

National Growth Areas Alliance

Sydney 2018

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With thanks to those who we work with in Australia....



Greater Sydney Commission



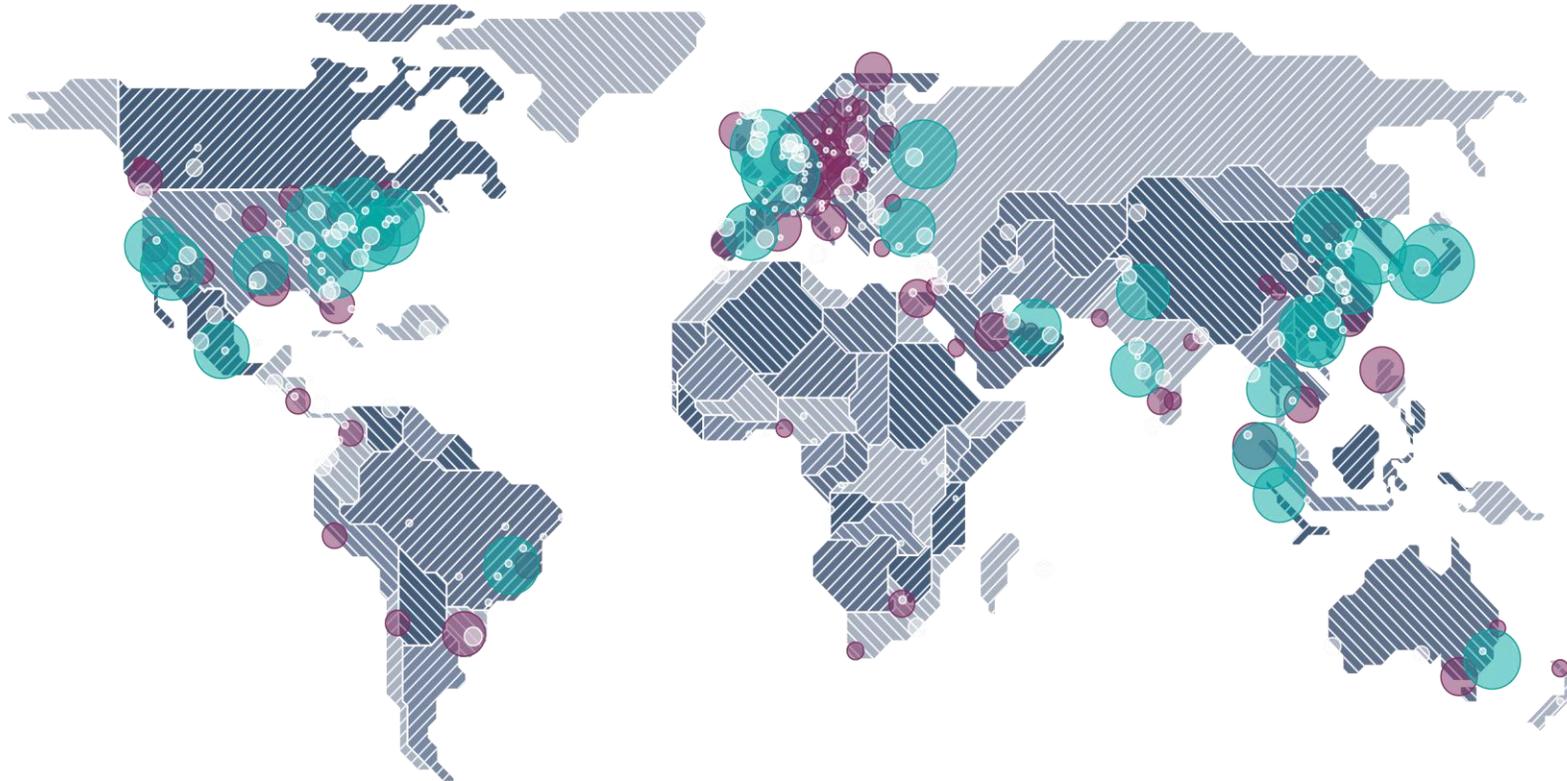
Queensland Government



brisbane
australia's new world city



The Metropolitan Century..... Drivers of urban growth.



- i. 1980 to 2080: A Great Human Trek.
- ii. Urbanisation from 45% to 85%
- iii. A new global urban system in train.
- iv. Synchronised with wider changes in Climate, Economy, Demographics, Technology, Geopolitics.

- i. 600 metropolitan areas, nearly all growing and competing
- ii. 150+ high income Asia-Pacific metros by 2050. Race for quality.
- iii. Challenge is to make urbanisation work.
- iv. Some countries adjusting better than others.

10 Megatrends define the Metropolitan Century

Urbanisation and metropolitan growth	Re-urbanisation of jobs and capital
Aging population	Economic transition and the rise of the innovation economy
Exponential technology change	The rise of Asia
Globalisation of trade, supply and value chains	Resource scarcity and energy convergence
Intensifying climate change	Rising infrastructure and governance gaps

For cities this means:

1. Opportunities from soaring demand for urban goods, services, places, and experiences.
2. Rising needs and expectations of multiple demographic groups
3. Large scale re-urbanisation of business and jobs, and urbanisation of capital
4. High returns for urban innovation.
5. Higher risk of 'side-effects' and 'lock-in', and popular opposition to urban change.
6. Greater scale of real and reputational risks.
7. More policy and tactical interventions needed to 'get cities right'.
8. National and State policies to shape and manage urbanisation become critical.

Metropolitan Dividends and Good Growth



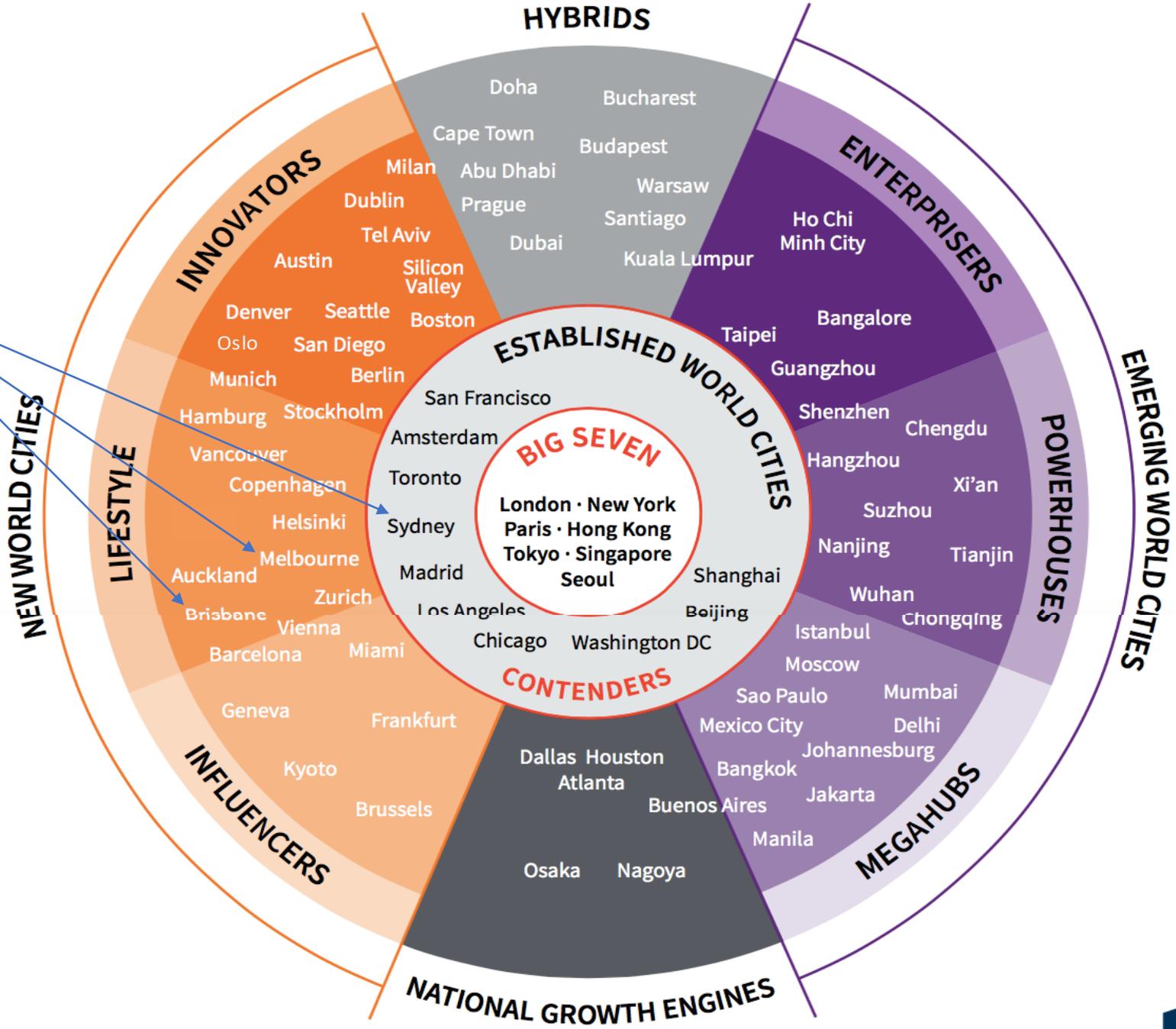
But only if metros well organised.

Growth management or growth mis-management.

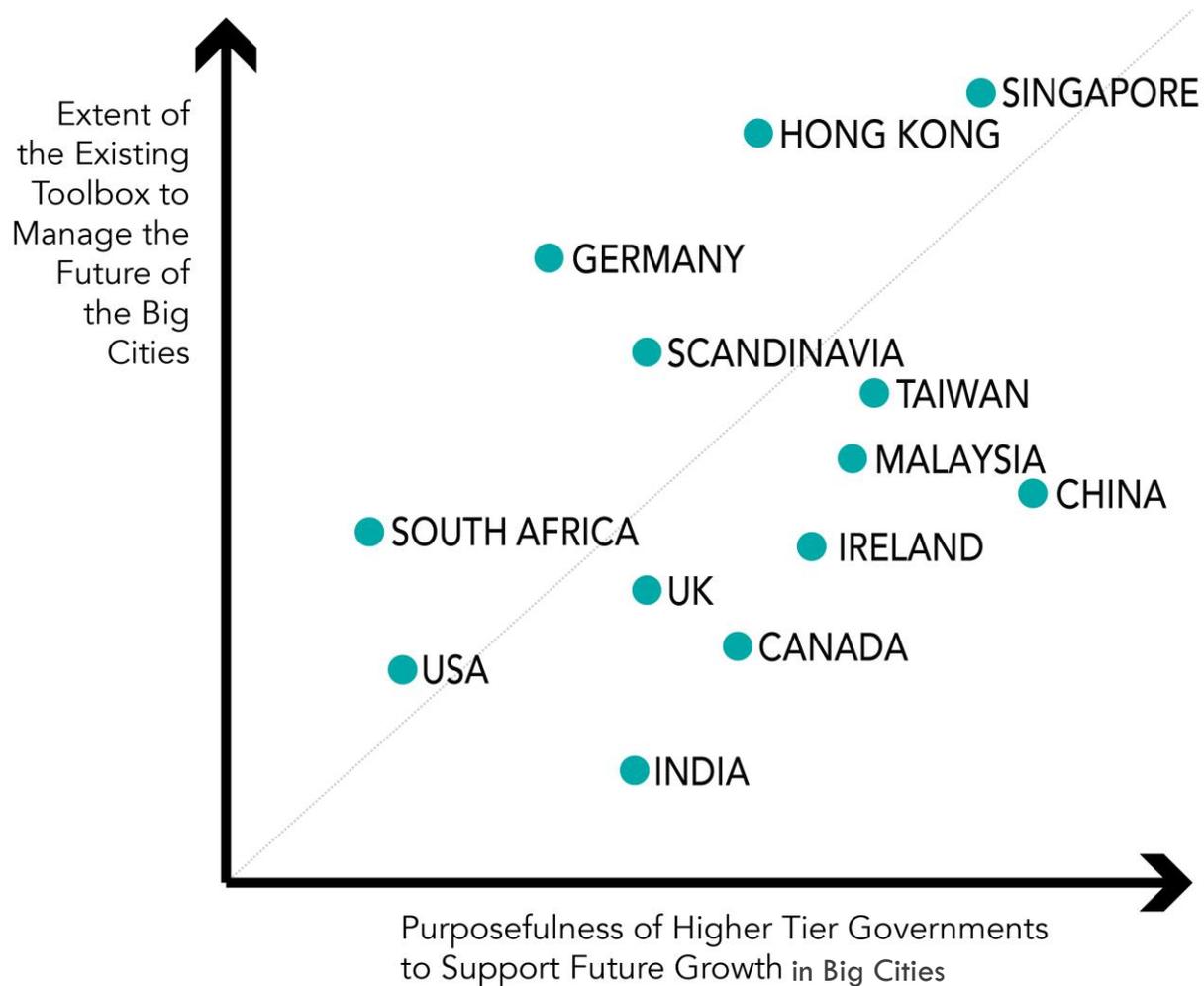
Good Growth or Bad Growth

Australian
Cities

And their
Growth
Models

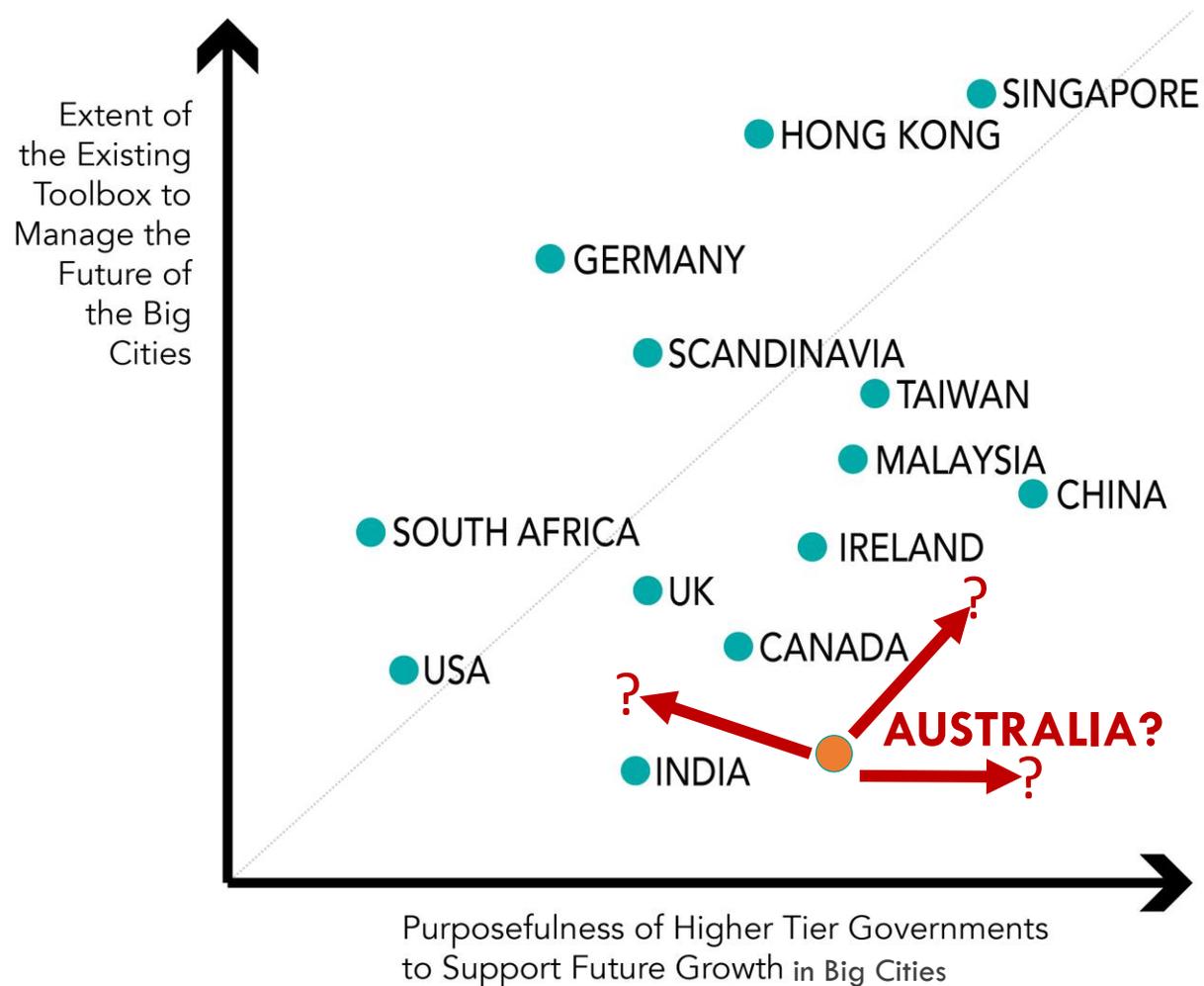


Supporting Growth: How are other Nations Responding?



1. More purposeful national policies
2. Co-investing to create Innovation Superclusters
3. Integrated multi city-regions
4. Mechanisms for inter-governmental collaboration and more continuity of policy
5. Smart city and circular economy demonstration initiatives
6. Upgrade of financial and land use instruments
7. Negotiated and customised solutions.

Supporting Growth: How is Australia Responding?

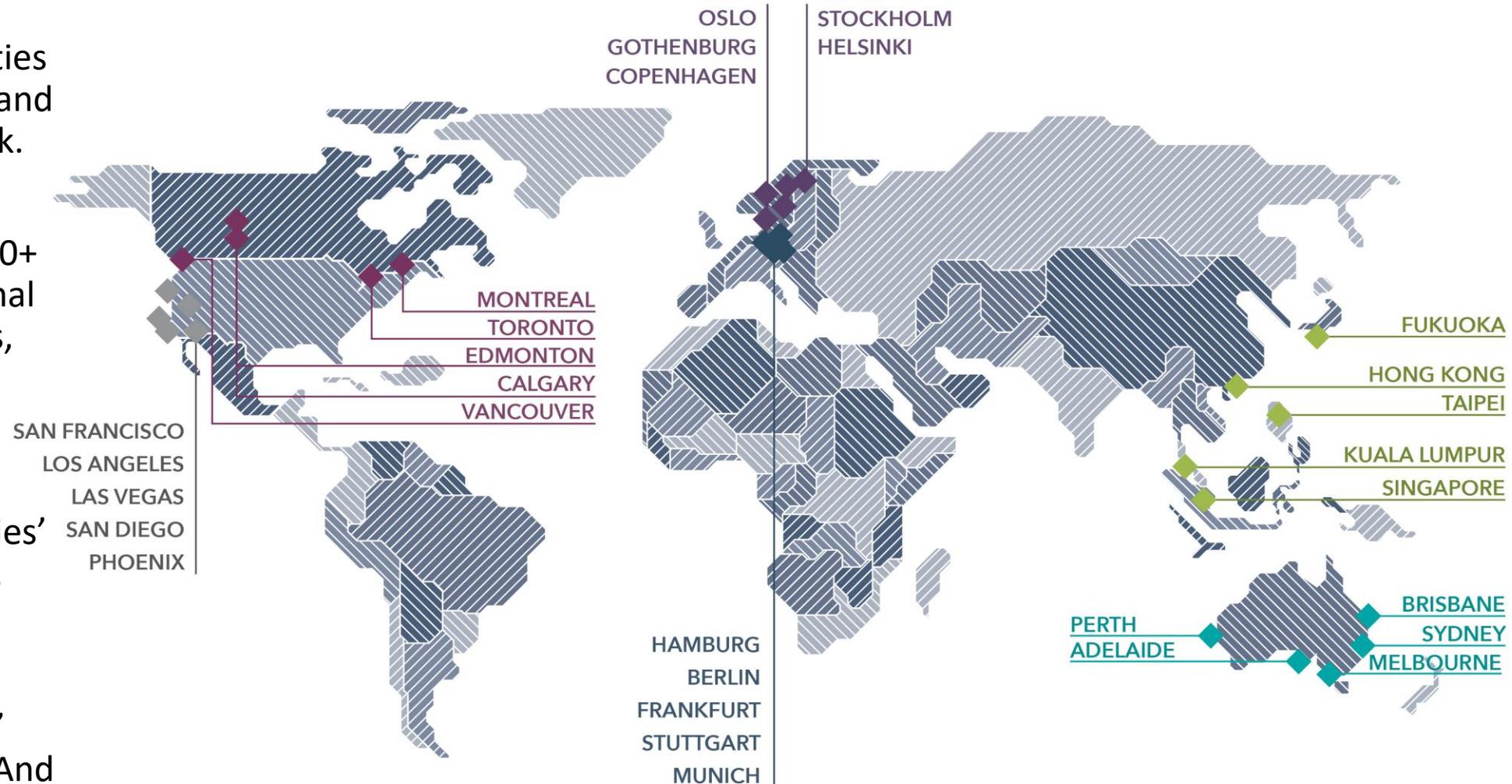


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Benchmarking Australian Cities Globally for Growth:

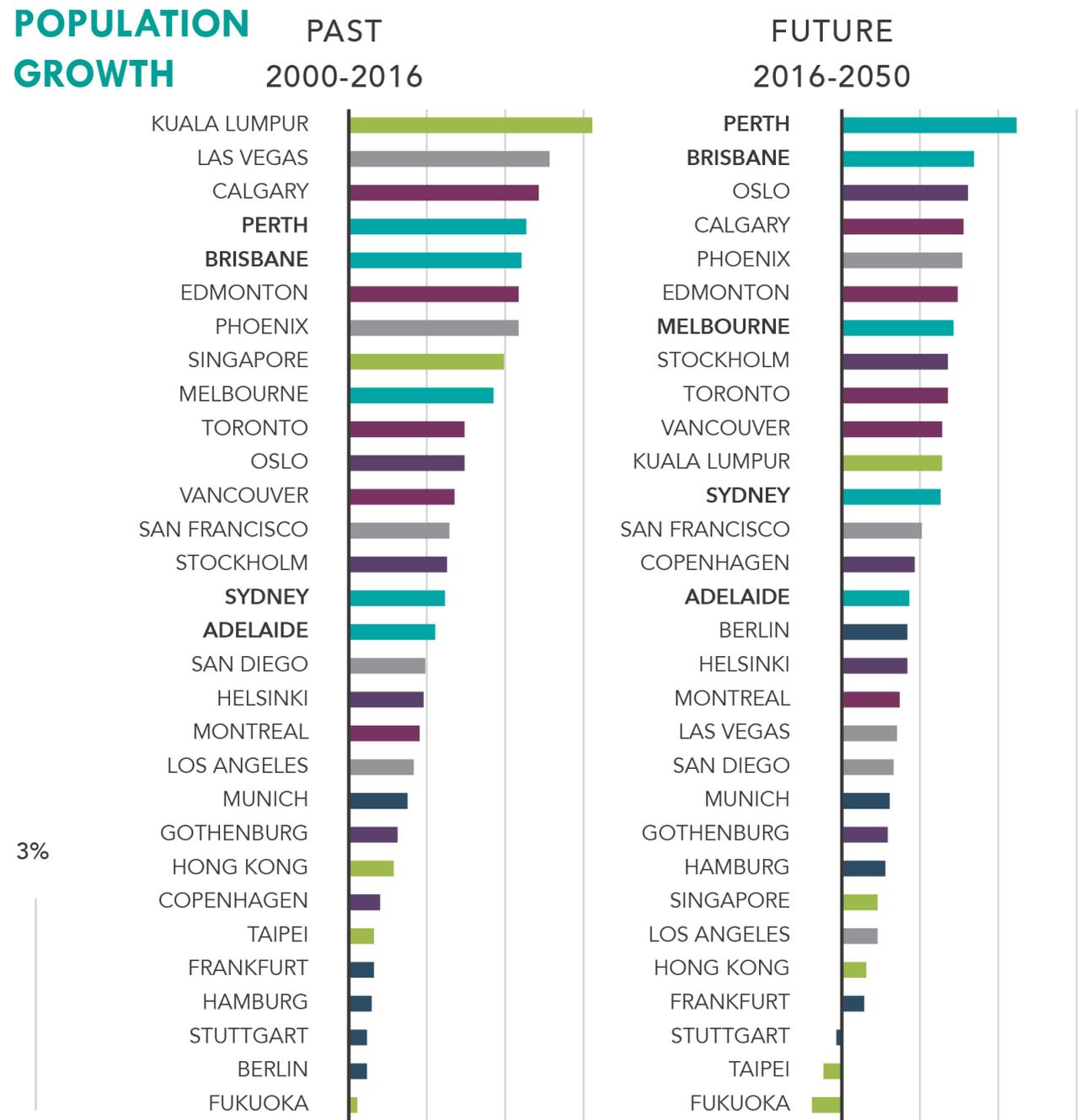
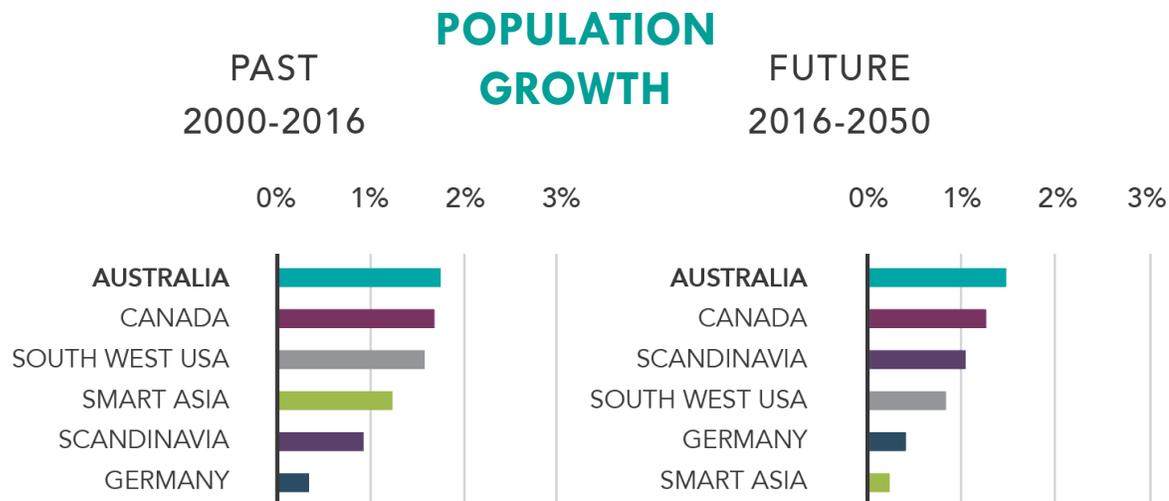
‘Team Australia’ v Canada, Germany, Scandinavia, Smart Asia, SW USA.

- Australian top 5 against 5 sets of high performing cities also experiencing growth and change: 30 city benchmark.
- Data compared is from 300+ global benchmarks, national and international datasets, and additional research analysis
- Comparing ‘systems of cities’ as well as individual cities. Team v Team.
- What are Australian cities’ competitive advantages? And weaknesses? And reputational risks?

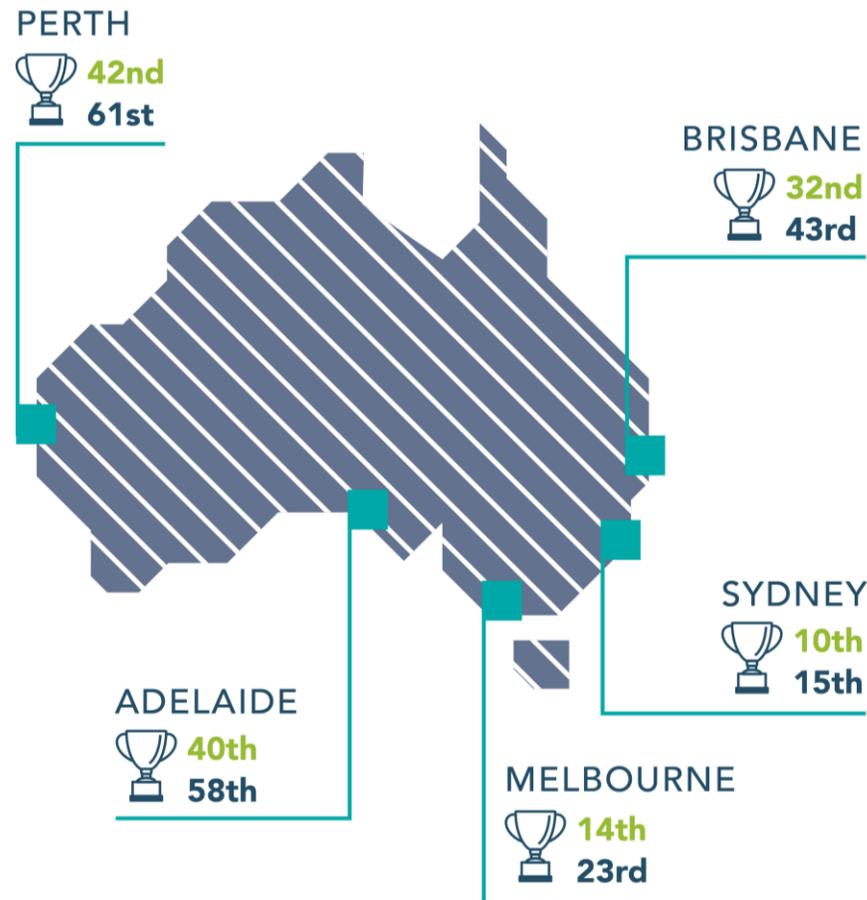
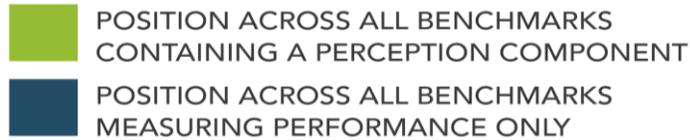


Population Growth

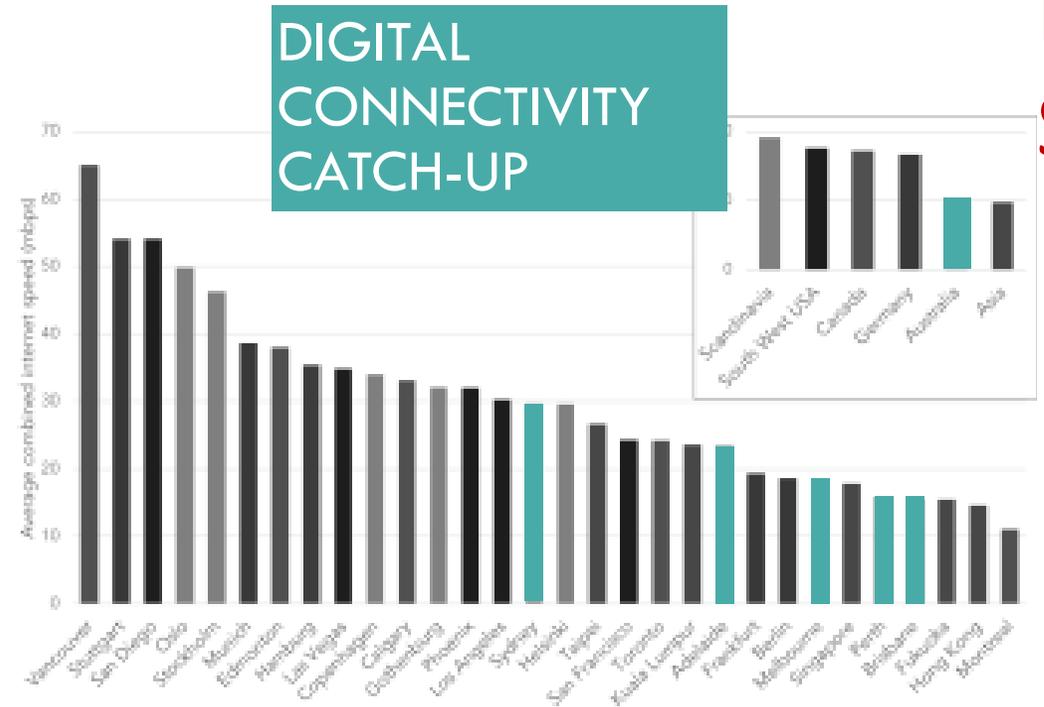
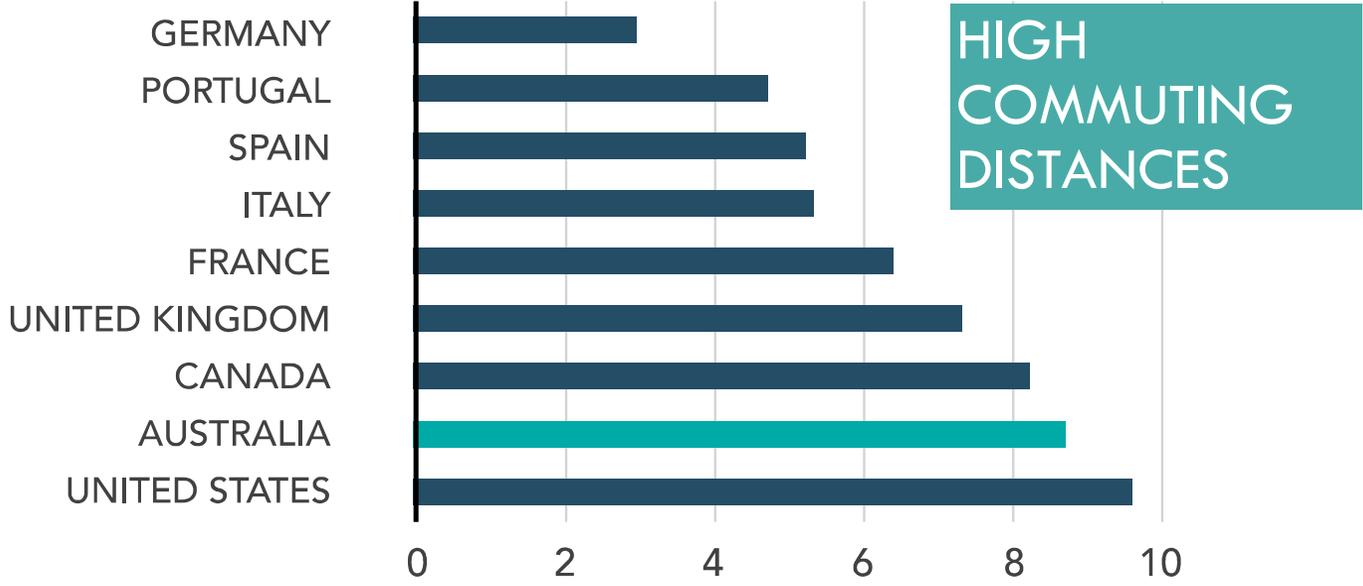
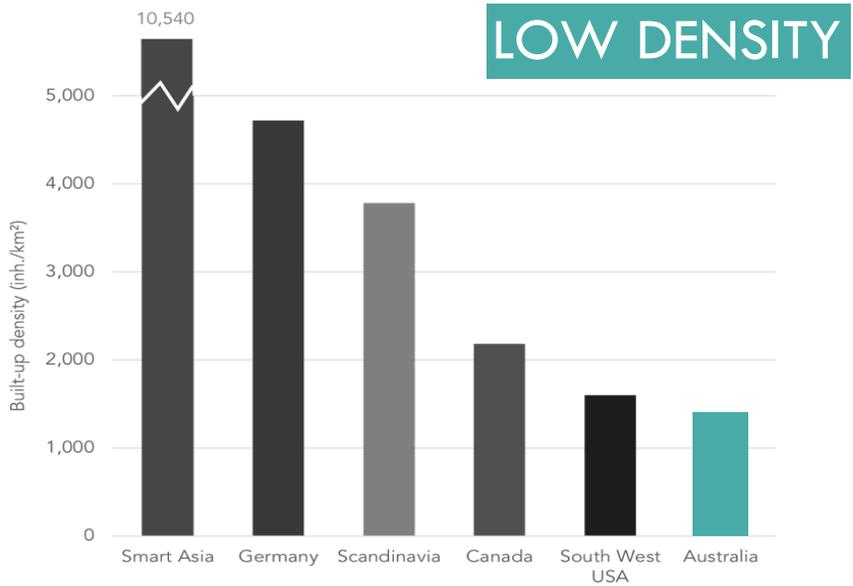
Cities around the world are in a historic growth cycle, but Australia's cities stand out



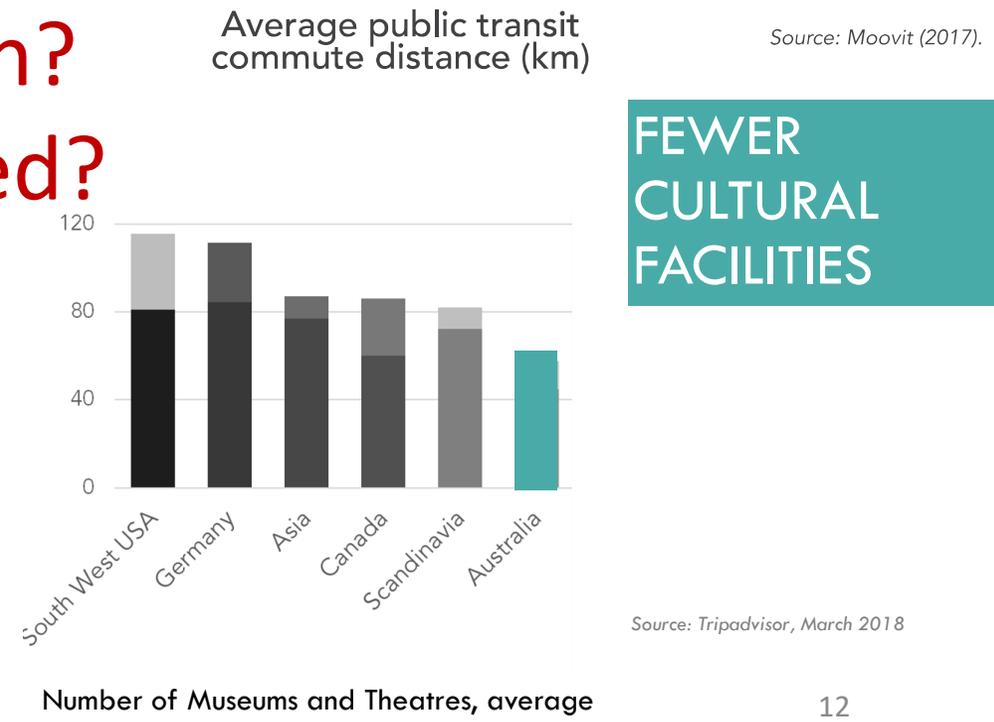
A brand that is better than the product? Good growth or bad growth?

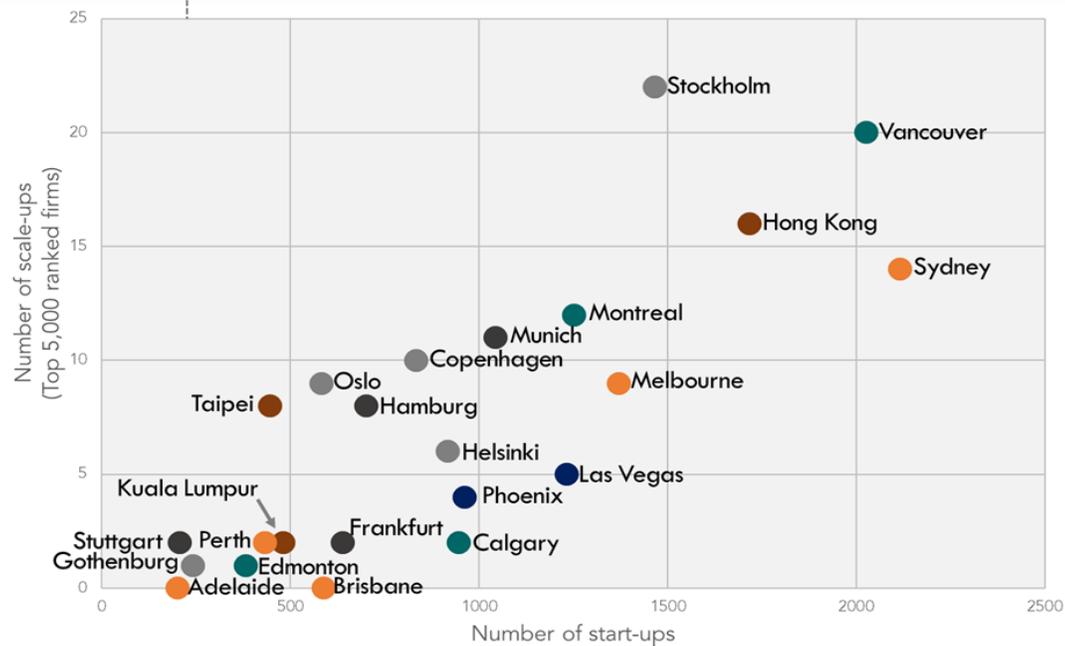
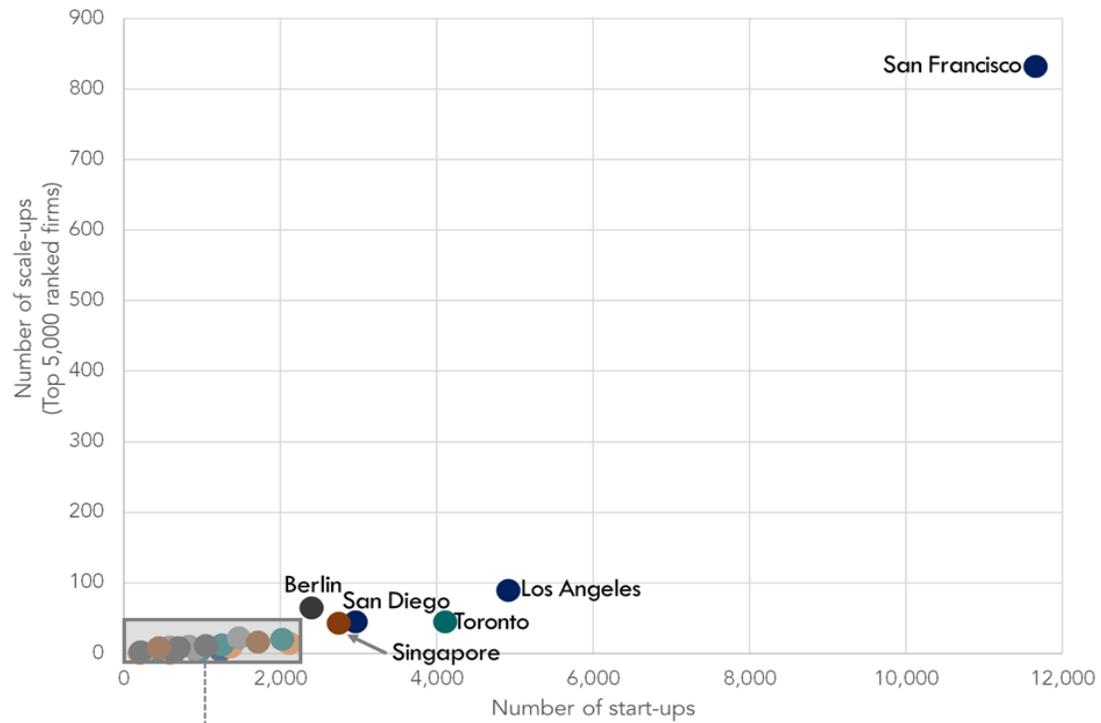


- Australia's cities perform noticeably better in benchmarks when a perception component is included.
- The strong perception of Australia's cities by global audiences is a big advantage: it drives demand.
- But, discrepancy between perception and on-the-ground performance is a risk if Australia's cities fail to live up to their brand promise. Can supply meet the demand? Qualitatively as well as quantitatively?



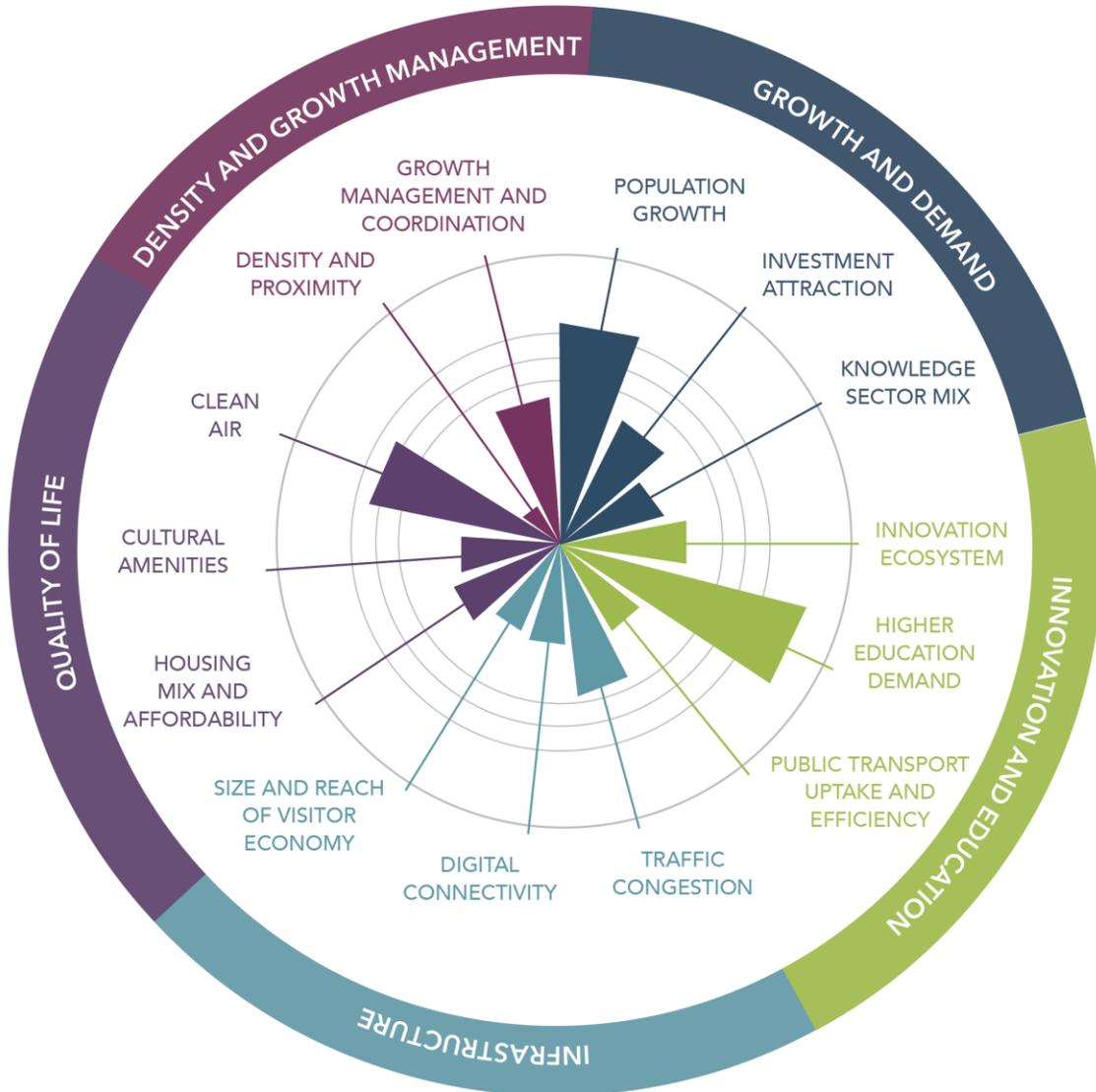
Bad Growth?
Shift needed?





A Smaller Innovation Economy

Summary Features of Australia's Growth Model



Australia's cities are competitive

- A long cycle of growth
- Strong investment attraction
- Great destination appeal
- Top locations for higher education
- High quality of natural environment

But relative to others they are

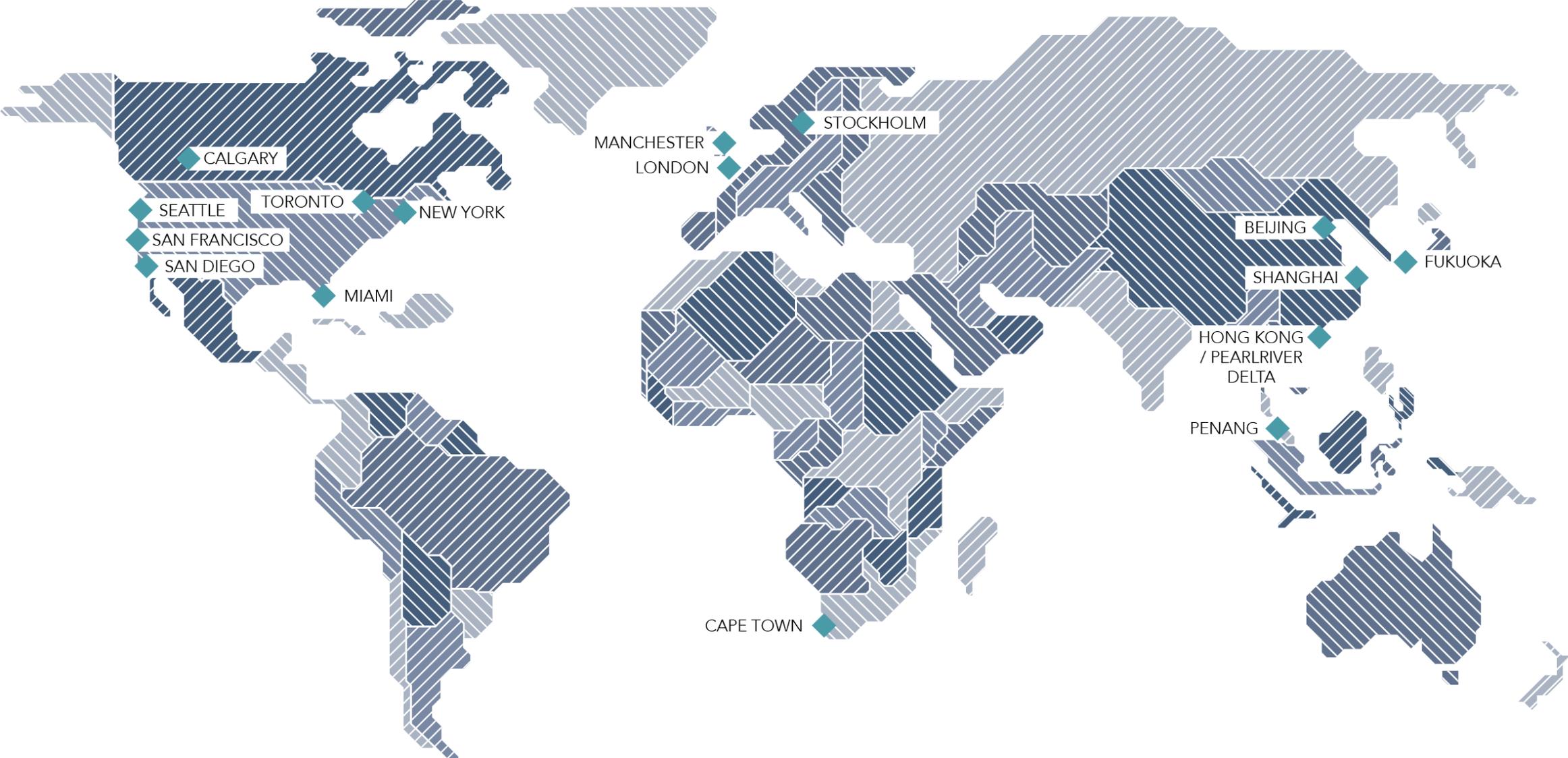
- Slow to pivot to the knowledge and innovation economies.
- Witnessing high and worsening, congestion and commute distances growing.
- Inheriting a low density model that does not suit urbanising economy.
- Becoming less affordable.
- Less digitally connected.

Limited institutional capacity for good growth management.

- Most of Australia's big cities suffer from major local governance fragmentation— limited municipal reforms
- City governments are often not able to lead their regions – relying on state governments
- Highly promising recent metropolitan reforms, but younger and smaller metro institutions by global measures



What can be learned from international experience?



What can be learned from international experience?

1. High population growth **cities adopt new growth management systems**, transport, housing and land uses

2. **Regions, states and provinces** are shifting towards strategic growth management

3. **National initiatives** are making a difference to growing metros

4. **Private and civic leadership** influences how cities, regions and individual locations are led and managed

Calgary – bold shift to compact growth, new legal and financial tools

Stockholm – regional consensus on housing, planned activation of sub-centres

Fukuoka – City and Region jointly adapt to needs of innovation economy.

Toronto – Province strong regional growth plan, TOD, a metro transport authority and multi-government co-investment

Penang - multi-cycle transport-led strategy, innovative use of public land

USA Metropolitan planning organisations – federal legislation and incentives for long-term 'whole of region' approaches, incrementally grown mandates

China mega regions - national government co- financing transport between neighbouring cities, incentives for technology and environmental co-operation

UK Combined Authorities – successful model without adding a government tier or abolishing/amalgamating local govt

New York Regional Planning Association – once-a-generation civic-led plan that builds credibility through its expert leadership and power of big ideas

BIDs for place-making and area management: e.g. London, Toronto, San Francisco, Cape Town and Penang – flexible tool to manage locations

Crossrail, London – more distributed funding model for big infrastructure items

Miami – business led programme of economic diversification

What can be learned from international experience?

Others nations are seeing that longer-term bi-partisan cooperation on city development is producing pragmatic reforms and innovations.

High trust equilibrium.

Australian cities have relatively few tools and a low level of financial and operational innovation.

Low trust equilibrium.

The burning platform for urgent change in Australia's growth model

1. Australia is now pursuing a low amenity and low liveability model
2. Australia's metropolitan areas are not yet well-run and are vulnerable to shocks
3. The housing affordability crisis is corrupting the Australian dream
4. Australian cities need to host economies that retain top talent
5. Dependency ratios are rising
6. The customers are becoming competitive
7. The myths about the next commodities cycle



The Australian Political Context produces Governance Deficits

Aus Political Context

1. High expectations of short term Government action and public policies
2. Highly partisan politics.
3. Unstable political coalitions
4. Historically limited roles of Federal Govt in major cities.
5. Disempowered local governments
6. Strong influence of rural votes
7. Zero-sum perceptions
8. High public debt and low public investment
9. Limited public-private collaboration
10. Limited confidence in large PPPs

Aus Governance Deficits

1. Weak co-governance arrangements
2. High local government fragmentation
3. Absence of strong growth incentives
4. Inefficient systems integration + management
5. Low capture of value
6. Over reliance on road building
7. Politicisation of infrastructure decision making
8. Loosely formulated national framework
9. Low innovation of place management
10. Low expectations of what business and civic leadership can contribute

What's needed for Great Australian cities?

Foundations

'Whole city' governance, leadership, vision and storytelling

Strategic planning that integrates all priorities and departments

A national framework that actively shapes urbanisation to achieve long-term national goals

Long-lasting agreements, deals, and partnerships between different levels of government

Civic leadership that is proactive and thinks ahead, a citizen engagement, and more experimentation

Mechanisms

A consistently high rate of Infrastructure investment and ongoing innovation to finance infrastructure

Use of public land, anchors, and assets to achieve strategic goals

Planning systems that are more adaptive and data led in order to optimise impact of infrastructure investment

A high quality of place-making, place management, and tactical urbanism

Masterplanning and pooled public budgets for whole neighbourhoods and areas

Our Recommendations

Build momentum to expand and deepen promising current developments

- 01** Build the evidence base and make a business case for cities and infrastructure
- 02** Make City Deals permanent
- 03** Provide metropolitan leadership, governance and planning tools
- 04** Create integrated transport authorities
- 05** Strike infrastructure and growth compacts
- 06** Establish precinct partnerships and management

Foster new innovations and tools

- 01** Bring together local government combinations
- 02** Undertake reforms in the housing market
- 03** Enhance infrastructure funding and finance
- 04** Drive the metropolitan and innovation economy
- 05** Foster compelling public leadership, wider civic engagement and a proactive business community
- 06** Connect Australia's powerhouses

Australia's Next Chapter: the search for good growth

People, investors, visitors and businesses want the opportunities, lifestyle and promise of having the Australian dream in the metropolitan city.

Getting in front of metropolitan growth challenges requires renewed leadership.

- Three key priorities offer the pathway to great Australian cities:
 1. **Integrative metropolitan institutions** that can integrate land-use, planning, transport, housing, amenities, infrastructure, and services.
 2. **Longer-term infrastructure investment systems** with capacity for continued growth over many decades
 3. **Leadership that is a team effort** between different tiers of government and political parties, working alongside civic-minded business leaders and engaged citizens.

Australian metropolitan regions that are...

- High Amenity
- Medium Density
- Multi Centred

Enabled by

- High Capacity Public Transport
- Optimised Area Potential
- Great Place-making

What does this mean for Growth Areas?

- i. Metropolitan Logic and Organisation: City Deals.
- ii. Sequencing of infrastructure, housing, amenities. Compacts and coordination.
- iii. Story telling and demonstration projects.

- i. Local Government Reforms.
- ii. Metropolitan Governance.
- iii. Modal shift.

