

LATROBE CITY COUNCIL SUBMISSION

House of Representatives Standing Committee on Infrastructure, Transport and Cities

Inquiry into the Australian Government's role in the development of cities

Introduction

Latrobe City Council thanks the House of Representatives Standing Committee on Infrastructure, Transport and Cities for the opportunity to make this submission.

Council's submission responds to the terms of reference of the second sub-inquiry - 2) *Growing new and transitioning existing sustainable cities and towns:*

Background - Latrobe City

Latrobe City is one of Victoria's four major regional cities, less than two hours from Melbourne. It is home to approximately 74,000 people and the Gippsland regional population exceeds 250,000 people. Latrobe City is resource rich with abundant forests, rich agricultural land, water resources and large deposits of brown coal.

Latrobe City is home to 5,000 businesses and around 26,000 jobs. Its Gross Regional Product is over \$4.1 billion per annum.

Latrobe City:

- generates 85% of Victoria's electricity;
- has Australia's largest integrated pulp and paper mill;
- is home to Australia's largest yoghurt manufacturing facility;
- has Australia's only manufacturer of commercial aircraft; and
- is a centre of public administration, including Latrobe City Council, the Australian Securities & Investments Commission's (ASIC's) Registry and numerous Commonwealth and State Government Departments and agencies.

Latrobe City is known for its excellence in engineering capability, public administration, education and health care - and as a cultural and commercial centre for Gippsland. It is home to a highly skilled and diverse workforce.

Previous Australian Government involvement in the development of cities

In responding to this Inquiry and its terms of reference Council notes that the Australian Government has long played a role in the development of Australia's cities. This has ranged from the Whitlam Government's urban and regional programs of the 1970s, through the *Building Better Cities* program of the early 1990s and the *Our Cities, Our Future* – national urban policy, released in 2011. It is interesting to note that the Commonwealth, State and Territories Governments were actively engaged in the process in the latter two cases cited; following a Special Premier's Conference in 1991 in the case of the *Building Better Cities*

program and the Council of Australian Governments (COAG) in the case of the National Urban Policy in 2011.

Regional Cities - National Context

Population growth in Australia's regional capital cities has outpaced the national average. In ten years there will be additional one million people living in these cities. The challenges posed by the expected doubling of Australia's population by 2075 cannot be addressed through ever expanding the existing metropolitan agglomerations.

Regional capital cities have the capacity to accommodate further growth; these cities are a viable and immediate option to address the crippling congestion issues in the major metro cities. Regional capital cities are well placed to accommodate growth from new migrants. 35% of the population growth in these cities was from new migrant arrivals.

Regional capital cities contribute \$225 billion every year to Australia's economy. This represents approximately 16% of total national economic output. There are 300,000 active business located in regional capital cities, which represent 15% of all Australian-based businesses.

Infrastructure Australia puts the cost of addressing the national infrastructure deficit anywhere between \$450 billion and \$700 billion. Federal and State governments cannot afford to allow this gap to widen. As the nation's \$53 billion congestion bill spirals out of control, it is clear Australian businesses also need a new a solution that moves past the capital city thinking that historically has been engrained in our national leadership.

The Regional Australia Institute has found that, for every 100,000 Australians who choose to live in regional capital cities instead of the five big cities, approximately \$50 billion will be released into the national economy over 30 years in reduced congestion costs.

Investments in regional capital cities will undoubtedly ease the squeeze on Australia's largest metropolitan agglomerations as people and business look for liveable and investable alternatives. This investment will also create a level playing field for those Australians who have already made the move.

More than four million Australians live in regional capital cities. An additional four million people in surrounding areas access the services, infrastructure, jobs and education in these cities. Each day eight million Australians rely on regional capital cities for their everyday needs.

Strategies for Transitioning Communities

The attached report – *Local Government Strategies for Transitioning Communities, 2013* – was written following a Churchill study tour to a number of international communities, who, it transpired, were taking innovative steps to transition to a sustainable future.

Key learnings in the *Transitioning Communities* report are:

- Relationships are essential because local government are not generally equipped with the knowledge or resources to deal with every problem in their communities;
- Liveability is extremely important in attracting and retaining people because people want more than a job;
- A big challenge to local governments in transitioning their community tends to be lack of resources. This occurs across the globe, regardless of the size of the local government or its community. This is a key reason why partnerships and collaboration between local government and private sector are becoming more prevalent; and
- Universities occupy a unique place in a local economy and can help a community achieve a successful transition. Linking University assets to industry needs can lead to new products, improved processes and expanded services.

The *Transitioning Communities* report concludes:

- Successful sustainable change must come from within the community. Local governments that appreciate local context, culture and an understanding of local drivers have a better chance of delivering sustainable transition strategies that actually work;
- Stakeholders must be involved at the start. Not involving them early opens up government to the risk of producing work that does not achieve outcomes because it is not supported and misses important information;
- It is most important to get the right people for the right task; and
- Given tight financial resources, local government needs to look elsewhere for funding. Strategic public/private partnerships should be considered.

The Latrobe Valley: A region in transition

The privatisation of the electricity industry in the 1990's led to a significant reduction in workforce with little or no structural adjustment assistance provided by either the State or Commonwealth Governments. This has led to inter-generational issues and entrenched disadvantage.

The recent closure of the Hazelwood Power Station confirms that the economy of the Latrobe Valley is changing. As with any significant structural change, there is considerable debate about the best ways for this transition to occur. In July 2016 Latrobe City Council held a Community Conversation entitled "*Securing our Economic Future*". Council is now working with the Latrobe Valley community to deliver on the vision and initiatives for transition which emerged from that conversation.

It is clear that this transition must be vastly different to that executed at the time of privatisation. Our view is that the key to success is a community led response which empowers, builds capacity, resilience and optimism within the community. This can only be done through an earnest desire to partner with the community in a process of co-design and collective engagement. Our document, a *Strength-Led Transition*, is a co-designed roadmap produced with our community; rich with many community-led ideas and initiatives. It reflects our community's proud industrial heritage, engineering expertise and innovative thinking. A copy of "*Latrobe City: a Strength-Led Transition*" is attached to this submission.

Conclusions and recommendations

The challenges posed by the expected doubling of Australia's population by 2075 cannot be addressed through ever expanding the existing metropolitan agglomerations.

Regional capital cities are well placed to accommodate a large share of this growth.

Australia needs a comprehensive national urban settlement policy which sets vision for our cities to deliver future prosperity and wellbeing for all our communities. Previous experience, notably through the *Building Better Cities* program of the early 1990s, is that to be successful policy must be supported by a high-level of cooperation between the various levels of government, coupled with significant financial resources directed to transformational and innovative spatial planning, infrastructure provision and the management of resources. This needs to be driven from the highest levels of government.

The experience of communities who are in transition to a sustainable future is that this needs to be delivered at the local level through a collaborative, thoughtful and respectful program of engagement and consultation with key stakeholders, principally impacted communities. The outcome can then be a local city vision and a package of specific actions and outcomes developed and implemented within the context of the national urban settlement policy.

It is recommended that the Australian Government:

- Develop a comprehensive national urban settlement policy in collaboration with State and Local Governments and in consultation with key stakeholders;

- Support the implementation of the urban settlement policy with significant financial resources directed to transformational innovation in spatial planning, infrastructure provision and the management of resources; and
- Agree to a local delivery model through a collaborative program of engagement and consultation with key stakeholders, with the aim of delivering a package of specific actions and outcomes developed within the context of the national urban settlement policy.

Latrobe City Council
July 2017