



Media Release

29 July 2014

HIGHER ROAD CHARGES DESIGNED TO OUST OUTER SUBURBAN RESIDENTS

Outer suburban residents will thank us if we charge more to use the roads because they'll be motivated to move closer to well paid jobs, according to the Productivity Commission's (PC) report on its Inquiry into Public Infrastructure¹.

National Growth Areas Alliance (NGAA) Chair and Playford Mayor Glenn Docherty said "This report assumes that we are starting from a level playing field and chooses to overlook the need for a more comprehensive solution. Research makes it clear that increases in road user charges would disproportionately affect outer suburban residents who are unable to exercise choice of mode for their travel. (Dodson and Sipe:2008²; Fishman and Brennan:2009)³. For lower income households there would likely be a perverse and regressive compounding effect of high road and housing prices, especially in the absence of public transport improvements."

"NGAA agrees with the PC that the employment patterns of cities change over time. But that has not occurred without various interventions. Changes in infrastructure and spatial policy can alter the distribution of spatial clustering. We need not be wedded to only a monocentric approach." Mayor Docherty continues.

Elsewhere there is a recognition that what is happening in CBD's is not the only story. The Committee for Sydney, for example, (July 2014)⁴ says that "*Sydney's success will depend... on how truly polycentric it becomes ... The current approach is focusing high demand in too narrow an area of the city with a premium on locations closer to the Sydney CBD.*"

"Instead of assuming the past must dictate where we are heading, we should be looking to the jobs of the future and what is needed to support their emergence," said Mayor Docherty. According to Green⁵, the UK, which came second on the latest Global Innovation Ranking, has gone to great lengths to recognise weaknesses and rebalance its economy away from reliance on financial services to new areas of competitive advantage, particularly in advanced manufacturing. (Green:2014) Technology is also changing where and how we work. Future workplaces will be more diverse, more virtual and be in multiple places (Deloitte and AMP Capital:2013)⁶. "*Communities which offer work-life balance, sustainable environmental and community values, quality of life and lifestyle choices, affordable housing and education will then no longer be brain 'drains' but 'hubs' for knowledge workers.*"⁷

"It is extremely disappointing that there is such a failure of imagination by the PC and such an inadequate model proposed given the scale of change that will face us in coming years, including climate change and technological advances.

"A focus on the infrastructure that could help to drive the jobs of the future and which recognises the opportunities in the outer suburbs would be a much more productive exercise, as evidenced by

¹ "Forced relocation will tend to result in lower productivity and employee earnings. In contrast, more direct road user charging would, if a significant enough element in people's lives, encourage greater residential density so that more people are located in close proximity to co-located businesses with high productivity and rates of pay."

² Dodson, J and Sipe, N, *Unsettling suburbia: The new landscape of oil and mortgage Vulnerability in Australian cities*, August 2008

³ Fishman, E and Brennan T, the Institute for Sensible Transport, *Oil Vulnerability in Melbourne*, Nov 2009.

⁴ The Committee for Sydney, *Sydney adding to the dividend, ending the divide*, Sydney Issues Paper No. 4, July 2014

⁵ Roy Green, *Australia Ranks on innovation but indolence could cost us*, The Conversation, 21 July 2014.

⁶ Deloitte and AMP Capital, *It's Almost All About Me, Workplace 2030 Built for Us*, July 2013 as cited in Digital Work Hubs, An activation framework for SE Queensland, a collaborative Regional Development Australia Project, Dec 2013

⁷ Digital Work Hubs, Op Cit



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NGAA's research (SGS:2009)⁸ which demonstrates that investment would result in additional jobs, increased taxes and a permanent boost to national GDP."

"I invite members of the Productivity Commission to visit one of our growth areas to see first hand the pressures as well as the opportunities available." Mayor Docherty concludes.

Ruth Spielman, NGAA Executive Officer is speaking about Jobs in Growth Areas at the SGS Masterclass, *Where's My Job*, in Melbourne today, Tuesday July 29.

ENDS

Ends - **Media Contact:** Geoff Setty 0407 673 545

- NGAA covers 25 growth municipalities on the outskirts of capital cities nationally
- Number of residents in NGAA member areas 3.5 million⁹
- Proportion of Australia's growth 2006-2011 27.5%
- Rate of growth compared to Australia Double¹⁰
- Forecast population in NGAA member areas by 2021 4.4 million¹¹

⁸ SGS Economics and Planning, *A Cost Benefit Analysis of Investment in Growth Areas, 2009*.

⁹ If all eligible outer metro growth areas are included, there are 4.4 million residents.

¹⁰ Hugo G & Harris K, University of Adelaide, *Population Dynamics in Outer Suburbs 2006-2011* (2013)

¹¹ If all eligible outer metro growth areas are included, the projected population by 2021 is 5.5m.