Regional Cities Victoria

**Submission to
Sustainable Cities 2025**

Prepared October 2003

Executive Summary

Regional Cities Victoria welcomes the opportunity to make a submission to the House of Representatives Standing Committee on Environment and Heritage *Sustainable Cities 2025 Inquiry.*

The Regional Cities Victoria group consists of ten of the largest cities outside of the metropolitan area of Melbourne. The member municipalities are:

- City of Ballarat;
- City of Greater Bendigo;
- City of Greater Geelong;
- Horsham Rural City Council;
- Latrobe City Council;
- Mildura Rural City Council;
- Greater Shepparton City Council;
- Wangaratta Rural City Council;
- Warrnambool City Council; and
- City of Wodonga.

Regional Cities Victoria is committed to developing broad-based regional economies that are diverse and offer capacity for long-term growth and sustainability.

In order to achieve sustainability it is essential that vibrant regional communities be underpinned by thriving local economies and local employment opportunities.

Regional Cities Victoria is active in five key areas:

- Population Growth and Distribution;
- Infrastructure;
- Investment Attraction;
- Transport; and
- Marketing the regions.

It is the firm view of Regional Cities Victoria that an integrated national population growth and distribution policy must underpin all other activities focussed on strengthening the regions.

However, this policy must be linked at key operational levels to providing outcomes in the provision of:

- Supportive infrastructure;
- Adequate funding levels and mechanisms for supportive infrastructure;
- Business investment attraction; and
- Sustainable communities, with employment and education opportunities.

Building Sustainable Communities

Sustainable communities are built through smart growth – this means joined up government and a partnership approach between all three levels of government.

Sustainable communities are served by supportive economic and social infrastructure, funded appropriately and where possible with recognition of local / regional priorities.

Need for incentives to locate in the regions

Policy measures which provide incentives for people to work, live and invest in regional Australia are wholeheartedly supported by Regional Cities Victoria, where they are based in a 'whole of government' approach which recognises local government as the key immediate interface with local community needs and concerns.

Role of Local Government and Regional Groups of Councils

In many policy areas there is an urgent need for greater co-ordination and co-operation between all three levels of government, to achieve the best outcomes for communities.

As the level of government closest to communities, local government has a key role to play and must be funded appropriately.

Advantages of living, working and investing in regional Australia

There are many advantages of living, working and investing in regional Australia.

In many parts of rural and regional Victoria there are significant opportunities available for employment, education and affordable housing.

Furthermore, these areas have a good capacity to absorb population growth, which in turn will power the economic development of the regions.

Regional Cities Victoria response to key policy proposals

There appears to be a misperception in capital cities about the extent of urban development beyond the metropolitan boundary. It must be recognised that cities are not confined to metropolitan areas.

The role of Australia's regional cities in ensuring sustainable patterns of development must not be overlooked when developing growth and sustainability policies into the future.

Regional cities have the capacity to meet the social and economic needs of Australians, with the potential to successfully integrate the natural and built environments, while developing infrastructure which gives efficient and equitable access to services and utilities.

To achieve this, vision is required – the vision to develop plans and provide support for sustainable growth in Australia's regions.

Below are Regional Cities Victoria's responses to the Terms of Reference of this Inquiry.

TERMS OF REFERENCE	RESPONSE
1 The environmental and social impacts of sprawling urban development.	The ongoing sprawl of the State capital cities will lead to further sense of isolation and lack of community connectivity due to the difficulty of linking residential and job locations.
	Transport to diverse work locations will generally be car based with increasing impacts on air quality, noise, visual amenity and usage of scarce resources.
	Affordability issues will potentially mean that the ability of families to access education and social services will be limited by transport and accessibility needs.
	Regional cities and towns offer a diversity of lifestyle choices and housing types as part of smaller existing communities, leading to easier social interaction and environmental benefits.

2. The major determinants of urban settlement patterns and desirable patterns of development for the growth of Australian cities.

Employment, education opportunities and access to services are key factors in determining settlement patterns. Affordable housing is another key factor.

Overall, the most important factor associated with attracting people to regional areas is the availability of secure employment. A 2001 Australian Bureau of Statistics (ABS) report states that unemployment in Melbourne is 6.6% while in regional Victoria it is 7.4%.

The development of regional plans can determine solutions to this imbalance and ensure that regional area can provide similar employment opportunities to metropolitan areas. Other factors of vital importance include educational facilities, health services and transport.

Income is another determinant of settlement patterns. The 2001 ABS census states that 30.2% of regionally employed persons have a gross weekly income of $500 or more while the figure for Melbourne is much greater at 38.4%. There are similar disparate trends in household income levels with only 25.9% of regional households drawing $1000 or more per week while 39% of households in Melbourne achieve this figure.

REGIONAL REAL ESTATE GROWTH

Most regional areas have witnessed continued growth and improvement in real estate prices over the past two years. This has been underpinned in the main by the continued first home buyer grants. The continued stability of low interest rates, the lowest in three decades, have also assisted in giving people confidence in making the decision to purchase.

Residential prices have moved steadily in most price ranges where it is currently not uncommon to have two or three potential buyers at the one time offering to purchase a particular home. Many homes are currently sold within days of listing and are often not advertised.

The Regional Cities Project – 21 Plus, undertaken by USE Consultants in 1997 stated that the average selling price of a dwelling in regional Victoria was only 60% of the cost in Melbourne. The average cost of a flat was also substantially less being only 67% of the Melbourne equivalent.

REGIONAL BUILDING ACTIVITY

The USE report states that regional Victoria was responsible for 38% of new house approvals in March 1996 (36% in terms of value). This was attributed to the recognition of the lifestyle opportunities available within regional Victoria.

REGIONAL LAND SALES

Large tracts of residential subdivisions in each of the regional areas have been planned for and developed in recent years. Demand for land in these subdivisions has been high and would appear to be equal (relative to population) to the growth seen in metropolitan Melbourne (2001-2002 population growth in Metropolitan Melbourne was 1.5%, regional Victoria was 1.2% - DSE population bulletin, 2003).

REGIONAL LAND AND HOUSING AFFORDABILITY

Land affordability remains strong in regional Victoria with average land prices being significantly cheaper than comparative land in metropolitan Melbourne. Nationally, the median first home house price is $291,300 while in regional Australia the median first home house price is $238,200 (source Commonwealth Bank/Housing Industry Association – July 2003).

Regional cities offer substantially cheaper housing than that available in metropolitan areas. This makes regional cities attractive to young families and retirees and is one of the reasons that regional Victoria accounts for almost two-thirds of all new housing approvals in Victoria.

The issues paper released by the Productivity Commission in September 2003 showed a disturbing trend in relation to the affordability of housing in metropolitan areas when compared to the national average. The same report demonstrates that the average age of first home buyers has significantly increased since 1990, partly due to the lack of affordability for many Australians.

PROPOSED SOLUTIONS

A partnership approach between the Federal Government, State Governments and local governments is proposed.

Investment attraction

Regional Cities Victoria seeks a partnership with the Federal Government which develops measures to:

- Pro-actively identify, seek and facilitate investment opportunities and partnerships, including corporate projects that capitalise on our regional strengths.

- Encourage regional growth and development through a national strategic Regional Investment Policy and commitment from all levels of government to work more co-operatively.

- Detail an integrated national framework, including introduction of policies and incentives, to attract capital from regionally-based investors and encourage long-term investment opportunities in regional areas.

Infrastructure renewal and infrastructure planning

Regional Cities Victoria seeks a partnership with the Federal Government which develops measures to:

- Encourage universities to support and develop regional strengths by locating relevant faculties and courses in regional Victoria, including setting targets and incorporating the regional agenda into the State Acts of Universities.

- Identify potential centres of regional excellence, and undertake an audit of the current situation, then commit to advocating for an increase in availability of places and locations of regional University centres of excellence and the important role they can play in stimulating regional economic growth.

- Develop policy and programs to provide integrated planning, development and provision of infrastructure that will enhance the economic, social and environmental sustainability of regional communities.

- Investigate the establishment of a Federal infrastructure development fund and associated structural arrangements to adequately administer the fund. This initiative could become part of the restructure of Invest Australia.

Transport

Access to road, rail, port, air and public transport to and within Victoria's *Regional Cities* has a major influence on our ability to attract population growth and local employment opportunities.

The social cohesion of our communities relies on their ability to access efficient and coordinated transport systems. It encourages interaction between communities and individuals, improves accessibility to education, health and community services, attracts more skilled workers, improves links between townships and encourages locally employed communities.

The viability of many regional businesses and our ability to provide a conducive business environment to encourage investment and economic growth also requires quality road, rail and port infrastructure and costs.

Access to improved transport infrastructure improves the capacity of our regions to attract innovation and entrepreneurship, particularly through greater access to regional educational institutions.

Regional Cities Victoria supports the Federal vision for a National Transport and Infrastructure Investment Plan.

Priority issues include:

- Federal funding for roads;
- Roads classification;
- Rail for freight in particular; and
- Continuation of the Roads to Recovery program beyond 2005.

Regional Cities Victoria seeks a partnership with the Federal Government which develops measures to:

- Develop improved transport links within major regional centres, provide recommendations and timelines for improving frequency, connectivity and access to services, including better coordination and more frequent services between residential and health, education and community facilities.

- Create inter-modal links between the major regional centres, to improve freight corridors, community, tourism and business movements and ensure our communities and industries are linked with each other, not just with capital cities.

- Support States where they are implementing fast rail projects and are addressing standardisation of gauges, creating opportunities to maximise commercial success for our regions by building important industry and private sector links.

- Develop partnerships to fund access to public transport, including Federal contributions to disability transport programs.

| 3 | **A 'blueprint' for ecologically sustainable patterns of settlement, with particular reference to eco-efficiency and equity in the provision of services and infrastructure.** | Sustainable cities need to respond to commercial processes and the treatment of waste. Opportunities exist for clustering of industries where the waste products of one business become the feedstock for another business.

All municipalities are working towards minimisation of domestic waste through a range of recycling and waste reduction strategies. However, the major waste train is industrial waste. There is a need for Government to provide incentives and models for both waste minimisation in the commercial sector, as well as ensuring "cradle to grave" responsibility for waste.

These opportunities may be commercially based or may be in partnership with local communities and community groups.

For example, the weed and reed clearing operations from Lake Wendouree are made available as compost for residents of Ballarat. Domestic organic waste collections offer great potential for the production of compost materials for both commercial and private use.

Smart strategic planning is required to locate industrial areas at major transport modes and closely connected to major transport routes. While rail is clearly the preferred mode for long distance bulky goods transport, the aggregation of freight demand and the ongoing research and development of efficient road transport vehicles offers significant potential.

The scale and network of Regional Cities Victoria provides ideal opportunities for modelling Eco-efficient urban planning directions.

The key is to mainstream Eco ecologically sustainable and efficient principles as good commercial sense to really capture the imagination of both business and the community. |

4   Measures to reduce the environmental, social and economic costs of continuing urban expansion.

Regional Australia has a key role to play in relieve the pressures of population growth in Australia's capital cities, which has driven 'urban sprawl' and contributed to issues of weakened social cohesion and access to crucial services such as adequate public transport.

The real issue and benefit that Regional Cities offer is the appropriate sense of scale which promotes social cohesion, efficient access to crucial services as well as connecting the Regional Cities and the Capital City.

The Provincial Victoria marketing campaign provides an excellent model of developing a changed perception about the opportunities in the region. An active pursuit of the skilled migrant intake would be of significant benefit to both meeting skill shortages in regional areas and building on a lower level of diversity in the population in Regional Cities.

It is important that regional networks are utilised to develop comparative advantages rather than looking at individual locations. Government support to ensure the most appropriate use and development of infrastructure and the provision of the necessary support services will be critical.

All Regional Cities are planning for significant population growth patterns, notwithstanding the challenges relating to some of the social and economic issues including supply of water, public transport and the provision of community support services.

| 5 | **Mechanisms for the Commonwealth to bring about urban development reform and promote ecologically sustainable patterns of settlement.** | Regional Cities Victoria has a firm conviction that a national population policy, with an emphasis on population distribution into the regions, would do much to promote sustainable Australian cities.

This national population policy should be an umbrella policy, driving sustainable population and economic growth in the regions which have the greatest capacity to absorb population growth.

Under this, Regional Cities Victoria recognises the need for sustainable planning and resource policies to support population growth right across Australia. |

Background – Regional Cities Victoria

The ten councils that form Regional Cities Victoria are dynamic local government organisations. Our leadership is pivotal to ensuring the long-term sustainability of our urban communities, surrounding hinterlands and the wider rural population of Victoria.

Non-metropolitan communities rely on our regional city centres to provide them with vital health, education, cultural and other community services and facilities. Our transport infrastructure links our surrounding communities, including businesses, residents and rural townships to the rest of the country.

There is great diversity across Regional Cities Victoria, with major developing industries that vary from power generation to information technology to intensive specialty agriculture, manufacturing and tourism.

Each of Victoria's Regional Cities recognises and embraces its emerging strengths and opportunities. Our communities are focused on developing common strategies and long-term goals to build on our regional strengths and ensure we can function into the future as truly sustainable regions.

To achieve sustainability we require support and assistance from Federal Government to grow our population and create local employment opportunities.

Regional Cities Victoria have identified four key issues that will impact on our potential to achieve sustainable growth and employment for our present and future communities.

A Population Distribution Policy to underpin sustainability

The policies and programs of all levels of Government must be integrated and focussed towards building sustainable regional population and employment opportunities. To achieve this, the Federal Government must have as primary policy, a Population Policy. All other Government policy should underpin and reinforce this primary policy.

In this regard there is the need for Regional Cities Victoria to work with the Federal Government to address three integrally linked issues:

1. Provision of Infrastructure;
2. Public Transport; and
3. Encouraging Business Investment in Regional Australia.

Building sustainable population and employment opportunities in regional centres requires a strategic, whole of government approach, with particular focus on developing an integrated Strategy for Regional Australia.

Regional Cities Victoria is committed to ensuring our cities are sustainable into the future for the benefit of the nation. We seek a partnership with Federal Government and a joint commitment to find pro-active and innovative solutions that will maximise our regional strengths, increase our population and develop employment growth opportunities.

Victoria's Regional Cities are committed to developing broad-based regional economies that are diverse and offer capacity for long-term growth and sustainability. Our vibrant communities must be underpinned by thriving local economies and enhanced local employment opportunities. Our cities can be enticing alternatives for city dwellers if we can build on our attractive lifestyle benefits, our excellent connectivity to business, education, health and transport links.

Conclusion: Building Sustainable Communities Together

Victoria's Regional Cities offer attractive and stable business environments that facilitate a cycle of local investment, infrastructure development and service improvements. This activity will provide diversity of jobs that attracts highly skilled labour away from the capital cities into our regional areas.

While Regional Cities Victoria have a desire to balance development with social cohesion, ecological sustainability and enhanced economic competitiveness, we need Federal Government commitment to long-term integrated planning, coordination of policy and the development of programs and opportunities that foster and encourage regional population growth.

The Federal Government needs to develop a strong focus on each region's unique competitive strengths. This will provide the underlying basis and rationale for delivery of effective regional policy and program initiatives.

Together, the Federal Government and Regional Cities Victoria can reverse the trend of population and investment leakage to capital cities. By growing Victoria's major regional centres, rural and regional Victoria as a whole, including smaller rural towns, will benefit through multiplier effects.

We are committed to achieving long-term sustainability for our regions through more balanced economic and population growth, and the development of improved capital and social infrastructure.

RECOMMENDATIONS:

In partnership with individual Councils, organisations of Councils and local government peak bodies, the Federal Government should:

- Develop a strategic policy for every regional city centre. This policy should outline how a broad based economy can be achieved in each region, giving particular focus to maximising the unique competitive strengths of each area. Each individual policy must also describe the manner in which it is to be jointly achieved and how the states and regions are to "do business" when all the regional policies are brought together.

- Develop an integrated long-term Strategy for Regional Australia that includes detailed research, analysis and solutions that address regional infrastructure requirements, population and employment growth and investment attraction. The Strategy should aim to foster innovation, remove accessibility constraints, address perception issues and provide a supportive framework for future joint action and partnerships.

- Set an equitable share of public sector jobs in rural and regional areas as a long-term target. We need to identify functions that could be transferred to specific regions based on their current skill base.