of all Australian governments under the *National Disability Strategy* to meet the diverse needs of people with disability and their carers;
- implementation of the National Compact with the Third Sector, which is working to strengthen the not-for-profit sector by reducing red tape so that these organisations are able to provide support to people in need; and
- development of strategies to support and expand volunteering, philanthropy and social investment as ways of building community resilience, social inclusion and liveability.

Canberra, ACT



⁷ Data sourced from Australian Bureau of Statistics, 2006, *Environmental Issues: people's views and practices*, Cat. No. 4602.0 Chapter 4 'Use of Transport' (pp. 60-82), table 4.13. Totals adjusted to include all forms of transport.

LIVEABILITY	Objectives and priorities
8. FACILITATE THE SUPPLY OF APPROPRIATE MIXED INCOME HOUSING BY:	<p>The current and projected supply of dwellings does not match the changing needs of the growing population in terms of quantity, diversity, accessibility and affordability.</p>
<ul style="list-style-type: none"> – Encouraging a range of housing types to suit diverse households across metropolitan areas 	<p>A variety of dwelling types is required to suit the growing proportions of smaller households and older people. Governments across Australia, including through COAG, are considering ways to encourage a greater supply of housing, a greater diversity of dwelling types and a better range of affordable, appropriate housing to meet the needs of households over their life stages.</p> <p>We need to ensure there is a more diverse range of affordable housing options, distributed across metropolitan regions that are well-connected by public transport.</p>
<ul style="list-style-type: none"> – Supporting the development of aged persons accommodation, including medium and high care 	<p>Australia's population is ageing – that is, the number of older persons as a proportion of the overall population is increasing.</p> <p>This will place greater pressure on services and facilities for older people, and will require a re-think of how we provide suitable accommodation, such as medium to high care facilities, and options to downsize or age in place as people become less mobile and are socially isolated. Good planning for older people usually requires measures to accommodate people with mobility challenges. The needs of the young must also be catered for.</p>
9. SUPPORT AFFORDABLE LIVING CHOICES BY	<p>Living affordability includes the costs of purchasing and maintaining a home and transportation costs. Residents in some outer-metropolitan growth areas are particularly vulnerable to rising energy and fuel prices.</p>
<ul style="list-style-type: none"> – Locating housing close to facilities and services, including jobs and public transport, in more compact mixed use development 	<p>Low density urban expansion has been the standard solution to accommodating population growth in Australian cities. The upfront capital cost may be cheaper for home owners, but the long term costs for households (travel, time and social), the impacts on the natural environment, and the costs of infrastructure and maintenance for governments, are considerable. On the other hand, simply infilling existing areas without improving the amenity for existing residents, is problematic.</p> <p>A suitable balance between infill and greenfield development is required. Polycentric development, which aims to create additional centres outside of a city's central business district, is one solution. Creating more compact development around public transport corridors and activity centres is another.</p>
<ul style="list-style-type: none"> – Supporting new outer metropolitan housing with access to facilities, services and diverse education and employment opportunities 	<p>We also need to consider how to generate more diverse employment opportunities and services in outer urban areas, satellite cities in larger urban conurbations, and regional cities and towns.</p>
10. IMPROVE ACCESSIBILITY AND REDUCE DEPENDENCE ON PRIVATE MOTOR VEHICLES BY:	<p>The planning of Australian cities has been largely based around private motor vehicles as the primary means of transportation. The increase in car usage has a number of consequences for our cities, including pollution, greenhouse gas emissions, traffic congestion, road safety issues and increasingly sedentary lifestyles.</p> <p>In addition, many residents of our cities do not have access to, or cannot drive a car. They are greatly restricted when it comes to accessing jobs, services, shops, social and other activities.</p>

– Improving transport options	<p>Enabling people to participate equitably in the life of the city, without needing to drive, must be a priority.</p> <p>Actions include funding public transport networks, and supporting local governments to provide amenable cycling and walking environments.</p>
– Reducing travel demand by co-location of jobs, people and facilities	<p>Reducing travel demand is an important step in reducing traffic congestion. There are several interrelated components to reducing travel demand in our cities: one is to plan for more integrated, compact and mixed land uses in order to reduce average distances travelled; another is to reduce peak work flows, including through telecommuting and flexible work hours; and another is to reduce demand through measures such as road pricing.</p>
11. SUPPORT COMMUNITY WELLBEING BY:	<p>The wellbeing of the community is critical to the liveability of our cities.</p> <p>There is a role for the Australian Government in leading better quality and design of the public domain, improving public health outcomes and redressing spatially concentrated disadvantage.</p>
– Providing access to social and economic opportunity	<p>In the face of growing urban population and demographic change, planning should be guided by the principles of social inclusion. This will help ensure individuals and communities have access to a full range of economic opportunities and services that meet their needs, are provided with and can take advantage of opportunities to participate and help to enable an effective not-for-profit sector. The flow-on effect of improvements to individual quality of life leads to more liveable communities and larger scale economic prosperity.</p>
– Improving the quality of the public domain	<p>The public domain can provide environmental amenities such as shade and greenery, aesthetically pleasing buildings and infrastructure, quality public art, and a sense of safety and security. Whether publicly or privately owned, the public domain provides much of the character and amenity of a place.</p> <p>Local government, in particular, is responsible for planning and managing much of the public domain. However, the decisions of all levels of government, as well as individuals, impact on the quality of our cities. Continued investment in the public domain in our urban centres and neighbourhoods is needed to ensure they are enjoyable, encourage social interaction, and provide opportunities for a variety of activity and exercise.</p>
– Improving public health outcomes	<p>Built environments that are designed to enable people to travel safely by walking, cycling or using public transport, and that provide access to quality open space can help to maintain mental health and increase levels of physical activity and social interaction. This has positive benefits for the wellbeing of people in urban communities and reduces the health burden to the economy.</p> <p>A number of preventative and public health objectives can be achieved through better designed built environments and transport networks that encourage active travel, recreational and incidental exercise, social interaction and enjoyment of the natural environment.</p>
– Redressing spatially concentrated social disadvantage	<p>Socially disadvantaged households tend to be spatially concentrated in cities, particularly in locations with poor accessibility to education, employment and services.</p> <p>Spatially concentrated disadvantage can be addressed in a number of ways, including by facilitating appropriate housing with good accessibility, and helping to upgrade, revitalise and provide better infrastructure in specific risk areas.</p>

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- Enhancing access to cultural, sporting and recreational activity

Enhancing access to cultural, sporting and recreational activity contributes to improved community health and has a number of other benefits. For example, the benefits of sport have been shown to include: enhanced academic outcomes; increased self-esteem and social confidence; development of life skills such as team work, fair play and strategic thinking; community building and social cohesion; social inclusion of minority and disadvantaged groups; and enhanced mental and physical well-being.

Facilitate the supply of appropriate, mixed income housing

The Australian Government has put in place the National Housing Supply Council to collect data and provide advice about the demand and supply of housing across the nation. The Council has confirmed that Australia has a large and growing under supply of housing, and that affordable housing, particularly affordable rental accommodation, is under considerable pressure.

The Australian Government is also continuing to work with states and territories through the COAG Housing Supply and Affordability Reform (HSAR) agenda (due to report back to COAG mid-year), examining how greater housing supply and more affordable housing can be delivered to the Australian community.

Encouraging a range of housing types to suit diverse households across metropolitan areas

The Government is taking action to improve housing outcomes by working with the States and Territories through COAG's Housing Supply and Affordability Reform (HSAR) agenda to examine how housing supply and affordability can be addressed. Issues under consideration include zoning and planning approval processes, infrastructure charges, environmental regulations, and opportunities to identify currently 'underutilised' land that may be suitable for housing.

The Government is also promoting reforms to improve the efficient functioning of cities, and ensuring that housing assistance is adequate, targets those most in need, and supports participation incentives. It has provided direct

funding to increase the supply of affordable housing through the *National Affordable Housing Agreement*, invested \$5.6 billion in the *Social Housing Initiative* and established the *National Rental Affordability Scheme* to deliver an increased supply of new affordable rental dwellings.

Housing plays a key role in establishing liveable and sustainable communities and is therefore a major priority for the Australian Government. Ongoing Commonwealth programs introduced in 2007, have established future directions for investment in affordable housing that can improve outcomes for low income households and communities to 2014.

The \$6.2 billion *National Affordable Housing Agreement* provides housing assistance to low and middle income Australians, including assistance for social housing and homelessness services and various mortgage assistance schemes. One of the key reform directions agreed under the *National Affordable Housing Agreement* is to make better use of the States and Territories significant public housing assets and reduce concentrations of social disadvantage through appropriate redevelopment, to create mixed communities that improve social inclusion.

There are various agreements connected to the *National Affordable Housing Agreement*, including for homelessness, Indigenous Australians living in remote areas and social housing, which will build new or redevelop social housing dwellings, as well as fund support for vulnerable households.

The White Paper on homelessness, *The Road Home*, sets out a national approach to reducing homelessness by 2020. Within this approach, the Government is implementing innovative

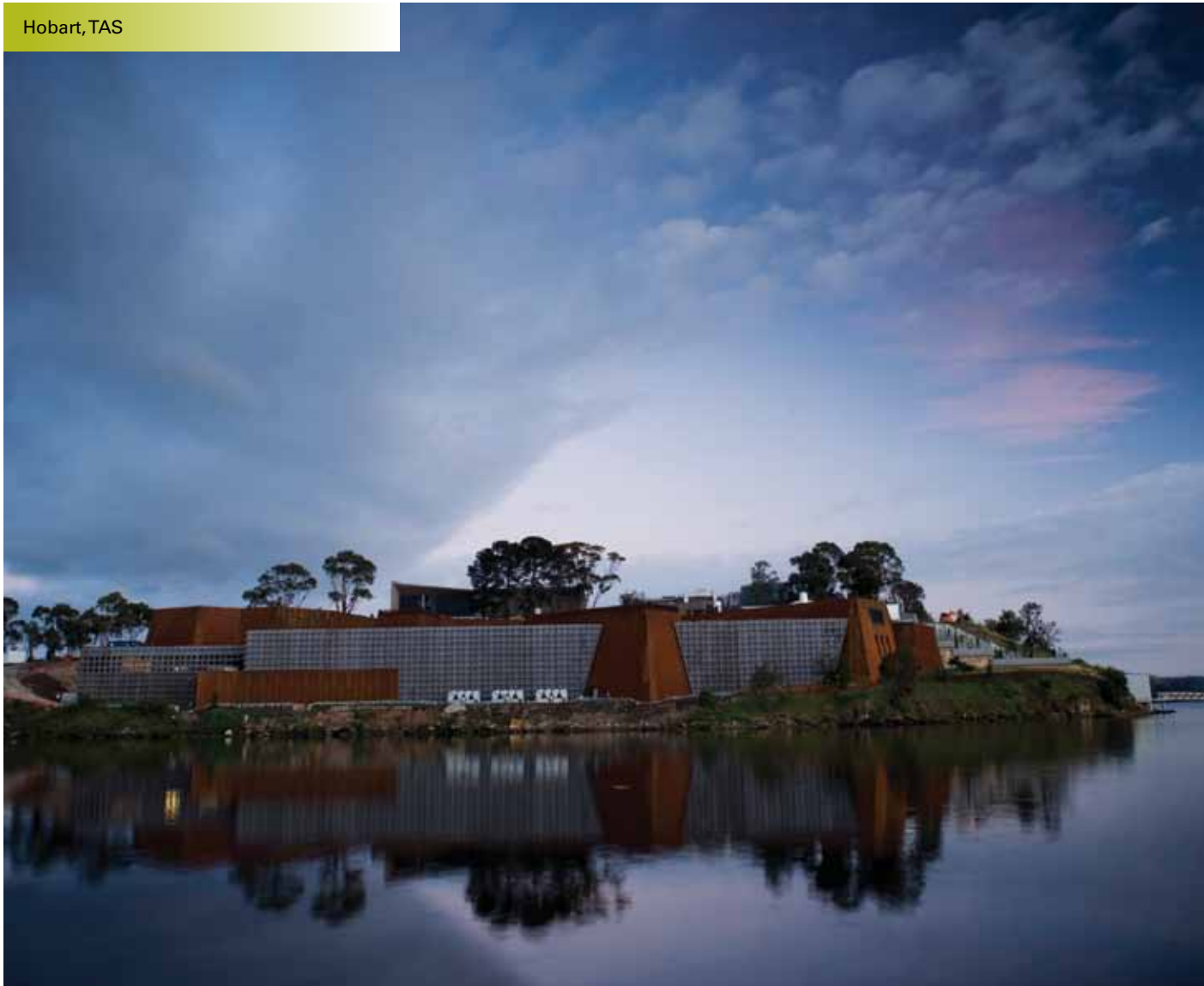
programs including assertive outreach; Common Ground housing models; case management; and mentoring, under the *National Partnership Agreement on Homelessness*.

Supporting the development of aged persons accommodation, including medium and high care

The Australian Government is working with State and Local Governments to develop universal design standards for housing to ensure homes are adaptable and allow for ageing in place.

The \$5.66 billion *Social Housing Initiative*, under the *Nation Building - Economic Stimulus Plan*, supports both the construction of over 19,300 new social housing dwellings and the repair and upgrade of approximately 80,000 existing homes. The initiative assists vulnerable households and encourages the construction of mixed tenure and use developments that are located close to transport and support services, in addition to supporting the use of universal design principles to enable ease of access for older persons or persons with disability.

Hobart, TAS



Combining Liveability and Sustainability at the heart of new WA developments

The completion of a *Nation Building Economic Stimulus Plan* project and the start of another in Western Australia have highlighted sustainability as an important part of affordable housing development in the state.

Stage Two of the Stella Orion apartments in Success, which reached staged completion in December 2010, and Signal Terrace in Cockburn, which commenced in November 2010, are part of the Cockburn Central Regional Centre in WA—one of Perth's most rapidly expanding regional hubs in the south west corridor.



Strategically located along the Southern Suburbs Railway line with easy access to public transport and only a stone's throw away from a large shopping precinct, these transit-oriented developments will provide affordable and attractive housing options for people who want to live more sustainably and closer to employment opportunities.

Stage Two of the Stella Orion development consists of 130 one and two bedroom units spread over four separate two and three level buildings. Stella Orion is part of a six-stage master-planned community of approximately 900 units in total.

The new Cockburn project consists of 67 one bedroom, 56 two bedroom and seven three bedroom units scheduled to be ready by early 2012.

A key element to the selected proposal was the futuristic design and the ability to incorporate universal and adaptable design across the majority of the units on top of a range of energy efficiency features.

All 130 units of Signal Terrace have achieved 6-star or higher energy rating under the NatHERS energy rating scheme, which is believed to be the first of its kind in Western Australia on this scale. Such high energy ratings are a result of orientation, insulation, glazing, and other features that contribute towards low energy costs in usage. The development also includes other energy efficient features like lighting, water efficient fittings and heating arrangements.

These two developments are also excellent examples of the construction of a wide range of housing options across the metropolitan area, rather than a concentration of a single style of housing or tenants in a particular area.

These developments are accessible in terms of transport and lifestyle options, demonstrating a more inclusive approach to the production of social and affordable housing, supporting the needs of the wider community. Dwellings for private sale, affordable rental housing for private tenants on low to moderate incomes, and public rental stock for people on the public housing waiting list ensures a mixed tenure development.

Further initiatives to facilitate the supply of appropriate mixed income housing

In support of the commitment to the supply of appropriate mixed income housing, the Australian Government will:

- Ensure that Australian Government housing outlays are targeted to support the objectives and priorities of the *National Urban Policy*, in particular to supply more affordable and accessible housing in attractive, inclusive developments, located close to centres and public transport interchanges
- Work with the States and Territories to address impediments to the better functioning of the housing market to improve housing supply and affordability. This will include seeking reforms to:
 - Improve planning and land release processes
 - Increase code assessment of development proposals
 - Improve spatial planning and setting an appropriate balance between infill and greenfields development
 - Reduce barriers to mixed use development and making greater use of multi-use zoning which permits a range of activities in the same locality
- Work with the States and Territories through COAG's Housing Supply and Affordability Reform (HSAR) agenda to examine issues such as zoning and planning approval processes, infrastructure charges, environmental regulations, and opportunities to identify currently 'underutilised' land
- Ensure that housing assistance is adequate, targets those in need and supports participation incentives
- Ensure that housing programs accommodate our ageing population, including progressively increasing the supply of adaptable housing that is built to universal design standards to ensure access for the elderly and people with disabilities

- Support the priority approval and construction of aged care housing, including through high care developments that are well integrated with urban areas so that aged care facilities and places become operational more quickly
- Support urban development that supports aging in place, is socially inclusive and is integrated with surrounding community facilities.

Support affordable living choices

Affordable living is not just about the capital cost of housing—it also includes the cost of transportation and maintaining a home. Increasing the affordability of living is a complex issue, and requires consideration of a range of issues—not just regulatory and taxation issues, but also land supply and land use, the distribution of jobs and housing, transportation and other networks. The Australian Government, through the *National Urban Policy*, is seeking to address these systemic factors of affordability in addition to specific programs and initiatives.

The Australian Government has a commitment to social inclusion and securing the health and wellbeing of all Australians, and to better support people when and where they need it. It is committed to the development of accessible and affordable human services and cultural facilities, and affordable living, which includes both the capital cost of home ownership as well as the ongoing costs of transportation and maintaining a home.

Locating housing close to facilities and services, including jobs and public transport, in more compact mixed use development

Coordinated development of housing, facilities and services must occur in existing and new urban areas of our cities. Consideration of living affordability, which includes transportation and the operational costs of a home as well as the initial cost of house and land, reveals significant community vulnerabilities and inequities. Many less affluent households live in outer lying areas of our cities where housing costs are more affordable. However, they carry a higher

cost burden for transport and are particularly vulnerable to increasing petrol prices.

How we invest in housing has the potential to deliver not only on the goal of liveability but also on sustainability and productivity. Connecting investment in housing and social and economic infrastructure to achieve improved living affordability and accessibility, as well as productivity, has substantial further potential.

Supporting new outer metropolitan housing with access to facilities, services and diverse education and employment opportunities

Communities in many new growth areas in outer metropolitan regions often have a shortage of employment and education opportunities, and often have longer travel times and distances to services and facilities. Households therefore spend more of their income on transport costs and are highly vulnerable to rising fuel costs where public transport options are limited¹⁰.

Further initiatives to support affordable living choices

To further support affordable living choices in cities the Australian Government will:

- Introduce the *Sustainable Communities Program* – including *Liveable Cities* (\$20 million) which will invest in urban development or renewal projects that improve access to jobs and housing and enhance the liveability of our cities; and improve urban design outcomes to deliver higher quality public spaces and streetscapes to benefit local businesses, communities and visitors. The funding will be used to support demonstration projects that:
 - facilitate innovative residential developments that promote housing affordability, adaptable and accessible housing and improve access to services and public transport

- create or enhance mixed use precincts that optimise public transport use such as the creation of transit malls and the re-development of significant public spaces
- identify critical infrastructure corridors, sites and buffers
- facilitate strategic plans for major cities with populations greater than 100,000 in line with the COAG criteria for capital city strategic planning systems
- promote or incorporate active travel through walking and cycling

- Introduce the *Sustainable Communities – Suburban Jobs Program* (\$100 million) to support State, Territory and Local Governments to plan and provide for employment precincts, manufacturing hubs and multi-function developments close to residential areas, in order to reduce travel times to work and services. This program will be administered by the Department of Sustainability, Environment, Water, Population and Communities
- Consider best use of Commonwealth owned land to support the supply of housing, improved community amenity and new job creation through *Commonwealth Property Disposals Policy*.

Improve accessibility and reduce dependence on private motor vehicles

The Australian Government recognises the importance for people of all ages and abilities to have physical access to employment, education, services and social, recreational and cultural opportunities and facilities. The Australian Government has made an unprecedented commitment to invest \$7.3 billion in urban public transport through the *Nation Building Program*. There has been a noticeable shift to cycling as a sustainable, economical and healthy, active transport option. The Australian Government has supported construction of local cycling infrastructure through the *Jobs Fund—National Bike Path Projects*.

¹⁰ Dodson, J and Sipe, N 2008, *Unsettling suburbia: The new landscape of oil and mortgage vulnerability in Australian cities*, Urban Research Program, Brisbane.

Improving transport options

Despite a steady decline in the growth in car passenger kilometres since 2004,¹¹ car travel still accounts for the vast majority of trips in our cities, many of these trips are only short distances. For example, in our capital cities 15.3 per cent of commuters travel less than five kilometres, and in the rest of the nation 28.6 per cent. 71 per cent of people who live within five kilometres of work, drive to work. Of those commuters who travel less than five kilometres, only 3.5 per cent cycle and 18.7 per cent walk. Of those travelling between five and 10 kilometres, 2.3 per cent ride and 0.1 per cent walk. This demonstrates that:

- Nearly a fifth of people will walk to their place of work or study, provided they live no more than five kilometres away. Proximity to work is the single major factor in determining whether a person will commute by bicycle/foot
- Only a small percentage of people currently commute by bicycle (1.56 per cent of all commuters) and they are generally within 10 kilometres of work.

In Australia, rates of cycling and walking fall well behind western European countries. Nevertheless in recent years, there has been a steady increase in cycling in Australian cities and there is enormous scope to increase the modal share of cycling further, particularly for those 40 per cent of Australians commuting less than 10 kilometres to their place of work or study, or those making short local trips. However, the uptake of walking and cycling depends greatly on how easy and safe cycling and walking is.

There are significant benefits to active transport, including reductions in traffic congestion, improvements to public health and obesity prevention, and a reduction in energy use and greenhouse gas emissions. Cycling and walking can also significantly reduce household transportation expenses, improve the equity and liveability of communities, and encourage local economic development.

The lack of connectivity and safety of cycle and pedestrian networks are barriers for the uptake of active transport, particularly for children, families and the elderly. For example, road cycle lanes, whilst meeting the needs of some cyclists, are unsuitable for parents carrying children or children cycling to school.

Safe and well-connected cycling and pedestrian networks are also important to cater for the increasing use of mobility vehicles by the elderly.

Reducing travel demand by co-location of jobs, people and facilities

Polycentric city structures refer to the concentration of development into activity centres, rather than broadly dispersed across suburbs or concentrated solely within an inner central business district. Parramatta, Dandenong and Joondalup are all examples of polycentric type regional centres.

Regional centres can efficiently and cost-effectively provide transport and other infrastructure closer to where a large proportion of the urban population lives. Locating a range of activities, such as offices, shops, services and housing in and around centres reduces the need to travel. This consequently provides convenience and time savings, and reduces greenhouse emissions. Centres in inner cities are already home to many of our major corporations, universities and civic functions, and have the best public transport. Further development of the inner cities can maximise agglomeration potential (that is, organisations may be more productive if they are located close to one another, even if they are competitors).

Further initiatives to improve accessibility and reduce dependence on private motor vehicles

In the 2011–12 Budget the Australian Government committed to investing an additional \$29.2 million in a new *Sustainable Regional Development* initiative to support better sustainability planning in regions that are experiencing high growth. A further \$11.5 million over four years will support regional cities to

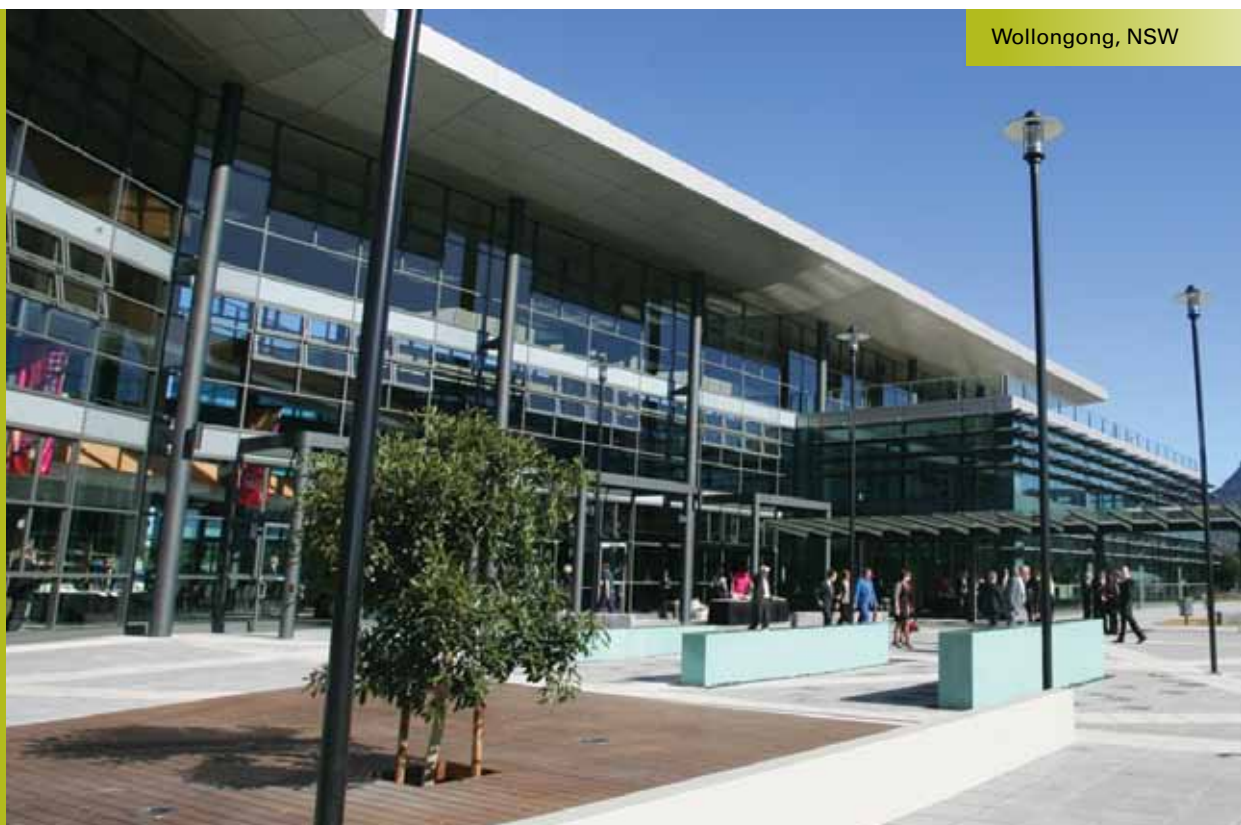
¹¹ Bureau of Infrastructure, Transport and Regional Economics
2010 *Australian Transport Statistics Yearbook*

promote the benefits and opportunities of living away from the capital cities.

These initiatives will help to support affordable living choices in our regional communities. By supporting those people living in our regional areas, the Australian Government is helping to ensure that our regional communities are attractive places to live, work and raise a family.

To improve accessibility and reduce dependence on private motor vehicles, the Australian Government will:

- Continue to roll out the *National Broadband Network*, which will allow greater telecommuting and flexible work arrangements, complementing the new \$100 million *Suburban Local Jobs Program*
- Monitor progress toward achieving national cycling target and evaluate the achievement of the national cycling target, to double the number of cyclists by 2016
- Work with State and Territory Governments to improve accessibility and mobility in cities, including improving overall travel times, costs and experience in cities. This will be done by encouraging more compact and mixed use development, improved public transport and active transport options, and more efficient use of infrastructure assets
- Encourage the development of urban areas that promote healthy lifestyles through cycling and walking networks, recreation facilities and high quality public spaces
- Amend the Fringe Benefits Tax for employer-provided cars to a single 20 per cent flat rate, regardless of the distance travelled.



Wollongong, NSW

Support community wellbeing

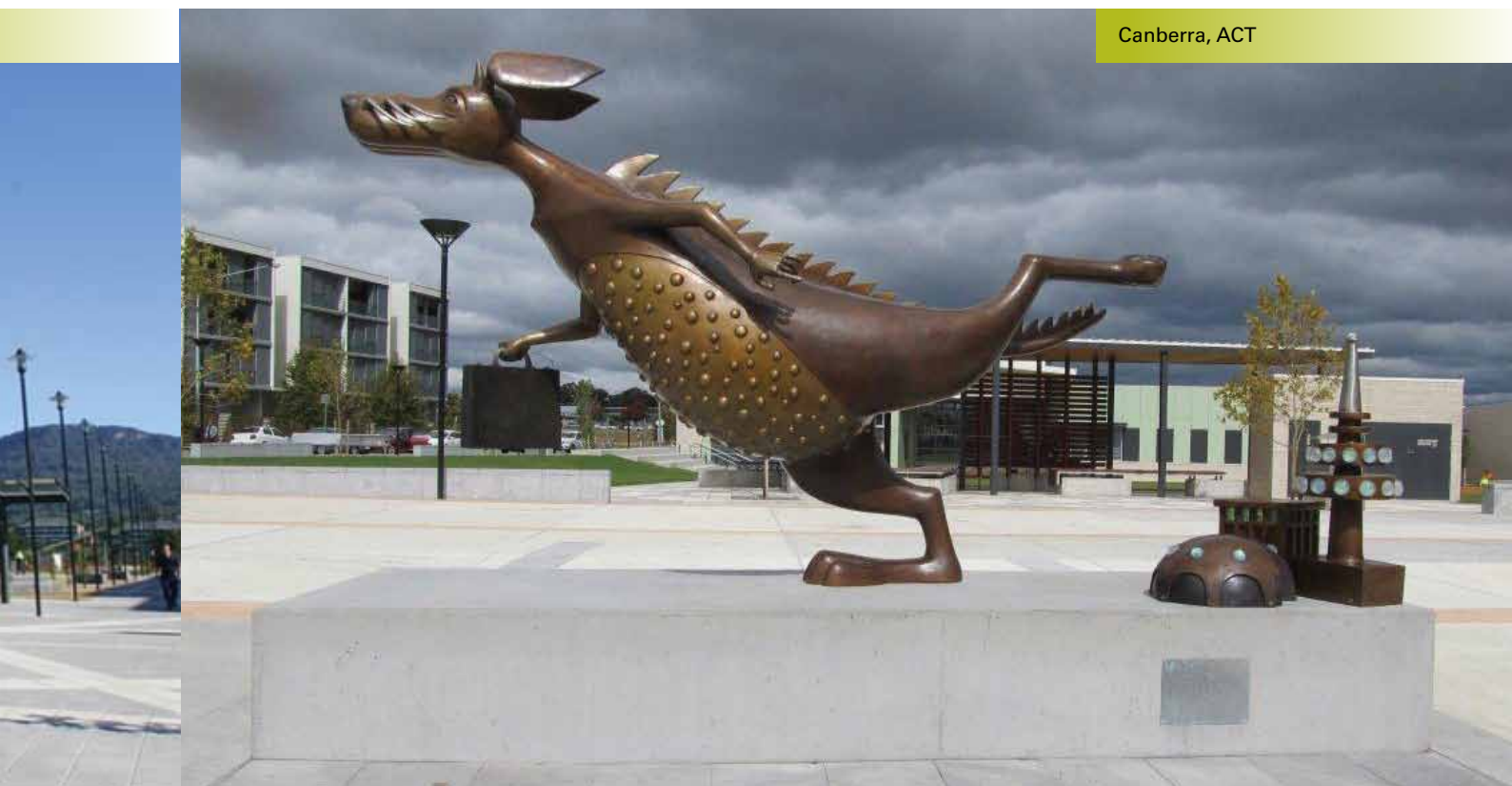
Community wellbeing is the foundation of our society. The quality of our natural and built environments, and our access to education, jobs and social and cultural opportunities have significant impacts on community wellbeing, public health outcomes, social inclusion and interaction, and community safety.

In the report *My City: the People's Verdict*, people said their highest priorities were personal safety, the security of their property, and good health care services. The strong connection between social inclusion, urban planning and the safety of communities is becoming increasingly well understood, along with the relationship to mental and physical health outcomes.

Urban planning can facilitate and support preventative health approaches, especially for those who are disadvantaged and older, or who are high users of primary health care services. This can include development of social

infrastructure that encourages healthy lifestyles (such as incorporating parks, walking/jogging/cycling/fitness tracks, swimming pools, sports facilities, clubs, community centres and ovals) and providing easy access to primary health care facilities and community health services.

The Australian Government is investing in a range of policies and programs targeted at helping all Australians remain engaged in their communities, making them safer, more productive and liveable places to work and raise families. This includes the service delivery reform agenda to provide better support for people when they need it and the development of strategies to support and expand volunteering, philanthropy and social investment to build community resilience and social inclusion.



Canberra, ACT

Providing access to social and economic opportunity

The *Sustainable Communities Program* will assist in making it easier for people to access jobs closer to home. Coupled with Australian Government support for improvements to public transport networks, education opportunities, social infrastructure and the not for profit sector, this will improve access to social and economic opportunity.

Improving the quality of the public domain

The *Our Cities* consultation process with industry, community and government stakeholder groups highlighted a role for the Australian Government in leading better quality urban design in our cities and regions, particularly in response to the COAG criterion to encourage world-class urban design and architecture.

The Australian Government is supporting innovative models to improve urban liveability through projects such as the *Adelaide Integrated*

Design Strategy. This project identifies opportunities to improve the productivity, liveability and sustainability of Adelaide as well as plan for future growth.

Improving public health outcomes

The Australian Government has established a National Preventative Health Agency. The Agency will support COAG and the Australian Health Ministers' Conference (AHMC) in grappling with the increasingly complex challenges associated with preventing chronic disease.

The Agency will assist in driving the prevention agenda, including by:

- providing evidence-based advice to health Ministers
- supporting the development of evidence and data on the state of preventive health in Australia and the effectiveness of preventive health interventions
- putting in place national guidelines and standards to guide preventive health activities.



Canberra, ACT

The Agency will take responsibility for a number of programs outlined in the *National Partnership Agreement on Preventive Health* (Prevention NP) including:

- two national social marketing programs relating to tobacco use and obesity
- managing a preventive health research fund focusing on translational research
- managing an audit and strategy of the preventive health workforce.

The Agency is an important part of the Government's health reform efforts and will work closely with local primary health care organisations to reinvigorate preventive health efforts at the local level.

Redressing spatially concentrated disadvantage

A National Compact with the Third Sector was launched on 17 March 2010 to strengthen the not-for-profit sector to provide support for people in need. The National Compact represents a commitment by the Australian Government and the Third Sector to genuinely collaborate to achieve this shared vision. The Compact's shared principles provide a foundation for action to improve working relationships, strengthen sector viability and develop and deliver better policy and programs. Compact partners from the sector agree to work with all Australian Government agencies to achieve these goals.

Enhancing access to cultural, sporting and recreational activity

Nearly two-thirds of the Australian population aged 15 years and over (64 per cent or 11.1 million people) participated in sport and physical recreation in 2009–10.⁸ Over two thirds of children aged five to 14 years – 1.9 million – participated in organised sport and/or dancing in 2009.⁹

Since its inception, the *Regional and Local Community Infrastructure Program* has made more than \$1 billion available to Local Government authorities to build and modernise community infrastructure. The Australian Government has funded more than 6,000 individual projects and provided funds to all of Australia's 565 councils and the Australian Capital Territory. The funds have assisted the building and modernising of community facilities, including town halls, libraries, community centres, sports grounds and environmental infrastructure. The program has strengthened our communities during the economic recovery from the Global Financial Crisis, by supporting local jobs and has provided long-term benefits to communities by renewing and upgrading local infrastructure.

Further initiatives to support community wellbeing

To further support community wellbeing, the Australian Government will:

- Work with partners to prepare a national *Urban Design Protocol* that will provide Local Governments, developers, industry professionals and communities with a tool for designing, assessing and implementing better design and construction outcomes for our cities
- Implement Preventative Health Agency programs which include promotion of healthy lifestyles, and *National Partnership Agreement on Preventative Health*
- Continue to provide funding to local government for community infrastructure.

⁸ 4177.0 – *Participation in Sport and Physical Recreation, Australia, 2009–10*, Australian Bureau of Statistics

⁹ 4901.0.55.001 – *Children's Participation in Sport and Leisure Time Activities*, Australian Bureau of Statistics

Gold Coast, QLD



Chapter 6



Chapter 6

Governance

A National Urban Policy should provide a framework to monitor the performance and the outcomes of our existing planning framework as it applies in our major cities and across Australia. This means looking at the productivity and outcomes of planning systems particularly in relation to affordable and timely delivery of housing to meet the future population growth of Australia.

Housing Industry Association

The National Urban Policy provides a framework for the Australian Government to support the State, Territory and Local Governments to meet their capital city and broader strategic planning objectives.

As part of its commitment to the productivity, sustainability and liveability of our major cities, the Australian Government is committed to supporting regional cities develop comprehensive strategic plans in line with the COAG national objective and nine criteria. Regional cities often lack the capacity and resources to undertake comprehensive strategic planning. This has stifled their ability to attract the capital and investment required for long-term economic growth, population and demographic change, to meet the service needs of their regions and to address the long-term environmental challenges.

The Australian Government will support State, Territory and Local Governments in all major cities to:

- complete metropolitan plans that better deliver on the COAG criteria, not just in capital cities but in all major cities across Australia;
- undertake detailed policy, planning, feasibility assessment, and/or design to implement components of metropolitan or city plans to maximize the efficiency of land use and transport, facilitate housing affordability and diversity, increase public transport and active travel, undertake climate change mitigation and adaptation, facilitate social inclusion and economic participation, and identify and protect infrastructure corridors and sites; and
- improve coordination and governance arrangements within and between governments.



Newcastle, NSW

GOVERNANCE	Objectives and priorities
12. IMPROVE THE PLANNING AND MANAGEMENT OF OUR CITIES BY:	<p>Lack of integration and poor strategic alignment of metropolitan planning and infrastructure delivery detracts from the productivity, sustainability and liveability of cities.</p> <p>Metropolitan planning and governance that supports nationally agreed principles and outcomes need to be a priority. Consideration should also be given to which level of government is the most appropriate to deliver facilities and services in the most efficient and effective ways.</p>
<ul style="list-style-type: none"> – Facilitating a whole-of-governments approach 	<p>A high proportion of local government authorities are struggling to keep up with infrastructure demands and the delivery of facilities and services to local communities. In addition, there are sites of national, state or territory significance that are affected by the decisions of multiple jurisdictions and planning bodies.</p> <p>Better results can be achieved if goals, objectives and funding are aligned across jurisdictions and agencies, and between the three tiers of government.</p>
<ul style="list-style-type: none"> – Integrating planning systems, infrastructure delivery and management 	<p>The Council of Australian Governments has agreed that capital city strategic planning systems should be integrated across functions including land-use and transport planning, economic and infrastructure development, environmental assessment and urban development.</p> <p>This best practice approach to planning and implementation should be applied across all Australian major cities, including regional cities.</p>
<ul style="list-style-type: none"> – Encouraging best practice governance and applying the principle of subsidiarity 	<p>Consideration should be given to facilitate the most appropriate levels of government to deliver facilities and services in the most efficient and effective ways.</p>
13. STREAMLINE ADMINISTRATIVE PROCESSES BY:	<p>Cumbersome administrative processes and red tape can slow down the planning, release and development of land, infrastructure and vital services. This represents significant cost to businesses, government and the community.</p>
<ul style="list-style-type: none"> – Improving the effectiveness and efficiency of approval processes for development 	<p>Efficient and effective assessment and approval processes for development is in everybody's interests. The focus should be on minimising time and costs for proponents and government administrative bodies, but this needs to be balanced with appropriate consideration for, and input from, stakeholders and communities.</p>
<ul style="list-style-type: none"> – Encouraging participation and engagement with stakeholders 	<p>Better outcomes can be achieved if stakeholders and end-users are engaged in the planning, delivery and management of infrastructure and services.</p>
14. EVALUATE PROGRESS BY:	<p>Monitoring progress and evaluating the effectiveness of policies, programs and investments on urban outcomes is essential to ensure that we are achieving our objectives and continuing to improve outcomes for our cities and people.</p>
<ul style="list-style-type: none"> – Research, analysis and reporting 	<p>Providing quality reporting, analysis and research is essential to tracking progress against indicators and providing feedback to further refine policies and initiatives.</p> <p>The Australian Government will continue to publish the <i>State of Australian Cities</i> report on an annual basis, with an indicator framework for Australia's major cities with populations above 100,000.</p>

Improve the planning and management of our cities

Lack of integration and poor strategic alignment of metropolitan planning and infrastructure delivery detracts from productivity, sustainability and liveability of cities. Many local government authorities are struggling to keep up with infrastructure demands and the delivery of facilities and services to local communities. In addition, there are sites of national, state or territory significance that are affected by the decisions of multiple jurisdictions and planning bodies.

Facilitating a whole-of-governments approach

The Australian Government is committed to working with all spheres of Government to improve outcomes in cities. This is demonstrated in its commitment to taking major reforms to the Council of Australian Governments (COAG) and is genuinely engaging local governments around Australia through such forums as the Australian Council of Local Governments (ACLG), the Council of Capital City Lord Mayors (CCCLM), and the National Growth Areas Alliance (NGAA).

Integrating planning systems, infrastructure delivery and management

Through the COAG agreement on city strategic planning systems, the Australian Government has committed to coordinate its own activities and investment in cities. The *National Urban Policy* supports strategic planning which meets the agreed national objective criteria in all major cities of over 100,000.

Since Infrastructure Australia was established in 2008 there has been a transformation in the approach to Australia's national infrastructure policy. This has been achieved through developing an annual priority list of infrastructure projects, conducting the first ever national audit of infrastructure, establishing a national Public-Private Partnership policy and guidelines, and developing landmark national port and freight strategies. Infrastructure Australia is an important source of advice for all levels of government, industry and the private sector, and has helped

deliver important outcomes across the transport, water, energy and communication sectors.

Encouraging best practice governance and applying the principle of subsidiarity

The Australian Government is committed to the principle of subsidiarity. It strongly believes in supporting local government to deliver projects that are achieving results.

Further initiatives to improve the planning and management of our cities

To further improve the planning and management of our cities the Australian Government will:

- Ensure its policies, investment and other activities across government meet the objectives of the *National Urban Policy* and COAG cities' reform
- Work in cooperation and partnership with State, Territory and Local Governments, businesses and the community
- Work with States and Territories to address issues identified in the COAG Reform Council's review of strategic planning systems, and to incorporate best practice reforms
- Seek the support of states and local government, through COAG, to expand the use of the national criteria for *Capital City Strategic Planning Systems* to the planning of regional major cities
- Implement the *Sustainable Communities—Liveable Cities* program to assist regional cities to commence the development of strategic planning systems equivalent to those of capital cities for all cities greater than 100,000 population. The aim will be to have planning systems in place for all major cities that are consistent with the COAG national criteria (Appendix A).

Streamline administrative processes

In managing cities, considerable time and resources are used in administrative processes. Cumbersome administrative processes and 'red tape' can slow down the planning, release and development of land, infrastructure and vital services. This represents significant cost to businesses, government and the community. Despite statements of continuing commitment over the last two decades to reduce red tape and pursue micro-economic reforms within all levels of government, there is frustration that reforms are progressing too slowly.

The experience in many reform areas is that the process of problem identification, policy development and agreement, legislative change and actual implementation, is extremely time consuming. There are varying reasons for this, including lack of resources allocated to the reform task, resistance to change from stakeholders, internal and external to governments, and other competing priorities.

The Council of Australian Governments initiated a Productivity Commission review of *Performance Benchmarking of Australian Business Regulation: Planning, Zoning and Development Assessments*. The outcomes of this review will be taken into consideration in informing the actions that the Australian Government pursues in this area.

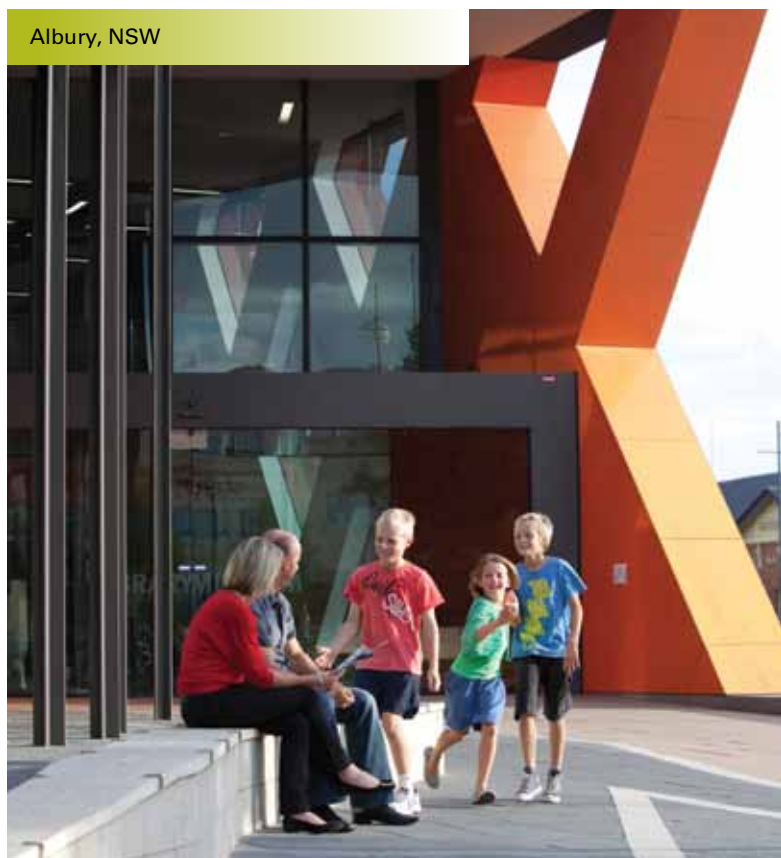
Improving the effectiveness and efficiency of approval processes for development

COAG has agreed to a set of reforms to improve the effectiveness and efficiency of approval processes for development. In 2009 COAG agreed to develop national performance measures for Development Assessment to improve the transparency and accountability for planning systems as the basis for future reforms. Under these reforms, progress has been made by the States and Territories toward more streamlined development assessment processes through, for example, increasing the use of 'complying' development to speed up

approvals, reforming intergovernmental referral processes and encouraging greater use of electronic processing.

Encouraging participation and engagement with stakeholders

The Australian Government actively encourages the participation of stakeholders and the community in issues which affect them. For example, following the release of the *National Aviation Policy White Paper*, Planning Coordination Forums were established. These were specifically designed for State/Territory, Local Government and the Commonwealth to discuss planning and development issues to better align planning at major city airports with surrounding Local and State/Territory planning intentions. Community Aviation Consultation Groups have also been established, including community representatives, to ensure open discussion about all aspects of airport operations, planning and development.



Further initiatives to streamline administrative processes

To continue to support initiatives that streamline administrative processes, for the improved planning, development and management of cities the Australian Government will:

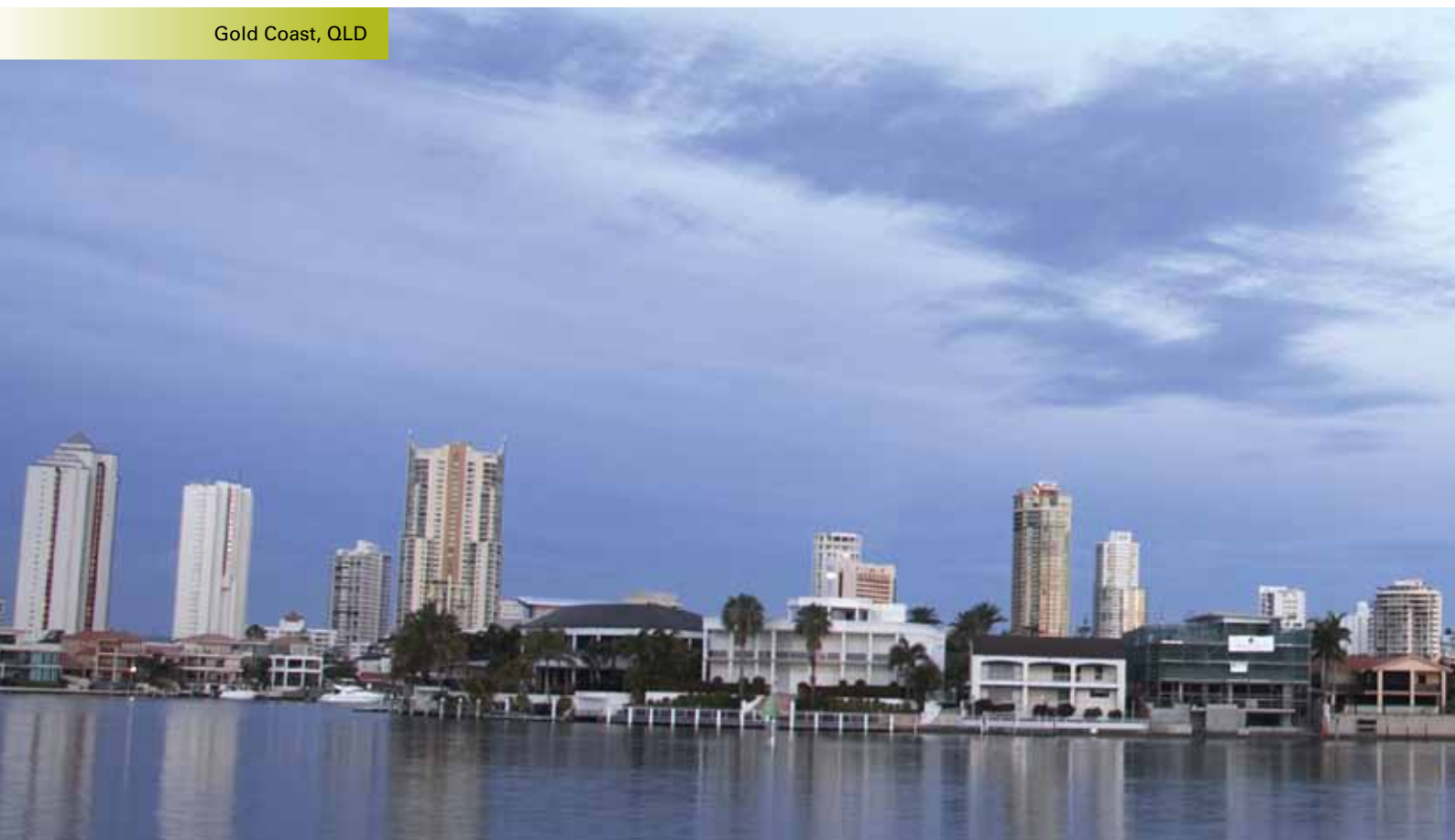
- Establish an Urban Policy Forum with key stakeholders and independent experts to advise on the *National Urban Policy* implementation
- Work with States and Territories to address issues identified in the COAG Reform Council's review of capital city strategic planning systems
- Support Local Government to undertake reforms to streamline administration and development approvals, and implement strategic spatial planning, in accordance with the *National Urban Policy* goals and objectives.

Evaluate progress

The Australian Government has emphasised the importance of evidence-based decision-making in all its policy areas. The Government's first step in re-engaging in urban policy was to compile and release the *State of Australian Cities 2010 Report*. The Australian Government has made other investments in research endeavours that support good evidence based decision-making, including providing \$20 million in funding to establish the Australian Urban Research Infrastructure Network (AURIN) based at the University of Melbourne.

The Australian Government supports governments, industries and communities involved in the planning, development and management of our cities through capacity building, community education, research monitoring, evaluation and reporting.

Gold Coast, QLD



Research, analysis and reporting

The Australian Government's inaugural *State of Australian Cities Report*, released in March 2010, outlines a diverse range of information about our cities and how they compare internationally. The report will continue to be published on an annual basis, with an indicator framework for Australia's major cities with populations above 100,000.

Further initiatives to monitor and evaluate progress

To further assist stakeholders in understanding what drives improvements in our cities' productivity, sustainability and liveability, the Australian Government will:

- Publish annual updates of the *State of Australian Cities Report* to track the progress of our cities in achieving objectives

- Include research into urban systems, environments and communities into the Australian Government's National Research Priorities (NRPs)
- Produce a spatial report, to be updated every five years, which shows the land use and infrastructure impacts of population change and structural change. This will provide a key document to guide planning and improve community understanding of Australia's urban issues
- Develop a set of Sustainability Indicators to measure Australia's progress towards more sustainable regional communities with \$10.1 million for a new *Measuring Sustainability Program*.



Canberra, ACT



Chapter 7



A photograph of three children playing outdoors near a body of water. One child is wearing a red jacket, another an orange shirt, and a third a dark cap. They are in the foreground, with a river and a modern building in the background.

Chapter 7

Summary Action Plan

The Australian Government is committed to strengthening the advantages of Australia's cities and responding to emerging environmental, infrastructure and social challenges. In releasing the first *National Urban Policy*, the Australian Government is establishing a comprehensive framework of goals, objectives and principles which it has committed to and will apply in determining its future actions in Australia's major cities, that is, those with population greater than 100,000 people. The Australian Government is dedicated to making a positive difference in our cities.

To ensure that the *National Urban Policy* achieves its goals and objectives, the Australian Government has formulated this set of initiatives which complement the range of activities and investments already taking place. Together, these

activities and investments give effect to the goals and objectives of the *National Urban Policy* to increase the productivity, sustainability and liveability of our cities.

A photograph of a waterfront promenade in Townsville, QLD. A man and a woman are walking along a paved path with a rope railing. In the background, there are modern buildings, a harbor with boats, and a large, rocky hill (Magnetic Hill) under a cloudy sky.

Townsville, QLD

Australian Government Initiatives	Current programs and reform areas	Short term (2011–2014)	Medium (2014–2017) to Long term (2017–2020)
PRODUCTIVITY			
1. IMPROVE LABOUR AND CAPITAL PRODUCTIVITY BY: <ul style="list-style-type: none"> – Aligning workforce availability and capacity to meet labour force demand – Supporting education, research and innovation 	<p><i>Sustainable Population Strategy</i></p> <p><i>Skills for Sustainable Growth</i> to deepen Australia's skill levels, including key reforms to education and training</p> <p><i>Powering Ideas</i> agenda supporting industrial transformation by helping workers and entrepreneurs move into higher, value-added activities</p>	<p>Implement the <i>Sustainable Population Strategy</i></p> <p>\$100 million new funding to Suburban Local Jobs through the <i>Sustainable Communities Program</i> to plan and provide for employment precincts, manufacturing hubs and multi-function developments close to residential areas in order to reduce travel times to work and services</p> <p>Continue to implement productivity and human capital development reforms to build a high-skill, high-tech, low pollution economy</p> <p>Work with industry and others to promote opportunities for the development of specialised clusters of economic activity with high potential for interactive innovation</p> <p>Produce new spatial reports on land use and infrastructure</p> <p>Implement the Government's <i>Building Australia's Future Workforce</i> package which includes:</p> <ul style="list-style-type: none"> – \$558 million to deliver around 130,000 training places tailored to the needs of different industries and regions through a <i>National Workforce Development Fund</i> – Continuing investments to improve the apprenticeship system with \$200 million to assist apprentices to progress and complete their training in a more timely way – \$1.75 billion to partner with the States and Territories on reform of the vocational education and training system – \$263 million to deliver core skills 	<p>Continue to implement recommendations of the <i>Sustainable Population Strategy</i></p> <p>Seek COAG support to augment planning system reforms to include city-wide economic strategies and spatially-based productivity and innovation policies</p>

Australian Government Initiatives	Current programs and reform areas	Short term (2011–2014)	Medium (2014–2017) to Long term (2017–2020)
2. INTEGRATE LAND USE AND INFRASTRUCTURE BY	\$36 billion through <i>Nation Building Program</i> and <i>Building Australia Fund</i> to support national network of highways and rail lines	Agree on implementation plan for the <i>National Ports Strategy</i> and <i>National Land Freight Network</i> around corridor and site protection, and incorporate with COAG capital city planning systems reforms	Apply the principles and objectives of the <i>National Urban Policy</i> and COAG strategic planning to <i>Nation Building II</i> program and other Commonwealth investment programs
– Integrating planning of land use, social and economic infrastructure	\$7 billion in passenger rail projects in each of the mainland capital cities:	Commission Infrastructure Australia to review how nationally significant transport, communications and energy corridors, sites and buffers in our major cities can be better planned, protected and managed	Commonwealth investment programs
– investing in urban passenger transport	– Parramatta to Epping	Engage with airport operators, State/Territory and Local Governments to better plan land use and infrastructure around airports, including public transport connections	Require, as a condition of funding for <i>Nation Building II</i> , that each capital city to have in place by 2014 a freight strategy consistent with the <i>National Ports Strategy</i> and <i>National Land Freight Network</i>
– Protecting corridors, sites and buffers	– Noarlunga to Seaford extension and Gawler Line – Northbridge Link – Moreton Bay Rail – Regional Rail Link – Gold Coast Rapid Transit	Implement recommendations of the <i>Aviation White Paper</i>	Implement effective land use and planning strategies that :
Released the <i>Aviation White Paper</i>	Established Moorebank Project Office to develop an intermodal terminal on Commonwealth owned land	– Gold Coast Rapid Transit	– require planning and protection of economic infrastructure corridors, sites and buffers in order to be eligible for Commonwealth infrastructure funding
Funded Integrated Design Strategy trial in Adelaide to promote best practice	Committed to working with airport lease holders and other levels of government to achieve a more balanced airport planning framework (through the <i>National Aviation White Paper</i>)	– protect identified Commonwealth lands from incompatible use or sale	– implement a national land use planning framework for land near airports and flight paths

Australian Government Initiatives	Current programs and reform areas	Short term (2011–2014)	Medium (2014–2017) to Long term (2017–2020)
3. IMPROVE THE EFFICIENCY OF URBAN INFRASTRUCTURE BY: <ul style="list-style-type: none"> – Maximising returns on new and existing infrastructure – Taking into account operational and maintenance costs of infrastructure and assets – Connecting private investment capital to infrastructure and assets of high public benefit – Utilising smart infrastructure – Enhancing connectivity through the <i>National Broadband Network</i> 	<p>Infrastructure Australia's reform and investment framework</p> <p><i>National Ports Strategy</i> and <i>Draft National Land Freight Network</i></p> <p><i>National Broadband Network</i></p> <ul style="list-style-type: none"> – a universal, high-speed fibre network to facilitate smart infrastructure <p>Co-funded with States extensive studies on projects dealing with urban congestion in Sydney, Melbourne, Perth and Brisbane</p>	<p>Invest \$61.4 million in a <i>National Managed Motorways Trial</i></p> <p>Provide an additional \$36 million to Infrastructure Australia to boost its strategic capacity and deepen the <i>National Priority List</i></p> <p>Infrastructure Australia to establish a private sector working group to develop strategies to further private and superannuation sector investment in nationally significant infrastructure</p> <p>Work with States and Northern Territory to finalise the <i>National Ports Strategy</i> implementation plan by August 2011</p> <p>Work with States and Territories to finalise the <i>National Land Freight Network Strategy</i> for COAG consideration in 2011</p> <p>Continue to encourage best practice delivery of PPPs by the States and Territories in infrastructure procurement where these provide value for money</p> <p>Implement governance reforms to enhance transparency in infrastructure planning, including a National Construction Schedule and post-build evaluation framework</p> <p>Implement the new tax <i>Infrastructure Investment Incentive</i>, linked to the <i>National Priority List</i> to encourage private sector investment in priority infrastructure</p>	<p>Continue to progress through COAG the <i>National Ports Strategy</i> and <i>National Land Freight Network</i></p> <p>Monitor and evaluate the effectiveness of reforms and the <i>Infrastructure Investment Incentive</i></p> <p>Continue reform of infrastructure planning and investment strategies and private financing of infrastructure investments</p> <p>Continue roll-out of <i>National Broadband Network</i></p>
SUSTAINABILITY	4. PROTECT AND SUSTAIN OUR NATURAL AND BUILT ENVIRONMENTS BY: <ul style="list-style-type: none"> – Protecting and enhancing natural ecosystems – Supporting sustainable development and refurbishment of our built environment <p>Working with the community, Governments and industry to manage our natural resources through the <i>Caring for our Country</i> Program (SEWPaC/DAFF)</p> <p>Protecting internationally significant species and areas through the application of the <i>Environmental Protection and Biodiversity Conservation Act</i> (SEWPaC)</p> <p>Improving the efficiency of new buildings and major renovations through the <i>Building Code of Australia</i> and <i>Building Energy Efficiency Disclosure Act</i></p>	<p>Request Infrastructure Australia to advise on strategies to maximise existing infrastructure assets and improve efficiency in transport, energy and water</p> <p>Implement the of the <i>Sustainable Communities Program</i> to invest in projects that support sustainable development and refurbishment of our built environment</p> <p>Invest \$29.2 million in the <i>Sustainable Regional Development</i> initiative to support better sustainability planning in regions that are experiencing high growth</p> <p>The Government will provide \$8 million over two years for competitive grants to assist local communities to manage and conserve heritage places that are important to Australians. The program will also enable greater community access to heritage places of local and national significance</p>	<p>Continue to monitor and support improved protection and sustainability of our natural and built environments</p>

Australian Government Initiatives	Current programs and reform areas	Short term (2011–2014)	Medium (2014–2017) to Long term (2017–2020)
5. REDUCE GREENHOUSE GAS EMISSIONS AND IMPROVE AIR QUALITY BY: <ul style="list-style-type: none"> – Supporting and investing in low emissions technologies – Putting a price on carbon – Sustainable urban planning and regulatory reform 	Implementing pricing and energy efficiency mechanisms for cost effective greenhouse gas emission reductions Supporting research and development of low emissions technologies, including <i>Solar Cities</i> , <i>Smart Grid</i> technology <i>Green Vehicle Guide</i> website and mandatory fuel consumption labelling	Introduce a carbon price from July 2012 Reduce incentives for unnecessary driving by replacing the current tax formula for valuing car fringe benefits with a single statutory rate of 20 per cent, regardless of the kilometres travelled Work with industry and governments to improve air quality by setting product standards, urban design, public transport planning and climate change abatement measures Apply more stringent mandatory air pollution standards for all new cars, 4WDs and utes Continue to partner with governments and business in developing low emissions vehicles, <i>Smart Grid</i> and <i>Solar Cities</i> program Continue to support research and development of low emissions technology Continue the <i>Green Vehicle Guide</i> website Implement the <i>Tax Breaks for Green Buildings Policy</i> Increase the energy efficiency requirements in the <i>Building Code of Australia</i> and introduce the <i>Building Energy Efficiency Disclosure Act</i>	Monitor and progress carbon pricing implementation Implement recommendations for travel demand management Monitor progress towards achieving 20 per cent renewable energy by 2020 Continue to monitor and work to improve air quality, pollution and emissions
6. MANAGE OUR RESOURCES SUSTAINABLY BY: <ul style="list-style-type: none"> – Reducing resource consumption and waste – Improving water, energy and food security 	<i>Water for the Future</i> program through CSIRO Agreement with COAG on urban water reform and waste policy	Further strengthen the role for Infrastructure Australia in undertaking cost-benefit analysis of proposals for infrastructure funding to include consideration of better use of water and energy in infrastructure Continue implementing the <i>Water for the Future</i> program and COAG urban water reforms Implement the <i>National Waste Policy</i> to set the nation's waste management and resource recovery (ongoing)	Continue to implement the <i>National Waste Policy</i> and urban water reforms
7. INCREASE RESILIENCE TO CLIMATE CHANGE, EMERGENCY EVENTS AND NATURAL HAZARDS BY: <ul style="list-style-type: none"> – Mitigating risks and adapting to change – Incorporating climate change risks into infrastructure siting, design, construction and operation – Climate change science and research 	Leading national reform to ensure cities are dealing with climate change impacts, including through the provision of good science and information <i>Natural Disaster Mitigation Program</i>	Work with States and Territories to develop guidance, including spatial mapping, to help reduce exposure of urban assets and infrastructure to climate change risks Strengthen the role for Infrastructure Australia in undertaking assessments of infrastructure to consider whether proposals adequately deal with risk of climate change impacts	Continue to progress and implement work resulting from working with States and Territories on mitigating risk and adapting to change

Australian Government Initiatives	Current programs and reform areas	Short term (2011–2014)	Medium (2014–2017) to Long term (2017–2020)
LIVEABILITY			
8. FACILITATE THE SUPPLY OF APPROPRIATE MIXED INCOME HOUSING BY: <ul style="list-style-type: none"> – Encouraging a range of housing types to suit diverse household needs across metropolitan areas and regional cities – Facilitating suitable accommodation for people of all ages and abilities 	<p>\$5.66 billion <i>Social Housing Initiative</i> to build 19,300 new social housing and repair or upgrade 80,000 homes</p> <p>\$6.2 billion <i>National Affordable Housing Agreement</i></p> <p><i>National Disability Strategy</i> to meet the diverse needs of people with disability and their carers</p> <p><i>National Partnership Agreement on Homelessness</i></p>	<p>Ensure Australian Government housing outlays are targeted to support the objectives and priorities of the <i>National Urban Policy</i>, in particular to supply more affordable and accessible housing in attractive, inclusive developments, located close to centres and public transport</p> <p>Work with States and Territories to address impediments to better functioning of the housing market to improve supply and affordability</p> <p>Continue to work on the <i>COAG Housing Supply and Affordability Reform</i> agenda to deliver greater housing supply and affordability, zoning and planning approvals processes, infrastructure charges, regulations and opportunities for underutilised land</p> <p>Ensure housing assistance is adequate, targets those in need and supports participation incentives</p> <p>Ensure that housing programs support the age- friendly objectives of the <i>National Urban Policy</i>, including progressively increasing the supply of adaptable housing that is built to universal design standards to ensure access for the elderly and people with disabilities</p> <p>Support the priority approval and construction of aged care housing, including through high care developments that are well integrated with urban areas so that aged care facilities and places become operational more quickly</p> <p>Support urban development that supports ageing in place, is socially inclusive and is integrated with surrounding community facilities</p>	<p>Continue to monitor and progress actions to facilitate housing supply and affordability</p>
9. SUPPORT AFFORDABLE LIVING CHOICES BY: <ul style="list-style-type: none"> – Locating housing close to facilities and services, including jobs and public transport, in more compact mixed use development – Supporting new outer metropolitan housing with access to facilities, services and diverse education and employment opportunities 	<p><i>National Rental Affordability Scheme</i></p>	<p>\$120 million new funding for <i>Liveable Cities</i> and <i>Suburban Jobs</i> under the <i>Sustainable Communities</i> program to invest in planning, design and capital works projects to improve the quality of life in our cities, particularly in outer suburbs and growing major regional cities</p> <p>Consider best use of Commonwealth owned land to support the supply of housing, improved community amenity and jobs creation through <i>Commonwealth Property Disposals Policy</i></p>	<p>Progress policies and implementation around Commonwealth owned land to support the supply of housing, improved community amenity and jobs creation through <i>Commonwealth Property Disposals Policy</i></p> <p>Monitor long-term outcomes of the <i>Liveable Cities</i> program</p>

Australian Government Initiatives	Current programs and reform areas	Short term (2011–2014)	Medium (2014–2017) to Long term (2017–2020)
<p>10. IMPROVE ACCESSIBILITY AND REDUCE DEPENDENCE ON PRIVATE MOTOR VEHICLES BY:</p> <ul style="list-style-type: none"> – Improving transport options – Reducing travel demand by co-location of jobs, people and facilities 	<p>\$40 million for bike paths built under the <i>Economic Stimulus Plan</i></p> <p><i>National Cycling Strategy</i>, which aims to double the number of cyclists between 2011–2016</p> <p>Incorporate active travel into the Department of Infrastructure and Transport portfolio</p>	<p>Continue to roll out the <i>National Broadband Network</i>, which will allow greater telecommuting and flexible work arrangements, complementing the new \$100 million <i>Suburban Local Jobs Program</i></p> <p>Monitor and report on progress toward achieving national cycling target to double the number of cyclists by 2016</p> <p>Work with State/Territory and Local Governments to improve accessibility and mobility in cities including more compact and mixed use development, improved public transport and active transport options, and more efficient use of infrastructure assets</p> <p>Encourage the development of urban areas that promote healthy lifestyles through cycling and walking networks, recreation facilities and high quality public spaces</p>	<p>Implement Government-agreed recommendations of Tax Summit</p> <p>Evaluate achievement of national cycling target to double the number of cyclists by 2016</p> <p>Further consider effective active transport action strategies</p>
<p>11. SUPPORT COMMUNITY WELLBEING BY:</p> <ul style="list-style-type: none"> – Providing access to social and economic opportunity – Improving the quality of the public domain – Improving public health outcomes – Redressing spatially concentrated disadvantage 	<p>Preventative Health Agency established which includes promotion of healthy lifestyles</p> <p>National Compact with the Third Sector to strengthen not-for-profit sector to provide support for people in need</p> <p>Service delivery reform agenda to provide better support for people when they need it</p> <p>Developing strategies to support and expand volunteering, philanthropy and social investment to build community resilience and social inclusion</p> <p>Invested more than \$1 billion to local government authorities through the Regional and Local Community Infrastructure Program to build and modernise community infrastructure</p>	<p>Develop an <i>Australian Urban Design Protocol</i> and support best practice with industry practitioners</p> <p>Incorporate the need to improve public health outcomes with urban built environment considerations, through the <i>Urban Design Protocol</i></p> <p>Implement <i>Preventative Health Agency</i> programs which include promotion of healthy lifestyles, and <i>National Partnership Agreement on Preventative Health</i></p>	<p>Monitor progress and implementation of the <i>Australian Urban Design Protocol</i></p> <p>Monitor outcomes of the Preventative Health Agency, National Partnership Agreement on Preventative Health and other initiatives to support community wellbeing and improved public health, including through the built environment</p>

Australian Government Initiatives	Current programs and reform areas	Short term (2011–2014)	Medium (2014–2017) to Long term (2017–2020)
GOVERNANCE			
12. IMPROVE THE PLANNING AND MANAGEMENT OF OUR CITIES BY: <ul style="list-style-type: none"> – Facilitating a whole-of-governments approach – Integrating planning systems, infrastructure delivery and management – Encouraging best practice governance and applying the principle of subsidiarity 	COAG capital city strategic planning systems reform process to have long-term strategic plans by January 2012	Ensuring Commonwealth policies, investment and other activities across government: <ul style="list-style-type: none"> – Meet the principles and objectives of the <i>National Urban Policy</i> and COAG reforms – Coordinate across Australian Government agencies – Cooperate and partner with State and local governments, businesses and the community Seek support of States and Local Governments, through COAG, to expand the use of national criteria for capital city strategic planning systems to planning of regional major cities Work with States and Territories to address issues identified in the COAG Reform Council's review of strategic planning systems, and to incorporate best practice reforms	Continue to progress Commonwealth commitment to ensure whole-of-government policy and investment in cities Monitor implementation and outcomes of city strategic planning system reforms in capital cities and regional major cities
13. STREAMLINE ADMINISTRATIVE PROCESSES BY: <ul style="list-style-type: none"> – Improving the effectiveness and efficiency of approval processes for development – Encouraging participation and engagement with stakeholders 	Microeconomic reform agenda <i>Local Government Reform Fund</i> Ministerial council on infrastructure and transport to include planning ministers	Establish an <i>Urban Policy Forum</i> to advise on <i>National Urban Policy</i> implementation Continue to provide funding to local government for community infrastructure Work with states and territories to address issues identified in the COAG Reform Council's review of capital city strategic planning systems Support Local Government to undertake reforms to streamline administration and development approvals, and implement strategic spatial planning, in accordance with the <i>National Urban Policy</i> goals and objectives	Monitor progress towards implementation of the <i>National Urban Policy</i> goals and objectives, and report on actions and outcomes Monitor progress towards streamlined administrative processes
14. EVALUATE PROGRESS BY: <ul style="list-style-type: none"> – Research, analysis and reporting 	<i>State of Australian Cities 2010</i> report establishes a baseline for reporting	Publish annual updates of <i>State of Australian Cities</i> to track progress in achieving objectives Include research into urban systems, environments and communities into <i>National Research Priorities</i> (NRPs) Produce spatial reports on land use and infrastructure impacts of population and structural change Develop a set of Sustainability Indicators to measure Australia's progress towards more sustainable regional communities with \$10.1 million for a new <i>Measuring Sustainability Program</i>	Annual update of <i>State of Australian Cities</i> report to track the progress of cities in achieving objectives Five yearly update of spatial report on land use and infrastructure



Appendix A

Council of Australian Governments national criteria for cities

COAG has agreed to reforms to ensure our capital cities are well placed to meet the challenges of the future. The COAG Reform Council has been asked to:

- review capital city strategic planning systems against agreed national criteria;
- support continuous national improvement in capital city strategic planning;
- build and share knowledge of best practice planning approaches.

There are nine criteria for future strategic planning of capital cities. These are described below. These criteria will provide the platform to re-shape our capital cities. The criteria are intended to ensure that our cities have robust, transparent and

long-term planning systems in place to manage population and economic growth, address climate change, improve housing affordability and tackle urban congestion.

The Australian Government is working with each of the State and Territory Governments to support improvements in strategic planning, and to share best practice planning approaches. This sharing of knowledge and best practice will not only benefit capital cities; rather, all Australian cities will benefit from this exchange.

The COAG Reform Council's report on the review of capital cities strategic planning systems against the national criteria will be submitted to COAG in December 2011.

National objective and criteria for future strategic planning of capital cities

Objective

To ensure Australian cities are globally competitive, productive, sustainable, liveable, socially inclusive and well placed to meet future challenges and growth.

Criteria

Capital city strategic planning systems should:

1. Be integrated across:
 - a) functions, including land-use and transport planning, economic and infrastructure development, environmental assessment and urban development;
 - b) government agencies.
2. Provide for a consistent hierarchy of future oriented and publicly available plans, including:
 - a) long-term (for example, 15 to 30 years) integrated strategic plans;
 - b) medium-term (for example, five to 15 years) prioritised infrastructure and land-use plans;
 - c) near-term prioritised infrastructure project pipeline backed by appropriately detailed project plans.
3. Provide for nationally-significant economic infrastructure (both new and upgrade of existing) including:

- a) transport corridors;
 - b) international gateways;
 - c) intermodal connections;
 - d) major communications and utilities infrastructure;
 - e) reservation of appropriate lands to support future expansion.
4. Address nationally-significant policy issues including:
 - a) population growth and demographic change;
 - b) productivity and global competitiveness;
 - c) climate change mitigation and adaptation;
 - d) efficient development and use of existing and new infrastructure and other public assets;
 - e) connectivity of people to jobs and businesses to markets;
 - f) development of major urban corridors;
 - g) social inclusion;
 - h) health, liveability and community wellbeing;
 - i) housing affordability;
 - j) matters of national environmental significance.
 5. Consider and strengthen the networks between capital cities and major regional centres, and other important domestic and international connections.
 6. Provide for planned, sequenced and evidence-based land release and an appropriate balance of infill and greenfields development.
 7. Clearly identify priorities for investment and policy effort by governments, and provide an effective framework for private sector investment and innovation.
 8. Encourage world-class urban design and architecture.
 9. Provide effective implementation arrangements and supporting mechanisms, including:
 - a) clear accountabilities, timelines and appropriate performance measures;
 - b) coordination between all three levels of government, with opportunities for Australian Government and Local Government input, and linked, streamlined and efficient approval processes including under the Australian Government's *Environment Protection and Biodiversity Conservation Act 1999*;
 - c) evaluation and review cycles that support the need for balance between flexibility and certainty, including trigger points that identify the need for change in policy settings;
 - d) appropriate consultation and engagement with external stakeholders, experts and the wider community.

