

The State of Australian Cities 2010 report – towards a national research agenda

**Your opportunity to respond to proposed
research priorities**



1 INTRODUCTION

On 5 March 2010, the Hon Anthony Albanese MP, Minister for Infrastructure, Transport, Regional Development and Local Government launched the *State of Australian Cities 2010* report (Australian Government 2010).

The report was prepared by the Major Cities Unit, part of Infrastructure Australia, and draws together existing data and information across a range of economic, social and environmental parameters to provide a national snapshot of the 17 Australian cities with populations over 100 000 at the 2006 Census. It also highlights emerging trends and issues to promote discussion and debate on managing growth and change in our urban centres.

The [State of Australian Cities 2010 report](#) progresses the cities agenda at the national level, setting the context and scope for further involvement by the Australian Government in urban policy and planning. The next stage will involve the development of a national cities strategy that outlines the Australian Government's approach to achieving more productive, liveable and sustainable cities in the future.

The full report and individual chapters can be found by visiting Infrastructure Australia.

MAJOR CITIES UNIT

The Major Cities Unit was established in Aug 2008 to provide advice to the Australian Government and Infrastructure Australia on issues of policy, planning and infrastructure that have an impact on our cities and suburbs. Its aim is to provide coordinated action across all spheres of government, the private sector and the community to help secure the nation's economic, social and environmental wellbeing through our cities.

See <http://www.infrastructureaustralia.gov.au/mcu.aspx> for further information.

2 PURPOSE OF THIS PAPER

The *State of Australian Cities 2010* report does not aim to identify key gaps in the research evidence base, nor to develop a national research agenda—but these are appropriate tasks for AHURI as the national research institute focussed on housing and urban matters. As an initiative under AHURI's National Cities Research Program (see Section 4), this paper invites your response to the proposed research priorities. As well, through a series of urban policy seminars occurring across the capital cities we invite your participation and provide a further opportunity for your contributions.

Hence, the purpose of this paper is to commence the process of developing the national research agenda that will need to be implemented if this information deficit is to be met and the 'indicator framework' is to be properly grounded in research evidence.

This paper was prepared by Dr Ian Winter, Executive Director, AHURI with significant input from Mr Rod Fehring, Board Chairman, AHURI (and Executive General Manager, Australand Holding Limited) and Mr Michael Kerry, Board Director, AHURI (and Managing Director ANZ Planning, Design & Development, AECOM).

3 THE STATE OF AUSTRALIAN CITIES 2010 REPORT, ITS PURPOSE AND CONTENT

The *State of Australian Cities 2010* report is a systematic data compilation to highlight established and emerging trends and issues, to promote discussion and provide baseline data to assist policy making, business decisions and forward planning. The report is largely a description of publicly available data, and sets up a framework for a 'holistic study of the phenomena of Australian cities, measuring economic, environmental, social and demographic changes' (Executive Summary 2010). Prepared by the Major Cities Unit of Infrastructure Australia, the report is the first of a regular series and is premised on the understanding that cities are of central importance to our economic and cultural life.

The report clearly sets the scope and context for the Australian Government's involvement in urban planning and policy. It makes the case for the 'inherent need for a coordinating and oversight role for the Australian Government', promoting a collaborative approach to a national framework for managing major cities and an improved context for the increasing allocation of Federal funds towards urban infrastructure. Many would welcome this after a lengthy absence of interest by Canberra in these issues. Indeed, it would seem critically important to the future well being of the nation that the Federal Government take the lead on setting strategic policy frameworks that encourage improved performance of Australian cities as a key plank in economic, environmental, social and population reform.

Data and material provided in this and subsequent reports is intended to assist all levels of government—national, state, territory and local—to meet the key challenges of population growth, demographic change, transport congestion, living affordability, infrastructure development, productivity growth, climate change and ecological sustainability. The most significant current issues looking for practical policy responses appear still to be dominated by population growth and distribution, immigration policy as it relates to growth, ageing and the matching of suitable and affordable housing for future needs and preferences. Overall, there is a clear intention to create an 'indicator framework' for our cities, which in turn will enable Australia to make valid comparisons with cities across the world and to measure and understand better positioning, productive potential and competitiveness in an international context.

This intent reflects the Australian Government's commitment to evidence-based policy, yet as the report points out there is an overall information deficit to enable us to understand the main impacts, issues, challenges and drivers of urban dynamics. Herein lies a significant justification for a nationally co-ordinated cities research program that will cumulatively build a high quality evidence base relevant to policy and practice development. Moreover, the development and maintenance of an 'indicator framework' for our cities will have to be underpinned by an ongoing program of research. *Indicators* inevitably make assumptions about cause and effect and their validity and accuracy will only attract consensus support if there is a credible evidence base that lays bare the nature of these connections.

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appropriate tasks for AHURI as the national research institute focussed on housing and urban matters. As an initiative under the National Cities Research Program, this paper invites your response to the proposed research priorities. See Section 6 for further details. As well, through a series of urban policy seminars occurring across the capital cities we invite your participation and provide a further opportunity for your contributions. Keep an eye on <http://www.ahuri.edu.au/calendar/default.asp> for further details.

4 THE NATIONAL CITIES RESEARCH PROGRAM

The National Cities Research Program is a strategic priority of AHURI that seeks to:

- deliver an evidence base that will be relevant to and integrative across urban issues
- deliver an evidence base that will be unimpeachable and independent
- deliver an evidence base that will underpin a suite of indicators that benchmark and track the performance of Australian cities in meeting our social, economic and environmental aspirations
- engage the policy and research communities
- facilitate dialogue between business, community, and government
- engage international experts on comparative work
- inform public discussion of these important issues.

A skilled and capable urban research, policy and practice community exists in Australia, yet there is under investment in policy and practice relevant research, an absence of national coordination, and few opportunities for constructive, cross-sectoral engagement. There is plenty of opinion, but little evidence. There is plenty of talking, but little constructive engagement. There are plenty of issues, but little integration. In response to these needs AHURI has implemented and seed-funded the National Cities Research Program to build interest and commitment to some reciprocal partnerships that will provide a cost effective investment in developing the evidence base, the constructive cross-sectoral engagement, and ultimately improved urban outcomes that Australia's citizens demand.

5 STATE OF AUSTRALIAN CITIES 2010 – A RESEARCH AGENDA

The substantive contribution of the *State of Australian Cities 2010* report is contained in six chapters on:

1. Population and settlement.
2. Productivity of Australian cities.
3. The sustainability of Australian cities.
4. Liveability of Australian cities.
5. Social inclusion and equity.
6. Governance.

The following table identifies some of the key findings of these chapters and draws from them key issues that will need to be addressed in an ongoing program of research.

State of Australian Cities 2010 – key themes	Agenda for a National Cities Research Program
Population and settlement	
<p>1. Three quarters of Australian residents reside in major cities (100 000 plus), where most of the future growth will occur (p.27).</p> <p>These urban settlement patterns are overwhelmingly coastal with nearly 80% of Australians living within 50km of the sea coast (p.39).</p> <p>Demographic changes are significant with ageing and reducing household size as main drivers, and a recent slight decline in average size of houses ending a long run trend towards larger dwellings:</p> <ul style="list-style-type: none"> → The proportion of the population aged over 65 is projected to rise from 13.3% in 2006 to 23% in 2050 (p.37). → ‘The average household size in Australia is projected to decline from 2.6 people per household in 2001 to between 2.2 and 2.3 people per household in 2026.’ (p.38). → The average size of new houses in Australia in 2008–09 was a record 245.3 square metres, up from around 160 square metres in 1985–86.’ (p.42). 	<p>1. The Whitlam Government embarked on a ‘nation building’ program of decentralisation in the early 1970s based on the outputs from the Borrie Royal Commission into Australia’s population growth and distribution. History has judged this, somewhat harshly, as social engineering on a grand scale.</p> <p>With this in mind, there is an opportunity to look at current and possible future settlement patterns and what public policy initiatives might shape such patterns. Bernard Salt has revived recently the concept of the ‘Mosaic City’, a decentralisation of employment to the regional centres within the metropolitan areas.</p> <p>Is decentralisation a viable policy option to influence the balance of settlement patterns, population distribution and economic activity in Australia and over what time period? What form would it take, if feasible, and what impact would it have on the overall structure and form of our cities? What are the levers available to governments; what shifts in infrastructure and service priorities would be required; what private sector investment would be required/ would be generated?</p> <p>The opposing trends in household size and house size raise questions about the housing aspirations of younger generations.</p> <p>Are Gen Y and Gen Z more focused on urban living, smaller properties, different tenures, and using public transport? To what extent is this by choice or constraint? Will these urban outcomes meet their cultural expectations, if so, are we seeing a trend towards a significant inter-generational shift in the way we view and use our towns and cities?</p>
<p>2. Intra-urban distribution of the population is significant. Although planning frameworks put emphasis on ‘infill’ development, the report notes that many LGA’s in outer areas are growing at 4% per annum, placing significant strains on existing infrastructure and services (p.32).</p>	<p>2. The nature and shape of urban fringe growth outcomes are obviously critical matters for which we need regular, up to date information. A detailed geographic understanding is needed of the physical outcomes <i>on the ground</i>, and moreover, of the demands such outcomes will place upon basic infrastructure, services, and employment.</p>

Productivity of Australian cities

<p>1. Major cities drive the National economy, contribute 80% of GDP and employ 75% of the workforce (p.49).</p> <p>Nearly two-thirds of small and medium-sized businesses and nearly 80% of large corporations are found in the major cities (p.50).</p> <p>The services sector accounts for more than 75% of economic activity (p.51).</p> <p>Eighty-five per cent of Australia's economic growth from 2003–08 and 81% of employment growth 2001–06 occurred in the major cities (p.50).</p>	<p>1. Consistent with the Rudd Government's focus on productivity in the economy, the report considers cities as centres of economic activity and of opportunity. This is consistent, for example, with its approach in evaluation of infrastructure funding. This is important and moves away from an exclusive focus on housing to consider the location and availability of employment relative to housing supply.</p> <p>With regard to the economic productivity of cities to what extent do they compete with each other for similar economic functions?</p> <p>How can different cities focus on their competitive advantage and potential specialisations?</p> <p>Who is unable to make an economically productive contribution to the economy and why? Are the critical issues skills and training, access to jobs within the city, or labour force mobility across the country?</p>
<p>2. Also highlighted are the efficient use of infrastructure and resources, building on comparative advantage, the avoidable cost of transport congestion (\$9.4b pa) and the size of the freight task.</p>	<p>2. Implied here is that there is an economic productivity dividend to be gained from the structure and infrastructure of our major cities.</p> <p>Which cities, and why, will benefit most from the potential future impacts of communications/connectivity/broadband and the innovation and knowledge sector economies on the productivity of cities?</p>

Sustainability of Australian cities

<p>1. This chapter reports data on water and energy consumption, carbon dioxide and other pollutant emissions and national recycling rates:</p> <ul style="list-style-type: none"> → Household water consumption fell by 7% 2000–01 to 2004–05. → Residential energy use grew by 2.2% relative to other sectors. → Carbon dioxide emissions are projected to increase 22.6% from 2007 to 2020, or 1.58% per year (p.70). 	<p>1. These data are variously reported for Australia as a whole, for the different states, and for the capital cities. There would appear to be a high degree of variability in data quality on some of these key indicators and thus a need for systematic integration of data sets to ensure that key data items are available for each major city.</p> <p>Though the analysis of household consumption of potable water is in itself interesting, our analyses tend to be fragmented and partial. For example, the household level analysis is isolated from any reference to the overall productivity of water investments to enable manufacturing, agricultural and urban systems to improve their performance overall.</p>
<p>2. 'Residential energy use accounted for approximately 7% of total energy consumption in 2007–08, but grew at a high rate (2.2%) relative to other sectors over the period. This growth is attributed to population increase,</p>	<p>2. As at 1. above, this analysis of household consumption is partial in that it does not address the enormous impact that energy generation has upon Co2 emissions in Australia—an impact that dwarfs changes in housing design or transport operations. Opportunities to develop not only</p>

higher ownership of appliances and IT equipment per household, and increases in the average size of homes. Standby power was the greatest contributor to annual growth in household energy use over the period 1989–90 to 2006–07.’ (p.70).

renewable energy systems but distributed energy systems (i.e. that reduce the loss of energy through the distribution process) are not measured.

3. A key finding of this chapter is that ‘... when both direct and indirect environmental impacts are taken into account higher environmental impacts at the household level are associated with higher incomes and smaller household sizes. Therefore, despite the opportunities for efficiency and reduced environmental impacts offered by more compact forms of urban living, inner city households of capital cities, followed by the inner suburban areas feature the highest consumption of water, energy use and ecological footprints even when reduced car travel use is taken into account ...’ (p.71).

3. This finding problematises the policy strategy, common to Australian capital cities, of seeking greater housing densities in urban cores. It leads us to the research question of has an integrated methodology of environmental, social and economic indicators been used consistently to assess the merits of such a policy strategy?

If the logic of the policy strategy does hold, what actions might governments take to ensure the household level behaviours deliver the sustainability outcomes sought?

Given that household size is as important to the *density debate* as lot and dwelling size, what actions are open to governments to shape such outcomes? What household sizes, in what lot and dwelling size configurations will deliver optimal sustainability outcomes?

Given that cultural, geographic, economic and governance contexts for urban development vary widely across Australia, and even more so internationally, on what basis can a common baseline for the comparison of urban sustainability be developed?

What information and data needs to be assembled and integrated to create multiple relevant measures over time and to support a national dialogue on what Australia regards as acceptable sustainability performance for our cities?

Liveability of Australian cities

1. This chapter clusters diverse dimensions of urban life under the rubric of ‘liveability’. These dimensions include health, amenity, housing, living affordability, and accessibility (p.94). Available data for these indicators at a city level is apparently ‘patchy’ for it is only in relation to housing affordability and transport accessibility that data are reported for a range of major cities:
 → In Sydney there is one affordable and available dwelling for every 15 very low income households (p.94).

1. The dimensions clustered under the concept of *liveability* are on the one hand properties of areas (e.g. amenity) and on the other hand properties of the people (e.g. health). There is a considerable body of research to be undertaken to properly understand what the relationship is between these two aspects. A key question is to what extent do outcomes such as health derive from the nature and location of the neighbourhood?

2. Moreover, to what extent are ‘top down’ indices of *liveability* reflective of the residents who live there? If asked, would they have the same list of items as priorities in their lives? What would consumer driven indices of *liveability* prioritise and how might we construct them for

→ Sydney has the largest modal share of public transport to work across the major cities (p.106).

comparisons across suburbs and across cities?

Social inclusion and equity

1. This chapter finds that ‘... there are large concentrations of highly disadvantaged households within certain neighbourhoods in cities. These concentrations of disadvantage are often reinforced by the uneven distribution of access to employment, education, services and other opportunities across urban areas.’ (p.113).

1. Concentrations of disadvantage within urban areas can generate concerns for governments on a number of dimensions. Alongside the moral and cultural disquiet for a nation that celebrates the ‘fair go’ are the impacts of the *geography of opportunity* on economic productivity and social inclusion.

How do the various dimensions of inequality drive the geography of opportunity?

How does the geography of inequality in employment, education and services impact on health outcomes, community well being, crime rates, etc.?

2. A key finding of this chapter is that ‘... there is greater inequality within capital cities than other cities and regions.’ (p.114) and that ‘The pattern of inequality has seen the simultaneous suburbanisation of poverty in Australia’s middle and old outer suburban areas, and movement of *aspirational classes* toward new outer suburbs and inner city regeneration areas.’ (p.115).

2. Given our capital cities are homes to the largest share of the population and the *engine rooms* of the national economy it is disturbing that they are also the hosts of the highest levels of inequality. No doubt one aspect contributing to this uneven geography of opportunity is the manner in which the contemporary housing market reinforces wealth and income inequalities. To those with higher incomes and non-property wealth, so are the spoils of the housing market falling. Whilst this might appear to be ‘natural’ to some, it should be remembered that the Australian housing system from the 1950s to the 1980s worked to the advantage of those on lower and moderate incomes, providing opportunities to get established in home ownership and building an asset base for retirement.

What is it about the nature of capital cities that generates greater levels of inequality? What are the implications of these heightened levels of inequality for the quality of life in capital cities and in middle and old outer suburban areas in particular?

3. It is also known ‘... that the differences between areas in the degree of cumulative disadvantage have remained very stable over the past ten years (Vinson 2009)’ (p.116).

3. The persistence in the degree of cumulative disadvantage between areas over time implies that either there has been an absence of government interventions to redress these outcomes, or the interventions tried have not delivered as expected. Yet, there is a wealth of practical experience in international settings about how governments can successfully address such matters.

What interventions have been used in these locations of cumulative disadvantage to redress this? Why have they not worked? What practices would be more effective in reducing the negative

	outcomes from cumulative disadvantage?
<p>4. 'Average income and average wealth tend to be highest in areas with good access to jobs and lowest in areas with very much below-average access (BITRE 2009b)' (p.116).</p>	<p>4. This finding identifies the benefits of <i>agglomeration economies</i>, ie networks of contacts, services and resources available to individuals in different parts of the city and the economic benefits they can bestow. Understanding the benefits of density, understood broadly, can potentially unlock an economic productivity dividend associated with the structure and form of our cities.</p> <p>What is the economic productivity dividend from such agglomeration economies? What aspects of agglomeration drive productivity? What roles can urban planning play in shaping the key aspects of agglomeration?</p>
Governance	
<p>1. This chapter provides a helpful, contemporary description of the governance circumstances of our cities across the various jurisdictions.</p> <p>Each of Australia's 17 major cities with greater than 100 000 population is shaped by the Australian Government, a state/territory government and one or more of 155 local governments within these 17 cities.</p> <p>Whilst strategic metropolitan land use and infrastructure planning are primarily a state and territory responsibility, land use planning, funding, the delivery of infrastructure, transport and human services are shared across all three spheres with no particular clarity or rationale about these roles.</p>	<p>1. The description of the historical evolution of the governance of Australia's cities is useful, but there is no analysis of the implications of this governance structure for the efficiency and effectiveness of Australian urban policy. As well, there are other micro-levels of governance (such as strata titles, title covenants, and master planning covenants and restrictions) that have an important impact on urban outcomes.</p> <p>What are the implications of the governance circumstances of our cities for productivity, sustainability, or liveability outcomes?</p> <p>Conceptually, how do we determine which institutions of urban governance are <i>fit for purpose</i>? Which roles and responsibilities should lie with which level of government? What's the right size area to be governed? How can local democratic rights and interests be respected yet metropolitan goals secured?</p>
<p>2. This chapter observes that planning legislation and/or metropolitan strategies are at present under review in NSW, Vic, Qld, WA and the ACT.</p>	<p>2. This context of review across the country provides an opportunity for an informed debate about metropolitan governance. To move this beyond a simple defence of turf. However, evidence is required about the urban outcomes obtained from the different governance structures in operation across Australia's major cities.</p> <p>Why have the varying governance circumstances of our capital cities evolved as they have? What implications has this evolutionary path had for the economic, social and environmental performance of our cities over time?</p>

6 HOW YOU CAN CONTRIBUTE TO THE DISCUSSION

The research questions identified in this paper commence the process of shaping a national cities research agenda. They are not the 'right' or the 'only' questions to pursue, but they are a starting point for the development of more informed, more evidence-based urban policy.

AHURI is committed to constructive engagement on these issues and to providing evidence base to underpin that constructive engagement. We are seeking contributions to refine this emerging national research agenda - including comments on priorities - and of course financial contributions to reciprocate the investment AHURI is making.

You can provide your response to the proposed research priorities in one of the following ways:

- By completing and submitting the [online feedback form](#).
- By downloading and completing the [feedback form](#) and submitting as an attachment to an email or by fax or post.
- By providing your feedback as a written submission in or attached to an email.

Contact details

Email info@ahuri.edu.au (please include *SOAC report feedback* in the subject field)

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Mailing address

Level 1, 114 Flinders Street, Melbourne Victoria 3000, Australia

Due date for input: **Friday 30 July 2010**. Please note that all input will be treated as public.

We also invite your participation in our series of urban policy seminars occurring across Australian capital cities in 2010. By attending you will be provided with further opportunity to contribute to this emerging national research agenda. Keep an eye on <http://www.ahuri.edu.au/calendar/default.asp> for further details.

7 WHAT NEXT?

The purpose of this paper is to commence the process of developing a national cities research agenda that will need to be implemented if this information deficit is to be met. By providing feedback on this paper you will help contribute to this. Your feedback will also help inform subsequent research activities and events, and we will ensure that everyone who has provided input is kept informed of our progress and in the work of the AHURI National Cities Research Program in general.