



NATIONAL GROWTH AREAS ALLIANCE

COMMENTS ON THE SMART CITIES AND SUBURBS DRAFT GUIDELINES

JANUARY 2017

Introduction

Thank you for the opportunity to comment on the Smart Cities and Suburbs Program Guidelines. The National Growth Areas Alliance (NGAA) commends the Government on establishing this Program.

Five million people currently live in the fast growing outer suburbs around Australia. Growing at double the national rate, this will reach 7.5 million by 2031. Our research has demonstrated that there is a \$50 billion backlog in roads, rail and health facilities¹. It has also shown that investment will generate jobs growth and a permanent boost to national GDP². These areas are providing affordable housing for Australia's growing population. But they are not getting the investment needed to allow both residents and businesses to flourish. Significant investment is needed by all levels of government to keep pace with this growth and to address the backlog.

Both the Government and Infrastructure Australia have acknowledged that people living in the fast growing outer suburbs are worse off than their inner metropolitan counterparts and average city dwellers. The Smart Cities and Suburbs Program provides an opportunity to improve outcomes for both residents and businesses in these areas including less commuting, reduced cost of living and doing business and a better quality of life.

Supporting Collaboration

The guidelines indicate that collaboration and partnerships are crucial for the success of projects. In our experience having a partnership broker can significantly enhance the chances of successful partnerships, especially where projects are complex. This role requires resourcing and should be regarded as a valid Program cost.

Program Timelines

It would be preferable if Program timing was able to align with Local Government Budget cycles to achieve a higher participation rate by enabling Councils to budget for their component.

In terms of project duration, 24 months does not provide a great deal of time for partnership building, community engagement and procurement processes. It is recommended that this be extended to 36 months.

¹ SGS Economics and Planning, *Meeting Growth Area Infrastructure Investment Needs, A Benchmarking Analysis*, November 2015

² SGS Economics and Planning, *Cost Benefit Analysis of Investment in Growth Areas*, November 2009

For deployment ready projects in Round 1, commencement within 2 months may also prove to be quite tight and additional time is recommended.

Program Staging

Preparing a submission based on partnerships requires a considerable amount of work. It is recommended that there be an Expression of Interest stage so that only proponents likely to be seriously considered are asked to make a detailed submission. If feedback is given to all those expressing interest, it also gives them the opportunity to understand what is required for further Rounds.

It is also recommended that consideration be given to a 2 stage process for at least some applications, where the first tranche of funding is to prove an innovative concept is viable. The second stage would be to provide funds for its implementation should the project prove to be viable. This provides more surety for both the Government and proponents.

Connection to Policy Agenda

Given that this Program emanates from the Smart Cities Plan, it is recommended that the articulated outcomes for the Program make a clearer connection to the Plan and its objectives. This should include things like supporting jobs growth closer to home, improved transport connections and better access to essential services.

In relation to City Deals, proponents are asked to say how their project contributes to identified City Deals. Some further guidance on what is being sought would be helpful, as City Deals are so new to Australia and people are still grappling with what they mean in our context. Also, a project may support a City Deal not yet agreed and there should be scope for that to occur.

Support where it will make a difference

Well resourced Local Governments that have considerable experience in this arena should not crowd out those wanting to take the first steps in this direction. Program funds should support projects in areas that have an interest, that are developing capability and where there is the chance to make significant progress.

Outer urban growth areas have huge potential to be the showcase suburbs of the future. Access and liveability are core concerns. With massive infrastructure backlogs and poorer access to jobs and services, big gains can be made. These areas should be given priority for the difference that support through this Program could achieve.

The proposed incubation program is also noted and supported.

Outcomes

The outcomes sought, particularly related to liveability, could be more precisely expressed.

Criteria

Innovation

There is a requirement for a project to be a new solution to the organisation, city or region or for existing smart technology to be deployed in an innovative way.

As an example, a solution may have been tried and tested in an inner city setting but it may never have been applied to an outer suburban or regional setting. The innovation would lie in its application to these alternate settings. The guidelines seem to allow for this but it would be helpful if it was spelt out.

In terms of deploying existing technology in an innovative way, the context also needs to be taken into consideration. For example, while the technology may exist, the opportunity to use it may depend on other factors such as planning requirements. So an innovative solution may be to change the planning requirements, not the technology itself or how it is applied.

It is therefore recommended that there is a broader approach to innovation.

An expanded Appendix A – Definition of Terms, to include concepts such as innovation, amongst other terms used in the document, would be beneficial.

Social, environmental and economic benefits

The points explaining this criterion seem quite a narrow interpretation of social, environmental and economic. The benefits could actually be much broader and more significant than what is suggested in the guidelines.

Ineligible Expenditure

The last paragraph of Appendix C, says that the list of ineligible expenditure is not exhaustive. It also says that proponents must ensure they have adequate funds to cover any ineligible expenditure. It will be very hard for them to assess that if they don't know what might be ruled ineligible. Perhaps a better approach would be to discuss with the proponents whether ruling something that is not on the list ineligible will mean the project is no longer viable.