RAPI Policy

Liveable Communities: A National Agenda

OCTOBER 2000
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1. **Introduction - The RAPI Vision**

The Royal Australian Planning Institute (RAPI) represents planning and planners in Australia. RAPI is dedicated to the creation and enrichment of the professional skills needed to achieve sustainable development and healthy, prosperous and cohesive communities.

RAPI has developed policies to promote the aims of members, including, in recent times, policies on Reconciliation & Planning and Planning Assistance to East Timor.

RAPI believes that as the nation heads into the Centenary of Federation in 2001, it is essential that Governments, industry, the professions, the community and RAPI have a shared vision of policies for city and regional development.

RAPI believes that settlement and land use patterns can a significant impact on a host of national aspirations for the environment, the economy and communities. However, Australia currently lacks focus on these issues.

This is not to say that the Commonwealth is neglecting key issues like salinity or the metropolitan/country divide. There are some important initiatives underway in such areas.

Without an overarching policy framework there is a danger that these individual responses will have a lesser impact for want of coordination.

RAPI also notes that Australia is somewhat out of step with many other OECD countries in its approach to adopting a national framework for urban and regional development.

RAPI’s aim is to facilitate constructive debate within government and the community to produce a robust, bipartisan perspective on these issues.

This Policy is not the end of a process - it is the beginning. RAPI members look forward to further debate and refinement, including a State by State review of interpretation of the Policy at a local level to be conducted by RAPI State/ Territory Divisional Committees.
2. Scope of ‘Liveable Communities: A National Agenda’ Policy

Before detailing the particular policy measures advocated by RAPI, it is useful to define the scope of RAPI Agenda for National Planning Action 2000/2001 policy and to outline the mechanisms by which this policy is delivered.

City and regional development policy such as the ‘RAPI Agenda for National Planning Action 2000/2001’ needs to be understood as one of several policy levers open to governments (Figure 1).

Within this context, the value which urban and regional policy can add includes:

- "Knitting together" the various outputs from other policies to provide livable communities, recognising that well managed cities, towns and regions deliver benefits which are more than the sum of the individual program contributions;

- The extraction of better value from the investments made by governments and the private sector alike through efficiencies in the quantum and timing of infrastructure roll out and more efficient transactions between economic agents and households because of better a organised spatial setting;
Maintaining a focus on the environmental constraints within which the economic activity fostered by other policy areas must occur; and

Reminding Government that the 'transitional problems' attaching to fundamental policy shifts (e.g. globalisation, national competition policy etc) often impact on long established and spatially discrete communities which cannot readily adjust.

The various instruments by which city and regional development policy can deliver these benefits are amenable to a 3 way categorisation - planning, regulation and investment - (see Table 1).
Table 1.1
Overview of City and Regional Development Policy Instruments

<table>
<thead>
<tr>
<th>Element</th>
<th>Description</th>
<th>Policy instruments and interventions</th>
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<tbody>
<tr>
<td><strong>Planning</strong></td>
<td>Strategic planning to determine preferred land use allocations, settlement patterns and forms of development</td>
<td>Overarching policy statements and commitments to guide regional strategic planning (eg Greenhouse Gas Treaty, international conventions on habitat preservation, US style 'Livable Cities' charter).</td>
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<td>National settlement pattern policy.</td>
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<td>State Planning Policies covering airport noise, conservation of high quality agricultural land, hazardous industries etc.</td>
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<td>Issue based policies impacting directly on settlement patterns eg dryland salinity strategies, regional forest agreements etc.</td>
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<td>Regional planning frameworks (eg SEQ 2000, Future Perth)</td>
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<td>etc</td>
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<tr>
<td><strong>Regulation</strong></td>
<td>Control of development to ensure consistency with strategic objectives and an efficient trajectory towards preferred land use allocations and settlement patterns.</td>
<td>Council town planning schemes (covering issues like rural subdivision, local housing redevelopment, the distribution of shopping centres etc).</td>
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<td>Heritage controls.</td>
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<td>Emissions licensing.</td>
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<td>Health regulations with spatial / land use implications.</td>
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<td>Coastal protection regulations.</td>
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<td>Land release and infrastructure co-ordination policies.</td>
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<td>Development contribution requirements.</td>
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<td>etc</td>
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<tr>
<td><strong>Investment</strong></td>
<td>Deployment of discretionary infrastructure investment to support the preferred land use allocations and settlement patterns.</td>
<td>Co-ordination mechanisms to ensure major infrastructure investment (airports, highways, universities etc) support preferred settlement patterns.</td>
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<td>Targeted infrastructure funds.</td>
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<td>Incentives for private sector investment in infrastructure.</td>
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<td>Area specific infrastructure aid (eg Building Better Cities, National Heritage Trust)</td>
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There are several areas where the value adding potential of city and regional policy is not being fully exploited at the national level. These include:

**Issue 1** The ecological integrity and productive value of Australia’s land resource is running down.

**Issue 2** People and business is leaving some non-metropolitan regions with long established communities.

**Issue 3** There is a lack of investment and co-ordination measures to keep Australian cities world competitive in a global economy.

**Issue 4** Neighbourhoods and districts of social exclusion are emerging across our cities and regions.

**Issue 5** For many in our society, the cost of housing and access to needed services is becoming too great.

**Issue 6** The cost of housing is unnecessarily high through inappropriate regulation and poor management of land supply for new housing.

**Issue 7** The greenhouse gas problem is made worse by the form and structure of our major cities.

**Issue 8** Our settlement patterns are generating health problems through exposure to air pollution, other environmental hazards and impacts on lifestyles and general community well being.
3.1 Issue: Australia’s Ecological Integrity

Settlement patterns, rural and regional development agendas and infrastructure development all need to reflect a better understanding of the environment and the sustainable management of natural resources.

The challenge to change attitudes is considerable. Agricultural and mineral exports, energy use and the form and structure of Australian communities create a heavy reliance on natural resources for consumption and as a base for wealth generation in Australia.

Discussion about ecological integrity and the use of our natural resource base must deal with population and settlement, the flow and production of energy, the type of agricultural land uses, our environmental management arrangements and community attitudes to sustainability and biodiversity. Australia is able to point to some leading edge initiatives in environmental and resource management such as the pivotal role played by the Murray Darling Basin Commission and other work at a catchment scale. Likewise Landcare represents one of the most innovative community based programs ever undertaken in the world. These initiatives though should be seen as part of a coordinated and integrated approach embraced by all levels of government, the private sector and the community.

Debate about population distribution and settlement patterns in an environmental management context needs to focus a wide agenda. This includes the effects of urban and industrial waste streams on inland waterways and the coastal/marine environment and the impact on local and regional air quality. The result of any analysis of impacts will be challenging politically. There is likely to be a need for significant changes to lifestyles and the way our local and regional economies operate. Resource pricing and behaviour shifting solutions will be required as well as 'technological fixes' with significant price tags.

Land degradation and the degradation of surface and groundwater are interrelated issues affecting vast areas of Australia with far reaching implications for agricultural sustainability and long term urban settlement. The exploitation of energy and mineral resources
and the high levels of energy and resource use that support our economy and lifestyle create an ongoing dependency, and a generally poor willingness to invest in change.

Reliance on agricultural land practices that continue to include vegetation clearance and the artificially low pricing of water continue to foster and support greater productivity but with the risk of ultimately destroying the productive capacity of the land resource. The long-term implications of continued water use on the ecology of the Murray-Darling basin and the security of the water supply of Adelaide seem to be deferred to the next generation to solve. Such problems pose policy-making, political and community attitude dilemmas that are difficult to resolve in the context of governments elected on three year terms and short cycle initiatives.

In line with the predominantly urban distribution of the Australian population, attitudinal surveys have regularly placed air pollution, global warming and forest management at the head of the environmental agenda. The fact that land and water degradation is seen as relatively unimportant reflects a poor recognition of the linkages between the resource economy and the environment. Dryland salinity has emerged as probably the most significant, widespread and long-term natural resource management issue facing Australia. It has both rural and urban dimensions with the infrastructure of many towns and cities threatened with costly repair and replacement costs.

A broad scale national issue like salinity shows up the dangers of relying on a fragmented State based institutional framework for environmental management.

Local government generally has a fragmented and ad hoc approach to resource management issues and is often an unwilling participant in whole of catchment initiatives. Many local governments have embraced and promoted innovative environmental programs. However, the reality is that large numbers have continued to ignore the ground swell of community support and calls for environmental management programs led by local government. Land use planning can play a crucial role in assisting in environmental management and sustainable resource use. However, land use planning through planning schemes and development control has considerable limitations. It only comes into play when someone proposes a change of use or new development that requires a permit or
approval. Many aspects of use and development that have environmental impacts in rural areas do not require planning permission from local government. This is particularly the case for many development proposals in rural areas.

The allocation of resources to address these issues has been highly reactive. Setting targets for improvement, linking funding to targets and providing regular and understandable reporting are important elements of a considered response. At a local government level, decision making and funding allocation (about a range of matters) needs to internally assessed and reported against agreed criteria that embraces ESD principles.

The RAPI actively supports the broadening of the education and training agenda of planners to embrace greater consideration of the environment and natural resources, the implementation of ecologically sustainable development principles and catchment management as a basis for planning.

While the Commonwealth has over the last generation significantly lifted its role and effort in some matters such as coastal management and forestry, there is still a fundamental failure to link resource use and management and ecological integrity. Policy on energy and resource use, regional development, environmental management, agriculture and forests are seen as separate government functions at the state and federal level. Ministers and their departments responsible for these separate functions are touted as winners or bemoaned as losers, depending on the latest decision.
3.2 Issue: Metropolitan - Country Regions

Given the size of Australia and the uneven distribution of its natural resources it was probably always inevitable that a disparity in terms of economic well being and population growth would develop between various geographic regions. What was not foreseen was that about 40% of the nation’s population would live in only two cities and that significant and large geographical areas would fail to share equally in the economic benefits from national growth. Further compounding this situation is that many regions, often those in inland and remote areas, are slipping further behind in terms of economic performance. Increasingly the major metropolitan centres and some rural regions would be able to capitalise on their locational, economic and infrastructure attributes. Many rural regions are faced with no real prospect of ever keeping pace with, let alone bridging the gap to, the levels of growth and development associated with cities and regions able to link into the global economy.

At the broad geographical level two distinct economies are beginning to emerge; one based on new private sector investment in the service sector and global enterprises and the old economy tied to resources and servicing traditional primary industries. Income, employment and education indicators point to markedly weaker performance in areas outside the metropolitan centres. Access levels to services and facilities show a growing disparity between metropolitan and country areas. This situation has been heightened in recent years by the loss of public and private institutions in country towns and rural communities. Increasingly the view is of two communities with the metropolitan areas as winners and the rural as losers; it is perceived that partnership between regions is limited. It is an image fuelled by media stories and images of despair in country towns.

While at the generalised level this growing disparity is evident the actual pattern ‘on the ground’ is much more complex. There are well performing rural regions and there are some larger cities not keeping up with the pace set by the larger metropolitan areas.

- Regions have generally done better if their economy is not built around old forms of production and protection.
Young people have moved away from old economy regions in search of jobs and higher education and found fewer reasons to return.

While a number of rural regions have experienced actual population decline and considerable net outflows of capital, many rural regions, particularly those with natural resources attributes, have continued to grow and prosper based on re-investment in primary industries and service sector growth including tourism.

The geographical distribution of growth and decline is broadly characterised by four elements.

- Concentration of population growth and capital investment in and around a small number of metropolitan areas principally Sydney, Brisbane-Gold Coast, Perth and Melbourne and regional centres like Cairns and in tourist and retirement centres along the eastern seaboard.
- The flow of investment funds from poorly performing regions to the larger metropolitan areas.
- Continuing investment in primary industries, but focused around major mineral and energy deposits, new timber plantations and high value horticulture in irrigation areas.
- Population loss or very slow growth and consequent low levels of private sector investment, in (metro and non-metro) regions with the following characteristics: inland and/or relatively isolated, with traditional manufacturing sector industrial bases and dependent on extensive dryland farming and agricultural commodities that have experienced low world prices.

The RAPI is concerned about the emerging divide between much of metropolitan Australia and much of country Australia. Policies and actions are needed that bridge the gap but also bring the two areas together in a metropolitan-country partnership.
3.3 Issue: Competitive Australian Cities in a Global Economy

After a couple of centuries ‘riding on the sheep’s back and in the miners barrow’, Australia’s future prosperity will be driven by the major cities.

The cities offer a depth of skills and are best placed to support research and innovation. They are therefore the principal source of the specialised services – financial brokerage, marketing and advertising, communications, software design and maintenance, logistics engineering, design, training, strategic planning, human resource management and so on - which keep our resource based industries and our exporters of sophisticated manufactured goods competitive.

Moreover, the cities have become major export earners in their own right, through the sale of these advanced business services to overseas clients and through their role as cultural tourism destinations.

Nurturing Skills and Creativity Through National Urban Policy

Our collective economic wellbeing will turn on ‘harnessing brainpower’, that is generating new ideas about how to create greater value for the customer and how to conduct production and trading more efficiently - whether this occurs on the farm, in the factory or in the office. This requires relatively large pools of talent focussed on similar problems or fields of endeavour - in short, specialisation. Australia has the advantage of a reasonable education and training system, delivering good quality skills. But we need to recognise that as a nation with a small and dispersed population, the ‘critical mass’ for effective specialisation in any particular field of business is more difficult to achieve than is the case amongst some of our trading partners, particularly in North America, Japan and Europe.

Rather than leaving the process of service specialisation to happenstance, Australia needs a national strategy to accelerate the deepening of ‘industrial competencies’ across the major cities. This requires identification of the competitive advantages of the cities
from a global perspective and intelligently directing discretionary infrastructure investment to support these advantages. It also means forging better integration between Australia's skill nodes through improved transport and telecommunications links. This is an extension of the 'Centre of Excellence' concept to the national system of cities.

In contrast to the formulaic per capita allocations which have tended to dominate Australia's federal system of governance to date, such an approach may require the allocation of infrastructure spending based on best economic impact nationally. RAPI believes the Federation should be mature enough to embrace this differentiated approach. In any case, the Commonwealth is already pursuing a prototype of such a policy by designating Sydney as Australia's pre-eminent financial centre and by anointing Darwin as key portal to Asia through the provision of special funding for the rail link between Adelaide and the Northern Territory capital.

Strategic infrastructure investment

Many Australian governments have now had extensive experience with private – public partnerships in the provision of infrastructure, ranging from greater use of contracting out to full privatisation. It is important to capitalise on this experience and avoid 'reinvention of the wheel' across jurisdictions. Initiatives to facilitate technology transfer and best practice with respect to private investment in infrastructure are required.

Urban quality as a strategic asset

A key to competitive cities in the 'New Economy' will be livability and urban quality. Those regions which can offer stimulating, pleasant and safe living environments will enjoy an important advantage if the principal field of economic competition will be for highly developed skills and the best and brightest minds. As Hall and Pfeiffer (2000) observe:

"The more sophisticated the local economy, the more important are positive images and high quality of life in cities. Together with the shift to more subtle immaterial services, the demands for special urban quality have become more insistent. Cities which want to host high-tech or advanced-service companies have to provide attractive environments for their employees. In a world of
declining relevance of hard location factors, cities need a softer profile. What is good for the highly-skilled will be good for the economic development of the entire city” (p322)

Investment in good urban design, in quality urban parkland systems, in strong city centres and suburban nodes offering a full array of cultural, sporting and entertainment facilities and in urban transport systems which offer real choice and efficiency are important in their own right, for the benefit of ordinary citizens. But they also need to be understood as a means of building the productive capacity of the nation.
3.4 **Issue: Inequality and Social Exclusion**

The past 3 decades in Australia have generally been characterised by continuing economic growth; recessions have tended to be relatively short lived. Broadly speaking, economic management at Commonwealth and State levels have positioned the nation for continuing prosperity. The past 15 years in particular have seen the nation become more focussed on export driven growth, based on high value added manufactures and services as well as commodities. But there is some evidence that our capacity and commitment to sharing the national wealth across the community have not kept pace with our ability to create prosperity. The incidence of poverty – measured before and after housing costs – grew between 1973 and 1996. And, there has been a general ‘hollowing out’ of the national income distribution. Australia may be drifting towards a nation of two classes – those with skills and, perhaps, historically accumulated assets, who are well placed to benefit from Australia’s participation in the global ‘knowledge’ economy, and those without skills and without a family tradition of learning who may be locked into intermittent and low paid employment.

Australia’s ‘infrastructure’ for dealing with inequality has focussed on the tax and transfer payment system. This includes, progressively levied income taxes and an extensive suite of Commonwealth funded pensions and benefits. These cash transfer payments have been supplemented by in kind transfers or universal entitlements, for example, public housing for lower income households and access by all to free or heavily subsidised education and health services.

In the main, this infrastructure for ‘sharing the wealth’ has been conceived and managed on an ‘aspatial basis’. That is, it has been framed with the circumstances of individuals or their households in mind, rather than the communities within which they reside.

But, it is clear that locational setting can compound personal or household disadvantage. Neighbourhoods and regions dominated by welfare dependent households can take on an insidious culture which accepts such dependency as a ‘normal part of life’. Households in these communities may suffer diminished opportunities and, indeed, motivation to engage in training, family
based job placements, local business investment, local arts, sports and community service activities and other ‘network building’ which is essential for ongoing economic security as well as a fulfilling life.

Complementing Australia’s sound tax-transfer system with area based strategies to deal with disadvantaged communities is also warranted by the potential to generate better value from the social infrastructures already present in those communities. Operating in isolation, the schools, hospitals, training organisations, employment agencies, municipal councils, community groups, churches, public transport companies, subsidised housing organisations and other service providers in disadvantaged communities can themselves be overwhelmed by the culture of dependency, hopelessness and frustration. Incentives and mechanisms to get these organisations to co-ordinate their efforts and achieve shared objectives for the community in question can not only be a strong motivating force, but can generate additional resources for re-investment in the community as the organisations find that they can share assets, expertise and connections.
3.5 Issue: Affordable Housing

Taking a traditional perspective, policy in respect of ‘affordable housing’ has two facets.

The first relates to keeping the housing market efficient and competitive in the interests of improving affordability ‘across the board’. Another important policy objective here is to ensure that the national ‘resource take’ for housing is in line with consumer preferences and not wasteful.

Housing market efficiency involves a range of policy measures including licensing of builders, estate agents, designers and other ‘agents’ in the housing production and distribution system, insurance schemes to protect lenders and buyers alike, controls on the title creation and transfer process and regulation of the health and structural sufficiency aspects home building. Planning and urban management also plays a vital part in maintaining an efficient housing market. Policies in respect of; where and when land is released for new housing development; where and when housing redevelopment may take place; the funding of infrastructure of housing; and the processes by which housing development applications are considered and approved all directly impact on housing production costs and the extent to which housing supply can adjust smoothly to changes in demand levels and preferences.

Typically, development of policy in the housing market efficiency area has rested mainly with the States and Territories. However, the Commonwealth has played a leadership role from time, for example, with the Green Street Joint Venture, Local Approvals Review and the Integrated Local Area Planning programs of the 80’s and 90’s and more recently with the Development Approvals Forum.

The second facet of affordable housing policy concerns the provision of subsidies to needy households so that they might access appropriate accommodation. For the most part, these subsidies have been funded through the tax-transfer system and delivered in kind through public and community housing programs or direct income top – ups, for example through the Commonwealth’s Rent Assistance program.
Until recently, urban planning in Australia has had relatively little to do with subsidised housing policy except, perhaps, to contribute to strategies which seek to better integrate public housing into the broader community. This is in some contrast to the US where the planning (i.e. development approvals) system is often used to partly or fully fund the subsidies required to make housing affordable to particular groups. Developers in that country may be required to replace affordable housing demolished as a result of their project by handing over new units to a ‘welfare housing’ agency at prices well below market, or they may be obliged to include a certain proportion of affordable housing in their projects regardless of the pre-existing stock of such housing. Such “Inclusionary Zoning” might also see developers providing housing to designated affordable housing agencies at sub market rates.

With the public housing and rental top up system in Australia struggling to keep up with the expanding need for affordable housing, a number of Councils, particularly in the inner Sydney area but also in Melbourne and Brisbane, have begun to apply American style Inclusionary Zoning and Impact Fees to supplement local stocks of affordable housing.

With the reshaping of Australian cities under the influence of the ‘knowledge economy’, there may now be a need to consider a third facet to Australian affordable housing policy. It is becoming increasingly clear that the inner suburbs of the major cities are the main focus for fast growing ‘brain powered’ jobs of the new economy. These include advanced business services, finance and banking and key ‘command and control’ activities. Moreover, this is exerting a centripetal influence on the principal support institutions for knowledge based economies, for example, leading universities and research institutes, flagship cultural, civic, entertainment and sporting facilities and the main apparatus for government decision making.

In short, the inner areas are increasingly rich in the public and private infrastructure for quality employment, training and self development. The polarisation in the income distribution and the emergent division in the Australian population between the skilled and the unskilled are being imprinted on our housing markets, with the inner cities rapidly being ‘reinvented’ as nodes of opportunity.
These nodes of opportunity are, in part at least, a reflection of wider community endeavour – particularly in its sometimes difficult acceptance of the micro-economic reforms required to give Australia a position of advantage in the global economy. Much of the structural adjustment ‘pain’ endured by ordinary Australians is now paying off, with many of the benefits effectively capitalised in inner city housing markets. In this context, special measures to open up more affordable housing opportunities in the inner city – over and above those that can be generated through mainstream public housing and income support programs are warranted. This could involve the application of Inclusionary Zoning techniques in these areas, but in a way which spreads the funding task equitably and does not displace effort in the mainstream public housing and rent assistance system.
3.6 **Issue: Greenhouse**

Through the Kyoto protocol, there is now general acceptance across nations that the 'precautionary principle' needs to be applied in respect of global warming induced by human activity.

While Australia's absolute contribution to global emissions is small at 1.4%, the nation carries a strong moral obligation to find and implement ways of managing the greenhouse effect. After all, in terms of per capita emissions, Australia is one of the world's worst 'offenders' on this issue.

In the short to medium term, the biggest gains on greenhouse gas abatement are likely to be made through energy pricing policy, and new energy production and transportation technologies. Sustained improvement is also likely to demand moderation of energy consumptive behaviour. In this regard, urban and regional policy will have a strategic role to play.

Reduced car dependence in inter-regional travel will be important in dealing with the greenhouse effect. This calls for a more public transport friendly structuring of metropolitan areas. Poly nucleated city forms can contribute to this objective (as well as providing other benefits including a more supportive environment for key business clusters and improved access to a range to commercial and community facilities for consumers).

But significant reductions in car dependence will demand a range of other innovative urban management policies. For example, given recent technological breakthroughs in electronic tolling (as demonstrated through projects like Melbourne's City Link), the time is right to re-examine the merits and feasibility of implementing city wide road pricing on arterial roads, with prices reflecting environmental and congestion externalities. Changes in the way the traffic impacts of development are managed at the local level may also be warranted. These could include mandating contributions for public transport as well as, or instead of, parking.

Urban policy can also make a contribution to the achievement of more energy efficient neighbourhoods. New suburbs need to be configured to facilitate pedestrian and cycle access to services. This
means maintaining neighbourhood shopping centres and careful consideration of lighting, passive surveillance of access routes and other aspects of pedestrian and cyclist safety. It can also mean removing undue barriers to home employment in local planning schemes.

Energy efficiency at the neighbourhood level can also be advanced through smart design aimed maximising solar access and building mass insulation.

In many of these areas, Australian planners have worked with local communities to develop and implement effective policies and ideas. However, the State and Territory planning systems have been characterised by a degree of insularity. Good ideas take too long to permeate through to other jurisdictions, and many planners find themselves re-inventing wheels. A regular national planning forum is required to break this culture, not only for the sake of better management of the greenhouse issue, but to ensure rapid 'across the board' diffusion of innovations in urban and regional management.
3.7 **Issue: Healthy Cities and Regions**

As with the greenhouse issue, reducing car dependence is also a key strategy for improving health outcomes in our cities and regions. As noted, dirty air costs Australia between $3.0 and $5.3 billion per year because of adverse health impacts. And cars account for up to 90% of carbon monoxide and between 20% and 80% of other air pollutants (hydrocarbons, oxides of nitrogen and sulphur dioxide) in our major cities.

Another key health issue where planning and urban management can play an important part concerns the safety and security of water supplies for cities and towns. As demonstrated by the Sydney ‘water scare’ of 1999, our knowledge of the risks attaching to multi-use water catchments is patchy. There is a clear need for long term research to evaluate alternative management techniques and promote best practice. For efficiency reasons, it makes sense that the Commonwealth lead this process.

Of course, healthy communities are those where citizens are fully engaged in local social, sporting, cultural and civic life. Healthy communities have considerable ‘social capital’ – an ability to deal with adverse pressures, or make the most of opportunities, by drawing on local networks and leadership. Urban policy can affect the formation of social capital in many ways, not the least by being mindful of the existence of such networks and making sure that changes to the urban fabric reinforce rather than weaken them. Encouraging a whole community approach in planning the growth of cities and regions – as opposed to incremental expansion where the thresholds for community facilities and networks may take years to develop – is also important.
4. The Role of the Commonwealth

In preparing this policy statement, RAPI has been aware of the lack of consensus across Australian jurisdictions regarding how the Commonwealth might involve itself in 'urban and regional affairs'.

The Commonwealth has limited constitutional responsibility in this area. Past examples of significant national Government involvement in urban and regional policy, including the programs of the Whitlam Government (DURD) and the Keating Government (Better Cities), tended to rely on the Commonwealth's tax transfer powers and, to a lesser extent, its capacity to enter into international treaties.

Direct State Government access to GST revenues may diminish the capacity of the Commonwealth to exercise financial leverage in the interests of particular urban and regional outcomes.

Moreover, a strong argument can be developed that the capacity for diversity and innovation in urban policy across the States is preferable to a 'one size fits all' policy run out of Canberra.

RAPI's position is that the Commonwealth should generally take a leadership rather than instrumental role in urban and regional development policy. This is not to say that it should not have a detailed and comprehensive response to all the major issues in this policy area. But, in the main, the States and local government should be seen as the 'direct action agents' in policy implementation, working within national priorities and frameworks (and resource commitments) set by the Commonwealth and COAG.

A good example of such a process is provided by National Competition Policy. Clear national policies and principles were set for NCP with the States establishing their own programs of implementation. A system of major incentive payments has ensured active 'follow through' by the States, albeit with important variations to reflect local conditions. In RAPI's view, this approach is broadly preferable to the Commonwealth setting up Departments and programs which duplicate or compete directly with the activities of the States and Territories.
5. **A Response Based on Priority Issues**

The seven issues noted above provide an organising framework for the various initiatives required in a Liveable Communities: A National Agenda Policy. There are alternative frameworks. For example, policy could be structured around 'sectors', like transport, telecommunications, employment, recreation, community facilities etc, or 'trends', like population ageing, the changing nature of work, cheaper data transfer etc. RAPI has chosen the issue based approach because it facilitates integrated responses covering a range of policy levers.

6. **Key Policy Elements**

In line with its analysis of the key national issues, RAPI believes that a Liveable Communities: A National Agenda should contain the following elements. RAPI will urge its own members to take on these priorities.

1. **Preserving Australia’s ecological integrity.** The exploitative land and natural resource management practices of the past have put at risk the ecological integrity of Australia. **RAPI will continue to promote ecological sustainability as the foundation principle for the management of settlement patterns, agricultural land use, water resources and wilderness areas.**

2. **A whole of Australia approach.** The new global economy and the digital revolution threaten to create an unprecedented division between the knowledge rich cities and many rural and regional areas which are still dependent on commodity economies. Infrastructure and skills development is required to make sure all Australian regions are integrated into high value added international trade. **RAPI will work with local communities and State and Commonwealth agencies to define and capitalise upon regional strengths and opportunities.**

3. **Convergence of economic and urban policy.** In the 21st Century, Australia’s great cities will be the primary means by which the nation generates wealth. Making the most of this role rests not only with the adequacy of transport, telecommunications, power and other hard infrastructure, but also in the capacity to attract
and retain knowledge workers through quality urban design, clean and green environments and cultural vitality. RAPI will work to articulate and enhance the key drivers in our cities.

4. **Addressing social exclusion through local area planning.** The emergent division between well paid knowledge workers and those forced to rely on lower skill jobs or state income support is increasingly reflected in neighbourhoods, suburbs and even regions of social exclusion. These feature poor infrastructure, poor social capital and, possibly, a culture of dependence. ‘Place focussed’ strategies as well as generic transfer payments and education and health programs are needed to ensure that these communities are not permanently locked out of full participation in Australian society. RAPI will assist local community leaders to build the networks and the strategies required to break the cycle of social exclusion and will work with State and Commonwealth policy makers to devise the most efficient tools for achieving this.

5. **Mitigating social polarisation in the cities.** Left unattended, the forces of the new knowledge economy will polarise the social structure and geography of our major cities. Whereas once the inner cities provided a cheap housing resource in close proximity to training, employment, health and leisure opportunities, low income people are increasingly being squeezed out to less well served locations. Australia’s traditional response to the housing needs of low income people – public housing and Rent Assistance - can no longer keep up with these pressures. RAPI will work with the development sector and local policy makers to forge new partnerships by which the stock of affordable housing in locations with access to services (such as the inner city areas) will be boosted.

6. **Promoting an efficient housing market.** Access to secure, affordable and appropriate housing is essential to stable and successful communities. In partnership with the residential development industry, RAPI will strive for greater efficiency and innovation in all aspects of the housing production chain, to better meet the needs and preferences of Australian communities.

7. **A responsible approach to Greenhouse.** As a comparatively rich nation Australia has an obligation to take a leadership role in
matters of global sustainability. Yet Australia is a leading producer of Greenhouse Gases on a per capita basis. **RAPI will work with responsible agencies to encourage transport and planning responsive to the need to create settlement patterns that can be managed to mitigate long term Greenhouse effects.**

8. **Healthy communities.** Maintenance of clean air, clean water and generally healthy urban environments is fundamental to a high quality of life. Current high dependence on fossil fuels, the nature of the coastal airsheds of many Australian capitals and ongoing pressures on urban water catchments pose significant threats to the healthy environments we tend to take for granted. Moreover the wellbeing of communities requires positive investment in their social capital. **RAPI will continue to promote the strategic planning, land use management and urban design practices required to foster community networks and healthy living environments.**
7. **Recommendations for National Policy Action**

Within this broad framework, RAPI's proposes the following 14 initiatives for a Liveable Communities: A National Agenda.

1. **National Cities and COAG Regions Agreement**

   Through COAG, the Commonwealth Government should negotiate a National Cities and Regions Agreement, adopting similar mechanisms to the Commonwealth - State Housing Agreement and National Competition Policy, but with a permanent Secretariat and extended to include representation from the local governments of Australia.

   Encourage the Commonwealth, State and relevant local government jurisdictions to work towards a National Cities and Regions Strategy under the auspices of a Council of Australian Government (COAG) National Cities and Regions Agreement.

   This strategy should identify the potential knowledge/skill advantages of Australia's principal cities and regions and develop programs to deepen these potential advantages and better link localities with complementary roles/skills.

   The State and Local Government jurisdictions would be responsible for 'fleshing out' these headline strategies through their regular planning and urban management responsibilities. Protocols would be established under the National Cities Agreement, whereby additional Commonwealth funds for relevant infrastructure would flow to those jurisdictions which achieve negotiated milestones in the development and implementation of the headline strategies.

   It would be through this process that competing demands for major 'nation building infrastructure projects' - such as very fast trains between key centres - would be resolved.

2. **National Centre for Public - Private Partnerships in Infrastructure (NCPPI)**

   This Commonwealth funded think-tank would be constituted along similar lines to the Australian Housing and Urban Research
Institute. It would support a think-tank, formally constituted with a charter to identify and promulgate best practice in the identification and implementation of private sector investment in urban and regional infrastructure. The NCPPI would have a focus on critiquing and developing practical models for public-private partnerships, rather than academic research. It will need strong involvement and leadership from the banking and finance, construction and property services sectors, as well as public policy economists.

Establishment of the NCPPI itself should be approached as a public-private partnership, with the Commonwealth negotiating equity contributions from relevant corporations and peak bodies.

3. National Centre for Urban Design

Given the increasing significance of urban quality and localism in national competitiveness, as well as in delivering a better quality of life for ordinary Australians, RAPI believes it is time to promote a national centre for research and demonstration focussing on urban design. The Centre's brief could cover livability, neighbourhood character and the impact of urban arts and culture. This centre should also be approached as a public private partnership, both in the interests of 'editorial independence' and maximising opportunities for rapid diffusion of the technologies and thinking developed at the Institute.

Research from the Centre and the NCPPI would inform the evolving National Cities and Regions Agreement.

4. Targeted Regions Program.

That the terms of the National Cities and Regions Agreement noted earlier Commonwealth and the States encourage a joint program to work with regions which are able to demonstrate that targeted initiatives will overcome specific identified disadvantages. These regions will be eligible for a national infrastructure development fund with preference given to proposals including private sector partnerships. Particular focus and emphasis will be given to:

> local institution building, for example strengthening leadership and local networks for co-operation and planning;
> transport and communication infrastructure development and upgrading contributing to national goals and outcomes;

> education and training resources and initiatives designed to lead to enhance regional employment outcomes;

> initiatives that promote partnerships between regions, including developing economic and cultural links between metropolitan and regional Australia;

> infrastructure and capacity building that links regions into the global economy and the Australia’s globally competitive cities; and programs that lead to demonstrated environmental improvement, particularly on a catchment basis.

It is essential that this initiative is not a short term, one off, single political term program. It needs to be a long term program with generational change outcomes.

5. **National Audits of Super Fund Flows.**

This initiative is designed to reveal the nature and scale of what may be a largely one way flow of capital from rural and regional Australia. It is estimated that over $5billion is paid by the workforce non-metropolitan areas into superannuation funds but only a small fraction of this total is reinvested in those areas in the form of private sector investment. A research exercise would be conducted to track this flow of funds with a view to an initiative that required superannuation fund management firms to produce a public audit of the level of funds derived from each region and the specific investments that have been made in each region and to demonstrate innovative ways of channelling capital to regions.

6. **Community Building Program**

The Commonwealth Minister(s) responsible for Australia’s social security system should convene discussions with their State and Territory counterparts, as well as appropriate representatives of local government, aimed at promoting a jointly funded Community Building Program. This would be targeted at regions and communities which on a series of indicators (long term unemployment, education and skill levels, inward
investment, health outcomes, crime levels, substance and gambling abuse and environmental quality) can be deemed to be 'at risk' of social exclusion. The States and Territories would nominate the areas in question.

The Program would offer a combination of grants and ‘revolving funds’ to applicant communities which develop detailed area strategies to tackle key impediments to, or opportunities for, improved local social outcomes. Funds through the program could be deployed on ‘hard infrastructure’ projects, for example, lifting the amenity of particular areas to enable a better tenure/socio-economic mix. They might also be used to temporarily but substantially augment recurrent resources in existing social programs, for example training and education, to ‘break’ negative local perceptions of the merits of participating in such opportunities.

Commonwealth funding would be contingent upon matching cash or in kind contributions from State/Territory and local government. A formal, time bounded, plan for tackling incipient social exclusion would be required. The plan would need to specifically identify the ‘dividend’ which might flow back to the investor jurisdictions. This ‘dividend’ might involve the return of part or all of the funds originally provided (as might be appropriate in the case of real estate projects), or social benefits, for example, reduced crime, increased training participation rates, increased involvement in ‘quality’ employment and so on. In any case, the benchmarks for establishing achievement of the dividend would need to be set out in the funding contract.

7. **Efficiency of housing production and distribution.**

AHURI should be engaged to establish an authoritative and ongoing research project to monitor the ‘holistic’ efficiency of housing market regulation in each State and Territory including all public interventions regarding land release, redevelopment, control of design and building professions, health and structural standards, site planning standards, creation and transfer of titles and transaction costs.

The project would be undertaken as a joint venture with relevant industry organisations, such as the HIA, the PCA and the MBA. It would issue an annual performance score card for each State
and Territory, identify best practice and highlight areas where collective or individual action to correct inefficiencies is warranted.

In time, the output from this project would be fed into appropriate Ministerial forums, such as the current DAF.

8. National Housing Innovation Corporation (NHIC)

The NHIC would liaise with colleague industry sections to champion a Government owned business with a specific charter to promote innovation in sustainable housing design, construction and tenure. Its operations would focus on the middle and lower reaches of the housing price spectrum.

The NHIC would invest in innovative housing projects only on a joint venture basis with other developers. It would do so on a ‘quasi commercial’ basis. That is, it would be expected to deliver to Government a ‘target dividend’ across its whole portfolio, benchmarked against mainstream developers, but allowing for the extra risk borne in taking on ground breaking or demonstration projects. The difference between the target dividend and the industry benchmark for housing developers would be ‘written off’ by Government as a community service obligation (CSO) payment.

The range of innovations which could be promoted by the NHIC could include new building techniques which cut costs, new on site workforce management techniques which similarly offer efficiencies, better ways to approach site planning with both capital and on-going cost savings in mind, retirement housing and other alternative tenure forms which can lower the threshold cost of housing, improved ways of managing rental stock by providing a minor stake to tenants etc. In pursuing such innovations, the Corporation would be free to either hold or dispose of stock upon completion of projects.

The NHIC would respond to market offers of joint venture ‘innovative projects’ which might fit its charter. It would make a commercial decision on which projects to take up given the dividend target (or IRR) set by the owner Government. Offers could come from private sector developers or other government
owned enterprises, for example, Land Corporations, public housing authorities, the Defence Housing Authority etc.

Once the NHIC has established a track record and clear operating policies, it could be sold off with Government continuing to support innovation in the sector by paying a cash CSO to the new owner.

9. Affordable Housing Strategy

Through the CSHA (or whatever inter-governmental process that might eventually replace it), the Commonwealth should initiate discussions with government with a view to assessing the feasibility, efficiency and equity of instituting "Inclusionary Zoning" (a concept of area-wide Development Contributions that can be collected and then re-invested for community purposes in the subject area) and other techniques for affordable housing, including for example covering the inner regions of all Australian capital cities.

In broad terms, the Inclusionary Zoning strategy for the inner cities would require all development – encompassing commercial developers and individual home renovators and traders as well as residential developers – to contribute to an affordable housing fund on a pro-rata basis tied to the value of the work in question. Funds generated in this way would be earmarked for reinvestment in the relevant inner city region and would be distributed with matching Commonwealth funds through the CSHA and/or appropriate community housing schemes. Disbursement of these funds would be linked to employment and training access programs, so that the tenants in question gain maximum advantage from their strategic inner city location.

Development of the Inclusionary Zoning strategy for the inner cities should be part of a partnership approach with the development sector (i.e. PCA, HIA, MBA, UDIA). Apart from making a contribution as 'good corporate citizens', the development sector would benefit from the efficiency gains arising from the AHURI production pipeline monitoring process and the operations of the National Housing Innovation Corporation.

Within the context of international benchmarks, the Commonwealth needs to encourage a Government Strategy that sets national goals and targets for sustainable resource use and management, particularly related to city and regional development. This must be a long term bi partisan initiative in association with the States and including local government. It needs to foster a whole of catchment and whole of government approach. The most urgent issue is to have a comprehensive, national, enforceable approach to land clearing and the management of Australia’s biodiversity.

Another fundamental plank to this initiative is the need to build on the National Land and Water Audit results due at the end of 2000 and establish a strategy and implementation plan for Australia’s surface and ground water resources. The strategy needs to determine sustainable targets for water use and the phasing out of high use, low yield, environmentally damaging crops and agricultural practices in preference to commodities based on efficient water use for high value production. Such a strategy will require resource management to be linked to rural and regional development programs including regional economic and social adjustment programs.

The planning profession in all its spheres is supportive of and keen to work with natural resource management agencies and the community in developing and implementing strategies, policies and works at the catchment and local level.

11. **Assisting Local Government’s role in natural resource management.**

One issue that a natural resource management strategy needs to address is the role and powers of local government. The roles and responsibilities of local government in the context of a national agenda on environmental management and sustainable resource management need to be redefined. This should be implemented through an agreement between the Commonwealth, States, the Australian Local Government Association and each of the relevant State local government associations. Planners in different State and Territory jurisdictions work within legislated systems that ascribe different roles for planning in respect to the environment in the broad
sense and particularly in respect to local government and its statutory planning powers. Such an agreement would be the basis of a national approach to the deployment of land use and land development powers as defined by the States. These powers and roles and responsibilities of local government need to embrace environmental management, resource development and sustainable land management practices as they relate to the approval of land use change and new development.

12. National Planning Ministers Forums and National Roundtable

Support regular meetings of Planning Ministers becoming a permanent and well resourced feature of the Australian governance system.

Such meetings are needed, not only to facilitate harmonisation of the statutory planning systems across Australian jurisdictions, but to deliberate on national responses to shared problems, like greenhouse, and to promote diffusion of best practice. To encourage wider focus, a National Roundtable to involve specialist experts could be convened on a regular basis - it could follow the Canadian example of a 'National Roundtable on the Economy and the Environment'.

13. Green City Project

Build on current initiatives and encourage co-ordination of a large scale research project to test the urban forms and related urban management initiatives, including innovative road pricing which are likely to deliver the best outcomes in terms of greenhouse gas emissions, while meeting other objectives regarding competitiveness and livability. The project would be focussed at the metropolitan level and would involve an international reference group.

The outcomes of the project can be progressively fed into State and Territory metropolitan strategic planning via the National Cities Agreement outlined above.

14. Co-operative Research Centre (CRC) on urban and regional management
The Commonwealth’s Co-operative Research Centres Program, which links industry with universities, the CSIRO and similar institutes to produce focussed research with market potential has been a major success. It has greatly reduced the gestation time and risks in the commercialisation of research. In some areas, it has led to unanticipated breakthroughs in primary research, that is new knowledge creation.

A CRC targeting urban management issues (including the land use and settlement aspects of water catchment management, other environmental health issues, sustainable neighbourhood design, linking urban development and economic development etc) to accelerate practice improvement in Australia. It would also provide many opportunities for commercialisable research and export services in the urban management area - a field of great opportunity for Australia given the pace of urbanisation in Asia.