

**BRISBANE CITY COUNCIL'S SUBMISSION ON:****HOUSE OF REPRESENTATIVES  
STANDING COMMITTEE ON ENVIRONMENT & HERITAGE  
'SUSTAINABLE CITIES 2025'****GENERAL POINTS**

In Australia and in many parts of the world, national and city governments are increasing their role, driven by globalisation, urbanisation, increasing social inequality, rural depopulation, agribusiness and the marketing of cities for economic competitiveness.

Consequently, national policies will largely determine if and when there is a transition to sustainability away from the current unsustainable economic system which is rapidly depleting resources such as water, soil, minerals, energy fuels, forests and biodiversity and wreaking an enormous social toll.

**In Australia, cities are run by local governments which do not even have constitutional recognition, much less any real ability to influence the key drivers of unsustainable actions by industry, government and the community. For example, local government is seen as responsible for waste but waste (resource inefficiency) is largely driven by massive federal subsidies to extractive industry, probably exceeding \$20 billion pa. Meanwhile local government has to find \$100 million pa to support domestic waste recycling from a very limited tax base.**

Likewise, city governments struggle to implement sustainable transport and building efficiency, and deal with consequent traffic congestion and air pollution while federal policy works against them with road freight subsidies, fringe benefits and income taxes, import laws and standards, and building and fuel regulations driving unsustainable outcomes.

National competition policy is not matched by complementary instruments such as a national price policy or a national information policy, yet it is basic market economics that inadequate competition, inappropriate price signals and information cause market failure ie. unsustainable and inefficient outcomes.

Price signals that incorporate "external" environmental impacts to encourage sustainable consumption can be corrected through pollution taxes, which would correct at least some of the market failure leading to unsustainable outcomes. Federal trade policy restricts local environmental and social regulation eg. current US/Australia free trade policy, GATS, MAI, hindering one of the few means by which local government can internalise social and environmental costs of production, correct price signals and achieve sustainable consumption. Even the basic market information of labelling GM foods was opposed federally.

Until the federal government accepts an overriding commitment to a market economy where competition is unsubsidised, price signals reflect the full cost, and information supports sustainable consumption, the key drivers of unsustainability will remain largely in place and the degradation of soil, air, water, natural resource and social systems will continue to decline.

**Future infrastructure funding commitments by the Commonwealth under the Building Better Cities Program and other schemes should be linked to the achievement of the objectives, targets and benchmarks for ecologically sustainable urban development.**

#### **BRISBANE CITY COUNCIL**

Brisbane City Council is the largest local authority in Australia, with around 900,000 residents and an average growth rate of 1.9% pa (1996-2001). Brisbane is also part of the fastest growing region in Australia, South East Queensland (SEQ), which will have an estimated population of 3.5 million by 2021 (that's 15-18% of Australia's total population). The increase in population will necessitate an additional 300,000 dwellings in the region over the next 18 years. With 60% of development currently occurring in green field areas, this poses huge challenges to local authorities to maintain and improve open space areas, supply infrastructure efficiently and maintain social cohesion.

Australia is one of the most urbanised nations in the world with over 80% of our population living in urban areas. Our capital cities face massive problems from growth pressures and the costs of providing infrastructure. South East Queensland is the fastest growing region in Australia and is projected to overtake Melbourne over the next 15 years to become Australia's 2nd largest metropolitan area with approximately 15% or 1 in 7 Australians living in the region.

Yet the Commonwealth Government is not involved in urban policy and is not supporting the development of South East Queensland and other urban areas as sustainable communities that are well serviced and provide a good quality of life for its citizens. Much of the Federal Government's funding has been actively withdrawn from glimmerings of sustainability like Landcare, farm forestry and renewable energy programs. The issue isn't that we are failing to keep pace with growing impacts but Australia is actually going backwards in its quest for sustainability. Virtually all environmental (particularly ecological) indicators are in decline as assessed in the National State of the Environment Report. That decline is also reflected in the Urban Centres and manifests the lack of Federal support for pro-active investment in sustainability.

That non-involvement nevertheless has significant impact on Federal responsibilities. The health and employment consequences for example, of unsustainable development result in a drain on federal spending that could be lessened with pre-emptive policy initiatives and investment in sustainable alternatives and infrastructure. The enormous costs to the Federal Government and State Governments of dysfunctional social outcomes mandates involvement. Scattered suburbs with little or no social systems or infrastructure are becoming common in SE Qld. The problems engendered by this neglect or at best lag continue well after the suburbs become established.

The Commonwealth should concentrate on the critical issues facing urban areas that it can contribute to, such as how to achieve sustainable growth patterns and to provide the services and infrastructure necessary to sustain these areas and to provide social cohesion. The Commonwealth Government has an important impact on urban form through its taxation system which influences spatial outcomes.

The Commonwealth Government can support activities that result in sustainable outcomes through providing a taxation system that provides incentives for sustainable activities and penalises non-sustainable activities such as the consumption of petrol which is currently subsidised through a purchase price of fuel that does not incorporate the environmental and social costs.

Levels of federal fuel excise are helping to degrade urban air quality by not sufficiently encouraging cleaner fuel use. Federal import taxes and tax breaks result in irrational purchase choice of inefficient and expensive to maintain vehicles such as 4 wheel drive vehicles. Federal fringe benefits and income tax laws encourage unnecessary car use, poor fleet choices and management remuneration packages and consequent urban congestion and pollution.

National legislation is the only practical way to internalise the real cost of heavy truck transport, which receives an effective subsidy of more than \$100,000 pa in unpaid road damage and even more in unpaid pollution costs. Without such internalisation, local economies are disadvantaged against (and lose jobs to) distant competitors. More efficient and environmentally healthier alternative bulk transport modes are also disadvantaged by federal failure to follow one of the basic rules of a free market economy ie. cost internalisation. Local governments are left with the road repair costs, exacerbating economic inefficiency.

**The Commonwealth could play a very important role in introducing smart taxes to change the culture and behaviour. Such taxes could provide a range of incentives for more efficient urban development such as increased densities around transport nodes and disincentives for sprawl. Housing affordability could be assisted through providing incentives for more affordable housing that supports a more efficient urban form.**

**Such incentive based, taxation schemes have been successfully implemented by Federal and State Governments in Portland, Oregon, USA. They have a significant impact went introduced to complement effective urban growth management polices at the local and state levels. Sadly, instead of smart taxes fostering sustainability, Australia has dumb taxes that encourage unsustainable patterns of consumption.**

The question needs to be addressed as to what is our national policy in managing population growth, especially when some metropolitan areas have reached their limits for sustainable growth such as Sydney and potentially South East Queensland. Have we abandoned the notion of a national policy of supporting growth to key regional centres that could accommodate more population, bringing significant benefits to the regional centre and benefiting our large metropolitan areas?

Recent cost-shifting from the Commonwealth Government to Local Government and voluntary sectors in assisting the drug affected, disadvantaged or otherwise marginalised has worked against establishing sustainable cities. The enormous and inappropriate load now carried by charities such as St Vincent's de Paul, the Salvation Army and other religious and community-based organisations is largely result of the retraction of responsibility by the Commonwealth Government. While Local Government or the non-government sectors are logical service deliverers in many cases of social development, our journey to a sustainable urban community suffers due to the lack or even withdrawal of strong financial support from the Federal Government.

***The extreme demand for land has driven the costs of home ownership beyond the reach of many. No provision for capturing part of this financial windfall has been established so funding for necessary programs like affordable housing, social enterprise, and community facilities remains inadequate. The social consequences of unsustainable development are as real and as pressing as the environmental and economic.***

To date, regional population growth has been addressed in an uncoordinated manner with a development led, reactive pattern of inefficient urban development rather than through a planned and infrastructure led approach with a strong and effective regional plan. The challenge now facing SEQ is not only to halt current development and consumption patterns, but to reverse these trends. There is an obvious role for both State and Federal Governments to re-focus their spending from the unsustainable to the sustainable projects based on agreed regional planning.

***The inescapable economic, environmental and social logic is that the Federal Government must invest heavily in fostering public transport with the massive funds collected through Federal fuel taxes. Safe convenient public transport can make the most fundamental contribution to urban sustainability.***

Moving commuters and residents into public transport and out of the way of commercial freight

- frees up this expensive investment in roads and contributes to our competitive position,
- improves our climate change contribution,
- cleans our air,
- minimises the road footprint,
- reduces the horrific social and economic costs of the road toll and helps foster the sense of community.

***To date, the Federal contribution has been inadequate, and significant increases in the funding for safe convenient public transport can be the simplest and most significant contribution the Federal Government can make to the sustainability of Australia's cities, including Brisbane.***

### **Regional Land Use Planning: Brisbane/SEQ Blueprint for sustainable cities**

As part of the current strategic regional planning exercise, Brisbane City Council has identified a number of critical issues for creating a sustainable future for SEQ. BCC would welcome Commonwealth Government assistance in delivering sustainable outcomes for this City and region.

The issues and challenges are to ensure:

- **Integrated regional transport and land use planning;**
- Greenspace protection by developing a regional **open space network** (to increase the % of publicly owned open space);
- A general **urban footprint**, where urban growth areas are separated by open space with a **sequencing plan for development;**
- **Centres and employment distribution frameworks** are agreed to, as well as developing centres which function as **community hubs** to deliver a range of services and infrastructure;
- **Regional Infrastructure planning** occurs;
- **Regional Water strategy** is developed;
- **Development occurs in a sustainable way**, including commitment to reduced green house gas emissions, mandate energy efficiency provisions and improve resource use efficiency so that growth in population or economic development does not degrade the region;
- That **agricultural lands** are recognised as contributing aesthetically and economically to the region; and
- Support from Federal and State agencies is forthcoming and proactive.

*The entirety of the regional planning should be the basis for state agencies and local authority strategic planning, budget preparation and project and infrastructure planning and provision. The Federal Government should also reflect this regional planning in its prioritisation of expenditure.*

### **Integrated transport and land use planning**

Unlike many urban areas around the world, people can still move around Brisbane with relative ease. But the City's transport system is coming under increasing pressure as more people choose to live and work here. The effect is compounded by the commuter traffic that pours into the City for its employment opportunities. This congestion costs residents, tourists, commerce and freight dearly. It results in the inefficient allocation of society's resources and slows the economy while it degrades our environment.

It is clear that the world's most successful and livable cities, and those that contribute most to the national economy, are organised around a strong mass transit systems with financial and/or other restrictions on private vehicle use. This is difficult to achieve in the Australian context without a federal co-ordinating role and strong financial support. Federal support of this kind minimises the disadvantages to individual cities which alone act in the long term best interests of sustainability eg. by restricting private car use or urban sprawl. Without federal coordination, cities tend to compete by lowering environmental and social standards. With federal coordination levelling the playing field, they can compete on environmental quality and economic efficiency.

By 2016, South East Queensland is expected to contain more than three million people and the Brisbane Metropolitan Area more than two million. This means nearly 450,000 more people will be demanding space on our transport system. People are also expected to drive more, with the number of vehicle trips in Brisbane increasing by 30% and total vehicle travel (vehicle kilometres) increasing by 41%.

To address the city's future transport challenges Brisbane City Council has developed the *Transport Plan for Brisbane*. This document defines Council's integrated and balanced transport strategy from 2002 to 2016 - a balanced strategy that seeks to ensure transport developments is socially, economically and environmentally sustainable. Council and its ratepayers have born a disproportionate load in funding its contribution to the busways, bus and ferry fleets including an expensive commitment to clean fuels. It is a contribution not matched by any other Local Government.

The Transport Plan for Brisbane identifies as suite of strategies and associated actions to better manage urban growth. Core to the Transport Plan is the improvement of urban public transport to make it a more attractive, efficient transport option. A reliable and frequent urban transport system is a critical influence on achieving more sustainable forms of land use. While the private vehicle dominates, the low density suburb will continue to be a more attractive, and in many cases, a better connected option for residents.

***Despite its critical role in achieving a more sustainable pattern of growth in Australian cities, sustainable urban transport has not been a funding priority for the Commonwealth Government. The responsibility for efficient, safe and environmentally responsible transport infrastructure and services in urban areas has been directly devolved to state, territory and local governments and the private sector.***

The Commonwealth only funds transport projects where the proponents can demonstrate that benefits will accrue nationally. By far the biggest recipient for Commonwealth funding are roads and most of this investment is in regional Queensland.

The current Commonwealth policy on non-investment in urban transport and its focus on investment outside of the city regions should be questioned. This is particularly the case given the national importance of Australia's city regions especially those fast growing areas driving the national economy like South East Queensland.

**The clear parallels between urban transport projects like the South East Busway in Brisbane and Commonwealth programs for reducing greenhouse gas, increased use of alternative fuels and improving urban air quality beg the question as to why more support is not given to urban transport initiatives.**

Although the Commonwealth's reasoning for not significantly supporting urban transport is not clear, the implications of this strategy certainly are for Australia's capital cities. Urban transport is a critical component of a transport system providing movement for residents going to work, to recreate or to study. It directly contributes to the quality of life and amenity of a city, making it more competitive in attracting and keeping globally mobile intellectual capital and commercial investment. Recent identification of SE Qld as a global lifestyle and urban amenity investment opportunity underpins that our quality of life is our most fundamental global competitive advantage and deserves higher national priority.

Council seeks to make Brisbane a smart, dynamic and growing city with sustainable, diverse economic, social and lifestyle options. Brisbane is intended to be a natural choice for business headquarters and sought as a place to live by creative people and leading professionals from around Australia and overseas. Clearly, Council's ability to meet the city's economic and social potential is a function of the state of the transportation system.

The cost of not aggressively tackling this problem through infrastructure expansion and demand management measures will be felt at a local, state and national level. As such, the transportation problem currently being experienced in Brisbane and the surrounding South East Queensland region, and the one likely to be faced in the future if the status quo is followed, stands to impact Australia's social, environmental and economic sustainability.

***Given the broad implications of allowing this problem to fester, both the State and Commonwealth must assist Local Government to rectify the transportation problem. In particular, this requires greater commitment for funding from the Commonwealth to address the current imbalance between excise taken from transport related taxes and funding for urban transport or for proposals/initiatives that directly support urban transport investment in sustainable services or infrastructure with a strong nexus with urban planning.***

Other moves that would increase transport efficiency are:

1. Make mass transit commuting costs tax deductible against PAYE income.
2. Eliminate subsidies to 4x4 vehicles.
3. Create a tax advantage for efficient "people movers" (i.e not 4X4).
4. Increasing the federal government's 200 watt restriction on non-registered electric vehicles to 500 W. The 200 W limit was set for internal combustion vehicles and disadvantages electric vehicles which could be used for commuting.

### **Urban Land Use Planning**

The Inquiry should recognise that the Commonwealth Government has a legitimate role to play in urban policy and more importantly, the direct funding of sustainable infrastructure projects. If we reflect on the past examples of when the Commonwealth pro-actively engaged in urban affairs, such as with the Better Cities Program, these demonstrate how successful the involvement can be in stimulating and delivering major policy initiatives such as urban renewal and providing important infrastructure.

The Commonwealth should administer a grants scheme designed to deliver real outcomes on the ground in metropolitan areas where comprehensive regional and metropolitan planning studies are being prepared or implemented in a way that demonstrably makes the region more sustainable.

*The SEQ 2021 Regional Planning Project is a good example of where the Commonwealth could become pro-actively involved and support the delivery of major projects or infrastructure through SEQROC. These grants should be linked to the successful performance of projects delivered by local authorities that come together through regional organisations to address growth issues.*

Brisbane City Council as Australia's largest local authority has for many years been able to manage urban growth as the metropolitan area has been largely contained within its boundaries. However the massive population growth over the past 20 years has seen urban sprawl spread beyond its boundaries to outer local authorities with the real prospect of a 200km urban area between Tweed Shire and Noosa by the year 2020 with little or no greenspace provided through inter urban breaks and massive traffic congestion from over 70% of employees living outside Brisbane City commuting into the Brisbane City Council area.

Brisbane City Council has recognised that it has an important role to play in managing its growth and providing infrastructure. But it cannot fund the level of infrastructure required to support the regional growth, which directly impacts on the City. For example the Council has committed to the provision of a north/south cross river tunnel to manage the traffic congestion in the inner area.

The Commonwealth Government should be involved in funding this initiative through grants derived from the recommended smart taxation system. The Commonwealth has previously funded major road infrastructure such as the Scorsby Freeway in Melbourne. Through Commonwealth funding the tunnel corridor might be able to incorporate the provision for public rail transport in addition to the currently planned road based transport.

*The predicted population growth in the South East Queensland Region will lead to an unsustainable urban form unless there is a significant shift in the amount of population housed in established urban areas with higher densities and well served by public transport as opposed to urban sprawl at low densities. The direct grants funding and an incentive based taxation system discussed above, could play a major role in changing patterns of development.*



### **Preservation of bushland, significant heritage and urban green zones**

Brisbane is rich in biodiversity. The Brisbane State of the Environment Report 2001 (BSOE 2001) states that Brisbane supports more species of plants and animals than any other capital city in Australia. The Brisbane State of the Environment Report 2001 identified vegetation loss as a key threat to the city's biodiversity values. The report estimated that 67,000 hectares (two-thirds of the original 98,000 hectares of woody vegetation in Brisbane) had been cleared by 2000.

The report found that the rate of clearing had decreased markedly from 1991 when Council started introducing Vegetation Protection Orders and strengthening complementary development controls in the planning scheme. An analysis of the levels of threat of vegetation clearing for development on remnant bushland and wetland areas has been undertaken. The analysis is based on the type of planning protection afforded by the provisions associated with the relevant City Plan Area classification. Approximately 43 000 hectares (36%) of mainland Brisbane has been identified as lands having significant biodiversity values.

Council introduced a Bushland Preservation Levy in 1990 and commenced its Bushland Acquisition Program. In the past 10 years, Council has purchased 1,700 hectares of bushland and wetlands at a cost of \$77 million. The overall biodiversity threat picture is also affected by land tenure. Analysis of tenure shows that more than 60% of the city's significant biodiversity areas are not owned or controlled by Council. Large areas of significant biodiversity are in private, State, Commonwealth or institutional ownership.

These areas include significant holdings by other levels of government including, Department of Defence lands, University lands and Queensland Housing lands. Because of tenure, these lands are relatively less affected by the controls of the planning scheme and Council's local laws. Though transfer to private ownership would automatically place these lands under stricter planning and local law controls, the speculative prices often paid at time of sale can place extreme pressure on Council to allow some development. In addition, 35% of significant biodiversity areas are privately owned, including large areas in the west and east of the city.

In addition to the loss of vegetation, there are a number of other key threats to biodiversity. These include the threat of local extinctions due to the small, fragmented nature of remaining habitat areas. Many of the significant biodiversity areas are fragmented and poorly connected with ecological corridors. Around 80% of the total number of bushland remnants are less than 20 hectares in area, and these represent only 15% of the total area of bushland in Brisbane. Generally, these smaller bushland remnants are not as well protected through planning controls and tenure as large core areas such as Brisbane Forest Park and Council's major natural areas. Even a relatively large area like the 500 ha Toohy Forest has already lost virtually its entire range of ground dwelling mammals, due mainly to the effects of isolation.

The impacts of roads and traffic are identified as another key threat. Roads contribute to the fragmentation of habitat, are a source of fauna mortality, and act as barriers to wildlife movement. In recent decades, most new highways have been constructed through bushland areas to avoid social and economic impacts on residential communities.

A recent Broadhectare Study for Brisbane (DLGP, 2003) estimates that Brisbane has only enough residential land for another 30,000 dwellings (around 82,000 residents). Based on current levels of development it estimated that "Brisbane City will have exhausted residential land supply around the year 2012...to accommodate expected population growth, options involving the identification of additional greenfield sites and promoting higher densities in appropriate locations will need to be implemented". Thus, the usual combination of greenfield development, in-fill and infrastructure provision is placing significant pressures on the existing open space.

Council has prepared a green space strategy (draft) to guide future initiatives, including:

- Identification and protection of a comprehensive, representative and high quality natural area network for the city to guide future acquisition and conservation partnerships with private landowners
- Review and strengthening of the town planning scheme's provisions (Brisbane City Plan) relating to Brisbane's green space network, including review of rural lands.
- Update of the Brisbane City Biodiversity Strategy to accord with the national biodiversity strategy
- Continuation of improvements to the effective management of pest plants through Council's WipeOut Weeds Program
- Development of a Wildlife-Transport Action Plan to develop wildlife movement solutions for major transport corridors
- Improvements to the management of problem animal species
- Development of partnership arrangements with infrastructure providers to reduce impacts of vegetation clearance associated with their services
- Promotion of local government and community interests through participation in NRM SEQ Inc
- Review of funding arrangements for green space acquisitions
- Benchmarking and monitoring of ecosystem health.

The Commonwealth could assist local government to preserve bushland and urban green zones through the following initiatives:

***Commonwealth is a landowner in its own right and that major landholdings in Brisbane form part of the City's and region's green space network. Should lands with significant biodiversity values become surplus to Commonwealth needs, these should be converted to protected status such as national parks. Public access could be provided to other surplus lands, rather than disposal by sale to the private market.***

Additionally, the Commonwealth should provide no interest government loans to local governments for accelerated bushland acquisitions programs, undertake research into the services and value to the economy from ecosystem services and lead research into the habitat and movement requirements for Australian fauna, with a particular focus on urban fauna.

### **Social Sustainability and Inclusive Cities**

As previously stated, over 80% of Australia's population live and work in urban areas. Cities and towns provide the social, cultural, educational and recreational opportunities. The urban environment reflects the Australia's historic and contemporary culture. Indigenous people's original settlement of the locations which are now our towns and cities have influenced urban settlement patterns.

In building a prosperous and socially sustainable future for Australia's cities the Commonwealth Government needs to consider and possibly resource-ing the following issues:

- Cultural diversity : support policies which attract and support migrants with a range of skills to participate in community life eg. English language training, accreditation etc
- Demographic and social trends: ageing of the population and falling birth-rate, work/family balance issues, changes in family structure,
- Community cohesion and identity: impact of rapid growth of cities, access to public space, maintenance/development of a sense of place, provision of community infrastructure and facilities
- Affordable housing: Urban growth over the past decade has involved a steady loss of affordable housing in urban areas. It will be important to reverse this trend if our cities are to be truly inclusive communities in the future.
- Future proofing our people: affordable education and training pathways for all ages, accessible and affordable access to community information, on-line opportunities
- Health and well-being: places for recreation and healthy activities, prevention and intervention strategies to support healthy lifestyles, safety and crime prevention
- For disadvantaged people: redressing systemic, economic and social inequalities that create poverty and unemployment cycles; opportunities to participate in community life, provision of targeted programs for people with disabilities.
- Fostering creative communities: celebrating the unique creativity and imagination that builds innovation, supports the arts and attracts tourism and investments.

The ageing of the country's population is perhaps one of the most critical issues impacting on the sustainability of cities. This change will require a rethinking of elements such as the design of housing, the design and management of public spaces, and the organisation of public transport.

Sustainable cities 2025 will have government, business and community supporting new lifestyle and economic practices to live sustainably with neighbours, the environment and Australia's limited natural resources. Building community awareness and understanding of sustainable practice is an essential part of any strategy to build Australian cities and urban environments.

### Water strategy

With a greenhouse-induced drying of the climate now widely accepted as the likely scenario and the expanding domestic and commercial demand of SE Qld, water efficiency is critical to the sustainability of the region.

Brisbane City Council has an enviable record of environmentally superior and economically efficient water management. The Council again has shouldered most of the financial load for responsible management in marked contrast to the other Cities. The exceptional regional co-operation in water supply and the environmental management of the SE Qld Partnership indicate a region that is an exemplar of efficient performance. Accordingly, the Federal Government should be favouring sustainable outcomes with a program of infrastructure funding.

While the region has not got the same urgency of a city like Adelaide, the lag period for change requires a focus on investment now. The contraction of the NHT funding has affected excellent programs like the Waterways Partnership with its science-based Water Quality Plan. Full funding should be returned to these initiatives to continue the excellent progress made.

The strategic values of water resources to the well being of Brisbane and region are well known and understood. The Brisbane City Council has undertaken the process of establishing a dynamic and comprehensive strategy towards the governance of this natural resource now and into foreseeable future. Building on the substantial efforts of the past decade, the strategy has broadened its application to better fit the City of Brisbane into its regional context. The disposition of this context will change as the integration of resource utility increases. This will offer better sustainability indices, which are not presently acknowledged and assessed.

The ideal situation is to have the future well being of Brisbane and the region directly linked to the carrying capacity of our water resources so that utility of the resource is conditional upon regional benefits driven from shared costs, including well established trade-off options. Secondly, we need to acknowledge that these trade-off benefits and costs will evolve so that actions taken now do not adversely impact on future utility of the resource for alternative outcomes. The ideal is to be able to exploit the resource differentially as its value and demands change.

Brisbane City Council's approach sees the requirement to understand the water resource's capacities first. This means that the urban, then regional water cycle needs to be characterised. Demands can then be placed on this capacity to index the sustainable utility rate. The next step is to then establish community empathy towards the resource that will see the demand reflect the capacity rather than the current situation where demand is predicated on utility rates without regard to the resource.

**The Federal Government has recently assumed a welcome and widely-applauded leadership role in co-ordinating the water management of the Murray-Darling system. This role can be extended to smart taxation to favour re-use expenditure over consumption.**

The profile of natural resource utility needs to be on the national agenda. NHT 1&2, NAP, MDBC and the like are either crisis or spatially delineated approaches to environmental problems. They are reactive programs designed to solve problems and mobilise the Australian community to be aware of the issues, create community capacity and hopefully reorganise how we do business.

This energy needs to be refocussed to acknowledge the finite edges to resource use. In the case of water, to not get lost in the demand mechanics of the economy but to set our national aspirations aligned to efficient use of the resource. Governance of these efficiency objectives has to deal with issues of uncertainty and move away from protecting business as usual approaches. Urban water demands are going to increase with growth. Primary production needs are going to decrease becoming a strategy capacity issue rather than an economic issue as has happened in the case of the EU.

The Federal government needs to understand this paradigm shift and set ESD objectives on resource use at a sustainable rate as a national goal. An Urban Water Commission that links the water management together in a national context would be a good start. This temporary institute could then draft TORs (perhaps developed by the Wentworth Group), linking LGA planning to National objectives. The State would be the agent to establish water resource utility capacities.

*Based on this cascade of national objectives into local projects, a suitable package of taxation and funding incentives and penalties could, over time, allocate resources to the most efficient water conservation delivery. A market-driven system of national water conservation is a fundamental of a sustainable nation as well as sustainable urban centres. In the short term, restoring Federal funding to water quality and land management is essential to sustainability.*

### **Water Sensitive Urban Design**

Water Sensitive Urban Design (WSUD) as a strategic approach to water management objectives in Brisbane is a fixed feature of the City's development approval process. In the last decade the ecological, social and economic significance of urban water management has highlighted the need to treat all water as a resource. The community is now aware of the benefits gained in keeping water clean, using it judiciously, and protecting the soils that water erodes.

Brisbane has developed guidelines for WSUD outcomes for private sector development industries, public sector activities and has developed, distributed and up-graded publications to foster WSUD ideals.

WSUD application to the total urban water cycle is the ideal. As an efficiency strategy it can be applied so that water pollution can be limited to issues of utility instead of the current situation where most pollution has more to do with water transport than water use. Urban water management is becoming a most successful area in achieving good water management objectives. The highest benefits to society can be achieved by husbanding the water resources in the urban context. As urban centres grow the capacity to extract better water use benefits increases. This is distinct from the structural water use in primary industry, which has little capacity to alter volumes even if quality can be compromised.

**The adoption of a Federal policy framework toward urban water management would allow the benefits of WSUD principles to gain a national focus that is now limited to a few large urban centres. Given the uncertain outcome from some new approaches, it is essential that these are installed and quantified over a number of seasons to better gauge their role in off-setting infrastructure.**

**Waste minimisation and management**

Brisbane City Council manages almost half the City's wastes through one of the most efficient and safe waste systems in the world. A state-of-the-art fleet of dedicated waste trucks and waste and recycling single pass trucks can collect both recyclable material and waste from the kerbside. Recyclable material is taken to Materials Recovery Facilities (MRF) for processing. Waste is transported to centrally located transfer stations. From the transfer station the waste is bulk hauled to fully engineered, double sealed landfills with full gas recovery and leachate treatment. The gas is used (or will be in the near future) to generate renewable energy.

**Despite this, our current system is clearly unsustainable as each household continues to send about a tonne of resources to disposal each year. Increasing consumerism and a reluctance by State and Federal Governments to force producers to be responsible for their products leaves Local Government with an expensive waste problem.**

Those wasted resources also represent an enormous environmental and economic loss. Recycling reduces those losses through energy savings and reduced environmental impact through reprocessing. Recovered resources feed local re-manufacturing. For example the current kerbside recycling system provides an estimated economic benefit of \$20 million and 1500 jobs to Brisbane.

The Australian government could place a tax on plastic bags in supermarkets. The Irish Government's plastic bag levy has cut the use of plastic bags in supermarkets by 90% in just 5 months. The 26 cents per bag levy was introduced earlier in the year in an effort to reduce the amount of plastic bag litter produced by some of Ireland's 3.8 million residents. \$A 6.18 million has been raised by the tax program, which will be spent on environmental projects. Under the scheme, shoppers are charged for each plastic checkout bag they take from supermarkets and other retail stores.

The current Packaging Covenant has been a wasted opportunity due to a federal structure without recovery targets or significant penalties for non-achievement. The Federal Government must consider strong extended producer responsibility (EPR) legislation as a sensible alternative to the current federal policy failure.

The Federal Government has adopted a laudable EPR scheme for waste oil. It is time to expand the successful model into packaging, electronic wastes, tyres, and household hazardous wastes. Once targets are set, markets will establish the most efficient recovery interventions into the supply consumption disposal chain.

In conjunction with the relevant state and territory organisations responsible for waste reduction programs, the Commonwealth EPA should prepare national guidelines and standards for recycled content, recyclability and reusability and other means of product description relating to environmental performance.

***By setting targets and re-inforcing the system with smart taxation ie taxes that encourage recovery and penalise disposal such as the British landfill levy or the Irish plastic bag levy, the Federal Government can significantly assist Australia become more resource and economically efficient. The contribution made to greenhouse gas reduction and the other mining, manufacturing and disposal impacts justifies this approach on its own account without the obvious economic benefits.***

### **Energy Conservation and Air Quality**

Currently energy demand is on the rise with the residential sector increasing their demand through an increased standard of living and rapidly increasing air-conditioner sales.

Commercially office buildings are not being designed to minimise their energy use. Given the long life of the built form, the current energy in-efficiencies will persist for decades. A stronger National code for energy efficiency is warranted with tax incentives for sustainable buildings. This system has worked very well in the State of New York.

The Sustainable Housing Code- a draft code being proposed by SEQROC addresses the use of energy in class one and class two buildings. If the BCA could match such initiatives, it would be a great step forward for South East QLD.

***A complete review of the Building Code of Australia addressing an urgent need for energy conservation and energy efficiency, to reduce energy consumption by the residential and commercial sector.***

***"The goals of the BCA are to enable the achievement and maintenance of acceptable standards of structural sufficiency, safety (including safety from fire), health and amenity for the benefit of the community now and in the future." These goals should be extended to include sustainable resource use in all built form.***

The establishment of a nationally accepted rating tool, such as Australian Building Greenhouse Rating (ABGR) scheme or Green Star, to be mandated in the BCA with a 5 star minimum set.

The Commonwealth Government has a role to encourage natural gas infrastructure (reticulation) for commercial and residential sector, as a greenhouse abatement measure and a transitional fuel before future technology is available eg fuel cell.

Brisbane City Council believes support for the Kyoto Protocol and increased funding for greenhouse gas abatement least cost options, through CCP, Greenhouse Challenge and mandatory abatement for large greenhouse gas emitters will help ensure a sustainable future for Australia's cities.

The Commonwealth should undertake a review of progress on implementing incentives and removing barriers to renewable energy sources with a view to finding ways to increase the market penetration rates of renewable energy forms in Australia, including increasing the 2% requirement.

Approximately 70% of Brisbane's air problems are from excessive car use. Reducing the environmental impact of urban motor vehicles requires both lower emissions per vehicle and a reduction in the trend level of vehicle use. The Commonwealth should increase regulatory measures to improve emission performance including mandatory fuel consumption standards. The program for increasing infrastructure for CNG as a transport fuel was a failure. A more strategic approach with region-specific infrastructure grants would be welcome to progress take-up of this more environmentally benign fuel.

The tariff changes for clean transport fuels such as CNG and LPG has destabilised the industry. There needs to be long lead times on changes to tariffs, so there is time to plan investment in clean fuels with some certainty.

**The differential taxation that favoured unleaded over leaded was the model Brisbane wishes to see for other fuels. Ultra Low Sulphur diesel for example, should be cheaper at the pump than the old dirty diesels. Britain has adopted this model and it is working well there.**

**The Commonwealth has lagged significantly behind other OECD countries with its Australian Design Rules, often only adopting performance improvements when they become obsolete in Europe or the USA. Clearly, Australia should be paralleling those other jurisdictions.**

#### SELECTIVE SUBSIDIES AGAINST SUSTAINABILITY

##### Hobbling environmental advocacy:

In July, 2003 the Australian government proposed legislation that would strip environmental groups designated as charities of tax concessions if they advocate changes to government policies. Under the bill a "disqualifying purpose" preventing a charity from gaining tax concessions would include "advocating a political party or cause," "supporting a candidate for political office" or "attempting to change the law or government policy."

Brisbane City Council believes that a vibrant community sector is fundamental to a sustainable Australia. The impost that the Federal Government has placed on care providers for the disadvantaged of society is scandalous and should be highlighted by those close to the issue. There is no legitimate reason to deprive those agencies of funds because they advocate a "cause".



### **"Dumb" Taxation**

In 1996 the Department of Environment Sport and Territories released *Subsidies to the use of Natural Resources*, a report that reviewed both financial and environmental subsidies to a range of industry sectors. Sectors studied included energy production, water and wastewater, solid waste disposal, forestry in native forests, agricultural chemicals and fisheries. (Mining was excluded from this study).

**The report concluded that government financial subsidies to these sectors (including Commonwealth, state and local government tax incentives and rebates, underpricing of resources and services and direct subsidies) totalled "at least \$5.7 billion in 1993-94, equal to 4.4 per cent of total revenues of Australian governments" (NIEIR 1996).**

These distorting subsidies work contrary to sustainability and must be phased out.

### **Fiscal stimulus to increase pollution:**

In a wide-ranging economic report card, the Paris-based Organisation for Economic Cooperation and Development said the Federal and state governments have been slow to use taxes and charges to minimise environmental damage. "Substantial scope exists for achieving greater environmental policy coherence via the extended use of economic instruments," the OECD said.

***The OECD has urged Australia to introduce taxes and charges to deal with the environmental problems of salinity, water pollution and greenhouse gas emissions.***

On greenhouse gas emissions, the OECD said Australia's policies to date were high-profile but "administratively burdensome and of uncertain effectiveness". "To achieve significant emission reductions, structural adjustment towards a less greenhouse-gas-intensive economy would be required. "In the OECD's view, this would be most efficiently achieved by putting a price on emissions, either through an economy-wide tax or a permit trading scheme," the report said. It was also critical of the government's new fuel tax rebate introduced as part of the new tax system, saying it should be progressively eliminated.

However, Australia's Environment Minister Robert Hill said Europe was trying to neutralise the country's competitive advantage. "This is a Euro-centric approach, they believe in carbon taxes as a way to achieve a better environmental outcome for climate change," he told reporters in Canberra.

"They see that Australia has some competitive advantage by not instituting its own carbon taxes and we say that's fine, we like a competitive advantage." A competitive advantage is one thing – policies encouraging unsustainability are another.

The OECD also said water has historically been significantly underpriced. While water price reform in urban areas was well advanced, rural reform was lagging for fear of damaging a key Coalition constituency. Price reform would also help tackle salinity by increasing the efficiency in water use and redirecting water use towards less damaging activities.

**Subsidising rural unsustainability:**

Sustainable urban areas require sustainable rural food and commodity production if their "eco-footprint" is to be reduced. Currently, price signals do not reflect a farmer's effort to responsibly manage their farms. Sustainable rural land use is discouraged by Federal tax policy.

Dr Margaret McKerchar and associate professor Cynthia Coleman, both of the University of Sydney, argue that the income tax concessions directed at environmental sustainability have been ineffective for primary producers. The pair say that the tax concessions tend to place more emphasis on short-term tax planning than on long-term environmental planning issues. They believe that tax deductions and offsets have had only a limited effect in encouraging investment in water conservation and preventing land degradation.

McKerchar and Coleman say that the tax system has encouraged investment in pastoral activities, irrigation and viticulture and the expansion of irrigation has exacerbated salinity problems. The researchers question the effectiveness of concessions designed to encourage spending on the prevention of land degradation. About 16,500 primary producers claimed \$57 million on land care operations and water conservation measures in each of the last three years and 483 companies claimed a total of \$28.7 million for preventing land degradation. "However, given that there were over 15,000 [companies] engaged in primary production and almost 600,000 companies in total, the level of expenditure is minimal," McKerchar and Coleman say.

The pair argue that a variety of tax incentives mitigate against environmental sustainability. They identify the use of minimum values for natural increases in livestock, the election to defer abnormal profits on disposals of livestock, the accelerated write-off provisions for water conservation and the establishment of vineyards, as problems. The accelerated write-off provisions in the tax rules have encouraged the growth of investment in irrigation, McKerchar and Coleman say. They note this has helped the cotton industry to expand and it is heavily reliant on chemicals, which has negative consequences for water quality.

***The economists say that removing the tax provisions which are detrimental to environmental sustainability would be more effective than new measures. McKerchar and Coleman urge the federal government to consider subsidies or direct reimbursements that are more equitable, better targeted and less costly to administer than the tax concessions.***

Brisbane City Council broadly concurs with these conclusions and the analysis bears fruit across most areas of national taxation. The removal of subsidies for virgin materials, 4 wheel drives and road freight are cases in point.

### **Centres and employment distribution**

Brisbane is the employment centre for the region, which necessitates un-necessary travel impacts and other inefficient resource consumption.

Brisbane's top employment sectors are retail and wholesale trade, community services, finance property and business services, recreation and personal services and manufacturing. The manufacturing jobs are situated in the industrial areas, the largest of which are located in the city's southwest and also, increasingly in the Australia Tradecoast, located in proximity to Brisbane's seaport and airport. The retail jobs are located in the regional and sub-regional shopping centres throughout the metropolitan area and in the CBD, whilst many of the wholesaling jobs are based in the light industrial areas close to the arterial roads and bulk transport nodes. Community services jobs are located in the city's major health and education institutions scattered throughout the city whilst recreation and personal services are also widely dispersed. The large national finance and business services firms maintain offices in the CBD whilst many smaller firms and branches are located in the suburban business centres. The ideal location for enterprises depends on the particular requirements of the business.

**Whilst supporting the need to provide suitable locations for the spectrum of traditional industries, Brisbane is seeking a greater share of jobs in the higher value new economy, knowledge and creative industries. Founded as they are in creative collaboration, the CBD and other new economy employment centres will need to create the ambience that is attractive to knowledge workers. That ambience can largely be delivered through sustainability.**

Brisbane's Economic Development Framework for Action focuses on 11 broad industries for cluster facilitation activity: aviation, biotechnology, creative industries, construction and development, environment, food, heavy vehicles, international education, marine, tourism and transport and distribution.

**Support for the development of industry clusters, particularly in such industries of national strategic importance as information and communications technology, is considered to be an important role for the Federal Government. As mentioned, the quality of life is an important attractor of the high value workers that Brisbane needs. Any Federal policies that assist in the progress to a more sustainable Brisbane will assist in delivering that quality of life.**

### Summary

- **Brisbane City Council welcomes this renewed Commonwealth interest in urban sustainability.**
- **An audit of the excellent National Strategy for Ecologically Sustainable Development could establish what has and hasn't worked.**
- **Much recent and historic federal policy is antagonistic to a more sustainable Australia.**
- **Significant subsidies to sustainable transport and the removal of perverse subsidies to unsustainable behaviour could make an immediate quantum leap to long term Australia's sustainability.**
- **The Commonwealth's policies on its own buildings, other infrastructure and land assets must compliment urban sustainability rather than the reverse as is so often the case.**
- **A renewal and strengthening of programs like Better Cities, must be linked and targeted at inter-governmental regional sustainability plans with its focus on the ecological sustainability, economic health and social cohesion of major cities of the nation.**