



Policy for a climate crisis

National Growth Areas Alliance

Aaron Hill
May 2023

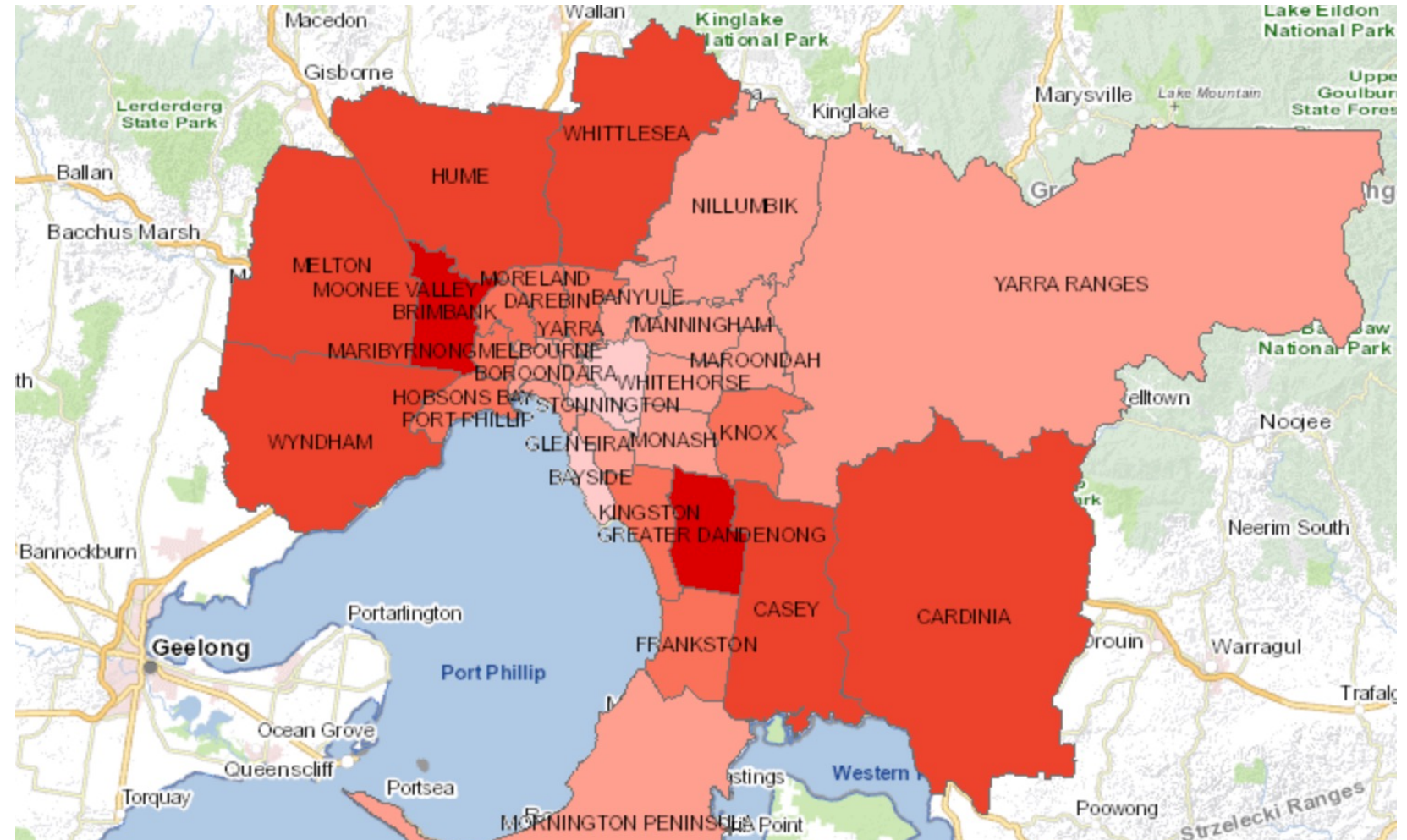
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Growth Areas are particularly affected by the direct effects of climate change

Heat Vulnerability Index

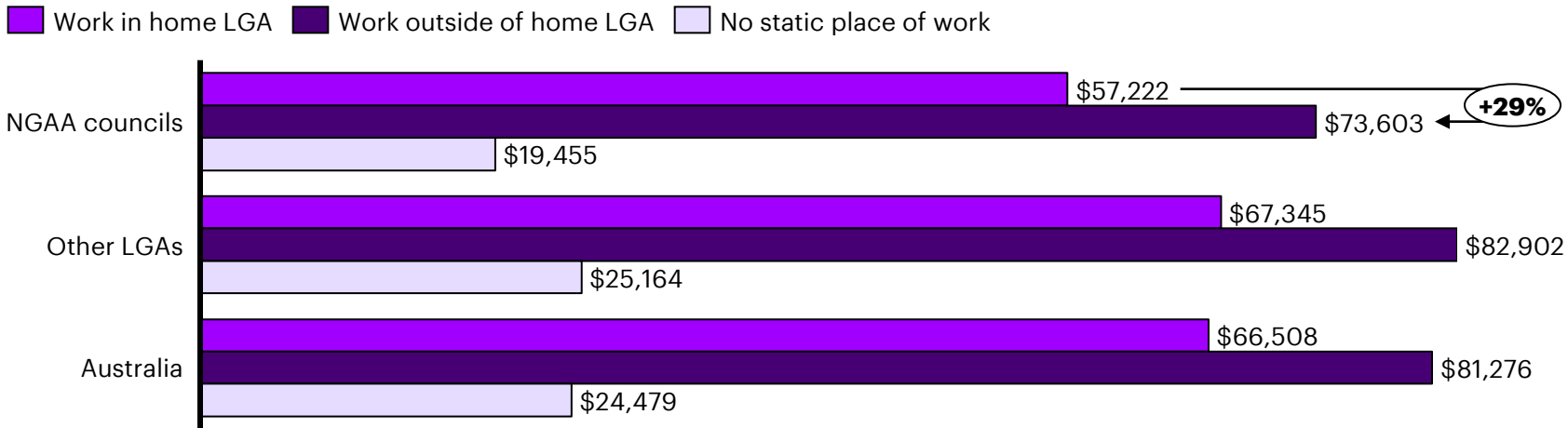


Source: Victorian Government, Department of Transport & Planning

Growth Areas are affected indirectly by climate change because they are more reliant on transport for access to high wage jobs

Commuting outside your home LGA is correlated with higher wages

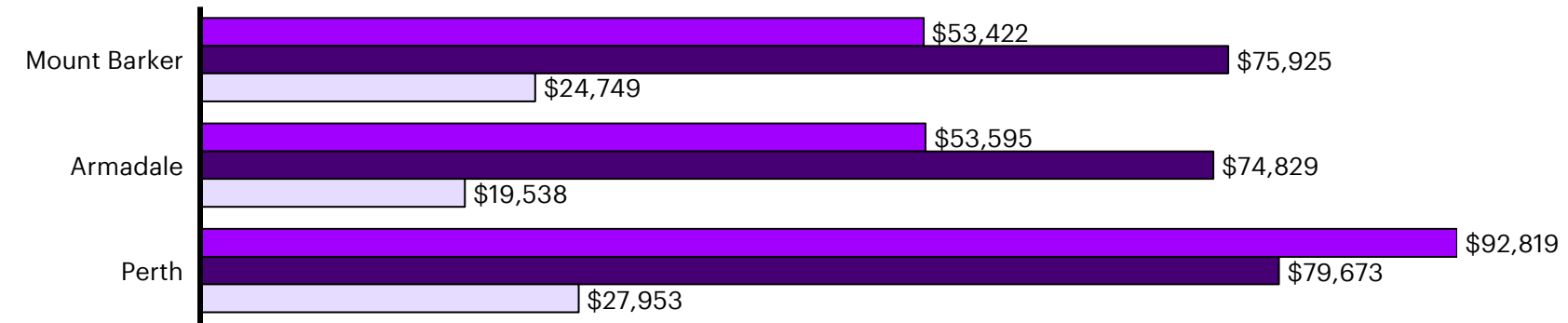
Average wage split by residence location and if an individual works in the same LGA they usually reside in



Across the NGAA councils the jobs available within these areas have an average wage of \$57k. Those who commute out of the area see their wages jump 29% to \$74k.

This trend is consistent across the individual council areas in NGAA but inverts for some inner city areas

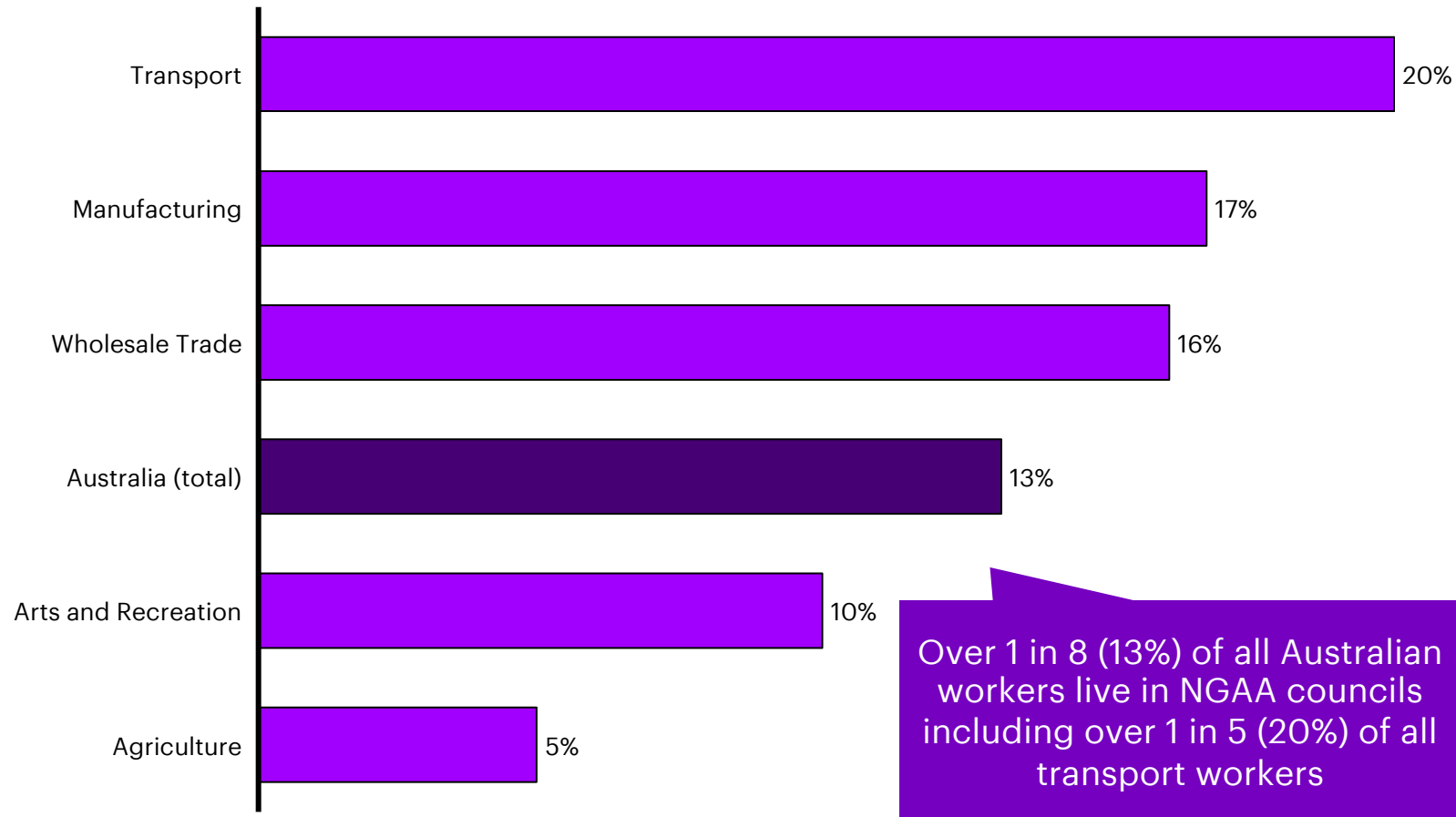
Average wage split by residence location and if an individual works in the same LGA they usually reside in



Mount Barker and Liverpool represent the extremity of this trend among NGAA council areas. In inner city councils the trend flips and higher wages are found amount people who do not need to commute

However, Growth Areas are well positioned to take advantage of the opportunities of transition

Share of the workforce who live in a NGAA council area, by employment sector



Climate change must be addressed in the context of a range of other challenges which face Australian cities

Housing Supply Crunch

106,300

dwelling gap between supply & demand over the 5 years to 2027, of which

62,300

would be apartments and medium density dwellings.

Cost of Living & Budget Constraints

7.0pc

increase in consumer price index in the last year

24 → 33pc

of all government debt to GDP across Australia over since June 2019

Skills & Labour Force Shortages

3.5pc

unemployment rate in March 2023

400,000

net overseas migrants to Australia in 2022-23



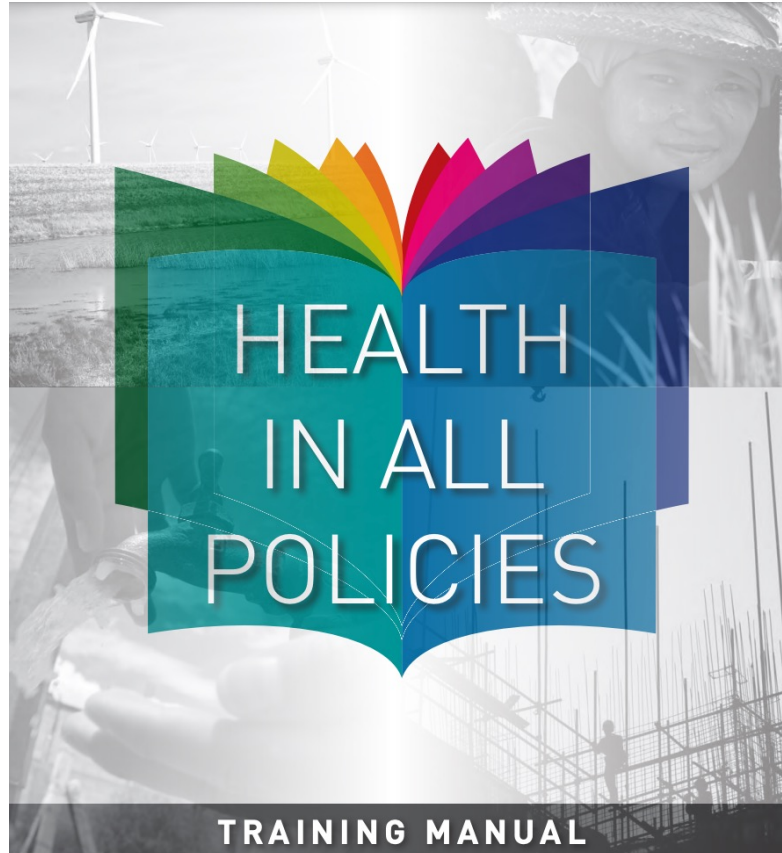
**What kind of cities
should we build? We
have a strong sense.**



Two pieces of advice for others.

- Growth in Australian cities can't just be up to Growth Areas and CBDs – **your neighbours in middle ring suburbs also need to build.**
 - We need to find a model to build medium density housing in Australia which can win public consensus if we are to build enough housing for a growing population or decarbonise our economy.
- Part of answering this question is that there needs to be a **more immediate relationship** between government infrastructure funding and housing growth – there needs to be a **growth dividend** for local communities to build consensus.

For cities, a 'climate in all policies approach'?



- Climate issues are so pervasive that they increasingly affect almost every area of public policy
- Inspired by the WHO's 'Health in All Policies' approach
- Not about every player becoming an expert on climate – but it's about getting the right information about the effects of climate change into the hands of staff and the community so they can make better decisions.
- Also not about climate overwhelming other priorities – about weighing climate and resilience questions appropriately.

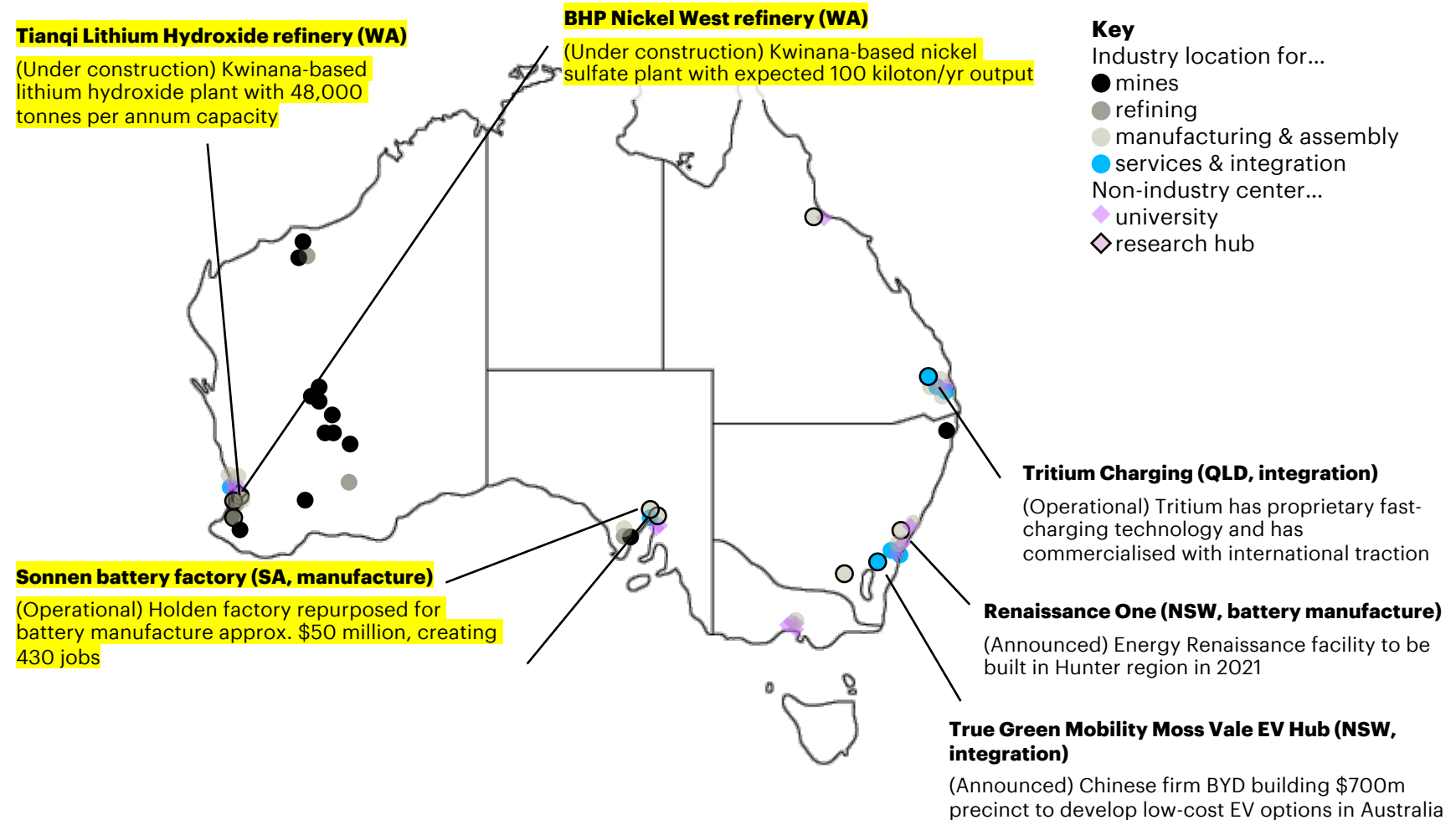
Deciding better, more quickly, and together with other governments and business

- **Align your policy decision making tools** with your state and Commonwealth government
 - It makes it easier, and faster, to work together.
 - And it helps your Council make better decisions.
- In particular – **use CBA approaches** which view the Council as the guardian of the public interest, rather than narrowly considering financial matters alone.
 - This is especially important around decarbonisation because it helps us weigh whole community costs and benefits for decisions.
 - **Don't feel the need to hire consultants to do this** – the public guides to do this are good for small to medium sized decisions.
- **Weigh the costs of regulation and delay** carefully.
 - Regulation often helps us build better communities but it can come at a cost, both explicit and hidden.
 - We need to be careful about designing regulation well – often for Councils in particular, a significant factor is **certainty**.
- – **Delay** is a significant hidden cost that we often miss.

Theory into practice: shaping economic development around the opportunity presented by decarbonisation

- How do we make active choices about the economic development that we pursue that surfs the wave of decarbonisation, while taking advantage of our strengths?
- GA councils are already forging ahead in the battery value chain - an industry which we think can forge over 30,000 by 2030 if we choose a diversified path.

Battery value chain locations in Australia



Theory into practice: rethinking the climate angle in investment in redeveloping public & affordable housing



- Opportunity to take advantage of new government capital investment from the federal government to build new, and to rebuild existing, public and affordable housing stock.
- Climate questions are **integral** – enhancing existing stock and leveraging up the use of existing infrastructure.
- Needs LGAs to think proactively about forging the relationships between state governments and private developers – and be an active partner in striking deals, as well as sometimes being a bit brave.



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