20 September 2017

Committee Secretary
Standing Committee on Infrastructure, Transport and Cities
PO Box 6021
Parliament House
CANBERRA ACT 2600

The Committee Secretary,

PIA Submission to House of Representatives Inquiry into the Australian Government's role in the Development of Cities

The Planning Institute of Australia (PIA) appreciates the opportunity to contribute to the Standing Committee on Infrastructure, Transport and Cities Inquiry into the Australian Government's role in the development of cities. We have offered seven recommendations on page 4 of this submission.

PIA is the leading industry organisation with over 5,000 members and involving over 10,000 planners each year in the strategic planning, design and assessment of future land use and development and its integration with infrastructure.

Strengthening the performance of Australia’s existing and emerging cities is a vital to Australia’s prosperity and sustainability. PIA’s submission is directly informed by a recent National Survey of Planners and our policy positions on Rural and Regional Development\(^1\) and Discussion Papers on: Megatrends Shaping our Future\(^2\), A New Era for National City Planning\(^3\) and Infrastructure and its Funding (Draft).

PIA regards cities as the dominant focus of Australia’s wealth and wellbeing, ensuring great cities is vital to our future. Australian cities are among some of the fastest growing in the developed world. Megatrends of urbanisation and globalisation are propelling us to futures vastly different than today. The complexity, speed and scale of change is presenting uncharted challenges relating to equity and access, engagement and identity, housing affordability, carbon pollution and climate change, economic growth and


\(^{3}\) https://www.planning.org.au/policy/a-new-era-for-national-city-planning
ecological outcomes. Strengthening and developing new approaches to planning resilient cities is essential to securing the nation’s future.

Based on current immigration, fertility and life expectancy trends, Australia’s population is expected to double over the next 60 years which will place pressure on settlements that accommodate growth. This growth will in turn require additional land supply (infill and greenfield) to accommodate associated housing and employment needs as well as different infrastructure and services. The ability to address these pressures in a sustainable and feasible manner requires integrated land use and infrastructure planning, coordination and delivery.

PIA understands the Inquiry seeks to investigate the factors behind the successful development of existing Australian cities and the potential for new ones in the face of population growth and change. While recognising the primacy of state, territory and local government in planning and service provision, the Inquiry will examine what spatial planning structures make best use of natural resources, bring jobs closer to where people live, and help ensure a high-quality natural and built environment.

The terms of reference highlight the planning tools, models, indicators and alternate funding options that would be required to inform an assessment of the liveability, sustainability and resilience of different scenarios of urban settlement across Australia. They pose the question of how Commonwealth, State and Local Government actions should integrate with the private sector to achieve city structures that offer greater economic performance, social equity and better health and wellbeing.

**PIA POSITION**

PIA is in a strong position to assist the Inquiry consider alternative models for Australia’s urban growth and urge the committee to consider a scenario based appraisal of alternative pathways for the growth of existing and emerging Australian cities.

PIA plays a key role in both advocating for better planning and in building the capacity of planners to shape our cities, regions and their communities. PIA understands that the Federal Government has an important policy and leadership role to play in supporting good planning at a national level and ensuring that Australia’s resources are utilised sustainably and our tax dollars generate value for money. It is in the community’s interest that planning systems and outcomes are supported and properly funded at national, state and local levels.

Sound strategic planning enables infrastructure investments to be made and growth to be accommodated effectively and efficiently. As a result, PIA advocates for comprehensive city and regional plans to be implemented via governance arrangements and a planning system that is transparent and has the trust of all key stakeholders and the community.
PIA continues to support the Smart Cities Plan and is contributing to the development of City Deals to facilitate greater levels of inter-governmental collaboration. Our position is based on the PIA policy documents below:

**A New Era for National City Planning**

PIA supports the development of a forward-looking cities agenda focused on innovation and the integration of land use planning, infrastructure which informs key investment decisions. PIA has shaped discussion in ‘A New Era for National City Planning’ to foster dynamic urbanisation by charting urban patterns and crafting national urban policies critical to ensure Australia’s productivity, prosperity, sustainability and resilience.

Our work advocates for the Federal Government to fulfil urgent needs around city planning, including for: a national settlement strategy; national urban development policies; urban indicator systems; unified and streamlined national planning approval processes; better and more consistent metropolitan strategic planning; and rational, fair and transparent structures for capturing value from infrastructure investment and development.

**Smart Cities and City Deals**

Planners have long been advocating smart city principles, performance measurement and championing that our urban and regional areas be configured in a way that supports greater levels of liveability and sustainability. PIA is an advocate of integrated planning frameworks such as city deals, and is pleased to see this taking shape under the Commonwealth Smart Cities Plan. City Deals provides a real opportunity to use a new approach in delivering better outcomes for our cities. PIA sees them inspiring other collaborative partnerships across all levels of government, industry, and importantly with the community to achieve spatial planning outcomes such as achieving a 30-minute city.

Aligned to City Deals, but addressing the broader imperative of smart cities, is the need to deliver positive planning outcomes. PIA encourages the Australian Government to endorse PIA’s approach to Planning Systems Principles (http://www.planning.org.au/policy/planning-systems-principles-0713) to provide a more cohesive framework for planning systems across the country.

**Megatrends shaping our Future**

With Australia’s population expected to double by 2075, it is important to consider how national policy can foster collaborative and dynamic urban planning responses. The Australian settlement pattern is increasingly characterised by population concentrated in capital cities. This is linked to the growth of the new economy, access to skills and global markets, migration and the cosmopolitan amenity potentially on offer. The process of globalisation has also reconfigured the forces driving development in regional Australia, including new technologies, production methods, new lifestyle
preferences, and new business and investor location decisions. These factors are explored in PIA's report: *Through the Lens, Megatrends shaping our Future (2016).*

The resulting patterns of urbanisation have heightened the debate around the merits of different approaches to the development of urban and regional Australia. In any case, effective strategic planning systems are needed to ensure the quality and sustainability of our cities, as well as strengthen economic development and the quality of life of our regions, their cities, centres and suburbs.

**Rural and Regional Development**

Improving the competitiveness of Australia without sacrificing growing inequality, demands stronger integration of all regions into the global economy. Resources and policy efforts should be guided by an overarching spatial strategy for each State and Territory. This strategy framework has a spatial orientation; however, it can be integrated with the strategic directions embedded in broader social service delivery and economic plans, as well as existing regional structure planning.

PIA continues to support regions capitalising on their location-specific competitive advantages. In practice, this has meant developing region-specific policies, delivered through a bottom-up governance approach. However, PIA advocates for a clear spatial planning framework to guide regional policies and actions, including fiscal policy, and to offer certainty to both public and private investment across regional Australia.

The frameworks should provide a hierarchical network of connected settlements, ensuring social and environmental sustainability, in some places managing strong growth - and in other places in decline, protecting the wellbeing of the community. PIA has set out specific actions in our Rural and Regional Development Position Statement summarised in our response to Term of Reference 2(c).

**Other Relevant PIA Positions**

PIA has developed and supported the implementation of national planning principles. PIA urges the Commonwealth to use this Inquiry to promote the widespread application of *Healthy Spaces and Places* planning principles, *Moving Australia 2030, ASBEC Built Environment Adaption Framework* and accept the need for quality urban design principles and approaches as outlined in the *National Urban Design Protocol* (refer www.planning.org.au/policy).

**RECOMMENDATIONS**

Australia urgently needs to have a sustainable and integrated national settlement strategy based on a broad national conversation on the future shape and character of Australia's cities and regions. PIA has consistently supported the need for the Commonwealth to take an active role in developing a national cities and regional policy. The Commonwealth should ensure it provides the level of resources to the strategy's
ongoing development, implementation and evaluation - in partnership with other levels of government, the business sector, and the broader community.

A national settlement strategy would provide the context for the Commonwealth Government to appreciate the unintended implications of national taxation, public policies, investment and immigration policy on the spatial structure and performance of Australia cities and regions.

PIA proposes the following high-level recommendations that it believes the Commonwealth should pursue:

1. **PIA recommends that the Commonwealth evaluate all public policies including, its taxation, investment and immigration policies to determine the spatial effects these have on how different cities take shape and perform.**

2. **PIA recommends that this policy evaluation should:**
   a) be undertaken by the Department of the Prime Minister and Cabinet (PMC)
   b) include a scenario analysis of city growth alternatives (eg two megacities vs many regional cities) – involving all levels of Government to investigate how our cities would perform at a national population of over 50 million; and
   c) consider using the scenario analysis findings and accompanying national debate to first scope, and then prepare a National Settlement Strategy.

3. **PIA recommends that the Commonwealth strengthen the coordination and alignment of Cities policy issues by appointing a ‘National Chief Planning Officer’ to be administratively placed within the Prime Minister’s portfolio – whose roles would include coordination of the policy evaluation and national settlement strategy preparation (above).**

4. **PIA recommends that the Commonwealth should prepare a National Settlement Strategy that:**
   a) provides context for better targeted national taxation, investment and migration policy;
   b) informs the growth parameters to be applied to settlement strategies; and
c) resolves roles and responsibilities associated with growth management, land use and infrastructure planning within the context of Australian federalism.

5. PIA recommends that future Commonwealth investment and prioritisation of ‘growth’ infrastructure is targeted to those areas aligned with state and territory growth strategies.

6. PIA recommends that the Commonwealth should build on the COAG Reform Council National Criteria for City Strategic Planning (2012), and with an emphasis on explicit spatial outcomes and city structures which can improve the productive capacity and living conditions of our cities through more effective integration of land use and infrastructure.

7. PIA recommends that the Commonwealth focus City Deals to deliver spatial outcomes set up out in state and territory growth and settlement strategies – and recognise opportunities innovation in governance and place-based budgeting.

PIA MEMBERSHIP SURVEY

The PIA undertook an on-line survey of our membership across Australia during July 2017. The survey included 17 questions framed around each of the terms of reference - as well as many opportunities for comment. We received responses from approximately 200 experienced planners from across Australia. This material informs our submission and offers insight on the range of views represented across the profession. The questions and responses are included as graphs in Attachment A and are discussed below under the relevant terms of reference.

The threshold question posed was whether our members thought the Commonwealth was in a position to positively influence the growth of our cities. The overwhelming response was ‘yes’. However, the comments revealed that the Commonwealth needed to develop a keener appreciation of the spatial effects of the policy instruments at their disposal and appreciate their impact on the achievement of the outcomes sought for our future cities.
RESPONSE TO INQUIRY TERMS OF REFERENCE

1) Sustainability transitions in existing cities

   a) Identifying how the trajectories of existing cities can be directed towards a more sustainable urban form that enhances urban liveability and quality of life and reduces energy, water, and resource consumption

Strategic planning integrated with infrastructure and service delivery funding and delivery is fundamental to the success of cities. A commitment to developing and implementing a strategic plan for a city, region and state that takes account of growth scenarios is a prerequisite for success. A successful strategic plan must be based on actionable and measurable outcomes that are specific to the place.

PIA members have considered the relative importance of different outcomes and highlighted the following as most important to drive the development of scenarios for future Australian cities (top 4 survey responses):

1. Improve urban liveability, health and quality of life
2. Make the most sustainable use of natural resources (i.e. reduces energy, water, and resource consumption)
3. Bring jobs closer to where people live (i.e. productivity / agglomeration economies /reduced living costs)
4. Ensure high quality natural and built environment

An important example is the adoption of an outcome for a ‘30 minute city’ as a structuring element of the Greater Sydney Region Plan (in preparation by the Greater Sydney Commission). This is based on an outcome to have jobs closer to where people live and underwrites a three-city approach (West / Central / East) in which more of Sydney’s housing has access within 30 minutes to a major city hub. This represents a measurable basis for the cities future performance with respect to accessibility – as well as a proxy for productivity advantages associated with agglomeration economies. Other
important outcomes highlighted by our members included our cities becoming “more compact” and “promoting poly-centricity”.

PIA also surveyed our members on what factors would have the most significant impact on the sustainable development of our cities over the next 30 years. Our members noted that different factors are important in different scale cities - major capital cities (e.g. Sydney / Melbourne), mid-sized capital cities (e.g. Perth / Adelaide) and regional cities (e.g. Townsville / Launceston). Not surprisingly the factors of greatest concern in the largest cities were:

- Congestion and accessibility
- Availability and costs of housing

While in Regional Cities the greatest concerns were:

- Social equity and inclusion
- Connection to global markets and the knowledge economy
- Urban environment and lifestyle
- Labour market pool and access to jobs

The results for medium sized cities showed comparable importance across all factors as well as concern over living costs.

Our members comments included:

“The cost of doing business in Melbourne and Sydney will hinder the ability of undertaking sustainable cities polices. The focus will be on housing affordability.”

“Mid-size capitals, like Brisbane and Perth, will need new industries. They will not be able to rely on regional industry such as mining or agriculture.”

“For the small cities, affordable housing will make them an attractive value proposition to many people. However, these cities lack access and number of high quality post resource boom jobs.”

The results suggest that any investigation of alternative futures for Australian cities should address these factors and be aware that the priorities for cities of different scales and locations will vary. Our members also suggested that any future city growth scenario be assessed using techniques that involve:

- Qualitative assessment of desired outcomes;
- Triple bottom line measurement;
- Adaptability in the face of long-term megatrends; and
- Economic performance expressed as a cash flow.
b) Considering what regulation and barriers exist that the Commonwealth could influence, and opportunities to cut red tape

Responsibility for land use and infrastructure planning largely rests with State/Territory and Local Governments as it relates to the release of land for urban intensification or greenfield development, associated strategic land use and infrastructure planning and for development assessments to facilitate the consistent delivery of intended development.

The Federal Government’s involvement with land use planning has ebbed and flowed since Federation with varying degrees of success largely due to the fact that planning is the domain of State/Territory and Local Governments. That said, Federal policies do have implications on land use and infrastructure planning and over 90% of surveyed members believe that the Federal Government has an important role to play in land use planning.

Surveyed members identified that the Federal Government has responsibility for policies that have implications on other tiers of government. For example, the Federal Government is responsible for immigration policy which influences the rate of population growth experienced in settlements that then require land use planning infrastructure planning responses by the State/Territory and Local Governments. The Federal Government is also responsible for taxation (e.g. negative gearing) and foreign investment policy which have implications on the housing market. Taxation policy also has implications on transportation (e.g. subsidies that relate to private vehicle sales and

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**Table: Q3 Over the next three decades, what factors do you see as having the most impact on the sustainable development of Australia’s largest major capital cities (e.g. Sydney, Melbourne)? (Please rank)**

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<tr>
<th>Factor</th>
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<tr>
<td>Congestion and accessibility</td>
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<td>Social equity and inclusion</td>
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<td>Availability and costs of</td>
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<td>Living costs</td>
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<td>Urban environment</td>
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<td>Connection to global market</td>
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<td>Access to employment</td>
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<td>Depth of labour market</td>
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<td>Other</td>
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Answered: 111  Skipped: 2
petrol). Finally, the Federal Government contributes funding towards infrastructure that is required to accommodate growth however sometimes there is a disconnect between the Federal Government and State/Territory Government about what the priorities are. It is important that there is a clearer line of sight between the types of outcomes desired for Australia's settlements and Federal policies such as immigration, foreign investment, taxation and infrastructure priorities.

The Federal Government has an opportunity to lead a process by which there is an agreement forged between Federal and State/Territory governments regarding the types of outcomes that are desired for Australia's settlements and infrastructure funding priorities. Surveyed members identified the importance of the Council of Australian Governments (COAG) and Infrastructure Australia to drive better collaboration between the two levels of government. COAG and Infrastructure Australia could be utilised to provide more consistency across Australia where it is beneficial in areas such as planning regulation, infrastructure planning and infrastructure business case development which could lead to Federal funding being tied to strategic outcomes and transparency.

Surveyed members identified that the Federal Government has the ability to support nationally significant considerations around freight (rail and road), airports, telecommunications and high-speed rail. Our members also highlighted the need for the Commonwealth to show clearer insight on how spending, taxation and immigration policy is having a real effect on the differential performance of our cities. One commentator observes that that commonwealths impact is “spatially blind”.

We asked our members to identify what were the most important ways the Commonwealth could influence sustainable cities and urban form. The top responses (in order) were:

- Reward based funding to States / Local Government
- Agreements across all tiers of Government to adopt ‘best practice’ approaches (e.g. COAG MoU)
- Review of Commonwealth Regulation (e.g. EPBC, Building Codes, Telecommunications Codes etc)
- City Deals

Interestingly a Commonwealth sponsored jurisdictional review of state / local red tape and regulatory barriers was not ranked highly, whereas a review of Commonwealth generated regulation was highlighted. Individual member comments noted concerns with jurisdictional overlap on planning issues regarding biodiversity conservation (EPBC Act) and the telecommunications code.

Positive comments on what the Commonwealth could do to improve city performance: included: developing a national settlement strategy, expanding the city deals model, incentive funding to infrastructure linked to city deals or a certain standard of well-integrated strategic regional planning, stamp duty reform, managing the growth of
housing demand as an asset class by reducing tax incentives due to negative gearing and CGT discounts and exemptions.

c) **Examining the national benefits of being a global 'best practice' leader in sustainable urban development**

The member survey comments showed strong consensus on the importance of achieving best practice in urban sustainability – not so much to achieve world leadership – but because it would represent action to achieve a better urban environment. The key benefit of leading sustainable urban development was identified as:

- Improved lifestyle and environmental conditions

Other sustainable city benefits noted (in descending order) included:

- Improved social equity
- Opportunity to export knowledge and services
- Improved economic productivity
- Attract or retain skilled workers
- Attract foreign investment

Member comments included:

“*Sustainable city development should be about promoting... 5/6 green star buildings at minimum standards. As well as support the establishment of renewables. We need a carbon trading scheme to provide this sector with certainty.*”

“The public expects and the economy requires a functional transport system. The failure to invest in public transport has caused our cities to be clogged with traffic. This is not environmentally or economically sustainable. Major social polarisation issues as a result of this pose a strategic challenge for our society.”

Our Young Planners Network also highlighted the need to be able to recognise and measure best practice and the critical importance of city performance measurement / indicators and are looking to the proposed indicators from the Smart Cities Reference Group to offer direction.
2) Growing new and transitioning existing sustainable regional cities and towns

a) Promoting the development of regional centres, including promoting master planning of regional communities

A threshold question is - whether the forces driving the agglomeration of economic activity, jobs and population towards our major cities (Sydney and Melbourne) are so strong that any attempt to deflect growth to new or existing cities might be either be futile or uneconomic? One respondent observed:

“We live in the 21st century and in a market led economy. The professional services industry and finance industries want to be located in the capitals. People want to live closer to where they work. People follow jobs. The Federal Government should be assisting effective governance of metropolitan areas and encouraging investment in infrastructure that supports their growth rather than trying to force people out of the cities based on out dated “new town” policies.”

Our members are broadly split between a view that the forces attracting growth to our major cities are too strong (30%); and the positive prospects for growing existing cities (49%). Only 8% of respondents saw significant potential in wholly new cities.

When asked whether high levels of regional city growth would be desirable; a significant majority asserted that this was important to diversify our growth patterns – “so we don't become a nation of two mega-cities”. However, some 12% argued that major cities have greater capacity to absorb growth sustainably.
We live in the 21st century and in a market led economy. The professional services industry and finance industries wants to be located in the capitals. People want to live closer to where they work. People follow jobs. The Federal Government should be assisting effective governance of metropolitan areas and encouraging investment in infrastructure that supports their growth rather than trying to force people out of the cities based on out dated "new town" policies.

PIA commissioned work on megatrends shaping Australia’s future. Several of these trends will have a more direct effect on the size, structure and character of Australian cities. While it is not a given that these forces would only fuel growth in existing major cities, conditions are in their favour in the medium to long term. We find the evidence underpinning agglomeration economies in relation to the strength of concentrations of job clusters to be compelling and urge the inquiry to investigate metrics such as equivalent job density and its implications for the future concentration of economic activity in major cities – so long as they offer good living conditions (see Rawnsley 2010⁴).

Some planning implications for cities are outlined with respect to each megatrend:

- **Increased urbanisation:**
  - The importance of strategic planning integrated with infrastructure funding and delivery to achieve quality places, liveable cities and more affordable housing
  - Plans for sufficient quantity, diversity and quality of housing - and sustainable design of precincts and buildings
  - Promotes the economic / productivity advantages of clustered employment connected and near housing in cities and centres
  - Supports conditions that enable sustainable regional economic development and settlement
  - Recognises a ‘social contract’ - for improved amenity and living conditions to offset urban intensification impacts

- **Global connectedness:**
  - Strategic planning in support of international freight /port / logistics opportunities and their land / air / sea needs
  - Enriching opportunities to export knowledge services – including via planning and designing networked / connected employment clusters and mixed use
  - Planning for access to education – including student housing
  - Planning regimes supporting digital infrastructure network enhancements and telecoms rollouts

- **Smart settlements and new technology:**
  - Planning for the 24/7 economy – via urban design, consent conditions and services planning (including night transit access)
  - Planning for infrastructure and facilities taking account of autonomous vehicles
  - Ensuring building codes and consent conditions do not prevent innovations in materials and construction methods

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Planning and decision-making systems supporting distributed networks (eg household energy)

PIA appreciate that the same forces will act on regional settlements and we understand that improving the competitiveness of regional Australia demands stronger integration of all regions into the global economy and that resources and policy efforts should be guided by an overarching spatial strategy for each State and Territory. PIA continues to support regions capitalising on their location-specific competitive advantages and urges adopted regional development outcomes be expressed to guide strategic planning and investment decisions. That said, the future will rapidly through up opportunities for growth that nimble investors and supportive governments may embrace. The Brisbane West Wellcamp international freight airport is a case in point.

“Regional centres need to be connected to the major capital cities with high quality public transport systems. It is the only way they will be able to be connected into the global economy.” (Young Planners Network).

Our understanding is that masterplanning of new or existing regional communities will only be effective if there is an economic base to build on which would sustain growth and open opportunities for well-integrated land use and infrastructure planning, funding and delivery to be economic in the long term.

Our surveyed members ranked the following top negative and positive impacts of establishing completely new cities:

- **Negative impacts of new cities:**
  - High risk that investment is unsustainable if diversified economic growth opportunities are not apparent
  - Potential high environmental impact of new urban footprint
  - Could divert social infrastructure funding priorities
  - Could compete with and stifle growth of existing centres

- **Positive impacts of new cities:**
  - Enable a purpose-designed efficient urban form
  - Enable entrepreneur-led development and funding of nation building infrastructure (eg high speed rail / airports)
  - Opportunity for innovation in city governance

The conclusion to be drawn is that investment in new cities are likely to be very high risk where the underlying economic development opportunities are not clear. However, a pathway forward that optimises the impacts (above) is prudent where economic conditions are favourable. PIA would support scenario analysis of alternatives for the expansion of new and existing cities to better understand the implications of trying to deflect our current major city growth trajectory.

**b) Promoting private investment in regional centres and regional infrastructure;**
There are opportunities for entrepreneur and market led innovation in the conception, funding, finance and delivery of infrastructure projects – especially to fill gaps and respond dynamically to disruption as demand, behaviour and technology rapidly change.

- Private infrastructure delivery models should deliver - and not distract from achieving planning outcomes reflected in a strategic plan and work to build community trust in the planning system.
- Entrepreneur led models including forms of public private partnership – should demonstrate superior economic and triple bottom line performance to a public sector comparator project.
- Strategic planning should be ambitious in addressing future growth opportunities and identify opportunities where either government or private sector innovation can deliver outstanding results.

A successful multi-investor partnership should combine public and private finance in a pattern that reflects each parties' responsibility for managing project risks.

Our PIA member survey ranked the circumstances in which 'entrepreneur-led' major infrastructure (e.g. private high-speed rail / private airports) should shape major new settlement.

1. Where there is a strategic justification in a regional plan
2. Only as a delivery tool via a public-private partnership – where project has been developed in integration with strategic planning processes
3. Where a jurisdiction's stated priorities can be met
4. As a result of an unsolicited bid with a sound business case
5. No circumstances (the risks and outcomes are public responsibility)

Some observations of our surveyed planners and Young Planner Network on private sector involvement in regional city growth include:

“The availability of private capital and initiative is not an excuse not to plan – private investment should support achieving a strategic outcome for a region”.

“Planners don’t have a monopoly on strategic thinking, and an 'entrepreneur-led' project could shape the strategic landscape, and present opportunities to achieve planning objectives by a means not previously considered by government or planners.

“More incentives need to be provided to the private sector to invest in public infrastructure. We need the market to play a bigger role, especially the super sector who have the capital.”

c) Promoting the competitive advantages of regional location for businesses
PIA continues to support regions capitalising on their location-specific competitive advantages. In practice, this has meant developing region-specific policies, delivered through a bottom-up governance approach. However, PIA advocates for a clear spatial planning framework to guide regional policies and actions, including fiscal policy, and to offer certainty to both public and private investment across regional Australia.

PIA’s *Rural and Regional Development Position Statement* promotes a planning approach based on identifying means of resourcing and empowering local communities and engaging planners and the planning system in framing actions to achieve regional strategies – to manage both growth and decline. The key elements are:

- Establishing state and regional spatial frameworks for Australia.
- Strengthening a network of regional centres, providing centralised and accessible locations for services, and networked smaller towns linked to larger regional centres, but with their own distinct economic development strategies and identities.
- Strengthening regional lifestyle advantages to promote population and economic growth. Amenity and liveability is crucial for tourism and attracting human capital.
- Infrastructure development and regional connectivity to improve the competitiveness of regions and for underpinning a polycentric spatial framework.
- Encouraging regional centres to pursue cultural and community programs (integrated with spatial plans) to support social justice, equity of access and indigenous cultures. Local leadership must be supported and nurtured.
- Future-proofing of regions against the impacts of climate change, including the costs of transition to a low carbon future, exploiting the opportunities of renewable energy, and adapting to a changed climate.
- Where decline may be inevitable, the negative impacts must be managed, including tangible assistance for people to relocate or to thrive in smaller communities.
- Research, including scenario investigations are needed to appreciate how rural and regional change is playing out.

d) **Examining ways urbanisation can be re-directed to achieve more balanced regional development**

The member survey offered two dominant responses to the question on ‘what interventions could be most effective in sustaining sustainable regional city development?’

- Nation building infrastructure (eg high speed rail / airports)
- Delivery and funding of local and regional infrastructure to sustain new urban development

Other well supported responses included:

- Promoting the competitive advantages of regional location for businesses
- Master-planning of regional communities
- Promoting specific private investment in regional centres

Our members also ranked what a ‘National Settlement Policy’ might include to identify and potentially justify intervention to promote growth in new cities - or in any preferred settlement scenario:

1. Investment in 'nation-building infrastructure'
2. City Deals / Region Deals
3. New funding streams earmarked to cities / regions linked to demand
4. Performance measurement of benchmarks / indicators
5. Internal migration policy
6. 30 year population targets set for each State and Region
7. Incentives / requirements for jurisdictions to adopt growth oriented landuse policies

Our members appraisal assumed that a scenario planning exercise had highlighted the potential advantages of alternative structures for growth among existing or new cities.

**e) Identifying the infrastructure requirements for reliable and affordable transport, clean energy, water and waste in a new settlement of reasonable size, located away from existing infrastructure.**

The objectives and process for identifying the infrastructure requirements for ‘growth’ related infrastructure is important for both new settlement, and the expansion or renewal of existing centres. Our draft *Infrastructure and its Funding* Position Statement sets out the following principles:

- Strategic planning and infrastructure planning must be integrated to achieve adopted planning outcomes for places.
- Infrastructure project objectives must be consistent with the strategic planning outcomes sought.
- All available options (e.g., non-infrastructure) that meet the project objectives should be considered.
- Project appraisal should value broad social, environmental, and economic costs and benefits across whole-of-life.
- Independent infrastructure prioritisation using consistent business case reviews referencing strategic planning outcomes – should be the basis for prioritisation of major growth infrastructure projects (especially transport).

PIA members surveyed identified the following infrastructure investments as most critical for new or expanded regional cities – the results were fairly even:

- High speed transport links to existing major cities in Australia / access to global markets (highest score)
- Community facilities, education, health infrastructure and lifestyle
• Reliable and affordable transport within the city
• Clean / reliable energy Water and waste
• Thriving commercial centres
• Diverse housing opportunities (including affordable housing)

Our response to this term of reference is summed up by the observations of a PIA member:

“Let’s aim at truly place-based governance and constructive partnerships across all levels of government. Our cities face unprecedented sustainability challenges that can only be met by collaborative policy, a focus on resilience, planning with nature, poly-centric growth (particularly building up regions) and acting to stop the unplanned sprawl into prime agricultural areas. The concept of "nation-building infrastructure" needs to be rethought to cover climate adaptation: transport that gets cars off the roads, integrated water cycle management and planning with nature/water.”

Our members also responded strongly to the role of State and Commonwealth Government as primary funders of growth infrastructure alongside a substantial role for value capture. However, the allocation of property development rights to a public private partnership were supported to a lesser degree.

CONCLUSION

Several themes have emerged from PIA’s engagement with our members and reference to our existing platforms:

• That Commonwealth tax and investment policy has a real impact on places – but is conceived without sufficient regard for its spatial impact. It needs to work towards achieving outcomes adopted for cities involving all levels of Government.
• Planning and managing growth in existing and new settlement is not an either / or proposition. Existing cities will continue to grow and demand investment to maintain adequate living conditions.
• Scenario analysis of alternative growth paths would be a valuable exercise to determine what policies and potential investments might be common to most future growth and spatial distribution scenarios.
• Wherever growth occurs there is a basis for a social compact - that intensification be accompanied by improvement in living conditions.
• The availability of a source of funding and project delivery should not distort the achievement of strategic outcomes for city or region.
• There needs to be a broad discussion about roles and responsibilities associated with land use and infrastructure planning within the context of Australian Federalism. This should clarify the roles and responsibilities attributed to the
three levels of government and build a more constructive approach towards the means to respond to growth.

- There is an opportunity for major innovation on the way we plan for growth in smart cities and prioritise our investments in places and infrastructure – the city deals offer an opportunity to model and reform planning, governance and funding arrangements to achieve strategic objectives for new and existing cities.

Thank you for the opportunity to make our submission. Please contact me at (david.williams@planning.org.au at (02) 6262 5933) or PIA’s Principal Policy Officer (john.brockhoff@planning.org.au at 0400 953 025) if you wish to discuss our submission in greater detail.

I would also be pleased to arrange a contribution to the inquiry hearings by our directors or senior staff.

Yours sincerely,

David Williams
Chief Executive Officer
Planning Institute of Australia

c: ITC.reps@aph.gov.au
ATTACHMENT A:

PIA Member Survey Results Summary

Q1 Do you think the Australian Government is in a position to make / influence policies that could improve the prospects for sustainable growth of our cities? (Please tick one)

Yes: 111
No: 2

Q2 Achieving what ‘outcomes’ should drive the development of scenarios for the urban form of Australia’s cities? (Please tick top three only)

Answered: 110
Skipped: 3

Q2. Answer Choices (in full)

Make the most sustainable use of natural resources (less energy, water, and resource consumption)
Bring jobs closer to where people live (productivity / agglomeration economies / reduced living costs)
Ensure high quality natural and built environment
Improve urban liveability, health and quality of life
Improve resilience
Improve social equity
Q3 Over the next three decades, what factors do you see as having the most impact on the sustainable development of Australia’s largest major capital cities (e.g. Sydney, Melbourne)? (Please rank)

Answered: 111  Skipped: 2

<table>
<thead>
<tr>
<th>Factor</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Congestion and accessibility</td>
<td>2</td>
</tr>
<tr>
<td>Social equity and inclusion / exclusion</td>
<td>4</td>
</tr>
<tr>
<td>Availability and costs of...</td>
<td>5</td>
</tr>
<tr>
<td>Living costs</td>
<td>5</td>
</tr>
<tr>
<td>Urban environment and lifestyle</td>
<td>7</td>
</tr>
<tr>
<td>Connection to global markets</td>
<td>7</td>
</tr>
<tr>
<td>Access to employment</td>
<td>6</td>
</tr>
<tr>
<td>Depth of labour market</td>
<td>2</td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
</tbody>
</table>

Q3. Answer Choices (in full)

- Congestion and accessibility
- Social equity and inclusion / exclusion
- Availability and costs of housing
- Living costs
- Urban environment and lifestyle
- Connection to global markets and knowledge economy
- Access to employment
- Labour market pool depth
- Other
Q4 Over the next three decades, what factors do you see as having the most impact on the sustainable development of mid-size capitals (e.g. Perth, Adelaide)? (Please rank)

Q4. Answer Choices (in full)

Congestion and accessibility
Social equity and inclusion / exclusion
Availability and costs of housing
Living costs
Urban environment and lifestyle
Connection to global markets and knowledge economy
Labour market pool depth
Other
Q5 Over the next three decades, what factors do you see as having the most impact on the sustainable development of regional cities / centres (e.g. Townsville, Launceston)? (Please rank)

Answered: 100  Skipped: 0

- Congestion and accessibility
- Social equity and inclusion / exclusion
- Availability and costs of housing
- Living costs
- Urban environment and lifestyle
- Connection to global markets and knowledge economy
- Labour market pool and depth
- Other

Q5. Answer Choices (in full)

<table>
<thead>
<tr>
<th>Option</th>
</tr>
</thead>
<tbody>
<tr>
<td>Congestion and accessibility</td>
</tr>
<tr>
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<tr>
<td>Labour market pool and depth</td>
</tr>
<tr>
<td>Other</td>
</tr>
</tbody>
</table>

Q6 What alternative future city / settlement scenarios should be investigated by the Australian Government? (Multiple choices allowed)

Answered: 100  Skipped: 0

- Compact city
- Polycentric city
- Satellite city
- Dispersed city

Other
Q7 Which criteria are most important to measure the performance of a city scenario? (Please rank)

Answered: 111  Skipped: 2

- Qualitative assessment...
- Economic performance...
- Triple bottom line...
- Adaptability in the face ...
- Other

Q7. Answer Choices (in full)
Qualitative assessment of desired outcomes (see Q2 above)
Economic performance expressed as a cash flow
Triple bottom line measurement
Adaptability in the face of long-term megatrends
Other

Q8 How can the Commonwealth influence policy promoting sustainable cities and urban form? (Tick top three only)

Answered: 90  Skipped: 15

- Reward based funding to...
- Block funding to States /...
- Review of Commonwealth...
- Commonwealth sponsored...
- Agreements across all...
- City Deal

Q8. Answer Choices (in full)
Reward based funding to States / Local Government
Q9 In your view, what might be included in a national ‘settlement policy’ to implement features of the best-performing growth scenarios?

**Q9. Answer Choices (in full)**

- 30 year population targets set for each State and Region
- Investment in ‘nation-building infrastructure’
- City Deals / Region Deals
- New funding streams earmarked to cities / regions linked to demand
- Internal migration policy
- Incentives / requirements for jurisdictions to adopt growth oriented landuse policies
- Performance measurement of benchmarks / indicators
Q10 What might be the benefits of Australia becoming a global leader in sustainable urban development? (Tick top three)

Answered: 102  Skipped: 11

- Attract foreign investment
- Attract or retain skilled workers
- Improve lifestyle and environmental conditions
- Opportunity to export knowledge and services
- Improve economic productivity
- Improve social equity
- Please comment

Q11 Do you think the scale of growth of our major capital cities could be substantially reduced by the growth of existing or new regional cities? (Please tick one)

Answered: 102  Skipped: 11

- No, the factors...
- Yes, by growing...
- Yes, by developing...
- Other (Please comment)

Q11. Answer Choices (in full)
No, the factors fuelling major city growth are too strong
Yes, by growing existing regional cities
Yes, by developing new regional cities
Other (Please comment)

Q12 Would high levels of regional city growth be a desirable outcome? (Please tick one)

Q12. Answer Choices (in full)
No - this would reduce the productivity advantages of major cities as job / knowledge agglomerations
No - major cities have a greater capacity to accommodate growth more sustainably
No - there would be a negative impact on regional environments and lifestyles
Yes – to ease pressure on major cities performance
Yes – to improve access to a larger regional economy
Yes – to diversify our growth patterns - so we don’t become a nation of two mega-cities
Other (Please comment)
Q13 What are the impacts of establishing new regional cities? (Please tick top three)

Enable entrepreneur-led development and funding of nation building infrastructure (eg high speed rail / airports)
Could compete with and stifle growth of existing centres
High risk that investment is unsustainable if diversified economic growth opportunities are not apparent
Could divert social infrastructure funding priorities
Potential high environmental impact of new urban footprint
Enable a purpose-designed efficient urban form
Opportunity for innovation in city governance
Other (Please comment)
Q14. Answer Choices (in full)
Master-planning of regional communities
Promoting specific private investment in regional centres
Promoting the competitive advantages of regional location for businesses
Delivery and funding of local and regional infrastructure to sustain new urban development
Nation building infrastructure (eg high speed rail / airports)
None, the ‘attracting forces’ of major cities are too great
Other

Q15. Answer Choices (in full)
Reliable and affordable transport within the city
High speed transport links to existing major cities in Australia
Transport / access to global markets
Clean / reliable energy
Water and waste
Community facilities, education, health infrastructure and lifestyle
Thriving commercial centre
Diverse housing opportunities
Other

Q15. What are the critical infrastructure investments needed for successful new or expanded regional cities? (Please rank)
Q16 In what circumstances should ‘entrepreneur-led’ major infrastructure (e.g. private high-speed rail / private airports) shape major new settlement? (Multiple choices allowed)

Answered: 96  Skipped: 17

- As a result of an unsolicited...
- Where there is a strategic...
- Where a jurisdiction...
- Only as a delivery tool...
- No circumstances...

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

Q16. Answer Choices (in full)
- As a result of an unsolicited bid with a sound business case
- Where there is a strategic justification in a regional plan
- Where a jurisdiction’s stated priorities can be met
- Only as a delivery tool via a public-private partnership – where project has been developed in integration with strategic planning processes
- No circumstances (the risks and outcomes are public responsibility)

Q17 What infrastructure funding opportunities should be promoted for new regional cities? (Multiple choices allowed)

Answered: 92  Skipped: 21

- Value capture of land value uplift (betterment)
- Allocation of property development rights to a public private partnership
- Development contributions for infrastructure
- State investment
- Commonwealth investment

Q17. Answer Choices (in full)
- Value capture of land value uplift (betterment)
- Allocation of property development rights to a public private partnership
- Development contributions for infrastructure
- State investment
- Commonwealth investment