



Priorities in Australia's Outer Metropolitan Growth Areas

NGAA White Paper 2021



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Priorities in Australia's Outer Metropolitan Growth Areas 2021-22

It's time to choose the future we want for the 5.2 million Australians who live in outer metropolitan growth areas: liveable, productive and sustainable communities. The National Growth Areas Alliance has long called for governments to catch up with the infrastructure gap in our fast-growing outer suburbs. But catching up is no longer enough.

COVID has highlighted social and spatial inequalities between growth areas and the rest of the nation, and shown that we can change for the better (such as remote working). To build back stronger from the social, health and economic impact of COVID we need to reimagine our cities, out to their furthest edges, and reinvigorate national urban policy.

Growth areas are over being underestimated

Governments have underestimated the size of growth area populations and their rate of growth for decades. Incorrect estimates are being used to plan services and infrastructure in growth areas, resulting in large communities being allocated resources suitable for much smaller populations.

Growth areas received only 13% of federal infrastructure, while they generated 35% of population growth and 25% of jobs growth (2011 – 2016). Recent infrastructure investment by State and Federal governments has started to improve on the shocking growth areas infrastructure deficit (20% less than other metropolitan areas in 2016). However there is still a long way to go to end the postcode discrimination and another population boom on the horizon.

Two reasons for increased urgency for government action in growth areas

1. Unequal COVID impact on growth areas

The growth areas of Sydney and Melbourne experienced Australia's largest COVID outbreaks and will take the longest time to recover from the impact on people, communities and economies.

Governments need to join the dots between high Covid rates, high outbreak risk factors and the historic underinvestment in health and social infrastructure in fast growing outer suburbs.ⁱ This crisis took decades to create.

COVID-19 spotlighted the effect of underservicing large populations in growth areas, with their high proportion of essential workers who have to leave home to work (exposing themselves and their families to greater risk of disease transmission), concentration of industries who had to keep functioning throughout lockdowns, late local access to vaccination programs, and less access to GPs and other vital services.ⁱⁱ

2. Growth areas are still growing and another population boom is imminent
Claims that Australia's population growth has stalled are misleading. Growth areas are still growing despite the wider national population downturn.ⁱⁱⁱ Intra-state migration and continuing

higher than average birth rates mean that the growth areas population is still growing twice as fast as anywhere else.

Furthermore, Homebuilder has created the highest ever recorded levels of building approvals in growth areas, setting up a future population boom that will be up to three times current levels over the next 2-5 years, even without inwards migration recommencing.^{iv}

Four Calls to Action

1. A Minister for Growth Areas

An urgent national response to growth area inequities and Covid recovery needs to be led by a Minister for Growth Areas. Our capital cities need better planning and investment that supports distributing infrastructure, jobs and housing more evenly across the entire metropolitan area. National and State infrastructure advisory bodies have called for a focus on growth areas (^{vi} and ^{vii}) and with the Homebuilder boom taking effect, national coordination and leadership is urgently needed.

The new Growth Areas portfolio is in recognition of the 5.2 million Australians who live in outer urban growth areas, and the millions more who depend on growth area workers and industries. It will coordinate an urgent national response to that inequities that are distinct to fast-growing outer metro areas which have long been visible but which have been highlighted during the pandemic.

Our capital cities need better planning and investment that supports distributing infrastructure, jobs and housing more evenly across entire metropolitan areas.

Growth areas need assurance that Commonwealth infrastructure investment will be allocated based on greatest need and greatest impact; and that City Deals will be revitalised with sufficient leadership and engagement at the Federal level to drive reforms and deliver transformational infrastructure.

2. Infrastructure to transform

There is a new looming infrastructure crisis in growth areas exacerbated by the high take-up of Homebuilder grants, which has seen record building approval rates in all growth area LGAs across the country. This unplanned and uncoordinated exponential growth in land sales will see development occur long before vital infrastructure is planned and funded, let alone delivered.

If lessons are not taken from the population boom of the last 10 years, and the resulting social inequities highlighted during the pandemic, vast new populations will find themselves without access to the transport, health, education, employment and community infrastructure all Australians are entitled to.

Existing funding and financing mechanisms at Federal and State level will not meet this demand. Strong leadership is required at Federal level to address this national crisis.

A financing mechanism to secure current and future infrastructure delivery, and a strong role for national and state infrastructure bodies, are the long-term solutions we need - not ad hoc infrastructure funding announcements.

There are already around a million young people in growth areas who will need work or higher education in the next 5-10 years. Add in the new populations arriving from the homebuilder boom, and it becomes clear that major infrastructure projects must focus now on creating the skills and jobs Australia needs for economic recovery.

3. Revitalise Australia's economic engine room

Australia's future prosperity depends on our vast growth areas workforce. The outer suburbs are the engine room of our economy – if they stop working, Australia stops working.^{viii}

Growth areas are a key economic asset, with a 2.2 million-strong workforce, large tracts of land ready to be transformed into industrial, manufacturing and high employment zones and a strong track record of business growth well above the national average. A growth areas-led economic recovery needs a two-pronged approach: open up opportunities for new jobs and support small and medium-sized business.^{ix}

Funding employment infrastructure and business support programs in growth areas will support hard-hit small businesses and embed local workplaces, bringing new jobs closer to where the growing population lives.

We need a focus on growth area jobs and local economies, with incentives for new industries to establish in growth areas to benefit from the competitive advantage and potential of a vast local workforce and ample land.

4. Community recovery and resilience in Australia's heartland

Growth areas are the heartlands of our cities, populated by the people who get up every day to do the essential work that keeps the nation running. Our communities lost the most loved ones during the pandemic and battled through the highest infection rates. Our large communities have borne the brunt of bushfires and floods and urban heating as a result of climate change. We can't let it happen again.

We have learnt from recent natural disasters and Covid that local access to health services and mental health services^x, recognising our diverse cultural and language needs, and building local cohesion are vital for resilient and thriving communities.

As our communities grow, so do the demands on our community infrastructure. Health, sport, education, and creative expression are central to our nation's cultural identity and a local sense of community and belonging. This sort of infrastructure is vital in strengthening the social fabric of growing communities.

ⁱ "The social infrastructure index from Australian Urban Observatory looks at the average distance to services like health, education, early childhood, culture and emergency services. The index shows residents in many of the areas

currently experiencing the worst outbreak live some of the farthest distances from these services.”

<https://www.theguardian.com/news/datablog/2021/sep/24/magnifying-glass-on-inequality-why-covid-is-hitting-harder-in-melbournes-disadvantaged-areas>

ⁱⁱ Essential workers are those in health services, education, supermarkets, freight and delivery drivers, some retail, public transport workers, emergency services, caregivers, food, logistics and construction. SGS Economics 2021

ⁱⁱⁱ “In my municipality of Wollondilly in Sydney’s south, the first stage of a new housing development in Wilton sold out in record time in 2020 during the pandemic. An additional 45,000 people will soon move into this part of Wollondilly despite the lack of crucial state and federal infrastructure (including roads, trains, health services and schools).” NGAA Chair, Matt Deeth

^{iv} Building activity data released by the Australian Bureau of Statistics for the June 2021 quarter has revealed the value of building work and number of dwellings commenced, completed, under construction and in progress is higher than for any previous quarter on record. Housing Minister Michael Sukkar MP, 13 October 2021

^v New land sales statistics for Western Australia that were published today for the December 2020 quarter round out an unprecedented year for the Perth market with sales for the year almost double compared to 2019. UDIA WA 16 Feb 2021

A record 7685 land lots sold in the three months to June across Melbourne and its fringe regions, 2 per cent above the previous March quarter which itself was higher than the last peak in 2017, according to data from RPM Real Estate Group’s latest Residential Market Review. Simon Johansen, SMH, 1 Sep 2021

<https://www.smh.com.au/business/companies/city-fringe-land-sales-hit-record-as-returning-aussies-buy-lots-20210831-p58nkp.html>

Mapped: New Adelaide housing developments fast-tracked to meet soaring demand. The Advertiser, 30 Sep 2021

<https://www.adelaidenow.com.au/business/mapped-new-adelaide-housing-developments-fasttracked-to-meet-soaring-demand-here-are-30-of-the-biggest-projects/news-story/e8b9416fe087a0b1a9689a03b8408a95>

^{vi} “If they are to thrive, outer suburbs must be supported by appropriate infrastructure that is delivered in alignment with development.” P156, Australian Infrastructure Plan, Infrastructure Australia

https://www.infrastructureaustralia.gov.au/sites/default/files/2021-09/2021%20Master%20Plan_1.pdf

^{vii} “Population growth is rapidly outstripping demand for vital social infrastructure in Melbourne’s seven fastest growing local government areas” <https://www.infrastructurevictoria.com.au/wp-content/uploads/2021/09/Background-paper-Social-infrastructure-in-Melbournes-new-growth-areas.pdf>

Infrastructure Victoria, 7 Oct 2021 and <https://www.heraldsun.com.au/news/victoria/families-in-growth-suburbs-missing-out-on-pools-libraries/news-story/9cbc414f3157ad98ec2184ceeb17ce16>

^{viii} Dr Andy Marks, the assistant vice-chancellor at Western Sydney University, said the region was estimated to contribute between \$180 billion to \$2 billion to the national economy annually – with those frontline jobs never as important as now. “They’re the engine room. If they stopped working than Sydney and NSW stops working,” he told The Telegraph. 24 Aug 2021, Daily Telegraph, *Covid NSW: Sydney’s west vital to keep city operating amid lockdown* <https://www.dailytelegraph.com.au/coronavirus/covid-nsw-sydneys-west-vital-to-keep-city-operating-amid-lockdown/news-story/d4291130ee0f1624e437bc6127eb9396>

^{ix} “If western Sydney was a standalone city it would be the fourth biggest city in Australia and the third biggest economy,” Mr Fletcher said, adding construction was due to begin mid-2022. “This powerhouse region deserves a world-class airport and world-class infrastructure...” Paul Fletcher, Federal Minister for Infrastructure, 3 November 2021, <https://www.smh.com.au/national/nsw/cycleway-30-metre-high-sculpture-and-parks-for-new-sydney-airport-motorway-20211102-p595ao.html>

^x Growth areas have a high concentration of young people compared to other areas. In Victoria’s growth areas, we know that the few (mental health) services that do exist have twice the national average caseload.

<https://ngaa.org.au/royal-commission-highlights-mental-health-services-concerns-for-outer-suburbs>