

Mr Bill Pinder
Inquiry Secretary
House of Representatives Standing Committee on Infrastructure, Transport and Cities
PO Box 6021, Parliament House
CANBERRA, ACT 2600

Submission: **Australian Government's Role in the Development of Cities**
From: Cathy Hall and Jon Strachan
Date: 19 July 2017

Submitted: By email to: ITC.reps@aph.gov.au

Background

We welcome the House's Inquiry into *sustainable urban development* and a more active federal role in this essential matter. We have focussed our comments on the first part of the Terms of Reference being "sustainability transitions in existing cities".

Both submitters hold Masters of Sustainability from Curtin University WA. Cathy is a Change-Maker and a Sustainability and Climate Change policy lobbyist. Jon is a Councillor for the City of Fremantle WA, in this role he Chairs the City's Planning Committee, represents Fremantle on the South West Joint Development Advisory Panel (JDAP) and is a Deputy Member of the Western Australian Planning Commission (WAPC).

The submission is in the submitters' *own right*, not representing the organisations mentioned, these associations are mentioned for context only.

The submitters live and work in Fremantle, which will necessarily inform their submission from a Perth metropolitan context. Given this the submission addresses issues related to the first enquiry, looking at "existing cities".

Over view

Whilst *Sustainability transitions in existing cities* will have broad meaning for different people this submission is provided from the premise of transitioning from a car orientated city to a transit orientated one, assuming that other aspects such as power or water usage will be a flow-on effect. Whilst a transit-orientated city is by definition higher density than currently exists in the Perth area, crucially increased density must be accompanied by liveability factors for a city's resiliency. These factors include access to green space, legibility, cycle and walkability.

The 3 tiers of Government

Cities are a complex geomorphology influenced by all three tiers of government (Federal, State and Local) and their communities. On matters of planning regulation necessary to facilitate increased density, Federal government has less input than State and Local government leading to the following:

- 1. *Planning decisions ought be made by the closest tier of government to the people those decisions affect. Federal government should not assume increased powers over planning legislation.***

2. **Federal government ought use all available levers to foster a path to quadruple bottom line sustainability for our major cities.**
3. **Federal government should engage in dynamic dialogue with States on transition mechanisms toward resilient transit based cities. COAG should be utilised to achieve key strategic outcomes, policies and KPI to guide transition processes.**

Transit

Through *Infrastructure Australia* (IA) Federal government can significantly influence the shape of our cities into the future. If IA continues funding roads our cities will remain car orientated, however, through funding transit IA will play a catalysing role for change. Transit corridors need to be designated and construction implemented to embed transit into the city's *DNA*. Once constructed, transit infrastructure fosters development and stimulates '*value capture*'¹. It is a planning failure to delay transit infrastructure until demand is recognised. Planned rollout of transit infrastructure creates demand along those corridors, when supported by orderly planning for increased density the result is well-targeted community infrastructure such as schools, medical, community safety and commercial facilities.

4. **Infrastructure Australia should transition its support from roads to well considered transit infrastructure.**
5. **Federal government should facilitate 'value capture' through new transit development.**

Housing Density

Good transit patronage relies on increased density, especially in walkable distances from services. Density need not be tower blocks, 4, 5 or 6 storey developments will give the required uplift in population density to stimulate strong local and regional (metropolitan) centres². Though housing density is predominantly the domain of State and Local government Federal government can invest in nominated Regional Centres, locating appropriate departments and services to accelerate that uplift. Federal government ought review the *Building Codes* to ensure that they mandate safe housing whilst reducing excess red tape. The Water Corporation supply license in WA allows for a very low minimum water pressure, far lower than Water Corporation maintains in their *mains*, which results in developments above 4, 5 or 6 storey density requiring fire tanks, pumps and associated infrastructure, resulting in a greater build and management developer cost.

One particular remit where Federal government can initiate change in our cities is through commitment to affordable housing programs. When investing in housing schemes, shared equity schemes or housing subsidies, Federal government ought locate these in existing residential areas to maximise density and thus create *transit* stimulus.

One of the major drivers of '*urban sprawl*' is the development industry's hunger for green-field development land on city fringes³. This is an expensive development model as, whilst the developers enjoy low risk and beneficial returns, the taxpayer funds ever-expanding infrastructure demands with a legacy of congestion costs generated through such development. State government has traditionally acquiesced to this local industry demand for green-field land, despite Perth being located in one of the world's 12 biodiversity hotspots, it is now essential that the drivers of development ensure greater infill development as opposed to environmentally inappropriate green-field development on the

¹ Australian Government: <http://investment.infrastructure.gov.au/whatis/Value-Capture-Discussion-Paper.pdf>

² University of Canberra:

<http://www.governanceinstitute.edu.au/magma/media/upload/ckeditor/files/CURF%20Working%20Paper%205%20Light%20rail%20transit%20&%20residential%20density.pdf>

³ Property Council of Australia:

https://www.propertycouncil.com.au/Web/Content/News/WA/2015/_DesignPerth.aspx

metropolitan fringes. Central to this change is the amendment of development industry lobbying powers, much of which is linked to political donations.

Whilst increasing existing trunk-line capacity (water, sewerage, gas & electricity) is more cost effective than installing new services on the city's fringe Federal government should ensure availability of a fund similar to IA to invest in well-targeted trunk-line renewal. This is especially pertinent in older suburbs where the infrastructure is ageing and under-capacity.

- 6. Federal government should support planned density nodes and metropolitan regional centres by locating government business there.**
- 7. Review Building Codes to ensure safe housing with limited red tape.**
- 8. Federal Legislation associated with political donations must be amended to return openness to political decision-making.**
- 9. A Trunk-line (water, sewerage, gas and electricity) Infrastructure Fund ought be set up to invest in upgrades to necessary inner city service infrastructure.**

Fiscal Levers

Fiscal levers available to Federal government are an efficient mechanism for Federal government to initiate action and ought be applied to facilitate smooth transition to higher densities. A barrier to people considering downsizing their home to a smaller house or apartment is associated Stamp Duty. With the introduction of GST a number of State-based taxes including Stamp Duty were to be removed, that should be actioned promptly. If the current rate of GST is considered insufficient to replace Stamp Duty the rate should be increased to allow that. The GST review must return a more equitable amount to Western Australia as the State government has ambitious transit plans **and** a budget crisis; equitability of GST distribution would start to address those issues.

- 10. Stamp Duty should be abolished on Real Estate**
- 11. There must be a more equitable distribution of GST**

Car Orientated Society

Australia has one of the highest car ownership ratios in the world. This 'love-affair' with the car results in reluctant public transport patronage, even when that public transit is quicker, cheaper and more convenient. This 'love-affair' is fed by high-value targeted advertising part funded by community through tax relief as business expenses; however, it adds nothing to society and ought be considered counter productive to a healthy society. Motor vehicle advertising accounted for 11% of Australia's \$2.8 Billion⁴ advertising spend in 2006. Removing tax relief from car advertisements would mean taxpayers were not subsidising road congestion - predicted to cost Perth \$16 million per annum by 2031⁵. Incentives associated with inclusion of a motor vehicle in a salary package, and rewarding excess usage in these packages encourages unnecessary vehicle usage and needs to cease.

- 12. Advertising Tax Concessions for passenger car manufacturers should cease.**
- 13. Tax Concessions for including cars in Salary Packaging should cease.**
- 14. Federal support for passenger cars should be re-assessed and reduced.**

Addressing Climate Change

Any consideration regarding the sustainable future of Australia's major cities must include considerations of climate change risks and solutions. A coherent Australian emissions reduction scheme is essential for climate repair. To guard against the effects of climate damage already

⁴ Adnews: <http://www.adnews.com.au/news/where-s-the-money-going-exclusive-ad-spend-trends-report>

⁵ RAC Survey: <https://rac.com.au/car-motoring/info/congestion-survey-results>

generated will require targeted adaptation plans, including addressing water security. These issues need to be dealt with at a Federal level.

- 15. Australia must, as a matter of urgency, adopt an effective Carbon Reduction Scheme**
- 16. Federal government must develop a Climate Change Adaptation Fund to assist City administrators in adapting to the effects of historical and future climate change impacts.**
- 17. Australia must develop a comprehensive Water Security Strategy to protect security. This should include restrictions on industries that put water at risk through both excessive consumption and potential ground water contamination**

Leadership

Federal government ought provide leadership to embed sustainability into our cities. This leadership should include encouraging States and Territories to undertake a similar review to this one, and encourage them to work with Local government on these endeavours. Federal government should, in partnership with the States and Territories adopt a Sustainable Cities Strategy, and promote its benefits.

- 18. A Sustainable Cities Strategy should be developed and adopted**

Intergenerational Equity

Cities as ecosystems change over long timeframes. Decisions made today will impact on future generations. Our children are our future and require the knowledge, skills and tools to continue transitioning our cities to sustainable resilient communities.

- 19. Embed sustainability into Australian school curricula.**

Benefits of Sustainable Urban Development

It is no coincidence that Australia's cities with a high liveability index are also our most sustainable cities. Perth and Fremantle have many natural, cultural and social advantages, but will not achieve genuine resilient status until as a society we see public transport as the go-to transport mode, and relegate the car to special trips. This transition will not occur on its own, it will require Federal initiatives and funding. Such funding will secure dividends in city resilience, community health, social coherence and financial payback.

Conclusion

'Business as usual' will ensure Australia continues to maintain its car-orientated cities with continuing 'urban sprawl' and its associated problems⁶. Transitioning Australian cities to become resilient transit orientated cities is essential for Australia's social, cultural, environmental and economic 'sustainable quadruple bottom line' future. These 19 strategies are considered to be 'first steps' of transition, which will help create the foundation for future work.

⁶ Newman & Kenworthy: Sustainable Cities