



## Submission to Infrastructure Australia Audit 2019

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## Introduction

There is much to commend in the 2019 Audit and we congratulate Infrastructure Australia on the holistic viewpoint taken. We agree that infrastructure impacts liveability, resilience and productivity in many ways, and we are particularly pleased with the expanded coverage to include social infrastructure, which along with transport, is a particular challenge for outer urban growth areas. We are confident the 2019 Audit will transform the way infrastructure is planned and coordinated in Australia.

As we rebalance the structure of our cities at a metropolitan scale to accommodate growth, innovative place-based and neighbourhood planning and design will bring together the critical infrastructure required to support productive, liveable and resilient places for people to live and work and for businesses to invest.

## Context: rapid outer urban growth is ongoing – catch up and keep up

### 10. Challenge

Unreliable and inconsistent population projections makes planning for future needs difficult. This uncertainty may undermine confidence in infrastructure investments, or delay vital network upgrades to meet future growth, reducing long-term productivity and liveability of our fast-growing cities.

NGAA welcomes the revised geographic definitions used in the 2019 Audit but is concerned that the particular situation and experience of outer urban growth areas may be subsumed in the broader ‘fast growing cities’ narrative.

Five million people live in just 31 municipalities in Australia’s outer urban growth areas. The population of outer urban areas has doubled in one generation, and infrastructure provision has not kept pace with that growth.

By 2036, approximately 7.9 million people are expected to live in NGAA member Councils, making up 25% of Australia’s population, up from 20% currently. The NGAA’s importance to Australia’s population will continue to grow, driven by an average growth rate of 3.3% p.a., to Australia’s 1.5% (ABS medium series).

There is significant catching up to do in terms of overall infrastructure investment in growth areas. Between 2011-16, outer urban growth areas accommodated 35% of Australia’s population growth with only 13% of overall infrastructure spending.

NGAA is keen to ensure that, in light of ongoing rapid outer urban growth, policy attention is not diverted nor diluted by the ‘fast growing cities’ definition, which in many instances presents more moderate data than the severe situation our Members experience.

Measure	Australia	Growth Areas (NGAA)	% of Australia in NGAA
Population 2018	24,981,326	4,950,082	19.8%
Growth (5 years to 2018)	+1,505,640 (+6.5%)	+675,040(+15.8%)	44.8%
Median age	38 (+1year)	34 (Unchanged)	
Language other than English	20.8% +2.7% in 5 years	24.7% + 3.9%in 5 years	22.8%
Dwellings	9,924,844 (+8.5%)	1,650,466 (+15.1%)	27.6% of dwelling growth
Unoccupied dwellings	10.5%	7.1%	
Average household size	2.55 (unchanged)	2.87 (+0.01)	NGAA households have 1/3 person more than Aust average.
Economy (2017/18)	\$1,720billion	\$207 billion	12.0%
Total jobs (2017/18)	12,580,227	1,703,589	13.5%
Employed Residents (2017/18)	12,580,227	2,425,353	19.2%

Source: National Economics, modelled series, 2017/18 update for economy.id

## **Infrastructure services for users: Infrastructure that works for users**

### *2. Opportunity*

Technologies can help to overcome barriers to service access as a result of distance or location. Better access to services through improved technology can bring economic and social opportunities for users outside of fast-growing city centres.

### *3. Opportunity*

User data and customer insights can enable innovation to better meet users' needs. Better understanding users' needs can help operators to improve user experience, attract more users and provide services more efficiently.

## **Passenger Transport: Changing urban travel patterns**

### *38. Challenge*

Urban travel patterns are becoming increasingly complex, driven by economic, social, demographic and technological changes. There is a risk of growing divergence between the way our networks are planned and designed, and the needs of customers. Failure to cater for changing patterns of travel could contribute to growing congestion in our fast-growing cities.

### *39. Challenge*

Rapidly changing land use and development can place pressure on urban transport networks. Densification in our largest cities places pressure on legacy networks, while greenfield development requires new infrastructure and services. Failure to coordinate land use and transport planning can contribute to congestion and crowding in some areas, or a lack of adequate services in others.

### *42. Challenge*

Australia has relatively low rates of active transport, driven by a range of issues including low densities and long distances, insufficient infrastructure and safety concerns. Without action, our transport networks and travel patterns will remain poorly integrated and sustainability improvements will be limited.

Transport is critical to growing healthy and productive cities where people are connected to jobs. The communities of Australia's outer urban growth areas need improved roads with reliable travel times, better public transport, commuter parking and pathways for active transport.

Practical, cost-effective actions by Government which look to new integrated models of transport provision – such as on-demand and sharing models – will overcome the policy challenges of low ridership and cost recovery due to slow mode shift by commuters who have historically relied on private vehicle transport.

Accelerated collaboration with private sector and academia will enhance Government's understanding of new transport modes as well as user behaviours and patterns. New transport models coupled with a polycentric approach to activity and jobs centres, will work together to transform the quality of life of the communities in outer urban growth areas.

It is critical that all new infrastructure projects funded by the federal government in the current investment pipeline are next generation infrastructure with embedded digital enablers so local and state government can optimize movements using sensors, devices and software.

We also see a need for Federal government leadership in catalysing investment in smart infrastructure which supports last mile solutions, smart parking infrastructure and smart street retrofits.

## Infrastructure services for users: Costs and affordability

### 7. Challenge

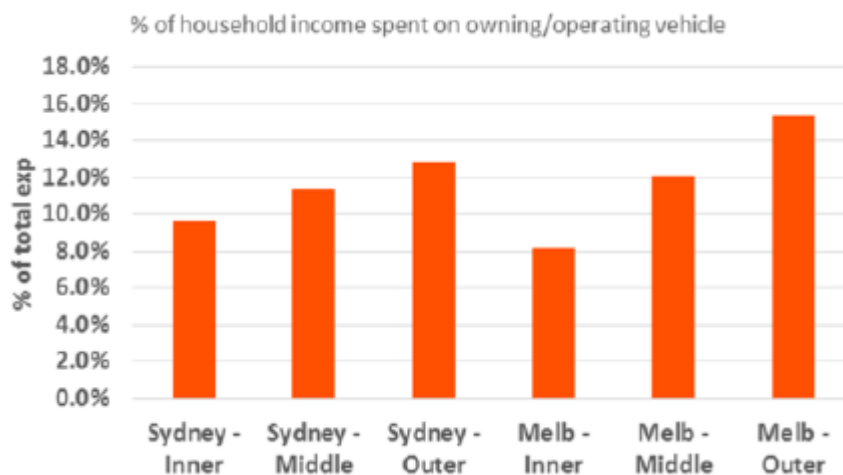
User-pays funding for infrastructure has widespread support within the community. However, its regressive nature disproportionately affects low-income earners. Transport, energy, water and telecommunications infrastructure user costs are above affordability thresholds for our lowest income earners thereby reducing access to services and quality of life.

Five million people live in just 31 LGAs in Australia's outer urban growth areas.

Of those five million, there is a workforce of 2 million and an unemployment rate of 7.7% which is above the national average of 6.9% (2016). Youth disengagement rates are worryingly higher than the national average (11.6% compared to 9.6%) and that trend continues across all age groups.

While outer urban growth areas may offer more affordable housing opportunities, they often have higher living costs. The reliance on cars, combined with poor access to employment and services means higher transport costs. Analysis from BTRE shows that residents in the outer areas of Melbourne and Sydney spend significantly more on owning and operating a vehicle in comparison to their inner and middle ring counterparts.

### Household income spent on owning or operating vehicles by part of metropolitan area



Source: BTRE

This is further demonstrated by the 2016 ABS Census that shows residents of outer urban growth areas on average own more cars and are more likely to use their car to access employment.

The job shortfall in Alliance member Councils also means that many residents need to travel long distances to work, further adding to economic and social costs. While 70% of workers in the NGAA region live within an NGAA area, only 46% of residents work within the NGAA area. Well over half of NGAA residents have to leave their local area to work.

By way of example, the table below compares several cost of living indicators for an outer urban suburb (Jordan Springs) compared to a middle ring suburb in Sydney (Berala). While median house price is around 26% more affordable in Jordan Springs compared to Berala, this doesn't show you the full 'affordability' picture. The longer average commute to work, means that the average cost of work trips is around 112% more expensive.

### Case study – House and Transport Costs

	<b>Growth suburb</b>	<b>Middle ring suburb</b>
	Jordan Springs	Berala
House price	\$749,950	\$1,010,000
Estimated mortgage repayment	\$826	\$1,112
3 or more motor vehicles	16.3%	14.5%
Public transport (to work)	16%	29%
Average distance travelled to work by car	165kms per week	78kms per week
Average cost of travelling to work by car	\$109 per week	\$51 per week

Average distance is based on a straight line origin to destination analysis, and therefore provides only an indicative estimate. Costs assumes 2 trips per day, 5 days per week at 66 centres per km (based on ATO method).

## Infrastructure services for users: Infrastructure for fast-growing cities

### 9. Challenge

Rapid growth in Sydney, Melbourne, Brisbane and Perth has brought many benefits, but has also put legacy infrastructure under increasing strain. Without action, infrastructure constraints will add to economic, social and environmental costs, eroding the productivity of these cities and reducing quality of life for residents.

### 11. Challenge

In fast-growing cities, many of our most vulnerable or disadvantaged groups, including Aboriginal and Torres Strait Islander people, suffer from poor access to services. This can reinforce disadvantage and limit opportunities for improvements in quality of life through vital links to employment opportunities, education, health, recreational and cultural facilities, and other services.

## Social Infrastructure: Green, blue and recreation

### 112. Challenge

Fragmented governance of green, blue and recreation infrastructure makes it hard to integrate into land-use planning. Without action, a lack of coordination for both planning and data could lead to a loss of critical green, blue and recreation infrastructure and inefficient use of existing spaces and facilities.

### 115. Challenge

Green canopy cover is increasingly hard to provide in cities as backyards decrease and densification occurs. Without action, access to green space will diminish in our cities, and liveability will increasingly be affected by the urban heat island effect.

## Social Infrastructure: Arts and culture

### 118. Opportunity

Well-integrated arts and cultural infrastructure can enhance the value of other types of infrastructure, such as public transport or green infrastructure. Leveraging investment across other sectors by embedding arts and culture into land use and infrastructure planning will provide greater benefits to communities to access arts and cultural infrastructure.

Infrastructure plays a critical role in a community's liveability, resilience and productivity.

The level of social infrastructure installed in a region is an important driver of economic growth. The service levels of cultural institutions in outer urban growth areas are unsurprisingly way below the metropolitan average. For example, there are only 2.5 tertiary education jobs per thousand people in outer urban growth areas compared to 8.6 at the metropolitan level. This is a similar story for hospitals, cultural assets and government jobs.

While there are well-documented links between health behaviours and health outcomes, there is also a growing body of work suggesting that the way we are designing and building our suburbs can have a significant impact on the health outcomes of our communities. We

know that where people live should not limit what opportunities they have. But in many cases, it does.

This highlights the need for projects and programs that can support healthier lifestyles and enhance the health and wellbeing of outer urban residents. There is a weight of literature that shows how participation in sports or physical activity has direct benefits in improving physical health and wellbeing, such as increased life expectancy, reduced heart disease and mental health. This is particularly important given the rise in obesity levels and the flow on health costs to government.

Not only do outer urban growth areas face high health risks and poor quality of life due to low health indicators caused by lack of access to active transport to work, green, blue and social infrastructure, these issues generate large direct and indirect economic costs.

The flow-on effects of the lack of access of open playing fields, for example, includes reduced participation in sport leading to reduced physical activity overall and resultant health impacts, reduced social capital due to lack of social connectedness, disproportionate effects on lower socio-economic communities and a detrimental impact on the environment due to the significant increase of travel by private vehicle to participate in sport (Curtin University and GAPP Group, 2019).

## **Infrastructure services for users: Infrastructure for smaller cities and regional centres**

### *12. Opportunity*

Smaller capitals and satellite cities have capacity to grow, and in turn take pressure off infrastructure in our fast-growing cities. Satellite cities can support growth by leveraging the infrastructure of their fast-growing neighbours and smaller capitals, through leveraging infrastructure designed to support their surrounding region.

Outer urban growth areas are often the connector between metropolitan and regional areas, with many of our peri-urban members experiencing a rapid transition from agriculture-based 'country town' economies to suburbs accommodating capital city workforce.

As a part of the Government's broader population strategy, outer urban growth areas can be recognised and resourced for the increasing role they are playing as 'service nodes' for growing regional areas and smaller cities and towns.

NGAA feels there is a need for Federal and state government to kick start the distribution of employment from CBD's of the capital cities to growth areas through a targeted co-investment model for suburban jobs.

Similarly, major infrastructure projects must acknowledge the two-way traffic flows – in transport, employment and service delivery, in particular health services. For example, Melton in Melbourne's outer west is a labour provider for the regional city of Ballarat; the Lyall McEwin Hospital in Playford in Adelaide's north services a large regional population.

## Freight Transport: The urban freight challenge

### *77. Challenge*

Freight transport in our fast-growing cities is impacted by congestion leading to increased costs. If this is not addressed, delays in our urban supply chains will become more common and costs will increase as our cities grow.

The fast growing cities, towns and suburbs of Australia's capital cities play a pivotal role in the nation's economy by providing affordable housing to a large resident base and also employment land for export industries such as manufacturing, freight and logistics. They account for more than 12% of GDP, despite making up only 6% of Australia's LGAs.

There is an increasing urban freight task within outer urban growth areas, particularly as major transport projects, intermodal freight terminals and employment precincts have not been delivered at a sufficient pace.

The outer suburbs provide freight corridors, together with first- and last-mile transport and handling operations, warehousing and storage - all of which impact the structure and function of our cities.

The potential impacts of freight movements on local and regional road networks need to be planned for and managed to ensure that local liveability and the performance of transport networks are not unduly compromised.

## Social Infrastructure: Education

### *100. Challenge*

Early childhood education services are delivered by a mix of public, private and not-for profit providers, creating fragmented infrastructure delivery and quality. Without action, continued variation in the quality of facilities may create poor educational outcomes for some children, and exacerbate challenges for parents in accessing and paying for services.

### *106. Challenge*

Demand for tertiary education infrastructure is increasing, particularly for universities in fast-growing cities, and for vocational training in smaller cities, and rural communities and remote areas. Without action, universities and vocational education facilities will experience overcrowding, impacting on the quality of student outcomes.

### *109. Challenge*

Tertiary education infrastructure is often poorly-integrated with other types of infrastructure, including transport and affordable accommodation. Without action, access to tertiary education infrastructure could be reduced for a growing number of students and employees, impacting more broadly on transport congestion and overcrowding, and potentially increasing costs for students.

The birth rate in outer urban areas is significantly higher than the national average, with the birth rate of 2.06 babies per female close to replacement level, without the addition of migration. Combined with 0 to 4 age group in outer urban areas being significantly higher than the national average, early years education is critically important.

In the City of Wyndham, 100 babies are born every week – that is the equivalent of four primary school classes. Of major concern is the lack of ongoing funding for early years education and the lack of specific funding mechanisms for facilities to match demand.

The outer urban growth areas resident population is generally less educated than the Australian average although significant gains have been made in recent years, particularly in Year 12 attainment rates (49.7% of people aged over 15 stating they had completed year 12 in 2016, compared to 51.9% for Australia).

There has also been a large increase in the share of the resident population with a bachelor degree or higher. Overall, 16.1% of the population aged 15 and over held a bachelor degree in 2016, up from 13.0% in 2011. While the share of residents with bachelor degrees or

higher improved, Australia's proportion has grown at a faster rate. This means that the skills gap is widening. To reach the national qualifications level, an extra 207,606 FGOS residents would have to have finished a degree. This partly explains why the level of high skilled jobs is much lower than the metropolitan average.

The skills gap between the fast growing outer suburbs and the national average is also a major economic development barrier, particularly in the new economy that favours qualified workers. Our economy is becoming more and more dependent on ideas and problem solving, with the largest increase in jobs across Australia being those that require higher-level qualifications. Unfortunately, skills have been increasing in inner and middle ring suburbs more rapidly than in the fast growing outer suburbs.

An important factor in the future economic growth of outer urban areas will be new TAFE and University campuses to serve new populations. This is hampered by current Federal policy on higher education funding, which favours established universities in the distribution of Commonwealth supported places.