



NATIONAL
Growth Areas
ALLIANCE

2018-19

FEDERAL BUDGET SUBMISSION

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EXECUTIVE SUMMARY

Nearly five million people live in the fast growing outer suburbs on the outskirts of capital cities nationally and these suburbs are growing at around double the national rate. This growth is in large part driven through Federal immigration policies. These areas also help keep the dream of home ownership alive, with housing that is more affordable than other parts of our cities. However the living is not so affordable, with investment in infrastructure, jobs and services lagging, creating economic and social hardship. Supporting this growth and ensuring residents and businesses have the opportunities enjoyed by those elsewhere, is clearly a **national issue**.

This submission underlines the **importance of cities** in economic productivity and provides substantive evidence to support the case for **dedicated infrastructure investment** in the fast growing outer suburbs. This will enable positive transformation through business growth and job creation, increased employment self-containment, reduced road congestion and commuting times and improved liveability.

The fast growing outer suburbs play a **pivotal role** in cities, supporting Capital City CBDs through access to labour, land and housing diversity, as well as supporting regions on their periphery, through jobs and services.

However, the current level of reliance on Capital City CBDs to provide jobs and services for residents in the fast growing outer suburbs is no longer sustainable as congestion and commute times demonstrate. We should be planning for and investing in **multiple centres** and the anchor institutions that can be the catalysts for their success.

Infrastructure in a region is a core fundamental factor that determines the level of economic activity¹. But the benefits of infrastructure are unevenly distributed perpetuating inequality across our cities. There is a demonstrated **infrastructure deficit** in the fast growing outer suburbs with infrastructure investment falling well below population and jobs growth rates². These infrastructure deficiencies are increasingly limiting the fast growing outer suburbs' ability to sustain continued growth at their current high rate.

A lack of investment can be seen as the dividend of prosperity being concentrated in the established areas of cities at the expense of new neighbourhoods and communities and will create community resistance to the government's call for additional housing supply. It is also clear from experience in Australia and elsewhere that **voters are not prepared to put up with the reduced quality of life that accompanies poorly resourced growth**.

These **areas are in transition** and there are positive signs and many opportunities on which to build. However, there continues to be a **jobs deficit** in the fast growing outer suburbs, despite jobs growing at a faster rate than the national average, due to population growth outpacing jobs growth. We want to be the areas that **enable industries to develop and grow**, taking advantage of the positive trends and the available opportunities as well as addressing the challenges.

The compelling dividend from investing in infrastructure to support the fast growing outer suburbs suggests the need for a **programmatic approach**. There has been some useful investment but the experience of having to rely on election cycles and a piecemeal approach for basic infrastructure has led NGAA to the conclusion that a more systemic, long term approach is required. That is why we are seeking a priority focus for these areas, along with dedicated investment.

We propose:

¹ Stanley, J and Brain, P, for ACOLA, *Sustainable Urban Mobility: Economic Perspectives*, February 2015

² i.d., *State of Australia's Fast Growing Outer Suburbs*, 2017



- **Increased Government investment in infrastructure** in line with Australia's population growth, particularly in hotspots such as the fast growing outer suburbs.
- **A dedicated investment stream for foundational infrastructure** for the fast growing outer suburbs such as rail, strategic roads and high speed broadband. (A minimum of 50% of the Government's *Investment Road and Rail Program*³).
- **A Growing Outer Suburbs Co-Investment Fund** for the fast growing outer suburbs to support the transformational and catalytic projects that will be enablers of industry and economic growth such as town centre developments, health and education precincts, recreational and cultural facilities (\$500m over 4 years).
- **Reinstatement of a National Community Infrastructure Fund** where entire municipalities in the fast growing outer suburbs are eligible.
- **A National Growing Outer Suburbs Taskforce** to coordinate policy, programs and investment across Government, similar to what has been established for regional Australia.

We know that **investment in infrastructure pays off** and that there are dividends from jobs and services being closer to home.

We are at a cross roads, with the **impacts of population growth on our cities becoming more and more of a hot button issue** for communities. A large part of the reason for this discomfort is that the infrastructure has lagged behind this rapid growth and it is much harder to get to jobs and services, with no apparent solution in sight. It is the fast growing outer suburbs where much of the growth is going and where the impacts are magnified. But it is also in these areas where there is a **major opportunity to build the suburbs, the infrastructure and the jobs of the future**, and already some positive emerging trends to build on. We cannot afford to wait before taking action.

The **proposals we have put forward are modest** and are a way for Government to demonstrate its understanding of the opportunities and challenges in Australia's population growth hotspots – the fast growing outer suburbs - and their importance to the liveability and prosperity of the nation as a whole.

While Councils have limited ability to make significant financial contributions towards transforming the fast growing outer suburbs, there are many other things Councils can and do offer. As an alliance of local governments we are **willing and available** to work with Government to see these proposals implemented.

³ Australian Government 2017-18 Budget

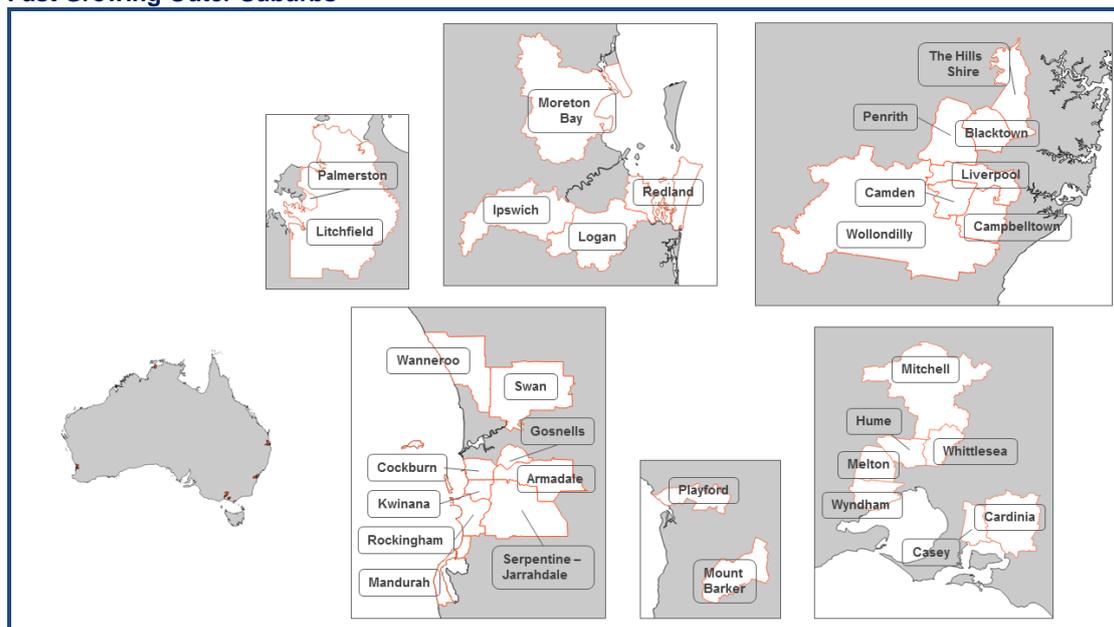
INTRODUCTION

Who We Are

The National Growth Areas Alliance (NGAA) represents the fast growing suburbs on the outskirts of capital cities nationally. Our membership is comprised of local governments. We undertake research, provide input to policy and advocate for the investment that is needed in these population growth hotspots.

Approximately five million people live in the fast growing outer suburbs of our cities nationally and these areas are growing at around double the national rate. To achieve more sustainable and liveable cities, we also need more sustainable and liveable outer suburbs. Less requirement for travel and especially less car travel will be critical.

Fast Growing Outer Suburbs



This Submission

This submission underlines the importance of cities in economic productivity and provides substantive evidence to support the case for dedicated infrastructure investment in the fast growing outer suburbs. This will enable positive transformation through business growth and job creation, increased employment self containment, reduced road congestion and commuting times and improved liveability.

THE EVIDENCE FOR INVESTMENT

The Importance of Cities at the National Level

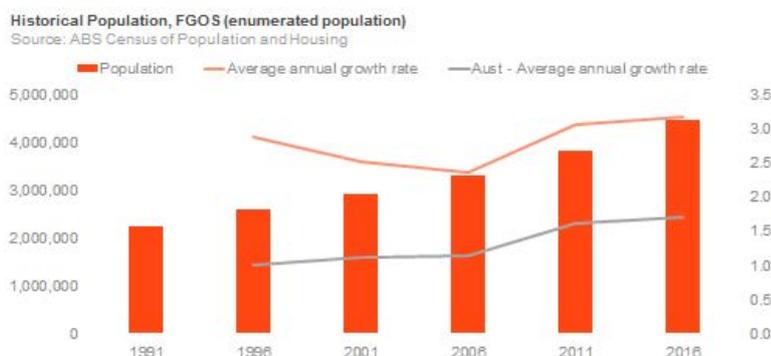
Cities are driving national productivity. The efficient functioning of our cities is critical to our international competitiveness. Investing in the right projects and the right places in our cities can create financial and economic returns, unlocking value for the community, industry and the taxpayer.

National Significance

The fast growing outer suburbs are absorbing a disproportionately large share of national population growth and new immigrants⁴. Population growth is in large part driven by immigration policy at the Federal level. Supporting this growth and ensuring residents and businesses have the opportunities enjoyed by those elsewhere, is clearly a national issue.

⁴ Hugo G and Harris K, Population Dynamics in Outer Suburbs, 2013

Fast Growing Outer Suburbs population doubled from 2.24m to 4.46m in just 25 years



The Fast Growing Outer Suburbs and Their Role in Cities

Outer suburbs of cities provide access to labour, land and housing diversity, playing a significant role in supporting Capital City CBDs. These areas also help keep the dream of home ownership alive, with housing that is more affordable than other parts of our cities. Their economic and housing role has become even more important against the backdrop of rapid economic growth of our cities, agglomeration, and the rise of knowledge based and service economies. They also support the peri-urban areas on their boundaries through provision of education, jobs and services and as regional housing supply increases this demand is also likely to increase.

Over reliance on Capital City CBDs

The current level of reliance on Capital City CBDs to provide jobs and services for residents in the fast growing outer suburbs is no longer sustainable as congestion and commute times demonstrate. We therefore need to look towards a different pattern than one hub and lots of spokes. We should be planning for and investing in polycentric forms of settlement. The importance of locating and leveraging anchor institutions such as universities, hospitals and other institutions to realise this cannot be overstated. They can have a significant multiplier effect and be catalytic in driving an area's transformation.

The fact that there is no evident plan that analyses the locations that would most benefit from such catalysts means that the benefits of infrastructure are unevenly distributed. It is likely no coincidence that education attainment, health issues and family violence rates indicate a higher level of risk in these areas compared to other parts of our cities. The added burdens of long, circuitous and sometimes multi modal commutes, the higher costs associated with owning a car⁵ and greater difficulty in getting to education, services and the range of jobs that match skills, adds to the risk and makes people's lives very complex.

Infrastructure Deficit

There is now an extensive body of literature that explores links between infrastructure investment and economic output (productivity). Stanley and Brain⁶ show the spatial impact of this and find that infrastructure in a region is a core fundamental factor that determines the level of economic activity. Our Capital City CBDs are great examples of where infrastructure spending has supported economic growth. This infrastructure investment strategy needs repeating outside Capital City CBDs and into the fast growing outer suburbs to unlock their productive potential.

⁵ i.d., *State of Australia's Fast Growing Outer Suburbs*, 2017

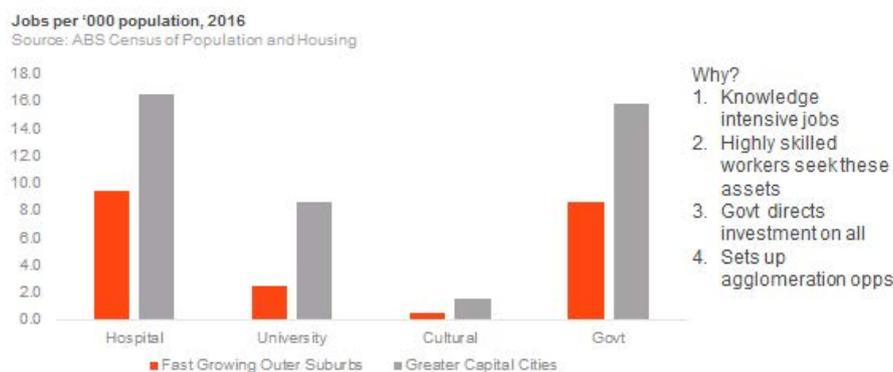
⁶ Stanley, J and Brain, P, for ACOLA, *Sustainable Urban Mobility: Economic Perspectives*, February 2015

The evidence shows that there is a demonstrated infrastructure deficit in the fast growing outer suburbs, with infrastructure investment falling well below population and jobs growth rates in the fast growing outer suburbs⁷. On a per capita basis, asset provision in the fast growing outer suburbs is 20% below the metropolitan average⁸. Inner city mega projects have tended to dominate sector investments creating economic, social and environmental costs on the fringes of our cities.

Previous research⁹ has demonstrated a \$50 billion backlog for just roads, rail and health facilities when comparing the fast growing outer suburbs with their neighbouring municipalities one step closer to city centres. These infrastructure deficiencies are increasingly limiting the fast growing outer suburbs' ability to sustain continued growth at their current high rate.

The uneven distribution of infrastructure has perpetuated inequality across our cities. Our current mode of allocation of infrastructure bears little relationship to the geographic location of population growth. As well as being a core factor in determining the level of economic activity in an area, infrastructure is also an enabler for a better quality of life, opening up opportunities through access to education, jobs and services. It gives people the means to be independent and to satisfy their needs. (The chart below shows that core health, education, cultural and government services are under-provided in the fast growing outer suburbs.) It is also a key component of liveability and amenity which acts as an attractor for businesses and a factor in retaining the talent we need to grow our country's prosperity and wellbeing.

Major gap in knowledge, health/research and cultural assets



A lack of connectivity and difficulties accessing jobs and services are common experiences for residents. Insufficient transport investment also limits the flow of commerce through growth areas and creates congestion costs. This leads to a concentration of the benefits of growth in established areas of cities and of the externalities in the fast growing outer suburbs. A lack of investment can be seen as the dividend of prosperity being concentrated in the established areas of cities at the expense of new neighbourhoods and communities and will create community resistance to the government's call for additional housing supply.

Jobs Growth Opportunities and Challenges

These areas are in transition and there are positive signs on which to build. Housing is becoming more diverse and education levels are rising. High tech jobs are growing at a faster rate than the national average (1.6% p.a. cf 1.2%). With the right investment, there are significant opportunities to increase the number of high-tech jobs in these areas. There are

⁷ The fast growing outer suburbs generated 35% of Australia's population growth and 25% of jobs growth between 2011-2016 but only received 13% of infrastructure investment (id, 2017).

⁸ i.d., Op Cit

⁹ Op Cit

also significant agri-business and tourism export opportunities, especially into Asia, both within these areas and in the peri-urban regions on their borders.

More than a butcher, baker, candlestick maker economy

Fast Growing Outer Suburb job growth in high-tech/knowledge-based industries is growing faster than the national average (1.6% p.a. vs 1.2% p.a.)

Table: Employment change by knowledge intensity, 2011-16
Source: National Economics, 2017

	Average Annual % Growth		
	Low Tech	Med Tech	High Tech
Metro - CBD LGAs	2.7%	2.3%	2.8%
Metro - Elsewhere	1.3%	1.0%	0.4%
Metro – Fast Growing Outer Suburbs	3.2%	2.4%	1.6%
Regional Centres	0.9%	0.6%	0.5%
Total Australia	1.5%	1.1%	1.2%



High tech refers to industries that create, design or utilise complex technologies and/or utilise high level skills



However, there continues to be a jobs deficit in the fast growing outer suburbs, despite jobs growing at a faster rate than the national average, due to population growth outpacing jobs growth. The industry focus of the fast growing outer suburbs is heavily reliant on population-based employment such as retail and construction. This is cause for concern, particularly considering structural change¹⁰ and the inevitable transition from a construction led economy once greenfield land is exhausted.

There is also still a skills gap and an underutilisation of skills for those unable to access the jobs for which they are qualified. Women and young people are two groups in particular that are hard hit by lack of opportunities close to home. And their reduced levels of participation in education and in jobs for which they are qualified negatively impacts national productivity.

Barbara Pocock¹¹ calls it a spatial leash where many highly educated and skilled women are forced to abandon careers and take lower skilled jobs closer to home in order to fulfil their role as carers.

We need to find ways to nurture the emergence of positive trends as well as address the challenges.

Policy Impacts and Opportunities

The community has very clear expectations of infrastructure investment taking place in a timely manner to support population growth. Population growth without commensurate infrastructure, jobs and services is taking its toll especially in hotspots such as the fast growing outer suburbs. It is clear from experience in Australia and elsewhere that voters are not prepared to put up with the reduced quality of life that accompanies poorly resourced growth.

There are serious impacts of policy and implementation failures in relation to the fast growing outer suburbs. Whilst we need to focus attention on these, we also want to shine a light on the opportunities that exist and on what can be transformational for these areas.

¹⁰ For example, manufacturing no longer generates as many jobs per resident as it did before. Even traditional strengths for the fast growing outer suburbs like retail are under competitive pressure from online retailing and new market entrants.

¹¹ Barbara Pocock, Natalie Skinner, Philippa Williams, Time Bomb: Work, Rest and Play in Australia Today, 2012

OPPORTUNITIES

There are many opportunities in the fast growing outer suburbs to contribute to more sustainable and liveable cities. They include:

- More affordable housing and land which can facilitate innovative responses to urban form
- Young populations and workforces
- Diverse cultures which can enable the formation of local enterprises as well as engage with markets overseas¹²
- Emerging high tech industries¹³ - fostering these can help reduce the exodus to jobs elsewhere, the resultant road congestion and help increase reverse journeys, making better use of rolling stock
- Opportunities to develop health and education facilities and precincts
- Opportunity to leverage existing education infrastructure for partnerships with industry and business
- Opportunities for government offices
- Existing and further opportunities for world class sporting, recreation and cultural facilities
- Opportunities for smart cities, enabling the creation of suburbs of the future

SGS Economics and Planning has studied successful suburban employment hubs¹⁴ and concluded that the following factors have contributed to their success:

Public transport infrastructure played a significant role, including coordinated infrastructure commitment & planning.

Planning vision, governance and mechanisms

- *mixed use development*
- *surrounding residential development*
- *dense development, particularly around the public transport nodes*
- *services and facilities required by a residential community (e.g. parklands, entertainment, dining, public transport, etc.) are provided on site*
- *the provision of a high amenity, pedestrian friendly environment.*
- *cooperative planning 'governance' arrangements and mechanisms that catered for development flexibility whilst ensuring the vision was maintained.*

Government facilities such as hospitals, universities, government offices and service centres are common features, both as key anchor tenants and enabling infrastructure items.

Superior ICT infrastructure¹⁵

Strong branding and marketing campaigns which highlight government commitment to the site, its planning vision and strategic location.

There is the opportunity for this approach to be repeated in the fast growing outer suburbs.

¹² Deloitte, Shaping Future Cities, Designing Western Sydney, December 2015

¹³ Id, Op Cit

¹⁴ SGS Economics and Planning, Urbecon Mar 1, 2015 *Attracting jobs to outer urban growth areas*

¹⁵ An example is GigCity in Adelaide which is connecting entrepreneurs, startups and big businesses to affordable high-speed internet. Businesses located at key innovation precincts can connect to extremely fast broadband speeds of 1 gigabit per second at an affordable cost to help businesses develop leading-edge ideas, create new opportunities and access new markets.

PROPOSED INVESTMENT

The compelling dividend from investing in infrastructure to support the fast growing outer suburbs suggests the need for a programmatic approach. There has been some useful investment but the experience of having to rely on election cycles and a piecemeal approach for basic infrastructure has led NGAA to the conclusion that a more systemic, long term approach is required. That is why we are seeking a priority focus for these areas, along with dedicated investment. The outcomes we are seeking from this investment include:

- ❖ Reduced congestion and improved connectivity – important for residents and current and potential businesses
- ❖ Activity centres/jobs hubs outside CBD's so jobs and services are closer to home
- ❖ Reduced skills gap and better utilisation of skills as well as talent being retained and attracted
- ❖ Businesses attracted and created and emerging medium and hi tech industries continuing to grow
- ❖ Active, healthy communities

1. **Increased Government investment in infrastructure** in line with Australia's population growth, particularly in hotspots such as the fast growing outer suburbs.

Issue: public infrastructure investment is not keeping up with population and jobs growth¹⁶.

Impacts: lost productivity and ill health from sitting on congested roads; restricted jobs and service choices and opportunities for residents; constraints for businesses.

National Significance: It is nationally significant because:

- national prosperity hinges on effective and efficient infrastructure to serve Australia's growing population
- much of the population growth is as a result of Federal immigration policy with migrants disproportionately settling in the fast growing outer suburbs. The community level of comfort with that growth is affected by their ability to access jobs and services.
- nearly 1/5 of all Australians live in these areas, with more coming
- how these areas function is integrally linked to the functioning of capital cities.

Solution: Government increasing its infrastructure investment in line with the level of population growth and targeted to population growth hotspots.

This investment would provide:

- a greater level of comfort in the community that population growth will not continue to adversely affect their cost of living and quality of life.

2. **A dedicated investment stream for foundational infrastructure** for the fast growing outer suburbs such as rail, strategic roads and high speed broadband.

Issue: Foundational infrastructure has not kept pace with population or jobs growth. There is a significant and growing backlog in transport infrastructure. Access to high speed broadband has been variable. When investment does occur, there has not been a spatial filter for where the population hotspots are and where investment will have the most impact.

¹⁶ Infrastructure Partnerships Australia has called for a funding stream of around \$6 billion per year just for the 100 national priority projects on Infrastructure Australia's list (Media Release, May 2017)

Impacts: Our cities are becoming unbalanced with more investment having benefitted inner cities than outer suburbs. Access to jobs and services is often difficult. This adds considerably to the congestion on our roads. This is a disincentive for business growth.

National Significance: It is nationally significant because:

- Cities matter to national productivity and well being. The fast growing outer suburbs are integral parts of cities, serving Capital City CBDs with labour and housing and providing education, jobs and services to rural and regional areas beyond their boundaries.
- Poorer transport infrastructure works against policies designed to lift workforce participation and foster growth in businesses and jobs.

Solution: It is proposed that:

- There is a dedicated stream set aside for the fast growing outer suburbs within the Government's *Investment Road and Rail Program*¹⁷.
- A minimum of 50% of the program should be so dedicated, taking into consideration:
 - The fast growing outer suburbs account for nearly 1/5 of Australia's population
 - The fast growing outer suburbs' share of Australia's population growth (35%)¹⁸,
 - around double the national average annual population growth rate
 - only 13% of Australia's infrastructure growth¹⁹
 - level of infrastructure is 20% below the metropolitan average²⁰
 - a significant and growing infrastructure deficit²¹
- a portion of this should be for planning of foundational infrastructure projects with the balance contributing to the capital costs
- NBN roll out should prioritise areas where continuation, transition, expansion or attraction of business is reliant on high speed broadband such as fast growing outer suburbs
- the policy work and administration of this investment be managed through the establishment of a dedicated outer suburban section within the Infrastructure Department
- Infrastructure Australia is requested to have a priority focus on the fast growing outer suburbs
- regions with outer growth areas are prioritised for City Deals.

This investment would provide:

- wider opportunities for individuals and families and a greater ability to satisfy their needs
- better connected and better balanced cities with easier access
- better integration of land use and transport
- a fairer distribution of jobs and services
- jobs through construction and attracting new businesses through improved access
- opportunities to capture value uplift
- opportunities to provide affordable housing around transport nodes
- increased productivity as less time is lost in commuting and in businesses struggling to get to their markets
- reduced road congestion and the related benefits of reduced health impacts and better quality of life

¹⁷ Australian Government 2017-18 Budget

¹⁸ Id, State of Australia's Fast Growing Outer Suburbs, 2017

¹⁹ *ibid*

²⁰ *ibid*

²¹ SGS Economics and Planning, meeting Growth Area Infrastructure Investment Needs, 2015

3. **A Growing Outer Suburbs Co-Investment Fund** for the fast growing outer suburbs to support the transformational and catalytic projects that will be enablers of industry and economic growth such as town centre developments, health and education precincts, major recreational and cultural facilities.

Issue: we know that certain projects can be catalytic due to the multiplier effect they have and the additional benefits they can create. We also know that in the fast growing outer suburbs such enablers can make a profound difference. Yet the funding to support their development has been piecemeal. The benefit of a more sustained and place based approach to economic development has been recognised for rural and regional Australia, but not for the fast growing outer suburbs.

Impact: these sorts of enabling projects can provide services and jobs and act as attractors for other businesses. The increased amenity they give to an area also helps in retaining and attracting the talent needed for the jobs of the future.

National Significance: It is nationally significant because:

- Workforce participation and jobs growth are key national policies. These areas are ripe for improvement, with jobs deficits but also positive emerging trends to build upon.
- Such projects are inevitably partnership based, with a role for each level of Government. The Federal Government's role is in taking a lead that will then leverage other partner contributions.

Solution: It is proposed that:

\$500m is provided by the Federal Government over 4 years, as co-investment in transformational projects which are enablers for industry development, which support long-term economic growth and create jobs in fast growing outer suburbs. This is commensurate with the Government's allocation to and focus of its *Regional Growth Fund*²². This would be expected to leverage other investment, for example from State Governments, local governments, private sector or not for profit organisations.

This investment would provide:

- catalysts for developing activity clusters outside Capital City CBDs
- reduced need to travel into Capital City CBDs
- jobs and services closer to home, easing often long journeys and broadening opportunities for residents to access what they need
- improved education and health outcomes
- growth in opportunities for businesses, especially small to medium enterprises
- improved amenity which will help to retain and attract talent and foster business growth.

4. **Reinstatement of a National Community Infrastructure Fund** where entire municipalities in the fast growing outer suburbs are eligible.

Issue: Many very beneficial community facilities were built in the growing outer suburbs when there was a program at the Federal level that was open to these areas, with considerable amounts leveraged from other sources. The current *Building Better Regions Fund*²³ has limited its support to selected parts of outer metropolitan local government areas which are deemed to be more regional than urban in nature.

It is in the population growth hotspots where more facilities are required and where local governments are feeling the strain in trying to keep up with the need. Older more established areas have a number of facilities that can be used for community purposes

²² Australian Government 2017-18 Budget

²³ <http://regional.gov.au/regional/programs/building-better-regions-fund.aspx>



such as church halls, scout halls and mechanics institutes. Establishing areas are reliant on the construction of new facilities.

Impact: communities rely on social infrastructure for a wide range of purposes. If it is not available, the ability for communities to come together is hampered. In the case of recreational and sporting facilities, this has a health impact as well. There is also an economic benefit. Research in the British Medical Journal²⁴ indicates that for every \$1 invested in community networks and services, \$10 are saved on health, reduced crime and better employment outcomes. SGS et al²⁵ found that a comparatively small investment of \$80 million by Sport and Recreation Victoria resulted in a total societal benefit of \$400 million and over 48,000 jobs.

National Significance: it has been recognised that such facilities play a vital role in communities, through Federal programs that provide grants for that purpose in some areas.

Solution: It is proposed that:

A National Community Infrastructure Fund is reinstated where entire municipalities in the fast growing outer suburbs are eligible. This could be an expanded Building Better Regions Fund.

This investment would provide:

- More equity in access to funds for needed community facilities
- More liveable places via opportunities to participate in social, health and recreation activities
- Access to a range of services provided by such facilities
- More connected communities
- Jobs in construction as well as longer term jobs through facility management and service provision.
- Economic spin offs from services such as child care allowing parents to participate in the workforce, local spending on programs and activities and allied services such as cafes.

SUPPORTING INITIATIVE

5. **A National Growing Outer Suburbs Taskforce** to coordinate policy, programs and investment across Government, similar to what has been established for regional Australia.

Issue: the fast growing outer suburbs are where a disproportionate number of immigrants settle. In order for these people to have access to the opportunities that other areas enjoy, there needs to be a focus on the levers Government has across all its portfolios. This approach has been used for rural and regional areas²⁶.

Impact: a coordinated focus could make a considerable difference to these areas as portfolios come together with the aim of improving outcomes for the fast growing outer suburbs.

²⁴ Marmot, M and Wilkinson, RG 2001 "Psychosocial and material pathways in the relation between income and health: a response to Lynch et al, British Medical Journal 322, 1233-1236, as cited in *Tomorrow's Healthy and Productive Communities, the case for community infrastructure in outer metropolitan growth areas*, prepared by Elton Consulting for NGAA, 20012.

²⁵ SGS Economics and Planning and HM Leisure Planning Pty Ltd 2009, *Investing in Sport and Recreation Facilities: Does it Pay Off ?*, Sport and Recreation Victoria, Melbourne, as cited in Elton (2012)

²⁶ <http://nationals.org.au/regional-australia-ministerial-taskforce/>



National Significance: this approach has been recognised by the current Government as an appropriate response to regional Australia. It should equally be applied to the fast growing outer suburbs.

Solution: It is proposed that:

A National Growing Outer Suburbs Taskforce is established to coordinate policy, programs and investment across Government. It is envisaged that the Taskforce has a role in advising on appropriate investments.

A priority focus should be on the enablers for industry development and tackling skills and jobs deficits in the fast growing outer suburbs, including, for example:

- creation of an investment environment in these areas
- prioritising these areas for the catalytic projects that would provide jobs, education and services e.g. teaching hospitals, TAFE's
- support for university-business partnerships
- supporting small to medium sized businesses (including home based businesses) for example through co-worker centres and business incubators
- building the emerging medium and high tech jobs sector
- transition from traditional to advanced manufacturing
- support for new approaches to agriculture and horticulture
- the establishment of Innovation Districts

This initiative would provide:

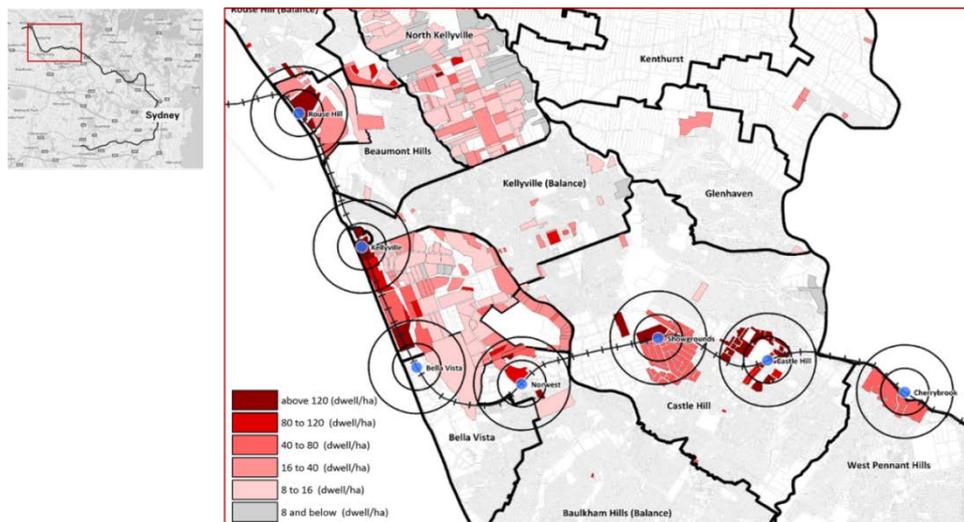
- a cohesive approach from Government to areas designated for population growth and which are receiving a disproportionate share of the growth, much of it through immigration policies
- a means to use the opportunities that the fast growing outer suburbs provide to have strong business and jobs growth alongside their role in housing supply
- a means to reduce risk and improve outcomes in health, education and workforce participation
- a means to bring together the considerable impact that Government can have across its portfolios to collectively focus on reducing the complexity and cost of living and improving quality of life for the 5 million Australians living in the fast growing outer suburbs
- a message to the fast growing outer suburbs that Government considers them a priority.

THE DIVIDEND FROM INVESTMENT

We know that investment in infrastructure pays off and that there are dividends from jobs and services being closer to home.

- Research into the **Cost Benefit of Investment in Growth Areas**²⁷ has pointed to the opportunities from investment in NGAA areas, with the benefit including significant jobs creation, higher tax revenues and a permanent boost to national GDP of \$18bn per annum.
- **Stimulation of Housing Supply near public transport** - *Sydney's Metro North West* is a great example of what infrastructure investment can achieve. It is already having a major impact on some of Sydney's fast growing outer suburbs.
 - Fundamental shift with more housing locating around train stations.
 - Construction today 30% within 800m of a train station
 - This increases to 80% in the long term, directly responding to new infrastructure

²⁷ SGS Economics and Planning for NGAA, *Cost Benefit Analysis of Investment in Growth Areas*, 2009.



Health Benefits of Shorter Commutes

Research²⁸ has shown there to be multiple health effects from long commutes, especially car based travel. Being able to work closer to home and thus reducing the need to travel would save taxpayers the cost of addressing these impacts:

- Blood sugar rises. High blood glucose levels can lead to pre-diabetes and diabetes.
- Higher cholesterol, a warning sign for heart disease.
- Rises in depression risk
- Increased anxiety
- Decline in happiness and life satisfaction
- Temporary spikes in blood pressure and rises in blood pressure over time
- Drops in cardiovascular fitness
- Poor sleep
- Back aches

Maps of diabetes, obesity and cardiovascular disease (and associated avoidable hospitalisations) in Sydney overlap closely with maps of areas with low density and poor public transport access²⁹.

Local Government Contribution

While Councils have limited ability to make significant financial contributions towards transforming the fast growing outer suburbs, there are many other things Councils can and do offer.

- First and foremost is their expertise in growth area needs, planning and appropriate solutions
- Connection to communities
- Research, strategies, policies and plans
- Relationships with the development industry, essential service providers, business, health and education providers
- Assisting to implement Government policies e.g. City Deals, value capture, smart cities

²⁸ <http://time.com/9912/10-things-your-commute-does-to-your-body/>

²⁹ <http://www.sydney.org.au/wp-content/uploads/2015/10/CfS-Issues-Paper-14-Adding-to-the-Dividend-Ending-the-Divide-3-1.pdf>



- Facilitation of housing supply, including affordable housing and higher densities near transport and activity centres
- Councils sometimes hold strategic parcels of land which can support desired outcomes
- Provision of direct community services which also provides local jobs
- Partnering in provision of community facilities.

CONCLUSION

We are at a cross roads, with the impacts of population growth on our cities becoming more and more of a hot button issue for communities. A large part of the reason for this discomfort is that the infrastructure has lagged behind this rapid growth and it is much harder to get to jobs and services. It is the fast growing outer suburbs where much of the growth is going and where the impacts are magnified. But it is also in these areas where there is a major opportunity to build the suburbs, the infrastructure and the jobs of the future, and already some positive emerging trends to build on. We cannot afford to wait before taking action.

The proposals we have put forward are modest and are a way for Government to demonstrate its understanding of the opportunities and challenges in Australia's population growth hotspots – the fast growing outer suburbs - and their importance to the liveability and prosperity of the nation as a whole. As an alliance of local governments we are willing and available to work with Government to see these proposals implemented.

Please see Attachment 2 for priority projects that illustrate what is envisaged through the proposals outlined.

ATTACHMENT 1 - KEY FACTS³⁰

Population

- Nearly 1/5 of Australians live in the fast growing outer suburbs (4.7m ERP in 2016)
- Their populations are growing at nearly double the national rate (3.1% average annual growth rate compared to 1.6% for Australia)
- Research by the late Professor Graeme Hugo and Kevin Harris³¹ demonstrated the 'over representation' of permanent migrants in NGAA areas, with one in five settling there between 2006-2011. They also said that these areas are absorbing:
 - a disproportionately large share of national growth in population and households – on average twice their share;
 - a disproportionate share of growth in dependent children and youth groups;
 - faster growth in the aged population than the nation, albeit off a lower base;
 - a disproportionately large share of those who moved within Australia.

Jobs and Skills

- Around 13% of Australia's jobs are located here (this is higher than WA's total contribution)
- Businesses are growing at more than double the national rate (7.4% 2014-16 cf Australia 3.4%)
- \$186.8 billion was contributed to the Australian economy in 2016 (11.3% of Australia's GDP)
- 18.7% of Australia's workforce live here (2.2m workers)
- Jobs are growing at more than double the national rate (2.6% pa 2011-16 cf 1.2% Australia)
- But population growth is still outpacing jobs growth with the jobs deficit slightly worsening since 2006.
- There is also still a skills gap which is limiting opportunities

Infrastructure and Investment

- The fast growing outer suburbs generated 35% of population growth and 25% of jobs growth between 2011-16 but only received 13% of infrastructure investment

Liveability and Sustainability

- Households here are spending more than elsewhere on the costs of owning vehicles, including fuel.

Innovation and Digital Opportunities

- Jobs in high tech industries are growing faster than the national average (1.6% pa cf 1.2%)

Housing

- Dwelling types have diversified. The share of medium density dwellings increased from 11.1% in 2006 to 13.5% in 2016.

³⁰ Most of this Data is from i.d. *State of Australia's Fast Growing Outer Suburbs, 2017*

³¹ Hugo et al, Op Cit

ATTACHMENT 2 - PRIORITY PROJECTS

Below is a selection of priority projects that illustrate the sorts of initiatives envisaged through the proposals outlined above.

DEDICATED INVESTMENT STREAM FOR FOUNDATIONAL INFRASTRUCTURE

The Orange Route - Perth to Adelaide National Hwy (Swan)

Also known as the Orange Route, this project is to create a safer route for double road train vehicles currently travelling through residential areas and also saving operators significant time and cost.

North South Rail Link (Western Sydney)

This project has the potential to significantly increase Western Sydney's productivity, liveability and sustainability. It also has the ability to realise the region's economic and employment potential through enhanced connectivity between the North West and South West Growth Centres and economic hubs in outer Western Sydney including the Western Sydney Airport Priority Growth Area and the key metropolitan city cluster* and strategic centres** of Blacktown, Marsden Park, Penrith, Liverpool and Campbelltown-Macarthur. It can also bring the emerging growth areas in Wollondilly within easier reach of new jobs in the emerging north-south economic corridor. An early link between this rail line and the existing rail network via Leppington is also advocated, with a y-link between Glenfield and Macquarie Fields to facilitate direct linkages between existing and proposed rail lines. This rail infrastructure can embed the new Western Sydney Airport and its associated Aerotropolis in the region and would provide the best chance for the communities across the region to benefit from the airport. Rail connectivity would also support transformation of significant greenfield sites into higher density mixed use centres of housing and employment – well over and above that which would otherwise be delivered without rail, further enhancing opportunities to achieve a 30 minute city.

* the Draft Western City District Plan identifies Penrith, Liverpool and Campbelltown-Macarthur as part of the metropolitan city cluster, centred on the Western Sydney Airport.

**the Draft Central City District Plan identifies Blacktown as a strategic centre

Full Electrification of the Gawler Rail Line (Playford)

The full electrification of the Adelaide to Gawler Rail line in South Australia. This would drastically improve the commute for thousands of residents who work or study in the city from the Northern Suburbs of Adelaide. It would also open up the northern suburbs, Gawler and Barossa as a more viable location for business, employment, tourism and education.

Hume Highway/Hoxton Park Road/Macquarie Street Intersection Upgrade (Liverpool)

The intersection is the western/southern gateway to the Liverpool City Centre. It currently experiences significant delays and has one of the worst crash histories in Sydney in the last two years. The proposed upgrade by full grade separation (or significant road widenings) will improve traffic flow along sections of Hume Highway and Hoxton Park Road/Terminus Street close to the Liverpool City Centre and improve accessibility to the Liverpool City Centre. The project is important to reduce significant traffic congestion and travel delays and will also address weaving movements along Macquarie Street close to the intersection with Hume Highway and improve road safety.

Western Freeway (Melton)

This project is to upgrade the Western Freeway within the City of Melton to urban freeway standard as a key safety priority. The Western Freeway is the major road corridor between Melbourne and Adelaide, providing for major freight transport interstate and regionally. The section between Caroline Springs and Melton Township in Melbourne's West is a major transport corridor for residents to access education, employment and leisure activities. Additional interchanges and overpasses are required to provide improved access and ameliorate significant safety risks for all road users.

Extension of the rail from Lalor to Wollert (Whittlesea)

This project in northern Melbourne is to connect the rapidly growing population in the Epping North and Wollert growth corridor, forecast to triple by 2041, to jobs and opportunities in the CBD. Projected to take thousands of cars off the road, this initiative will reduce congestion, long commutes and overcrowding on the South Morang/ Mernda Rail service. It is expected to create jobs and make a significant injection into the economy in Melbourne's north whilst also boosting development and employment opportunities in the Metropolitan Activity Centre in Epping, local activity centres and the Cooper Street employment area.

Armadale Passenger Railway Line Extension to Byford Including new Wungong Park & Ride Station (Armadale and Serpentine Jarrahdale)

The WA State Government's METRONET project proposed the 7.8km extension of the Armadale Passenger Railway line to Byford, with works commencing in 2021 and completion by 2023. The growth in the City of Armadale and the Shire of Serpentine- Jarrahdale has been unprecedented, yet road improvements and public transport services have been limited or missing. The extension of an electrified passenger railway service from Armadale to Byford and Mundijong, along the existing regional railway line has been identified as a regionally significant future project in various State and Local Government planning documents. The growth of the suburbs of Byford and Mundijong in Serpentine Jarrahdale, Hilbert and Haynes in Armadale, and areas further south now warrants a firm commitment to extending the electrified passenger rail and new stations south of Armadale. This is extremely important to the Armadale Strategic Metropolitan Activity Centre which has been disadvantaged by its location at the termination of the passenger rail network. Incoming rail traffic from the south would be profoundly constructive to the economy of the Armadale City Centre and South-East Corridor, which suffers from low self-sufficiency employment levels. As part of this railway extension project there is also a need for a new railway station at Wungong (including a Park and Ride facility) to be located at or near Eleventh Road, to serve the Wungong catchment in excess of 45,000 people. An Eleventh Road station would service the Wungong Urban MRA developments as well as Byford – north area.

Upgrade and Electrification of the Southern Highlands Rail Line (Wollondilly)

Current upgrades to rail infrastructure and rolling stock across the state have, to date, not benefited an already sub-standard commuter service on the Southern Highlands line. Upgrades to this line are needed to service the new Priority Growth Precinct of Wilton that will accommodate an additional 50,000 people over the next 20 years, in addition to the already expanding urban areas of Picton, Tahmoor and Bargo. An additional station at Maldon, rail spur line into the proposed Wilton Town Centre and future electrification are all seen as necessary for the future of the region. This line is currently managed by Australian Rail Track Corporation (ARTC) under lease and is a freight priority line. This prioritisation of freight frequently causes commuter chaos due to the suspension and or delay of already limited passenger services to and from major centres (City Circle, Parramatta, Campbelltown, Liverpool). This has significant knock on effects with connections at Macarthur and beyond and has significant social impacts on Wollondilly and Southern Highlands commuters. Opportunities to separate freight and passenger tracks/lines should also be investigated.

Roads infrastructure required for Melbourne's Northern Growth Corridor (Hume)

Support for local roads and transport infrastructure projects is required, in recognition that this is one of the fastest growing regions in Australia. The most important infrastructure for the Northern Growth Corridor of Melbourne is transport, including Melbourne Airport Rail Link, Outer Metropolitan Ring Road (OMR), the Melbourne Airport to OMR Link, the Bulla Road Bypass and Sunbury-Bulla Road upgrade. Without the delivery of these projects, new development in this region will place a significant and unacceptable strain upon the existing road and public transport infrastructure. It will also negatively impact upon the liveability and sustainability of the State, including the future economic growth of Melbourne Airport, which sits within this Northern Growth Corridor and is Australia's only major 24 hour curfew-free international airport.



Extend Cranbourne Rail (Casey)

Last year Cranbourne East was the fastest growing area in Australia. More than 26,500 people now call Cranbourne East home – and this number increases each week. The Cranbourne East population is set to more than double by 2041. New homes are being built in adjoining areas through to Clyde and beyond. Extending Cranbourne Rail to Clyde will create jobs and opportunities and allow for the development of much needed new town centres and community services. Casey needs Cranbourne Rail to be upgraded and extended. Casey will be well on its way to being fully built out before it is currently suggested the extension is required (5-10 years) – this is too little much too late. Rapid population growth and no rail extension is a recipe for disaster. Extending Cranbourne Rail project will create up to 21,850 jobs and inject billions into the economy.

A GROWING OUTER SUBURBS CO-INVESTMENT FUND

Mernda Town Centre (Whittlesea)

Mernda Town Centre in northern Melbourne is intended to be a significant hub with a wide geographic reach and a mixture of uses including retail, agribusiness, rail station, community facilities, open space and housing. Cornerstone town centre projects will help address social disadvantage in the area as well as assist in demonstrating best practice growth area development. The package of related works requiring investment includes:

- Space for health and human service provision
- Social and affordable housing
- Road duplication
- Business incubator and co-working space
- Library and performing arts facility
- Regional aquatic and leisure centre

Maddington Kenwick Strategic Employment Area (MKSEA) (Gosnells)

MKSEA is a City of Gosnells initiative to develop an industrial area which is close to strategic transport corridors and established industrial areas. It is also designed to promote regional economic development and job creation in response to Perth's shortage of industrial land supply and jobs locally and the South East Corridor. Projections indicate that MKSEA will have a major impact on economic and jobs growth in the region. The City will undertake the rezoning of the land, preparation of a structure plan and planning for the provision of infrastructure and services, to enable the development. This industrial development will require major upgrades to road, sewage and power infrastructure. Support is required for the pre-funding of such works so that development can commence within a reasonably short time frame.

Provision of Integrated Health Services at Wilton New Town (Wollondilly)

With 200,000 people projected to be living in the region around Wilton New Town all three streams of health care (Primary, Secondary and Tertiary) will be required. Without this, residents would have to travel in excess of 20 kms to access public hospital services. A suitable site at Wilton will be identified and reserved for integrated health services, with the intention of delivering services over time as the community grows. Within five years a facility to house primary and secondary health care services will be required.

REINSTATED NATIONAL COMMUNITY INFRASTRUCTURE FUND

Ellenbrook Leisure centre (Swan)

The residents of Ellenbrook currently face significant travel time to get to the closest indoor recreation centre or aquatic facility. As the population of the Ellenbrook area rapidly increases, so does its demand for indoor sports. The City of Swan is eager to build a leisure centre with a 25m pool, indoor sports courts and rentable consultation rooms at its world-class Ellenbrook Sports Hub facility to cater for the area's population of 43,000+.

Sutherlands Park (Gosnells)

Sutherlands Park is the largest active reserve in the City of Gosnells and, being over 60ha, is regarded as a regional open space. The area serviced by the park has seen tremendous



population increase in recent years, which is anticipated to continue as large scale residential development occurs to the east of the park, which is already at capacity and in need of new infrastructure. The City has developed a concept Master Plan in response to the fact that Sutherlands Park is currently at capacity and that demand for its facilities will continue to increase as the surrounding suburbs maintain their rapid growth. The Master Plan identifies new infrastructure to provide additional capacity to address current and future needs and assistance is sought to facilitate development.

Armadale Regional Recreation Reserve (Armadale)

Land has been set aside as part of the emerging Wungong Urban development and a concept plan has been developed for a 40hectare regional recreation reserve comprising playing fields, sporting and community use buildings, playgrounds, community gardens as well as bushland and trails for informal recreation, leisure and nature play. Assistance is sought to facilitate development of the urgently needed “Stage 1” component. While some funding streams are available for localised recreational facilities, limited funding opportunities exist for the larger regional spaces needed to cater for the City’s expected population and a broader catchment beyond the City’s boundaries. Studies undertaken by Curtin University demonstrate that characteristics of areas lacking these facilities can be social isolation, lack of social cohesion, physical and mental health problems, low civic participation as well as disengaged young people and higher rates of crime and anti-social behaviour.