

**National Growth Areas Alliance: National Congress 2018**  
**Peter Colacino, Executive Director, Policy & Research, Infrastructure**  
**Australia**

**19 November 2018, Sydney**

**Opening remarks**

Good morning everyone, thank you Bronwen for that introduction and to the Growth Areas Alliance for inviting me to speak at this year's Congress.

I also want to acknowledge Minister Tudge, and Anthony Albanese, the Shadow Minister for Infrastructure, and of course the various representatives of local governments here today.

I would also like to acknowledge the traditional owners and elders – past, present and emerging.

As many of you will know, Infrastructure Australia is the nation's independent infrastructure advisor.

What you may not know is we have four key functions: developing the next **Australian Infrastructure Audit**, the biggest problems facing the sector for the next 15 years and **Australian Infrastructure Plan**, the solutions to addressing those problems. We also maintain the **Infrastructure Priority List**, evaluating infrastructure proposals over \$100 million as a gateway for Commonwealth funding.

Beyond concrete and steel, we focus on where people live and how they consume infrastructure services.

It's our job to champion the 'big picture' view of Australia's infrastructure needs – across sectors and across jurisdictions.

And in fact, this 'big picture' view is increasingly important as we plan to accommodate a bigger Australia, because as our cities and regions grow, their infrastructure needs are changing at an unprecedented rate.

As Australia's population surpasses 25 million, we must ensure we can cater for growth while maintaining the liveability of Australia's cities, and delivering better infrastructure.

My remarks today will focus on Australia's cities and three key infrastructure challenges we face to ensure they remain liveable.

For Australian cities of all sizes to grow successfully, they must be supported by the right infrastructure.

### **Australia's cities as engines of prosperity**

Over the next 30 years, Australia will grow by an additional 10 million people – the equivalent of 60 Campbelltowns, or 4 Western Sydneys.

Despite potential growing pains, this growth is a good thing. It provides Australia with an opportunity to: boost our productivity, strengthen our labour market, and enhances the diversity of our communities.

As our population grows, Australia is becoming increasingly urbanised and so is our economy.

In 2016–17, our four largest cities contributed over 60% of our national GDP, and this is expected to increase.

Reinforced by three-quarters of our population growth occurring in our four largest cities – Sydney, Melbourne, Brisbane and Perth.

For this reason, Australia's long-term prosperity is increasingly linked to the performance of our cities. But to maximise the economic opportunities of population growth, we need to ensure our cities are places where people want to live.

### **Planning liveable cities**

In order to attract and retain businesses and skilled workers, cities must operate efficiently and be "liveable".

Liveability is not an abstract concept. While personal perceptions may vary, there are three common characteristics found in most definitions.

Safety, attractiveness, social cohesion and inclusivity, environmental sustainability and, affordable and diverse housing linked by high quality public & active transport.

Put simply a liveable neighbourhood is one in which it is easy and comfortable to carry out day to day life, for a range of different people.

Rapid population growth – if unplanned and uncoordinated – has the potential to threaten these elements.

Rapid growth can invoke community angst reducing cohesiveness, while community character and attractiveness can be eroded by poorly planned development.

And infrastructure can strain if not sequenced to meet population growth. Unfortunately, Australia's governments have not always got this right. Too many communities have witnessed the delivery of poor quality development which is not well integrated into the local area and not accompanied by the infrastructure and services needed to support it. As a result, communities are understandably apprehensive about further growth and change.

So planning for our major cities to remain 'liveable' as they grow is a key challenge for our major cities, and Infrastructure Australia has identified three key areas of action: investment in public transport, access to green space; and, providing affordable and diverse housing.

However Infrastructure Australia doesn't look at our nation through a single lens. Indeed, as fast-growing cities, we look to smaller cities and regions as well as rural and remote areas.

### **Two-speed growth in our cities**

The challenges for smaller cities are somewhat different.

Rather than accommodating growth, the challenge is often catalysing it. While our major capitals are undergoing an urban transformation to higher density, our smaller cities face different challenges in retaining population growth and building up local industries.

Smaller cities will contribute around one tenth of Australia's forecast population growth over the next 30 years.

Some regions, such as the Central Coast, Geelong, Toowoomba, the Gold and Sunshine Coasts will grow strongly, in part because of their role as satellite cities for their neighbours. Others, such as, Wollongong are forecast to grow more slowly.

In order for smaller cities to capture their share of the national population growth, they must strive to define a distinct local identity.

To do this our smaller cities must define their own unique character – so-called city DNA – differentiating themselves from our larger cities in terms of industry makeup, way-of-life and urban form.

To avoid becoming dormitory suburbs, small cities should not be cookie cutter copies of their larger cousins.

Newcastle's recent CBD revitalisation is a key success story. A new start-up and technology industry cluster have emerged, along with a redesigned bus network shaping regional centres and a new tram to anchor development in the CBD, both supported by a community, industry and business revitalisation campaign.

The revitalisation has changed the character of the city, breaking with the industrial past and defining a new confident identity.

This renewal, as well as improved connections with neighbouring regions like Sydney and the Central Coast, will be critical to attracting new residents and businesses.

The Hobart City Deal, aided by the MONA factor and the UTAS STEM campus relocation, is another example of a smaller city looking to define a unique offering, leveraging its liveability.

### **Improving project selection**

A big part of delivering liveable places, wherever they may be, is making sure we're delivering the right infrastructure to support growth, at the right time. Unfortunately, more often than not, Australian cities face a lag with infrastructure, particularly social infrastructure, not delivered until years after new development. To address this it is crucial we improve long-term planning and project selection.

At its heart, improving project selection is simply about directing funding towards projects that address the largest gaps and opportunities.

For this to occur, it is critical that we have a national vision, which outlines the type of country we aspire to become.

Whether in a region or a city, people have expectations about the liveability of their communities and the quality of their services.

Where gaps develop or there are opportunities for rapid enhancement, it is critical we select the projects that can make the most positive contribution – for lowest cost.

Infrastructure Australia maintains the Infrastructure Priority List to do just that. The List provides a robust set of nationally-significant infrastructure investments required by the nation over the next 15 years.

The list includes projects, which are pre-designed and planned solutions, as well as initiatives, which are key gaps and opportunities requiring solutions. Addressing gaps in public transport was the most significant theme of the 2018 Priority List, reflecting the demands of a growing population.

In particular, the Priority List highlights the need to deliver projects that build capacity along existing major transport corridors in our inner cities – making better use of what we’ve already got.

### **Investing in public transport**

However, increasing the capacity on our public transport networks will also be critical if we are to cater for growth and maintain liveability.

Our recent [Future Cities](#) research examined the impact of projected population growth in Sydney and Melbourne over the next 30 years.

The link between supporting additional population and improving the capacity of the public transport network stood out.

In Sydney, for example, we found that an additional 2.7 million people would call the city home over next 30 years.

This means 2.5 million additional daily journeys on the city’s roads and 950,000 additional daily journeys on public transport.

By contrast, the existing Sydney Trains network carries 1 million people each day, while the existing metro and outer metro bus service carries just under 900,000.

The report modelled three separate growth scenarios – low, medium and high density versions of the future.

Under all scenarios, the percent of jobs within 30 minutes of residents decreased, as did access to green space.

While congestion almost doubled under all scenarios, but grew most rapidly under a high density scenario.

Public transport use increased by 50 percent, however not enough to keep pace with increased demand.

Under all growth scenarios, our research found the use and performance of public transport across our cities must improve to cater for growth.

For this reason, improved planning and increased public transport investment is required to ensure liveability.

### **Outer Urban Public Transport**

The newest release in Infrastructure Australia's Reform Series, [Outer Urban Public Transport](#), similarly highlights the need to improve the frequency and accessibility of public transport as we prepare for unprecedented population growth.

This new research explores the provision of public transport in lower density, outer urban areas of our major cities.

It found that although existing transport infrastructure serves inner city areas well, people living on the outskirts of our major cities are being disadvantaged by a lack of access to frequent public transport services – defined as a train, tram or bus every 15 minutes, or roughly four services per hour.

Close to half the population of our five largest cities – Sydney, Melbourne, Brisbane, Perth and Adelaide – live in the outer suburbs.

However, our research shows that people living in these areas experience: lower levels of service and accessibility to public transport, poor service frequencies and longer travel times compared to inner city residents.

As a result, people prefer to take the most direct route by driving, rather than taking a train or bus – adding to congestion in our growing cities.

People living or working in our outer suburbs are more reliant on their cars – meaning they shoulder the burden of additional vehicle operating costs, leaving less money for other household expenses compared to commuters in inner suburbs.

There is a clear need then for governments to better serve communities in the outer suburbs.

In the past, it has been very costly to deliver public transport in lower-density, outer suburban areas where houses and employment centres are typically spread over large distances.

For instance, someone catching a bus in the city centre pays for a third of the cost of the trip, but someone catching a bus in the outer suburbs only pays for a tenth of the cost.

This means it costs the taxpayer at least three times more for each bus service in the suburbs than in denser areas.

This is because traditional public transport is suited to high density, with public transport in low density areas often characterised by: lower ridership, low cost recovery, low investment and low service frequency.

But crucially, not everyone wants or needs a train station on their street and in fact, building expensive new infrastructure in every suburb is not the answer. Our paper argues that in low-density areas, governments need to: improve the efficiency of existing transport networks and consider new models to service communities in the growing outer suburbs.

New technology and delivery models, such as on-demand buses, offer an immediate opportunity to confront these challenges by increasing the flexibility and reach of the network and therefore serving a more diverse range of destinations.

This report makes a clear case for governments to consider new modes such as on-demand buses and ride-sharing to complement more traditional modes, like bus and rail.

This will involve working with private sector to incorporate demand-responsive services into the traditional public transport network.

With rapidly emerging connected and autonomous technology, it will also be critical to consider how these technologies can be incorporated.

And while this may seem like a thing of the Jetsons, it is not. Waymo, the Google spin-off, has announced that in December this year, the company will start its first commercial auto-cab service in Phoenix and has an order for more than 80,000 additional vehicles.

Major car manufacturers like Audi are also producing cars with the capability to drive themselves in some circumstances.

These so-called level three autonomous vehicles will have their self-drive features turned off in Australia as we do not have the regulatory environment to facilitate them.

It is therefore crucial that forward-looking planning and policies across government are adjusted to accommodate their arrival.

We are in a period of rapid technological change and wicked problems, and we will be best placed to address these challenges through better planning.

### **Access to green space**

In addition to access to public transport, our research also highlights the need to better acknowledge and prioritise access to green spaces.

Green and public spaces play an important role in maintaining a city's liveability, particularly in Australia where our natural assets and outdoor lifestyles are the mainstay of the national identity.

We need to make a concerted effort to plan for and support the use of these spaces.

As our cities grow and densify, more people will rely on shared green spaces like parks, rather than private green spaces like backyards.

In many Australian cities, blue spaces like beaches, lakes and waterways have a particular premium that we *informally* acknowledge, however they should also be *formally* acknowledged in land use planning.

Liverpool and Parramatta Councils have specifically identified their waterfronts as opportunities for economic and social activation.

Equally areas repurposing man-made landscapes like Penrith Lakes – an area larger than Sydney harbour east of the bridge – have enormous opportunities if they can be well planned.

Infrastructure Australia recommends that state, territory and local governments prioritise investment in new green spaces; and, make better use of existing open spaces to improve liveability.

Green spaces can also play a critical role in addressing issues of heat in our cities, improving liveability for people by cooling public spaces and streets.

### **Sequencing new housing and infrastructure**

Along with better considering how people move and the role of green spaces, we also need to focus on delivering new housing that address affordability challenges. This involves delivering a mix of housing options that support and

reinforce valuable local character; and, are supported by adequate services and amenity.

Getting the timing right on the delivery of new housing and the infrastructure needed to support it is easier said than done.

In the past, Australia's governments have struggled to coordinate the delivery of new housing with the required supporting social and economic infrastructure.

There are countless examples of new housing being delivered without adequate infrastructure and services.

This has resulted in disgruntled communities and the erosion of trust in our planning system.

Lags in infrastructure provision cost the economy, but they also affect the liveability of the community and trust in governments and the planning system. Governments will need to ensure the delivery of new housing occurs alongside upgrades to the infrastructure and services required to make a place 'work' – from essential utilities to transport, schools, hospitals, parks and other community facilities.

This is the focus of a new piece of work from Infrastructure Australia, called *Planning Liveable Cities*, which we will be sharing early next month.

### **Driving national benefits**

Whether it's investment in public transport, green space or housing affordability, there is clearly much to be done.

A consistent recommendation from Infrastructure Australia is the need for a greater focus on the outcomes of population growth for place.

We agree there is a need for a more strategic, national approach to managing population growth.

This would help establish a clear understanding about the local impacts of population growth on infrastructure service levels.

Collaboration between governments is critical.

State, Territory and local governments in particular are the owners of spatial and land-use planning.

To ensure planning and decision making is well-informed, improvements to data collection, quality and access will be critical.

In particular, we want to see strategically-aligned, nationally consistent population forecasts.

Our view is that we need a policy that delivers a process, rather than a document.

This process should be collaborative and cross-sectoral, enable development of an integrated policy and planning framework and complement the existing federation structure.

In addition to establishing a consistent evidence base, the models for infrastructure decision making must also evolve.

As cities plan for growth, new governance models must be considered for high growth precincts to bring together levels of government and large landholders to inform better decisions.

We've been pleased to see the Australian Government develop various models of City Deals as part of its Smart Cities Plan, including here in Western Sydney.

There is a compelling case to build upon this existing incentive structure to articulate lasting governance reform that establishes inter-governmental collaboration as a core component of decision making for high growth precincts.

### **Concluding remarks**

It is inevitable that Australia's cities will undergo a significant transformation in coming decades.

However, a key goal for Australian cities should be to remain 'liveable' into the future.

Sustainable development requires collaboration and integrated policy and plans, joined up government and investment consensus.

Building liveable cities will therefore continue to be a focus for Infrastructure Australia, particularly as the public debate about population continues.

Population policy, the spatial implications of where people settle, and providing the infrastructure needed to support them is core to the health of the nation and the economy.

We look forward to having more to say on this in coming months with the release of *Planning Liveable Cities*.

Thank you