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

Dear Mr Pinder

Australian Government's role in the development of cities

The City of Fremantle welcomes the House's Inquiry into sustainable urban development and a more active federal role in this. We have focussed our comments on the first part of the Terms of Reference being "sustainability transitions in existing cities" as we are both Perth's second city and one of the oldest in Western Australia.

The submission takes in turn each of the three terms of reference set-out on your website and is contained in the following attachment. We look forward to learning of the Inquiry's outcomes and what changes the federal government will seek to make in the way our cities are developed.

Yours sincerely,

Paul Trotman

Director, Strategic Planning and Projects

How existing cities can be directed towards a more sustainable urban form

Some of the ingredients for a more liveable and sustainable urban form can be summarised as follows:

Greater urban density: is the absolutely necessary (but alone not sufficient) ingredient for more liveable and sustainable cities. Everything else depends on getting density right. A clear consensus needs to emerge on "density done well". Globally it is often mid-rise residential density that characterises the most liveable neighbourhoods, from three to four storey terraces and apartments up to six to eight storeys depending on the area and its land values. Taller residential buildings do have their place, but more as one-off landmark buildings like the Turning Torso in Malmo's Western Harbour or in small defined pockets as a marker in the urban landscape.

This mid-rise urban form is often cited as the ideal density mixture that meets a wide range of community needs from families to aging member of the community. Best practice liveable and sustainable neighbourhoods are not commonly seen as single-lot, detached, residential housing. Large single houses are seen as not only expensive and energy inefficient but also result in too few people in an area to enable the other services from shops to childcare to be close to most people.

Cities of short distances: The heart of the future of liveable cities is in making them "cities of short distances". A short trip to the shops, a short stroll to the local park, a short commute to work, a walk to drop the kids off to child care are all key ingredients for more liveable cities. Perth though is a city of long distances exacerbated by low suburban densities and a lack of mixed uses in our communities. Many people in Perth spend around an hour a day commuting as (according to the RAC) Perth is the city that has the lowest proportion of residents living within 10 km. of their workplace of any Australian city. With uneven public transport access, it means many depend on their cars, which is the antithesis of a liveable city. Having no choice but to drive children to school or the shops is not environmentally friendly but does present a 'hook' on which public mindsets can be changed.

"Cities of short distances" need to be socially sustainable, which means (among other things) that governments (federal and state) have to play the lead role guaranteeing housing affordability. People need to be able to afford to live near their work or near a railway station.

Dignified and affordable housing has to be seen as a human right guaranteed by government, no less than education or clean water. There is some activity in this area but it is more directed towards second order measures to tackle housing affordability. Without a substantial investment in new social housing stock (not just recycling existing assets) there is simply no possibility of achieving housing affordability within a "city of short distances".

Make explicit hidden subsidies for fringe development: In Perth it costs the government \$150 000 to provide infrastructure for every new lot in outer developments, against \$55 000 for infill development. By extension WA taxpayers are paying \$94.5 million for every 1 000 homes built on the fringe of Perth. A return to a 60% density target (from the current 47% - the lowest in Australia) would save WA \$23 billion to 2050 which is enough for nine new Fiona Stanley hospitals, or the entire MAX light rail project 12 times over. A 100% infill target, focussing our entire growth in areas already earmarked for development, would save \$30 billion to 2050.

Design for people and place: This does not mean being 'anti-car'. A key element is the need to provide for car use but not design suburbs around them. Some of the early suburbs in Stevenage New Town in the UK (e.g. Pin Green) exhibit this approach. Another approach is to keep cars to fringe of residential developments or design roads that make them subservient to the surrounding urban form (think here of the small lanes and ways that have emerged from the pre-automobile urban form). Children playing safely in the street is without doubt the ultimate symbol that a liveable community-focused neighbourhood has been created. This means very low speeds and limited parking at the core of neighbourhoods with most of the parking designed on the fringe, underground or in multi-storey parking stations.

Invest in public transport up front: A sustainable urban form is largely dependent upon (or at least greatly assisted by) upfront investment in public transport and cycling infrastructure. Upfront should ideally mean before the first resident moves in. This ensures the best habits are embedded early on. In Australia it is often the reverse: wait for patronage numbers to rise to justify the public transport investment or cycling numbers to rise to justify bike lanes and infrastructure. The experience from Europe turns this thinking on its head; again in Stevenage New Town cycle ways are a separate system built from the very start of a new neighbourhood.

The federal government invests in roads as a matter of course, but not public transport. There is a role for federal government to support efforts to change transport behaviour by providing better transport options (not just for private vehicles). This should be capital investment in new services, but also improving existing services and increasing capacity / frequency to meet demands in more dense and sustainable cities.

Federal government can influence the issues of transit through targeting infrastructure funding to encourage states in developing and implementing a cohesive transit system and direct money away from road building at both state and federal levels. It can also target community advertisements towards the advantages of more sustainable housing densities and the adverse impacts of motor vehicle uses.

Provide high quality green spaces: While density is an essential ingredient in creating sustainable and liveable cities, this comes with an important qualifier: density needs to be accompanied by a major provision of high quality green spaces. Global best practice is that 20 - 30% of the total land size should be devoted to public open space, not the 10% that is standard in most new developments. While this is a lot of green space, it is important to keep these green spaces diverse. Some large open playing fields but also, and more often, intimate spaces like different rooms to a house. It is important to keep / restore areas of natural bush, for people to connect with nature, and also biodiversity and wildlife habitat. Another key element is to plant trees in parks and streets as early as possible as mature trees.

Provide a range of diverse and affordable housing: Successive Australian governments (federal and state, Labor and Coalition) have failed to grow the affordable housing stock, transforming it from a mainstream housing option into a dwindling pool of safety net or welfare housing. Compare this to a country like France where 20% of the population live in some form of social housing.

Government investment in social housing is needed to be the catalyst for well-designed medium density housing partnered with private investment. Witness the situation in inner city Fremantle where the City offers incentives for developers if they include a minimum 15% "affordable housing" but with limited take-up.

High quality public transport and urban amenity puts upwards pressure on housing costs. As cities become more dense, sustainable and liveable, they will become more desirable and expensive. This in turn will price out of the market many skills and trades that not only are needed to service these denser areas but are also essential to maintain a varied and diverse social mix. A range of measures are needed to make housing more affordable.

The federal government is ideally placed to offer developments with a range of dwelling types, sizes and styles, some for sale, some for rent, some for subsidized rent and others for shared equity schemes. These could be developed by government agencies or through a partnership with a developer or housing co-op scheme. Their involvement could be 100% or as little as underwriting a co-op scheme through the construction phase.

Demonstrated again and again across Europe's most liveable cities, is that new developments need to contain a range of diverse and affordable housing that brings together a community of differing ages and incomes. A standout example of this is in Vauban, Freiburg in which one floor of a residential development, one that looks like many of the others, is set aside for patients with Alzheimer's disease. The development was explicitly designed so that people could age in place, surrounded by a familiar environment.

Waste and rubbish matter: Waste removal and storage needs to be well planned and designed into new developments. Waste is often an afterthought,

hidden from the view of most, but its management is an important factor in determining the sustainable performance of cities. All across Europe new neighbourhoods are getting close to zero waste to landfill through smart recycling and the turning of food waste into energy sources such as biogas, but to succeed these initiatives have to be integrated from the kitchen sink to the recycling plant.

There is a need to encourage a more consistent approach to household waste disposal so that when people move (interstate or across a city) they do not need to learn and adopt a whole new waste practice.

It is clear from many examples from around the world, and in particular Europe, what a sustainable urban form might look like. The urban regeneration agenda has been active for many years and has identified many tools and concepts which can assist in moving towards more sustainable urban forms. These tools include, for example, re-zoning land to higher densities, more permissive policy settings for urban infill, green belts, density bonuses and so forth.

However, when such tools are applied it is often the case that local communities react negatively and seek to maintain the status quo. There are many examples of this, for example: the City of Joondalup is currently experiencing a backlash against increased densities in their Housing Improvement Area 1 with residents securing a commitment to seek a down-coding from R-60 to R-35. In the United Kingdom North Hertfordshire District Council is seeing a massive push back against the taking of green belt land for much needed housing around London. While in Perth the *Network city* objectives of 60% of new housing provided within activity corridors was scaled back to 47% in transit orientated development nodes upon a change of government a decade ago. Despite this lower target only around 30% of new housing is being built within existing urban areas.

It is clear that planning targets alone are not leading to more sustainable cities; the objective should be to create a market demand for sustainable urban living which is then driven, and built, by the private sector. This then leads to the central proposition that the mechanisms for change (e.g. the “how”) are embedded in pro-active and positive community engagement, with all levels of government being the exemplars of practice. A good example of this approach is *Dialogue with the city*, which the then WA state government used to create *Network city* in 2004. This leads to the key lesson:

Leadership and collaboration are critical: There are clear roles for all levels of government including land assembly, master-planning, urban design and up-front provision of transport and other sustainable infrastructure. Exercise of these roles needs to be within a clear community engagement framework which is used to educate, change mindsets and create a demand the private sector can respond to. Collaboration with universities and practitioners in researching and trialling new ideas and capturing evidence and applying it is essential. For new ideas to be tried the role of government in financing is also important. The private sector can partner but it needs to be governments that lead, innovate, integrate and pro-actively engage with their communities to make clear the benefits of a “city of short distances”.

Changing trajectory is thus about four fundamentals:

1. Creation of wide spread community demand for living in a sustainable urban form.
2. Through urban design, providing high quality urban areas that people want to live in.
3. Making sustainable outcomes mainstream.
4. Up-front investment in infrastructure that changes patterns of behaviour and demand.

Regulation and barriers exist that the Commonwealth could influence

Although town planning is a state function there is much the Commonwealth can do to shift the urban trajectory to a more sustainable future:

1. Identify workable sustainable urban form morphologies that might be used when states and local governments prepare planning strategies and associated planning schemes.
 - a. There is a need for greater clarity around what capital / major cities are. The State of Australian Cities Report 2014-15 identified Perth as the only major city in WA, out of 20 cities nation-wide. It only looked at the aggregate statistics across the entire Perth metropolitan area. No other city in WA was looked at. There is a need for a more sophisticated (spatial) understanding of cities and transport that recognises the inter-relationships between capital cities and surrounding major centres. The definition of major cities needs expanding.
 - b. A cascading suite of plan frameworks would be useful to show how sustainability is to be embedded in every level of plan preparation. Particular attention should be paid at the statutory plan level to ensure that development assessments properly account for sustainable outcomes.
 - c. The morphologies should include urban growth boundaries and a robust methodology for a triple bottom line sustainability assessment. Such an assessment is necessary to articulate the costs incurred by continued urban sprawl which imposes additional time, social, health and financial costs on those who live in the periphery and commute long distances to work. In particular such assessments need to make explicit, and incorporate, the hidden subsidies inherent in urban fringe development. Any growth boundary may need to be part of a larger sub-regional strategy which also seeks to move growth to towns further afield, which can be planned for a sustainable urban form. In this context, think of Garden Cities of Tomorrow and the new town movement around London.
 - d. Fremantle in particular would benefit from a morphology that shows how best to introduce higher density living alongside an existing, working port that the City of Fremantle wishes to see continue in that location in capped form.

- e. In 1995 the University of the West of England published "Sustainable Settlements: A Guide for Planners, Designers and Developers". Something similar for Australian conditions could become a useful resource.
2. Identify basic planning principles to be applied in planning strategies and associated schemes. Such principles should prioritise sustainable outcomes over green field ones and might include:
- a. Active and intensive community and industry engagement is required at every stage of plan preparation to engender an understanding and acceptance of the need for changing urban morphologies.
 - b. Plan for local places to develop identity and pride, and to increase social and cultural capital, by engaging the community in decision-making.
 - c. Projected household growth should be accommodated more within existing urban areas than on green fields.
 - d. Stage infrastructure spends to favour infill development and influence the timing and location of growth.
 - e. First priority should be given to revitalising existing centres and suburbs by enhancing their amenity and attractiveness, their economic, social and cultural vitality, and their safety and security.
 - f. Improve the viability of the public transport system by encouraging balanced ridership between activity centres, to reduce the extent of unused system capacity.
 - g. Use technological change to enhance service provision and capacity.
3. Commonwealth funding should favour state and local governments which actively encourage and plan for increased densities, with particular preference given to projects that involve high quality urban design exemplars.
- a. A key barrier to achieving more sustainable urban forms in existing cities is the inadequacy of services and other infrastructure required to support high quality, compact development forms as well as the cost and acceptance of responsibility for providing such infrastructure.

In Fremantle, and other parts of the greater Perth conurbation, there are large tracts of underutilised, degraded 'brownfield' land (the Knutsford Street area in Fremantle is an example) which have great potential for more intensive, higher value urban use in close proximity to established centres and transport networks. However these areas remain in predominantly light industrial / storage type uses because of the lack of adequate services to support alternative urban development forms and land uses (especially residential). These areas are not a priority for the established service

agencies such as the Water Corporation, and the often fragmented land ownership patterns in such area makes funding infrastructure upgrades through mechanisms such as developer contribution schemes extremely difficult.

A role for the Commonwealth could be to provide an alternative / additional funding stream for providing enabling infrastructure in such areas, and / or to influence the expenditure policies and priorities of the state level infrastructure agencies to give a higher priority to investment in these areas over extensions to service networks on the urban fringe.

- b. A strand of City Deal funding should specifically target these outcomes as well as projects that deliver high quality urban design outcomes.
 - c. In order to create “cities of short distances” all walks of life need to be able to live within the city rather than at the fringes. The Commonwealth should look at the following measures:
 - changing funding via Infrastructure Australia to focus on integrated transit infrastructure, remove funding from roads, and prioritise funding for those cities where a triple bottom line sustainability assessment shows the benefit of instigating an urban growth boundary
 - re-instate affordable housing strategies similar to NRAS
 - use under-utilised federal land for affordable housing developments
 - create a finance mechanism to fund affordable housing (like CEFC)
 - consider a review of negative gearing and capital gains tax to see how this might be directed towards increasing the stock of affordable housing. For example CGT incentives could be given where affordable housing is incorporated into a development
 - tax benefits should flow to those who use public transport rather than private vehicles, in particular for journey to work trips
 - link tax concessions to property owners willing to rent at affordable rates over an extended rental period (say, ten or twenty years)
 - fund targeted transit infrastructure that can then generate value capture, consequently stimulating private investment in communities and services
 - direct federal office uses to activity centres in order to spread the distribution of jobs throughout a city. For example the tax office in Perth could be relocated to Fremantle
 - federal grants could be set-up in a fashion that gives some degree of precedence to applicants that are based in activity centres, well serviced by public transport and with existing or planned higher residential densities.
4. Commonwealth funding and legislation should be directed towards support for non-conventional servicing options.

- a. The energy market in particular is changing rapidly to the point where 'smart' grids linked to distributed energy sources are becoming possible. For example the City of Fremantle is looking at bundling together its buildings into a single 'virtual' entity in order to generate and distribute its generated solar power amongst its various buildings and to gain access to cheaper network access costs.
 - b. Regulatory barriers exist at state level which obstruct the implementation of such systems in established urban areas and preserve the vested interests of the service agencies / companies in operating costly large-scale service distribution networks.
5. Restore the Major Cities Unit.
- a. The lack of a Major Cities Unit at federal level has created a major policy void, as well as a lack of national data at a fine grain level.
 - b. The national Urban Design Protocol was a comprehensive guiding document that needs national promotion and 'buy in' from state and local governments. This should be reviewed and reactivated.
 - c. Promote new technologies and sustainable practices as part of national infrastructure planning, replacement, and renewal within existing urban centres.
6. Provide a stronger and consistent national level policy approach to adaptation planning in order to address risks from climate change induced coastal hazards.
- a. Bearing in mind that nearly all of Australia's major cities are located on the coast, it is critical to address planning for more sustainable and resilient development patterns as cities continue to grow through the 21st century. The Productivity Commission's inquiry on Barriers to Effective Climate Change Adaptation, published in 2014, found that: 'adaptation first and foremost requires clear governance, and appropriate policy and legislation to implement change.' Earlier this year the World Economic Forum listed "failure of climate change mitigation and adaptation" as one of the top five risks to the world, in terms of its potential impact.
 - b. Reinstate funding for the National Climate Change Adaptation Research Facility (NCCARF) which was axed in the 2017 federal budget. NCCARF undertakes valuable research and provides useful information to local and state level decision-making bodies on how best to manage the risks of climate change and sea level rise.
7. Identify holistic sustainability frameworks around which local councils might focus expenditure and draft plans and policies in order to drive a sustainable urban form outcome and to engage with communities on.
- a. The City of Fremantle currently uses the One Planet framework.

- b. Identify what current data needs collecting to monitor progress and demonstrate how to change plan and policy settings to deliver on sustainable urban form and help change community perceptions.
- c. Gather and monitor national data around the real cost at a household level of suburban expansion vs densification.

Benefits of being a global 'best practice' leader in sustainable urban development

As the industrial revolution showed, waves of change sweep through economies and have enormous changes on work, leisure and livelihood. The world is in a current disruptive cycle through the advent of computers, information technology and the emergence of artificial intelligence. Much of work in the future will likely be focussed around personal services and the creation of intellectual property which machines use to deliver goods and regulate society. This changing world of work will require innovative knowledge workers, often the younger element of the workforces who are already steeped in the need for society to respond to a changing climate. Being at the forefront of sustainable urban development, with quality urban design, can act as strong selling point to attract and retain footloose global knowledge.

Local economies which are able to respond to changing technological change are likely to be able to refocus costly infrastructure spends onto the private (distributed) market and in doing so not only lower household costs but also reduce expensive infrastructure builds by government.

As towns and cities move towards sustainable urban development a body of knowledge on how to do this will be built up in a myriad of places, firms and people. As the rest of the world moves in the same direction (note China's move towards environmental responsibility) this embedded knowledge becomes a skill set that can be sold into the international market.

A more sustainable urban form is likely to result in improved physical health outcomes through greater opportunity to walk and cycle and improved mental health outcomes through greater social interaction in the spaces and places created through quality urban design.
