



# Media Release

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**15 August 2014**

## **NGAA DISPUTES TREASURER'S FUEL PRICE CLAIMS**

The National Growth Areas Alliance (NGAA), which represents 25 of the fastest growing areas in outer suburban Australia, refutes Mr Hockey's claim that 'poorest people either don't have cars or actually don't drive very far in most cases.'

NGAA Chair Mayor Glenn Docherty said "Typically residents in the outer suburbs are those with relatively high rates of car ownership, high expenditure on fuel, high mortgage costs and generally have median or lower than the national median income. There are less jobs and services available close to home and limited public transport options. This means that vulnerability to fuel price rises is higher than for other parts of our capital cities."

Dodson and Sipe's<sup>1</sup> VAMPIRE Index (model for assessing oil and mortgage vulnerability) clearly demonstrates high levels of vulnerability on the outskirts of capital cities. And Fishman and Brennan<sup>2</sup> found that there is a clear correlation between fuel use and location with fuel use increasing with distance from the Melbourne CBD. This pattern mirrors the patterns of income and public transport supply, both of which decrease with distance from the CBD.

Residents in outer suburbs already pay a high price for living there. Even higher fuel prices, to still sit for hours on congested roads, will add to their burden as they do not have the available choices that others enjoy to use their cars less."

"The cost of living will increase without improving its quality unless there is action to bring jobs closer to home and provide a range of transport options. If the fuel excise indexation is introduced, this will directly impact on all residents of outer suburban growth areas."

Ends.

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- NGAA covers 25 growth municipalities on the outskirts of capital cities nationally
- Number of residents in NGAA member areas 3.5million<sup>3</sup>
- Proportion of Australia's growth 2006-2011 27.5%
- Rate of growth compared to Australia Double<sup>4</sup>

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<sup>1</sup> Dodson J., Sipe N., 2008 *Unsettling Suburbia: The new landscape of oil and mortgage vulnerability in Australian cities*, Urban Research Program Research Paper No. 17.

<sup>2</sup> Elliot Fishman, Institute for Sensible Transport. Tim Brennan, Monash University and Intern, Institute for Sensible Transport, *Oil Vulnerability in Melbourne*, November 2009

<sup>3</sup> If all eligible outer metro growth areas are included, the projected population by 2021 is 5.5m.

<sup>4</sup> Hugo G & Harris K, University of Adelaide, *Population Dynamics in Outer Suburbs 2006-2011* (2013)



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- Forecast population in NGAA member areas by 2021 4.4 million <sup>5</sup>

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<sup>5</sup>If all eligible outer metro growth areas are included, the projected population by 2021 is 5.5m.