COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

HOUSE OF REPRESENTATIVES

STANDING COMMITTEE ON ENVIRONMENT AND HERITAGE

Reference: Sustainable cities

TUESDAY, 16 MARCH 2004

MELBOURNE

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

INTERNET

The Proof and Official Hansard transcripts of Senate committee hearings, some House of Representatives committee hearings and some joint committee hearings are available on the Internet. Some House of Representatives committees and some joint committees make available only Official Hansard transcripts.

The Internet address is: **http://www.aph.gov.au/hansard**

To search the parliamentary database, go to:
http://parlinfoweb.aph.gov.au

HOUSE OF REPRESENTATIVES

STANDING COMMITTEE ON ENVIRONMENT AND HERITAGE

Tuesday, 16 March 2004

Members: Mr Billson *(Chair)*, Mr Barresi, Mr Cobb, Ms George, Mr Hunt, Mr Jenkins, Mr Kerr, Mr Lindsay, Ms Livermore and Mr McArthur

Members in attendance: Mr Barresi, Mr Billson, Mr Jenkins and Mr McArthur

Terms of reference for the inquiry:

To inquire into and report on:

Issues and policies related to the development of sustainable cities to the year 2025, particularly:

- The environmental and social impacts of sprawling urban development;
- The major determinants of urban settlement patterns and desirable patterns of development for the growth of Australian cities;
- A 'blueprint' for ecologically sustainable patterns of settlement, with particular reference to eco-efficiency and equity in the provision of services and infrastructure;
- Measures to reduce the environmental, social and economic costs of continuing urban expansion; and
- Mechanisms for the Commonwealth to bring about urban development reform and promote ecologically sustainable patterns of settlement.

WITNESSES

Committee met at 10.50 a.m.

BROWN, Ms Suzie, Director, Sustainable Production and Consumption Program, Environment Victoria

JOSKE, Ms Rowena, Strategies Assistant, Australian Conservation Foundation

RICHTER, Ms Monica, Coordinator, Sustainability Programs, Australian Conservation Foundation

SMITH, Mr Wayne Christopher, National Liaison Officer, Australian Conservation Foundation

CHAIR—I declare open the public hearing of the House of Representatives Standing Committee on Environment and Heritage inquiry into sustainable cities 2025. This is the sixth hearing of the inquiry. We will be hearing from a number of invited witnesses, all of whom have made submissions to the inquiry. Our practice is to invite you to follow up your submissions and respond to queries that we may have on those. If members of the public wish to make additional comments, there is an opportunity to make a submission to the inquiry. The submission date has closed, but we are always open to new ideas and inputs, so we encourage you to do so.

Although the committee does not require you to give evidence under oath, I should advise you that these hearings are formal proceedings of the parliament itself. Consequently, they warrant the same respect as proceedings of the House. It is customary to remind each of you that giving false or misleading evidence is a serious matter and may be regarded as contempt of parliament. On that optimistic note, would you like to make a brief introductory statement or remarks?

Mr Smith—Firstly, thank you for the opportunity to speak today. Two of our colleagues Mike Krockenberger, ACF's strategies director, and Kate Noble, the 'Building Green' campaigner with the Australian Conservation Foundation, are both crook today and are not able to be here. Both of them have been real drivers of our work on sustainable cities. We would certainly encourage you to contact them and have further discussions with them. As you may be aware, the Australian Conservation Foundation, is one of Australia's leading national environment groups, with over 60,000 members and supporters. Environment Victoria is Victoria's peak non-government environment group. We have put in a pretty comprehensive submission to this inquiry, and we are keen to explore some of the issues that were raised in the submission in the discussion after this presentation. I thought it would be useful to begin by highlighting some key themes from our submission.

I congratulate the committee on undertaking this inquiry. This is a critical area of public policy and it is an absolutely essential component of building a more sustainable nation. I realise that there is probably a good chance that this inquiry will not report fully before the federal election. We would certainly encourage the committee to consider developing an interim report, should there be a need to do so. More importantly, regardless of the outcome of the election, if the inquiry is not finished, we would certainly urge that the inquiry continue after the election.

As outlined in our submission, the Australian Conservation Foundation and Environment Victoria have a vision of a five-star green city that produces zero net greenhouse pollution,

recycles and reuses water, creates zero waste, has an integrated transport system and protects its natural and cultural heritage. In relation to a greenhouse strategy, we believe that sustainable cities should be the cornerstone of a national greenhouse strategy. We need to transform our cities so that they produce zero net greenhouse pollution. We need to ensure that our use of energy is highly efficient, that we are smart in how we manage demand for energy and that, increasingly, energy is generated from renewable sources. We think that this would be good for the environment, good for the economy and good for our health.

A study by the Sustainable Energy Authority of Victoria and Allen Consulting has found that using 50 per cent of currently available energy efficiency measures would, over 12 years, reduce stationary energy use by nine per cent. It would create 9,000 jobs and it would increase GDP by $1.8 billion. A recent OECD study has found that carbon dioxide, the major greenhouse gas, is the most useful proxy for nearly all transport related environmental goals. By reducing greenhouse pollution, we can also address congestion, reduce vehicle kilometres travelled and reduce air pollution. Given the time line of this inquiry, we would urge you to recommend a national greenhouse pollution reduction target for 2025. We believe that a reduction of 20 per cent by 2020 is appropriate and achievable, with a reduction of 70 per cent to 80 per cent of 1990 levels by 2050. We believe that is what is required to do our bit to tackle greenhouse pollution, which is increasingly contributing to droughts and bushfires and the destruction of icon Australian places, such as the Great Barrier Reef.

We believe that energy and water efficiencies are absolutely central to sustainability. About 70 per cent of Australia's greenhouse pollution is due to energy use and the majority of the pollution is from electricity that we use in our homes and workplaces. The way that we currently design, build and occupy the buildings in our cities is a central component of the unsustainable nature of our cities not only in terms of greenhouse pollution but also in terms of the way we use water and the waste we produce.

As you are probably aware, ACF has assisted the Green Building Partnership to develop an award-winning commercial green building in Melbourne which shows that you can cut energy use by over 60 per cent and water use by 90 per cent with today's technologies, without it costing more. We acknowledge and appreciate the fact that this committee, in its discussion paper, has used the green building as a case study. If anyone has not visited the building, I would certainly encourage you to do so.

We believe that it is time to introduce five-star mandatory energy and water efficiency standards for all new commercial and residential buildings. This can be achieved through a strengthened Buildings Code Board. In terms of existing buildings, we would encourage the committee to recommend the introduction of mandatory disclosure of the energy efficiency rating of all residential and commercial buildings at the point of lease and at the point of sale. We would also encourage the committee to consider the introduction of new tax incentives and rebates—and the enhancement of existing ones—to encourage the uptake of solar hot water systems, solar power panels and rainwater tanks for all housing.

We believe that it is time to develop a national waste reduction strategy, with a target of zero waste in our capital cities by 2020. Key components of a national waste strategy should include an extended producer responsibility scheme, a strengthened national packaging covenant, a levy on non-recyclable packaging and a ban or a levy on lightweight plastic shopping bags.

We believe that it is time that the federal government played a more active role in facilitating integrated transport systems in our major cities. Almost half of all vehicle trips taken in Australia are distances of less than five kilometres. That such short journeys are being taken by cars reflects our poor urban design that discourages cycling and walking. There are many reasons to make transport more sustainable—for example, greenhouse pollution, air quality, congestion and decrease in quality of urban life. One of the most significant reasons to make transport more sustainable is that air pollution caused by road transport has become a bigger killer than road accidents. We believe that the federal government should reassess transport funds to the states to achieve a more even balance between road and other transport funding. It should improve public transport patronage through a federal fund for service improvements and it should encourage better use of Roads to Recovery and AusLink funds to assist with public transport and active transport. Also, the federal government should either remove fringe benefits tax advantages for company car use and parking or provide equivalent tax advantages for public transport and bicycle use. Those are some of our key recommendations, although there are a large number of issues raised in our submission.

I want to emphasise the need for a new national sustainability agenda. ACF believe that at the moment we are not seeing a comprehensive national sustainability agenda from either major political party. I also want to emphasise the need for a national sustainable cities agenda: a need for the federal government to take some responsibility for the health of our cities. I believe this inquiry has received some really powerful submissions and conducted some fascinating hearings. I believe that you do have the information before you to develop a blueprint for a national sustainable cities agenda. Equally important, I think it is critical that the political parties demonstrate an understanding of the issues around sustainable cities and take comprehensive sustainable cities packages to the coming federal election. That is something that we will be pushing very strongly. I am happy to take questions, and my colleagues will assist in answering those questions.

CHAIR—Is there anything you would like to add?

Ms Richter—The ACF sees the sustainability agenda more broadly as the same kind of challenge that Australia faced in the early eighties around economic reform and the whole international agenda of economic reform. If we want to be on the front foot and export our technologies, our expertise, our infrastructure and all of our experience then we need to do that first here in Australia—that is, conduct some of the experiments to see what works and what does not work and be the champions of sustainability. That is the challenge of the 21st century: how do we create a sustainable city at a time when, globally, we are consuming massive amounts of resources? In Australia, our own footprint is very high. I think it is nine hectares per person, compared to what it is for a sustainable globe—something like 1.2 hectares. We are the world's largest industrial greenhouse polluter per capita. We produce a significant amount of waste.

Ms Brown—Second only to the US.

Ms Richter—We are also a very large consumer of water. These are serious challenges because we face an increasing population. We face all sorts of challenges. I think this is a great opportunity for us, as Wayne said, to set the blueprint for how we work collectively and collaboratively across federal, state and local councils to achieve such a vision.

CHAIR—In the ACF's submission, there is mention of the strategic vision and the need to drive that. You drew some parallels between national competition policy and a sustainability council and spoke about some direct measures. Are you seeing a suite of things, where we use financial resources to persuade state, territory and local governments to travel down this pathway and reward them with some dividends out of a competition payment model as well as some direct measures that the federal government has within its jurisdiction? There seems to be a suite of ideas coming together there.

Mr Smith—There are a suite of measures that we are looking at. We are doing some further work ourselves on what a national sustainability agenda and a national sustainability council would look like. We are developing that work over the next couple of months or so. We are really interested in institutional arrangements and, as Monica said, we do see strong parallels between competition policy—how that was delivered and the way that that delivered economic reform—and sustainability reform. We think that an institution, such as a national sustainability council, is a critical institution for driving that reform, in a similar way that the National Competition Council is a really important institution. There are probably two things to highlight here. One is that there are already significant amounts of federal government funding that go to the environment—for example, the Natural Heritage Trust, billions of dollars; the National Action Plan for Salinity and Water Quality, billions of dollars; Roads to Recovery, billions of dollars; and AusLink, billions of dollars. We believe that there should be a mechanism, which is not there at the moment, for better monitoring the allocation of that funding, ensuring that there are clear environmental outcomes for both environment programs and other programs that have potential environmental outcomes.

CHAIR—Some threshold requirements to participate?

Mr Smith—Absolutely.

CHAIR—Roads to Recovery money—there is a lot of financial assistance grants money going to all jurisdictions for roads. Is having an active transport plan on the table to qualify for the cash been the kind of thing?

Mr Smith—That is right. There are two things: existing funding and existing mechanisms. We think they need to be better monitored and there need to be much stronger performance indicators and outcome measures in the existing funding. On top of that, there needs to be a mechanism for providing a bucket of money to state governments which is clearly tied to outcomes, in the same way that competition policy has. There are a number of ways you can play with that, but absolutely you would have very clear performance indicators and measures. State governments need to demonstrate that they are delivering greater sustainability through the use of Commonwealth funds.

CHAIR—There is a suite of principles—the Melbourne principles and others have come out of habitat and the like. Are you suggesting we should hang those out saying, 'These are the goals we want you to pursue. Take account of your particular circumstances because all the population centres have different challenges,' and then, like the national action plan where showing that a strategic plan is responsive to these pressures, commence a multiple year commitment?

Mr Smith—That is right. State and territory governments need to have clear strategies in place to demonstrate how they are going to deliver sustainability reforms. Equally importantly, there needs to be a strong mechanism for the ongoing monitoring of the expenditure of those funds to ensure we are getting environmental outcomes for that funding. For example, you may have a sustainability commissioner who performs an ombudsman role or you could do that through the Department of the Prime Minister and Cabinet. There is a range of ways of doing that. Importantly, it needs to happen at the COAG level as well. Monica, do you want to add to that?

Ms Richter—Yes. I support what you said, Wayne. From the point of view of the green buildings as an example of where complexity lies, there does not seem to be a clear delineation of responsibility between the federal government and state governments around how to build an overarching green building agenda. That is where we find ourselves at the moment. The federal government and state governments signed a memorandum of understanding to set up the Australian Building Codes Board, which does not have very extensive powers. It does not have the ability to force states to adopt its legislation—it is really on a goodwill understanding. Generally what has been adopted, except in Victoria, seems to be a minimum standard. In New South Wales it is a three and a half star, very similar to the recommendation. Here in Victoria it is a five star mandatory energy efficiency standard for buildings. In Western Australia, it is something like a three and a half to four star.

CHAIR—Some evidence is quite infuriating because it differs between all the states and territories.

Ms Richter—Absolutely and that must be maddening, very confusing and cost ineffective for planners and property developers and does not result in the best possible outcome. Clarity needs to be given and some kind of institutional arrangements need to be put in place that allow the federal government some opportunity to run overarching control over this.

Mr Smith—One of the big questions for this committee is: what is the role of the federal government in having more sustainable cities? One of the key roles could be to have a bucket of money for a substantial national sustainable cities program and to ensure that that is linked to a broader sustainability reform agenda through a national sustainability council.

CHAIR—You also advocate some direct measures, such as consumer information—we tell people what their fuel economy is.

Mr McARTHUR—As a prototype, rather than the federal government funding every program that anyone ever thought up.

CHAIR—A showcase project.

Mr Smith—Yes.

Mr McARTHUR—It is important to get the difference. There is an attitude that the federal government will fund everything that moves. We need to remember that cities are run by local governments and states and that, if the federal government has a role, it might be one of

education and direction rather than large chunks of money being devoted to the development of them.

Mr Smith—It is a question of balance. We certainly would not argue that the federal government should do everything. There is obviously an absolutely major role for the state government. Where the federal government has the key role is in national leadership and in setting an agenda and a vision for our cities. How do we want our major cities and our regional centres to look? What sorts of targets should we have as a nation? What sorts of performance indicators should we have to drive towards sustainability? There are some significant things that the federal government can do. I want to be clear that when we talk about a national sustainable cities agenda we are not talking about a small bit of money. This is a really significant component of sustainability, so we believe that the federal government does need to commit substantial funds to this.

Mr BARRESI—Last week we had evidence from the Royal Australian Institute of Architects. It was a great submission—I don't know whether you read it. I made the point then, which I will make here—you partly covered it—that the energy rating system looks great and builders and planners understand it, but at the end of the day when a consumer chooses to buy a new home a large component of the decision is price. One of the reasons you have the sprawl into the outer metropolitan regions is the cheap land and home packages. My point is that the ratings system will not change consumer behaviour until you get to a stage where the ratings system means something to them in a dollar value. Car manufacturers do it well. You know when you buy a car what the fuel consumption level is going to be for that car. You do not know what a ratings system means for a house. What does it mean to me in cost savings of having my house sited in this direction versus the other, having two solar panels or having a rainwater tank? Once you get to quantifying it then you may get down to breaking some of the consumer buying behaviour barriers. Do you have some thoughts about that and what progress is made towards quantification?

Ms Richter—There are a couple of points. One is that you are absolutely right—affordability is a big issue for consumers, and we should not be reliant on the consumer making the decision; the education of the building sector really needs to be a major component. Although 60L, 60 Leicester Street, is a commercial building, one of the specifications was to outfit it at an equivalent cost to retrofitting it with existing, normal technologies. We were able to achieve that. I think that is what the success factor needs to be a measurement of. You are building houses and it is only about smart design—north facing aspect, putting in insulation et cetera. They should not be more costly; they should be moving towards having a zero net cost.

CHAIR—Surely the trump card of 60L is the operating cost, which is what Mr Barresi is talking about—that whole of life cost to the occupant/tenant/homebuyer. There is a literacy about that in the commercial industry, and I think Phil is highlighting that it has not washed over into the residential housing market where people do not know that the Tuscan look with no eaves is going to cost you a fortune to keep cool and things like that.

Ms Richter—Absolutely.

Mr BARRESI—I will choose a part of my world for an example. If there were a subdivision, say, in Nunawading, that has all the five-star ratings with quantifiable dollar values, and it has a

higher price because I am closer to town, I should be able to make that decision and say, 'I am willing to buy that place in Nunawading versus going out to Chermside Park or Lilydale where the home is cheaper and looks good—it's brick veneer, it's two stories, I can get three cars in there—but what does it mean in terms of energy efficiency?' You should be able to make that kind of comparison.

Ms Richter—We are at the stage in the whole building industry where we are starting to showcase areas. Newington village in Sydney—I am a Sydneysider—was the first solar village in the world. They have some of those statistics. I went to the opening of the Year of the Built Environment a few weeks ago at Kogarah. They have a fantastic showcase of their town square. I would definitely look to buying a unit there. We are really only at the beginning of being able to do that. It is an exciting time but it is probably not that easy for Joe and Mary Blow to understand. It requires a literacy. You have to get across—

CHAIR—It is boutiquey, is it?

Ms Richter—It is just not available in a general way. I have some friends who are trying to build a house in a sustainable way, and they have to do their own research. There are no resources available. You have to really dig deeply. You have to be literate and have the ability to do it. That is perhaps a part of a sustainable cities program where the federal government has a role. It is an education role—the ability to provide outreach, web sites and hard data—so people living in south-east Queensland in 45-degree heat can see that, if there is insulation in the ceiling, maybe their bills are going to be a bit lower than if they do not have insulation.

Mr Smith—Firstly, the ACT government has made an interesting start by providing information to people on point of sale. There are some problems with it. It talks about the energy efficiency of homes, but it is a really good start. Those sorts of measures should be encouraged, and we should see better take-up of them. Secondly, the federal government has an important role to play in how it assists the shape of the housing market. The First Home Owners Scheme is a classic example of where it actively encouraged people to buy houses. It is a laudable program, but there are a lot of things that could be done with it such as encouraging the purchase of more sustainable housing or providing rebates to people to get their houses more energy and water efficient. We would certainly encourage that.

Mr BARRESI—On face value, I warm to your idea of a national sustainability council similar to the National Competition Council. I am also mindful that the NCC has caused a lot of political headaches. There is always political pressure from certain key industries for exemptions. We went through that in the last eight years: we had the pharmacies and the newsagents. Quite a lot of industries have sought exemptions. There are regions in Australia that have not warmed to it at all. Is there a view on how we bring the people along with us on this? Otherwise it can seem to be very much a stick approach to enforcing sustainability.

Mr Smith—I agree totally. There are constituents of ours who say, 'Why are you talking about competition policy?' Competition policy was a disaster from their perspective. We are really looking at an analogy, and those questions are critical. You need to have communications right. The whole idea needs to be thought through properly. The buckets of money have to be right. You have to find mechanisms for dialogue with the state and territory governments. These are all really difficult issues, and we probably do not have the solutions.

CHAIR—You are advocating the architecture of the model environment.

Mr Smith—The architecture—that is right—rather than competition policy or recognising that there are problems around the concept of competition policy. I think the architecture was probably right. The challenge is—and this is probably as much of a challenge for us as it is for you—to look at what we have learnt from the process of economic reform that we can then translate to sustainability reform. In the end, it is the same sort of challenge. We are looking at restructuring the economy onto a sustainable front.

Mr BARRESI—The NCC looked at industry wide application and providing incentives for that. Perhaps a national sustainability council could look at it more in terms of pockets as a way of creating influence so, rather than an entire city, it is a segment of a city or a satellite city.

Mr Smith—Bruce has already talked about the need for differences between states and, no doubt, differences between industries as well. We are completely open to that. It is one of the issues that we are exploring at the moment, and I hope that we will have a bit more information that we can make publicly available in the next few months or so.

CHAIR—And the emphasis would be progress, not prescription.

Mr Smith—Yes, I think so.

Mr BARRESI—My last question, following on from there, is that the Victorian government has a vision, the 2020 strategy, with three categories: the setting up of transit cities, neighbourhood centres and one other category—

Ms Brown—That is the Melbourne 2030 strategy.

Mr BARRESI—Yes. What is your view on that? Is it something that can be achieved? I have to tell you that it does put pressure on various communities. You are moving to a concept of having these transit hubs around the place, which is great, but you have residential developments that are going to take place as well. There is angst amongst the local community about all of a sudden having a 14-storey building next to a railway station or a shopping centre. It looks great on paper, but the ratepayers out there are still not behind it all. There is that resistance.

Ms Brown—I think some of the issues you are referring to are heritage and planning issues, which are very complex and difficult, particularly in a lot of the activity centres. Inner city activity centres particularly suffer from heritage—

Mr BARRESI—That is the other one: major activity centre. The categories are transit, major activity centre and neighbourhood.

Ms Brown—Those hubs suffer from a lot of heritage pressures in the inner city areas. I know in the inner suburbs of Melbourne there has been a lot of debate about that. From an environmental sustainability point of view, broadly speaking, we do support the notion of these activity centres. Bruce gave the example of Frankston earlier. That is an activity centre from where a lot of the people living there travel to the CBD or elsewhere for work, education, et cetera. The idea of an activity centre is that everything can happen in that one area and people do

not need to travel a long distance. That obviously has environmental benefits. It would also have social benefits—community building and those sorts of benefits. Broadly speaking, it is a good policy.

Another aspect of Melbourne 2030 is the green wedge legislation that you are probably aware of. Again, from an environment point of view, it is really important to protect the biodiversity of those green wedges on the outskirts of Melbourne. You would all know that there is a huge amount of pressure on those areas. Again, in Frankston there are a few issues around green wedges.

Mr BARRESI—I have a big one in my area—

CHAIR—That is one of the issues.

Mr BARRESI—Warrandyte.

CHAIR—Green wedge by definition, down our way, is clapped-out farming land, and it is green only because the cows have had a gnaw at it for about the last hundred years. It would seem, in sustainability terms, that a wiser definition would be 'sustainability wedge'. If the ecology is the greatest value and virtue in one part of the green wedge, leave it there. Down our way, the ecological value of those areas is really difficult to identify, yet we know that some garden based spaces—even industry, if there were an aggressive revegetation program as part of a technology park or something—would be a far more productive sustainability investment because people would not be spending all day in their cars. You would be diversifying the community activity, using that space to enhance sustainability and not just leaving it as a place for agistment and cow dung. I am just wondering if sometimes we get wrapped up in the rhetoric and—it sounds like a terrible description—lose sight of the forest for the trees when there are not any there. I wonder whether there is a maturation required in the ideas, rather than saying, 'There's a green wedge. It's great. It's got a couple of dairy cows on it but, other than that, we are not quite sure what it does.'

Mr BARRESI—Not out my way.

CHAIR—That is what I am saying and that is the point—out your way a proper assessment of those green wedges is the ecological value and the habitat virtue of it, whereas down our way, Phil, if I planted a couple of eucalypts out there, that would be the biggest environmental enhancement seen for ages.

Ms Brown—It depends on how you manage those areas, obviously. The key is working with local councils and state governments to manage the green wedges to actually assist the biodiversity growth and to manage it whether for agricultural or other sorts of uses—tourism and that sort of thing. We need to be very careful of what happens with the green wedges. We cannot just draw a line and leave it. The other thing you highlight is that, apart from the green wedges, there is still plenty of opportunity to enhance biodiversity and do other sorts of projects that are inside the city boundaries that are not necessarily green wedge. I think you are right: it does not have to be left as a boundary so simplified in that way.

Mr McARTHUR—Thank you for your thoughtful submission. I want to run five issues past you. The chair will only allow me 4½ minutes, so you might give me a quick comment on some of these issues. Could you give us a view on the symbolic issue of plastic bags?

Ms Brown—Yes, happily. I have advocated for a levy for a couple of years. Whatever the solution on plastic bags, it has to be national and cover all retailers and it has to provide a transparent pricing signal to all consumers. We cannot have a spot solution—a few retailers here and a few retailers there.

Mr McARTHUR—Would you do it by legislation or by encouragement?

Ms Brown—I think by legislation. You could either do a straight levy or you could do a ban of lightweight plastic bags.

Mr McARTHUR—So Big Brother will be in charge.

Ms Brown—The voluntary approach we are using at the moment is not going to achieve the targets that have been set for 25 and 50 per cent reductions.

CHAIR—So the covenant is a dud?

Ms Brown—The National Packaging Covenant is a separate issue. The covenant has not been successful in looking after the plastic bag issue, and that highlights one of the failures of it. It is trying to cover everything and ends up covering not a great deal.

CHAIR—What about the biodegradable alternatives—are they unattractive?

Ms Brown—We do not have a standard in Australia for biodegradable plastics as yet, although we have just started a committee and Standards Australia are looking at it the moment. The issue with biodegradable is that, in some instances—for example, some food packaging—it can be a really good solution. If you have compostable, biodegradable packaging, it is a great solution. But on something that is unnecessary—disposable consumption, like plastic bags—it is not a solution, because you end up consuming just as many resources and causing waste. Maybe it breaks down in six months but nevertheless it is still waste and litter. I do not think that is the answer.

Mr McARTHUR—I go on to your submission and the five-kilometre car ride. I suggest that all politicians know that the voters own a motor car. What is your recommendation? Do you want to have the London model where they keep cars out of the middle of the city, the Singapore model where the price for a vehicle is so high or do you think that the roads will become so totally cluttered in another 30 years that the motor car will become redundant?

Mr Smith—We do not have a firm view on this, but we are attracted to the London model. It is worth noting that there has been review of the London congestion charge. It has been operating for about a year with the following achievements: traffic has been reduced by 20 per cent and delays cut by 30 per cent, delays to buses from congestion halved and bus patronage up 14 per cent. You have to say that that is a pretty impressive result as it stands at the moment. For major cities, that is something that we seriously need to look at. But there are other things that

we should be doing. The federal government should be encouraging the National Bicycle Strategy with appropriate funding, there should be mechanisms for improvements through federal government funding to public transport and the Roads to Recovery funding should be used for public transport. I want to make a point about AusLink. We were concerned that AusLink is a national road transport strategy. We need a comprehensive national transport strategy. We are not seeing that at the moment. Public transport is absolutely central to that.

Mr McARTHUR—Moving on to rail, can you tell us one new railway line that has been constructive in urban Australia for commuters? I just observe that the urban network is really in quite serious difficulty in Victoria and in New South Wales. There is an article in the *Financial Review* this morning which says that the New South Wales urban rail system is in very serious trouble in terms of maintenance and new infrastructure. Where do we see the actual rail network being improved and where have you advocated that?

Mr Smith—I think the Perth experience is an important one. The Perth rail transport system is fantastic and extremely popular.

Mr McARTHUR—That was an initiative to put a new rail network in and move people from the CBD out to a suburban area, as I understand it. You should take everyone around Australia to look at it because it is a real initiative that has worked.

Mr Smith—The Brisbane train system seems to be a good example from what I can gather as well, particularly from the airport to the city.

Mr McARTHUR—It is not working too well though, and neither is the train system from the Sydney CBD to the airport. The viability of both of those lines is not too good.

Mr Smith—From what I hear, it is quite popular.

Mr McARTHUR—They are a good idea.

CHAIR—We could not understand why the Sydney one is not working—it has everything going for it but no-one wants to use it.

Mr BARRESI—The Sydney link to the CBD is proving to be a failure, partly because it is also on the main line. Just for your information, Stewart, a lot of the trains in Perth run parallel to the freeways and they have these space-age stations. I grew up in Perth and I remember when I was there as a boy that there was only one railway line from Fremantle to Perth, and that was it.

CHAIR—That was not very long ago.

Mr McARTHUR—We need some examples to help your summary in support of it.

Ms Joske—I would like to add that where Perth has been quite a successful example is that they have done with transport funding what we are recommending could be done on a federal level under AusLink—that is, they have combined road and other transport funding and integrated that funding so that public transport and roads can be assessed on an equal basis against each other.

CHAIR—They have that modal interconnect going well between fixed rail and bus so that you actually have half a chance of getting where you want to go when you want to be there.

Ms Joske—Yes.

Mr McARTHUR—You suggest in your submission that you will do away with landfills. That is a fairly optimistic view of the world. Would you like to tell us how that is going to be achieved?

Ms Brown—We are optimists, for sure. Basically what we really need to focus on if we are going to achieve such a thing is a closed cycle economy and a serious interest in resource efficiency—those are the two aims that we really need to look towards. For a closed cycle economy obviously we need to come up with a way of reusing or recycling absolutely everything that we are consuming. I am sure no-one would argue that we are currently consuming way more than our environment can support. In terms of resource efficiency, we need to reduce usage and find more efficient ways to achieve the services we currently use. If we have a national strategy that is actually aiming towards zero waste—

Mr McARTHUR—I see in your submission that you advocate a higher charge for putting some of those recyclable materials into landfills, as they do in some Europe cities. That is an interesting comment.

Ms Brown—Are you referring to the levy on non-recyclable materials that we have in our submission? The idea is to discourage the use of non-recyclable materials so that manufacturers would not use materials which had no market for recycling because it would be more expensive and therefore they would have to pass on a more expensive price to the consumer. We think there are good opportunities for pricing signals to discourage the use of non-recyclable materials. That is one way to do that.

Mr McARTHUR—What about the charge to go into landfill? Are you suggesting, for example, a higher charge on putting reused concrete into landfill, so that there would be a tendency to reuse it?

Ms Brown—That was not part of the submission, but I would not disagree with it. I think that pricing signals is an important way of doing it. Another way is to simply ban things from landfill that should be recycled or reused. There are not many examples in Australia of that. In Victoria, for example, they have banned whole tyres from landfill because tyres can easily be recycled. There is a growing market for tyre rubber to make road surfaces and things like that. So I think we should look at banning those sorts of materials from landfill—concrete, organic waste, timber, batteries. There are all sorts of opportunities for things that just do not need to go into landfill, and should not be going into landfill now.

Mr Smith—It is also worth noting that the ACT government have a target, as I am sure you are aware, of zero waste by 2010. They may not quite get there, but I think they will get reasonably close. We think it is really important that the federal government sets a national waste target, and we would certainly be looking for this committee to make some recommendations on that.

Mr McARTHUR—You want to know how to do it. That is the key thing.

CHAIR—Would the federal government get support for messing with those things? Federation is a wonderful beast: when things are not going well, everything is the federal government's responsibility, but, if something is okay and we suggest that it could be done better, we are told, 'Rack off, hairy legs, it's none of your constitutional business.' Do you think the community momentum is there to get behind those sorts of things? It tends to run against what the current Realpolitik is, I would suggest.

Ms Brown—Certainly on consumer products and waste issues national leadership is really needed. If you look at manufacturing in Australia, the market is a national being. You cannot talk about banning or regulating one product in one state and then, in another state, have a totally different situation. It becomes way too complex. Just to give you an example, the electronics industry is in the process of developing a take-back scheme for computers and televisions. It is going to start off with television screens. It would be a deposit that consumers would pay when they buy a television which would go into a fund. The fund would pay for the recycling infrastructure and system so that, when a person has finished with their TV, they take it to a depot and it is then recycled or reused if possible.

Mr McARTHUR—What about refrigerators and washing machines?

Ms Brown—Exactly. A scheme does not currently exist for that, but that is exactly what we should be doing with white goods as well and all electronics products. It is a huge waste of materials if those things go into landfill, but it is very difficult to create those systems state by state. It is just not logical. I think that is where you need federal leadership on extended producer responsibility schemes.

Ms Richter—If you want to see a successful example of that, I suggest that you have a look at Nova Scotia, because they have a fantastic policy and process and the ability to employ lots of people through their zero waste program. They have undertaken recycling of computers and washing machines.

CHAIR—They have been doing that with durable consumer goods as well?

Ms Richter—Absolutely, and it is a fantastic scheme, probably the best in the world.

Ms Brown—Yes, a lot of things are banned from landfill.

CHAIR—How do we get the express desires of people to do the right thing to actually marry up with behaviour? Evidence presented to us says that a high 70 to 80 per cent of people say they want to live more sustainably but, when it comes to the till, it is about seven or eight per cent that actually behave in the manner espoused. What are we missing here? Have there been too many Armageddon stories about the world coming to an end and people have thrown their arms up and said, 'It's all too hard'? Or do we need to do more around cities for climate protection and kerbside recycling, where we can say, 'Hey, you can make a contribution here and it is not going to turn your world on its head. Your living standards are not going to suffer. It's not compulsory to eat hydroponic bok choy to do the right thing'? Is there some pathfinding role

that we can be more successful in playing so that we could get behaviour to look something remotely like what people say they would like to do?

Ms Brown—Both the ACF and Environment Victoria are working on exactly these issues in relation to sustainable living and behaviour change, trying to get people to make choices in their lifestyles which are beneficial to the environment. I agree with you that it is very difficult. It is the million-dollar question on any of the issues we have talked about today. But I think three key issues come to mind. The first one, obviously, is price, and you alluded to it in relation to energy and water efficiency in buildings. I think pricing signals need to be, firstly, created to encourage people to do the right thing. But they also need to be communicated so that people are aware that, if they do this, they will save this money. They need to be encouraged and also they need to be aware of the pricing signals—a levy on plastic bags or whatever the signal may be. Systems need to be in place. Recycling is the most obvious system example. We have a recycling system that is fairly consistent, certainly within cities. It is not perfect by any means, but people understand how it works and they just do it because it is a system and they know that their neighbours do it. So I think it is the way we do things.

CHAIR—It is more adaptation of the way we manage those things so that it is easier for people to interact, rather than having people try to find their way and the system be confounding in that respect.

Ms Brown—Yes. It is currently difficult for most people to do the sorts of sustainable behaviours that we are asking them to do, whether it be public transport or riding a bike in a very polluted area—there are numerous examples. So we have to make it easy for them. The third answer I would give is that it is about leadership as well, from both government and industry. If the community hear and see government leaders and industry leaders saying, 'We're going to do this. We're creating this system. This is the way Australia does this,' they will be happy to pitch in and do their part as well. I think currently consumers feel a bit as though it is an uphill battle and that they will suffer if they have to behave in a more sustainable way, because they are not seeing leadership at a national level.

CHAIR—It is too hard and it is not valued enough.

Ms Brown—That is right.

Mr BARRESI—To me it seems that there is one other behaviour barrier that you need to overcome—that is, the notion of convenience. People do a lot of things not just on price but also on convenience. It is easier for me to hop in my car in the driveway than it is to walk 500 metres to the railway station and get on the train into town or wherever it may be. It is easier for me to drive my kids down to McDonald's, where I get service within two minutes, than it is to go to a store and wait in a queue. That to me is a huge barrier, and you have to be able to show consumers that there is convenience in not picking up that plastic shopping bag at the checkout. I do not know how you do that. You see it in all sorts of behaviour. I think that is at the heart of one of the problems we are confronting.

CHAIR—So you are saying that we should embed the sustainability thing in a lifestyle convenience model or something like that? I know that, on the train I caught in, a guy put his bike on the train and I would swear he had the Ebola virus or something. It was like, 'What are

you doing with that?' To take Stewart's example, in Brisbane at least they have racks on the fronts of buses that you can put your bike on—there is somewhere to park your bike. If you are going to ride to work you would like a shower to be there or something.

Mr BARRESI—That is exactly right. I am a big bike rider, but do I use my bike for public transport purposes? No, I do not. It just is not convenient for me.

Ms Brown—Yes. It is all about systems, as I was saying.

Mr BARRESI—With lifestyle and expectations we are trying to fit in a lot of things. Just to back Bruce's point before: to me it seems that it is someone else's job to look after the environment. I believe in it. I think you are right. You should go for it. But you do it, Suzie, not me. Yes, we should not have sprawling cities, but do not take my quarter-acre block away from me. More importantly, do not put high-density living next door to my home. You see that over and over again. I just do not know how you can break down that barrier without making it law. We were talking about waste transfer stations. I think there would be very few people who do not believe in the need to recycle.

CHAIR—Just somewhere else.

Mr BARRESI—But do it somewhere else. Do not set up a waste transfer station 100 metres from my home. All those rats are going to go through and the bubonic plague is going to come through again. There will be doom and gloom all over the place. So yes, you do it and I will support you in what you do.

Ms Richter—It is about culture change and education. We all know 'Slip! Slop! Slap!', the SunSmart campaign. It has been around for 10 or 15 years and is still going very strong. People have it embedded. On the education of the kids who are currently going through primary school at my school, I cannot tell you how many people I have spoken to over the last 10 years who have said, 'I've just got some interesting educational words from my daughter or son about what I was doing at home'—and that is coming from young people as well. We are at a very interesting point in our Western development. We have complete choice to be who we want to be, to do what we want to do and to consume what we want to consume, yet we have these moral choices to make. I think that is why we elect leaders to actually take a stand. The moral choices are not just for us but also for our future generations. This is really a highly critical issue for all of us, and it has its complexities.

CHAIR—Thank you for your time today. If you have any 'ahas'—'Aha, there's an idea!'—after reflecting on our discussion today, please farm those in. We value that input. Thank you for your time, travel and comments today. We appreciate it.

Mr BARRESI—And I expect to see every single one of you at 7.30 a.m. on Sunday at the Great Melbourne Bike Ride!

[11.48 a.m.]

NEWTON, Dr Peter, Chief Research Scientist, CSIRO Manufacturing and Infrastructure Technology, CSIRO

CHAIR—Welcome, Dr Newton. Although the committee does not require you to give evidence under oath, I should advise you that these hearings are formal proceedings of the parliament and consequently warrant the same respect as proceedings of the House itself. It is customary to remind witnesses that giving false or misleading evidence is a serious matter and may be regarded as a contempt of parliament. On that cheery note, would you like to make some introductory comments or remarks?

Dr Newton—Very briefly, CSIRO welcomes this inquiry. We think it is extremely important for the nation. Our organisation was pleased to assemble a submission to this inquiry, involving in part a workshop of some 20 people from across the organisation, as well as outside researchers, in bringing it together. There are just a number of small points that I will raise in two or three minutes. The inquiry's terms of reference focus strongly on the pattern of Australia's urban development. Our relatively low density patterns of development contribute significantly to why Australia's ecological footprint is of the order of twice that of comparable European cities. That reflects the kind of lifestyle we have in our consumption of housing, the space of these houses, the energy consumption that is required to maintain comfort within the houses that we build nowadays, vehicle kilometres travelled and the distances we travel because of the separation between where we live and where we work, and the water consumption that goes into a low density lifestyle. These and many other attributes of consumption were documented in the *Australia: state of the environment 2001 report* which was undertaken by the federal government.

In a sense, apart from these periodic audits we do not really have a strong handle on how Australia's cities do perform or are performing. There is the five-yearly federal state of the environment report. Off cycle and at various times state governments undertake state of environment reporting. It has been obvious to me as a result of my involvement in this process since 1995 that there need to be better linkages between the federal, state and local spheres in terms of environmental reporting and collection of data, improvement in the ability of local government to feed up to state levels and then further up to federal levels and encouragement from the federal and the state agencies to local governments in terms of this particular process. It will enrich all levels and inform all levels if those things can be done. There are challenges of harmonisation and funding et cetera but we might talk about that later.

It is encouraging to see that people are starting to think about blueprints and futures. Sustainability does encourage you to look significantly into the future in terms of what decisions we make now, and what the implications will be in the longer term. Again, we tend to be missing some leadership at the federal level in terms of our national urban system. Through our submission we encourage the consideration of a broader, more active role that the federal government might play. It certainly would be of assistance to CSIRO to have a federal agency to which we could relate more closely in that respect.

There is an absence of tools available to manage these large and extremely complex things that we call cities. CSIRO, through its flagship program Water for a Healthy Country is attempting to redress that but only in a very narrow way at the present time. It is attempting to model the entire hydrological or water cycle of a capital city so you have a better basic understanding of how that one element works, as well as the interactions with all of the other significant components of an urban system and all of the key capitals that we need to manage—our built capital, our natural capital, and our human, social and economic capital. That is how we structured our submission in terms of these major capitals. I would be more than happy to enter into discussions with you.

CHAIR—Dr Newton, please pass on our appreciation and thanks to your colleagues at CSIRO not only for your submission but also for the work you are doing in accumulating a significant body of work through the Reshaping Cities project, the Future Dilemmas project, the Healthy Countries program and the flagship program. Is it a tad provocative but fair to say that you are not certain what the audience is for your work? It is recognised that it needs to be done. There is work developing the metrics and the policy responses that relate to the insights you are identifying but is the audience something that we can help with and does that feed into your suggestion about the federal leadership question?

Dr Newton—It is always good to have an enthusiastic client and audience. As a national organisation we look to develop strong relationships with federal agencies. They tend to be in ministries and so we are aligned to some extent with ministries. The studies that you have made reference to go beyond that and that is where we are looking for some better mechanism for engagement.

CHAIR—It is the interconnectedness that is at the heart of all your work.

Dr Newton—It is, and that has been the fundamental attractiveness of moving to the flagship initiatives within CSIRO. They do provide the opportunity to establish interactions between the different disciplines across many of the 20 divisions of CSIRO. Typically a flagship will involve at least five or six divisions and their scientists working together on integrated programs to deliver quite significant outcomes.

CHAIR—So the capacity to add policy momentum to that work is the national leadership you are advocating?

Dr Newton—That is true. It exists, for example, with water. The water flagship is well aligned in that respect, but when you begin to add the other dimensions of city performance there is that major gap.

CHAIR—The Prime Minister's Science, Innovation and Engineering Council canvassed a number of these issues but more in the water context. From those discussions, did you see a broadening of the water conversation, or were those interrelated issues, some of which you have touched upon, simply filleted off and put to one side?

Dr Newton—Out of that particular forum, there has not been any attempt to widen the brief. Developing stakeholders for the Water for a Healthy Country, for example, is where there has been that move beyond water because it links to what you are going to use water for in urban

and rural activities—the decisions that the state and local governments have to make in terms of land development and how that will affect change in runoffs, nutrient flows and all these kinds of things.

CHAIR—Is there not a case for the federal government investing in the development of spatial information technology tools to enable those interconnections to be recognised across jurisdictions? I will give an example: those GIS platforms and the like are terribly underutilised in public policy development where you can have the land use planning layer with not only the local ordinance but also the 2030 and then over the top the catchment management material and the land use implications for the water and natural systems more generally. Is that an area where we could recognise the 'grabbiness' of the federation, where each jurisdiction has to hang on to its own thing, but we could feed it into a more interconnected, interrelated model along the lines you are describing?

Dr Newton—I would agree with that professionally as well as from the point of view of making sense of linkage to policy and planning. The technology platforms that you have should no longer provide any impediment to that engagement. In the past, Auslig has provided a measure of leadership in that area but I have not picked that up in more recent times. The crying objectives of the state of the environment reports are not just sources of information of the individual streams for indicators of your water quality, your availability of water, the amount of energy you consume in different sectors et cetera but also the critical things of how you begin to link some of these different elements together.

As I gather you understand, the GIS type platforms—the spatial information platforms—do provide for that. You can build, at least initially, reasonably simple models to look at certain key interconnections that are of concern within cities. That would be a very strong linkage that could be driven, at least initially, at federal level because you have a number of key agencies that are involved in spatial information collection, but it is a matter of the kind of input they get from the state of the environment reporting and other kinds of policy and reporting arms that is critical.

CHAIR—We are awash with data. The state of the environment reporting process is exhausting and exhaustive, but it is not just a matter of turning that effort into something of real-time value and bringing in what we know about the land and water audit and even movement information. 'Just' is probably understating the task. Here in Melbourne, we are going backwards in terms of the distance between where people sleep and where they work yet we do not actually track that and give expression to it. It might make sustainability a bit more sexy if you could clearly illustrate what the consequences of poor practices look like.

Dr Newton—I think it would be attractive to a number of different groups. Certainly you would have had interactions with a number of research communities, not just CSIRO but also the universities. They tend to be data poor for a lot of their activities. If they had a ready access to this kind of information it would make for much more creative research where energies do not necessarily have to be devoted to the collection of information but more the analysis in relation to key issues. Also, do not leave out the importance of linking in local governments and the kind of information that they collect.

CHAIR—What other analytical tools did you have in mind when you were referring to the paucity of tools and resources when you prepared your submission?

Dr Newton—There are a range of models that you could create around data. There is some very preliminary work that a colleague Dr Barney Foran in one of the Canberra divisions, CSE, was doing in terms of modelling stocks and flows at a national level to get an understanding as a nation of what we are consuming in water, energy and the broad spectrum of materials and then identifying the outputs that occur in terms of goods, waste streams, pollution to air, land and water. In the context of a sustainable environment that is essentially one of the kinds of model frameworks that you need to be exploring not just at a national level but also down to the level of individual cities. You have to understand the flows of resources and consumption in and out and also how efficient our cities are in what they are doing with those resources and the extent to which they are generating wastes that perhaps should be considered as resources and not wastes.

The previous speaker was talking about closing the loop in terms of waste streams. At a national level the Bureau of Mineral Resources did a tremendous job, and still is, mapping Australia's mineral resources. They then make the information available to the private sector saying, 'This is what exists in this country. You add value in some way by removing it from the ground and processing it and transforming it in some way.' It is terra incognita basically in terms of the waste streams within our cities and regions. So in the same way as we have been talking in the last 10 to 15 minutes, it is just another stream of data that we know little about because we tend still to put many of our wastes into landfills or directly into our oceans with different levels of treatment—primary, secondary or tertiary treatment. Embodied in those streams is the potential for new materials, new products. In a sense, that requires mapping those streams to know what is in them and characterising them to find their chemical fingerprint. Are there technologies that you can develop to exploit those particular streams? What industries could be built around these technologies? Can you cluster those industries in some way within our cities so that they begin to make economic sense and provide a new engine for the economy of cities particularly in the outer and peripheral parts, which basically house people but where there is a tremendous absence of jobs? If you go down to Casey—and you can pick your direction from most of our major cities—once you are out about 30 kilometres there is not a whole lot of industry.

CHAIR—It is a 'dormitoryville' thing.

Dr Newton—It is. It is a dormitory. I think there is a problem of sustainability and there are a whole lot of other dimensions that you can bring to bear in trying to get a sense of the outer region and its role in the life of a city beyond generating a lot of travellers.

CHAIR—I find the idea of a city sustainability olympics where we would actually use intercity rivalry for something positive such as to compare the sustainability performance of each of our population centres and recognise, celebrate and publish where things are going better or, if they are tracking in the other direction, to at least build public awareness. I suppose your thoughts about metrics and the lack of tools and capacity for analysis would underpin that kind of idea or we would start with a very rudimentary model and scale it up perhaps driven by the measures cities thought were in their interests. Is that something that would help to operationalise the insights that you are seeking to develop and then bring it home to the regular folks' households around the country?

Dr Newton—I think so. There are a number of metrics that have been used. Quality of life has been used often in these intercity comparisons, but not to the same extent when you get down to

the environmental components. New South Wales has provided leadership in its last state of environment report launched just before Christmas where it derived an ecological footprint for its state and for its city.

CHAIR—Seven and a half hectares per capita.

Dr Newton—Yes. The news of the direction in which that is tracking was not all that positive in terms of the rate of growth of that footprint relative to other kinds of population indicators. It would be desirable to begin to have that undertaken for all our—

CHAIR—The equivalent of the AAA rating we have in finance or something like that?

Dr Newton—There needs to be some kind of benefit for driving a regional economy that has low footprints.

Mr McARTHUR—I congratulate you on your submission. It is an outstanding summary of the problem we face. Since you have thought about these matters, what do you think are, say, the first three problems? Do you see them as waste, the impact of the motor car on the urban setting, lack of water or just the difficulty of people living with all those urban pressures? What in your judgment are the four problems in order of priority?

Dr Newton—We would identify future water availability as one of the challenges that we have. Can we drought proof our cities? Within the last week we have seen some statistics from WSAA, the Water Services Association of Australia, which is an association of the top 20 to 30 major water utilities. They have provided some data which indicate that all capital cities will be challenged with providing water against the sustainable yield that has been calculated for their cities. Within 15 to 20 years, especially in some cities such as the Gold Coast, there is going to be the likelihood of a greater than 30 per cent reduction in demand needed beyond that which currently exists. There is not one capital city which is going to be exempt from the need to reduce their demand per capita beyond what it is now.

Mr McARTHUR—Do you have a view on reducing demand rather than increasing the capacity in the catchment area?

Dr Newton—That is the challenge. There have been some very strong responses in terms of demand reduction that can be documented. People do respond when they understand the situation. It will get to a point where demand reduction hits an asymptote that you cannot drive below without affecting quality of life.

Mr McARTHUR—So you are going to run out of water in 20 years. What is the next priority?

Dr Newton—It is a matter of what you do about that. We would see cities as catchments. At the moment, water falls on our cities and, bang, out it goes. We would argue that you do not have to divert any more rivers or build any more dams. You have to be smarter in terms of what you do with storm water and waste water, not only in greenfield settings but also within the built up area in those areas which are ready for renewal in terms of their infrastructure. Green buildings are another area. Our buildings are far from green in terms of their performance.

I have been interested to listen to your discussions with the previous group. Sitting here we can no longer say that it is because of a lack of tools and knowledge about how to do better; I think it is a matter of how you drive that through industry and also how you better inform customers about commercial space or domestic space, whatever it is you are delivering, and what they should be asking for. The ACT government have a very strong ratings system for domestic houses, so you could say, 'You need to set the benchmark higher.' We would argue that you should—you should continue to drive design so it delivers a better product in terms of thermal performance. When you sell your house in the ACT you have to disclose the house's energy performance and that may, depending on how the ACT government might require you to frame it, be in ways that are more evocative, such as saying, 'On average in the ACT houses of this type cost $500 less in energy a year.' That is the context.

Mr McARTHUR—What is the next one?

Dr Newton—The next one would be biodiversity.

CHAIR—Find a wool angle, Peter, and then you will get 'the General' on side!

Dr Newton—More sheep?

CHAIR—More natural fibre in your clothing!

Mr McARTHUR—You talk about the car problem being worse in Melbourne than it is in Sydney by 2015. Would you care to add to that, since most of our voters drive a motor car and urban traffic congestion is a factor that affects everyone on a day-to-day basis? What is your comment on that?

Dr Newton—I have heard the previous group and I have read one or two of the other submissions from various transport-oriented groups. From where we sit within our organisation, we are investing a significant proportion of our resources into more intelligent transport—getting information about where to drive and the best routes. Pricing is also an area we are having a look at in the context of Energy Transformed. Energy Transformed is one of CSIRO's flagships. There is a strong transport vehicle component to that research more oriented towards the next-generation vehicle, which will be less and less reliant on fossil fuels and have the environmental outcomes that everyone is looking for. But there are more and more vehicles on the road, which tends to diminish some of the impact that hybrid vehicles will have on the environment. Cost and congestion is the crunch issue for our cities in the next 20 years, unless smart vehicles and pricing can somehow diminish the amount of transport that comes on stream and perhaps make it more efficient when people make trips.

Mr McARTHUR—How are you going to fit all these vehicles on the road?

Dr Newton—That is the point. On the kinds of forecasts that we see of trajectories of vehicle-kilometres travelled, you will fit them, but they will be pretty stationary—roads will become parking lots, effectively.

Mr McARTHUR—Do you think the planners have really addressed this problem of 800,000 vehicles being sold on the vehicle market in Australia? Inevitably that will build up to a very large number of vehicles on Australian roads.

Dr Newton—We all like mobility, and we can give many examples of why it is good to have that movement. Another more planning oriented solution is to enable people to locate or relocate closer to where they work or to where the major locus of their daily or weekly activities are. There is basically a lot of inertia in terms of housing. People tend to get attached to where they live, even when a change of job may increase the commuting distance. I do not know the statistics of the rate at which people change job versus how rapidly they change housing. The transport land use models of the sixties tended to look at these two changing with each other. Typically there is nowadays more than one person working out of a home as well, so there is more complexity and more need for use of vehicles.

But maybe there are areas of inertia in terms of people changing homes that could be redressed by asking: what is the cost of changing house? Leaving aside the attachment that you have to community, what is the economic cost? If it were seen as almost like renting, maybe there would be the ability to change those linkages. Other inquiries—for example, the Productivity Commission study on home ownership—could show impacts in terms of the effects of stamp duty on the cost of changing homes. Another link is in terms of how you can get a more efficient city going by people making effective locational choices.

CHAIR—So it is locational mobility to match employment mobility?

Dr Newton—Yes, that is right.

Mr BARRESI—I have just one question, and I am not sure that you are the appropriate person to answer it. Your sustainability matrix refers to human health, which is the social side of development. I do not see much attention being drawn to it in your submission, except a passing comment—a bullet point—on page 23, which states:

Facilitating community cohesion and a sense of belonging.

I would have thought that one of the dangers in building better cities which are sustainable and which have all of the other criteria that go with it is that we overlook the social consequences that take place. A good example is Canberra. I am not sure about modern Canberra but certainly the Canberra developed 15 or 20 years ago created urban isolation, and that had a psychological impact. I remember one of my very first assignments as a university student in Canberra was to look at the psychological impact of the footpath design and what it was doing to people. If we are going to use your sustainability matrix as some sort of evaluation tool, I think that social side is a bit lacking—or perhaps it is somewhere else.

Dr Newton—That aspect is probably relatively light on in our submission, because we do not have a lot of people from the health and social sciences area. You are right: a key component of a sustainable city is the social cohesion and the community dynamics that you have. I guess most of the strong, slow infrastructure drivers of cities over the last 80 to 100 years have driven more centralised systems rather than a kind of clustered development where you have more opportunity for interaction that is facilitated by virtue of how you design rather than—

Mr BARRESI—I am interested in how we actually measure something like that. We had a submission from the Western Sydney Area Health, and they spoke about that sense of community identity and belonging—I think was a word they used—as one of the criteria. It is a nice aim to have, but I would imagine the measurement of it would be pretty difficult to do.

Dr Newton—It is qualitative social science measurement. People have done it. Dr Tony Capon's work is very useful because not only does he attempt to look at that kind of context but also he is looking for other metrics in terms of people's physical health and their mental health, which we would applaud. I think there are a number of groups that have their own specialisms. We have limited opportunity for interaction at the present point in time.

CHAIR—Are you guys players in Dr Capon's cooperative research centre proposal?

Dr Newton—To a limited extent. That is one of the interesting things about how to get the kinds of networks for urban sustainability oriented research: the CRCs, from now on, will not necessarily be such vehicles, because of the criteria that have been established for round 9, which is focusing very strongly on the commercial performance of the CRC as distinct from the public good. So I think that that is a very significant issue from the point of view of those who set the criteria for the CRCs, because there are some very good CRCs that do tremendous public good research in the area of river hydrology, catchment hydrology et cetera. I guess there is concern from our perspective as to the extent to which they will continue into the future. I think Tony Capon's CRC is similar. We will give whatever support we can, but—

CHAIR—How it fits into that model is a bit of a difficult one.

Dr Newton—I think it has pretty much closed the door, unless it can somehow be revisited for major areas of national significance, which we certainly think this is. But how do significant organisations like universities and CSIRO respond to these? We have had CRCs in the past. I think that is a closed door. We are trying to do something in the context of flagships, but that is a costly exercise in terms of the additional overheads that have to be brought to bear, at least for a year to a year and a half, to get group collaboration going. So it is a matter of finding the best mechanism by which you can foster some networked and focused research in this area, which is where I guess we have a major interest.

Mr JENKINS—My series of questions might be summarised by a quote from Lewis Carroll: 'If you don't know where you are going, any road will get you there.' But I will give it a try. In answer to Mr Barresi's question about public health, you indicated that perhaps that is something CSIRO is a little light on. It was a very impressive gathering—the 21 scientists from the seven divisions—but at the end of it what sorts of disciplines did you feel were missing from the discussion? That is not a criticism. I think the discussion would have been important to identify the other types of disciplines that were required to get that truly holistic approach.

Dr Newton—I think they would be economics, the social sciences, the health sciences and public policy.

Mr JENKINS—We had a discussion about transport issues. I thought that it was a good observation—in the submission, at page 5—that vehicle kilometres travelled are increasing at a faster rate than even vehicle registrations and population. So not only it is a fact that we are

putting more vehicles on the road but also people are just travelling greater distances. In other submissions we have had attempts to break down the reasons for that. I think one of the things we keep coming back to, as the discussion here today did, is the use of private transport for employment purposes. One of the things that I am interested in—I know that it would only deal with a small number of employment opportunities; it is mentioned in the submission at page 2—is closer alignment of home and workplace through information and communication technology, reducing the vehicle kilometres travelled. Do we really have much evidence of that? I was shown wired communities in Seattle that were an attempt to do this. The case that was put to me by the proponent was that if we spent more money on IT infrastructure it could lessen the need to spend money on not only roads but also, as an extension, public transport. I think that that was going a bit too far, but I accept that there is an element of that. I just do not know whether we have really seen concrete examples of where there is this great advantage.

Dr Newton—It is slow coming, but perhaps in 25 years time we will look back and say, 'It now represents perhaps two to three times what the current share is.' At the moment, a lot of people have communication connections in their home that link them to their workplace and, via the Internet, to virtually everywhere else but they tend to be on line in the home environment outside normal work hours. The office or the equivalent is still the major activity point but you are getting a very significant spread of other hours—before work, after work and at weekends—when people are logging on and doing work. That is all part of a process. We would expect there to be slow growth in the area of people who perhaps are able to spend larger chunks of time at home, depending on the nature of the work that they do, but there is clearly still an attraction for people to have interaction in a workplace, however that is defined.

The nature of the office is continually being redefined from a place that you go to—with a set desk configuration and perhaps a hierarchy—to one where you may go to a work location but there is a different configuration and perhaps you occupy shared space. The other end of that spectrum is where your office is your wireless desktop. That is if you are doing work that can be undertaken via information and computer technology, and there is a fair swag of that. But a whole lot of other things have to occur along with that that relate to changing the culture in the workplace, with people being able to have their outputs measured irrespective of where they are physically located. In a sense, technology is way out in front in terms of what is possible, and it is the other cultural and social issues that come into play. I would characterise the period we are in now as a transitional one before there is a larger chunk of people involved.

Mr JENKINS—If we take a metropolis like Melbourne, for historical reasons—and this is especially so with the manufacturing industry—the work sites were located in inner urban areas. We then saw this movement out to outer urban areas, with a form of renewal that took place in the inner suburbs which has only in recent times got greater pace as to working out what they should become. But now we find that the outer urban areas that industry moved to are in the middle band and we have outer urban areas that industries and job opportunities have not quite reached. You have done work as a submission on urban air quality which came to conclusions about compact cities being efficient. Where does that lead us in the future, even though manufacturing is not going to be the great job generator that it may have been, as to how we go about planning the new emerging areas? Otherwise, should we look at the newer economies for job opportunities in newer areas and then, as you discussed earlier, people have to make their decisions about location and employment?

Dr Newton—To my way of thinking, that is one of the biggest challenges in terms of a blueprint for the future of Australian cities. The inner cities have reinvented themselves. To a large extent, we think one of the main drivers is information communication technology. The white collar industries, producer services and all of those have centralised. Green industries come to mind as one of the avenues that has been little explored in the Australian context that could provide a new engine for the outer suburban kinds of locations.

I think the Europeans—Germany and others—can provide some good case studies where they are looking at eco-industrial developments as a possible new area for job creation. Because cities are around for a long time, you can see the imprints of the previous industrial cycles still there so you can look at various industrial and societal transitions. You can see evidence, albeit to a lesser extent, of the agricultural period. Not a great deal of farming is done within cities, but it may well be desirable that we retain some small proportion of that for cultural and biodiversity type reasons. The industrial phrase has come through, as you said, with manufacturing initially located in ports, using labour to get materials in and shipping out. That dominant phase has gone. The next wave of industries that have come in is services. That allowed some decentralisation of jobs within a fairly limited band, usually related to where the population was that was to be serviced by personal services as distinct from information services, which, in the last 20 years, centralised and displaced manufacturing often to beyond the cities and overseas in many respects. Then you have the information economy, which was represented by that displacement of manufacturing in the inner and middle ring suburbs.

The question that should exercise the minds of those that are looking for the blueprint for the next 25 years is: what is the next raft of technologies that will be linked to new industries? What are the locational requirements of these? What can existing cities offer in terms of available spaces to accommodate these? I offer up one that links very strongly to the concept of sustainability—new industries based around green production and maybe utilisation of the very significant waste streams that currently are untapped within our mega metro regions. The Port Phillip region is a massive region. Often on issues of recycling and reuse you say, 'What is the volume? Can you sustain it?' Pricing and these things have to be taken into consideration, but there is a massive mega metro region here—likewise in Wollongong, Sydney, and Newcastle and in south-east Queensland. There is too much waste occurring and not enough conversion of resources—maybe in the context of technologies that can be developed here or brought in from overseas but at least focused on those 'waste' streams. That is just one offering I am making in terms of what we can do in that outer ring of suburbs.

Mr JENKINS—I have one final quick question arising from the chair's question. We had a good discussion about identifying audiences and target groups and a discussion about the *State of the environment 2001 report*, which fits well with the national responsibility. Are you aware of any overseas developments regarding state of environment reporting or movements in that? I accept your point that there are a lot of repositories of information that we do not yet include in SOE reporting.

Dr Newton—Information is fragmented like much of the elements we have been talking about today. Part of the challenge is to bring them together with a focus on sustainable development. There is a move to take state of environment reporting to sustainability reporting, and that is an interesting issue for you to exercise your minds around because it does require establishing goals and targets for some period into the future rather than just saying that at a

particular point in time like 2006, which is the date for the next federal report, this is how things were. I think the challenge in this area is not only to do that but, if you have that data platform and some models that will allow you to ask some questions such as, what if the population of Melbourne were to grow by one million, you could examine what the environmental and other implications of that would be. I think that is a legitimate transition for this kind of work. That becomes sustainability reporting because you are saying what if; you are developing integrated systems, analytical models that can undertake those kinds of analyses—not exclusively but in part. Then policy comes in by saying, 'What kind of city do we want in terms of our biodiversity, energy use and all of those other attributes. This is where we would like to be.'

CHAIR—The Melbourne 2030 works being touted as some of the better practice going around at the moment—how robust a framework is it if you actually assessed it through the prism of your sustainability matrix? Things that come to mind are the argued preoccupation with containment of domicile activities, which could actually produce the completely opposite outcome from the one you want where there is such a high focus on residential settlement that it displaces other land uses and, as a result, other locations for other parts of human activity in the greater Melbourne area. Have you been able to look at that policy measure and a framework through the sustainability matrix that you and your colleagues at the CSIRO have developed?

Dr Newton—That has not been possible, although we are engaged with DSE in the context of Water for a Healthy Country where they have seen the attractiveness of them being part of looking beyond water into broader brush interactions of flows of resources that are occurring between the different parts of the metropolitan region, the rest of Victoria and also, in their eyes, the rest of the nation.

CHAIR—Some of the data you point to such as the increase in travel distances, and the like, in my view have most to do with the increasing dislocation of various crucial aspects of people's lives. Trying to make them more proximate to each other would seem a more virtuous goal, which might suggest urban residential containment on its own is only part of the picture. Maybe urban sprawl is a bad thing but sprawl that has a village type character to it might be viewed as quite an attractive alternative. For example, in the Sydney conurbation—those north and south of Newcastle and so on—the remedy of fast trains and improved mass transit systems could arguably exacerbate the problem rather than remedy it. I sometimes wonder whether we have defined the problem correctly to come up with the right answers. We might be misdefining the problem.

Dr Newton—There has not been a new generation of land use transport modelling of any significance. It was something that was undertaken in the 1960s and 1970s but then it kind of died away. The main focus then was attempting to accommodate industrial and residential development as a combination in the context of the transport systems that connected them. This remains a fundamentally important issue.

CHAIR—They often separate humans as freight from freight as freight whereas one of the bits of evidence put to us is that if you think there is a freight transport problem now hang onto your hats. Arguably if we keep pursuing a development model we are going to have a real conflict between human freight and freight freight. Perth seemed to be one of the few examples where the two have been taken together, where the infrastructure is shared and there are gains made for human movement as well as freight transit. In search of solutions I wonder whether we

should start by seeking out the right problems to solve and come at it that way, which is what I think your matrix does. It puts it out there and says, 'Here's the problem, here's the current symptom and here's what might be an outcome down the track.' Then you pose the proposition that if you mess it up today you might not see the consequences for 20 years. It is an issue of what the horizons should be.

Dr Newton—That is right.

Mr BARRESI—My question refers to one of your recommendations, Dr Newton. One of your recommendations is that Australia's three tiers of government should proceed towards development and use of a total capital accounting framework for budget and reporting. It would be fantastic if that could be achieved but at the end of the day you have three different political systems operating. Cooperation on these things always comes at a cost and even on the weekend we saw, in the announcement of the 10 top growth centres in Australia, the Sunshine Coast demanding that the taxpayers of the entire nation pay for their growth. I just see this degenerating into an argument about who pays rather than getting together and cooperating on this.

Dr Newton—We spoke a bit about mapping stocks and flows and that is something we have begun doing in our organisation. To the extent to which we can begin to bring in economics that is what we are doing. You have been bringing forward discussions about the next generation of state of the environment reporting. We are all trying to access data. They are just streams of accounts that can be attached to a particular location so you will be better informed and can ask those kinds of questions so that when you get the pressure to divert funds you can say what the impact of doing that will be.

Mr BARRESI—We have a roundtable discussion this afternoon with local councils so I am sure we can ask those questions of them, but I was interested in your recommendation in the light of the Sunshine Coast's comments as recently as two days ago.

Dr Newton—I saw those comments but I think the ABS is moving, to some extent, to add a number of other dimensions—rather than the purely financial—to their accounting framework. All I can do is endorse it, encourage it and hopefully enable researchers to access and make use of it.

Proceedings suspended from 12.44 p.m. to 1.30 p.m.

[1.20 p.m.]

PATTON, Dr Timothy Adrian, Acting Director, Corporate Planning and Performance, Planning and Policy Division, Department of Infrastructure, Victoria

HILL, Mr Julian Christopher, Acting Director, Melbourne 2030 Implementation, Department of Sustainability and Environment, Victoria

WATKINSON, Mr Peter Bryan, Director, Urban Programs, Department of Sustainability and Environment, Victoria

CHAIR—I welcome representatives of the Victorian government. Although the committee does not require you to give evidence under oath, I should advise you that these hearings are formal proceedings of the parliament. Consequently, they warrant the same respect as proceedings of the House itself. It is customary to remind each of you that giving false or misleading evidence is a serious matter and may be regarded as a contempt of the parliament. Would any of you like to make a brief statement or some comments in support of your submission?

Mr Hill—We have agreed that I will make a few opening remarks and Peter will flesh out some aspects of the Victorian government's Transit Cities program before we have discussion and questions from the committee. Firstly, thank you for the opportunity to appear and elaborate on the submission. Melbourne 2030 is the Victorian government's 30-year visionary framework to guide the future of Melbourne and the surrounding region. The two key dynamics to remember at this time are that we will experience a significantly ageing population and that approximately one million extra people will be coming to live in Melbourne and the region. Successful implementation of the strategy over time will see the world's most liveable city, as we like to think of it, become one of the most sustainable cities in the world as well.

Melbourne 2030 is a model for sustainable growth. This has recently been confirmed by the OECD territorial report, which is referred to in the submission and which is available to the committee. The submission and the document provide more detail on the nine key directions, policies and initiatives, but I might just mention four or five key aspects of the strategy, hopefully in plain English and without planning jargon. I am not a planner, so I am not overly good at talking planning jargon.

Firstly, the strategy conceives of Melbourne as part of a network city region over the next 30 years. It is conceiving of Melbourne not just as an entity in itself, as defined by the urban growth boundary, but very much as part of the Victorian state and economy. It envisages the promotion of growth in the regional centres networked with Melbourne—Ballarat, Bendigo, Geelong and the Latrobe Valley—and it promotes growth in these centres and along network city corridors, which will be well connected by the government's investments in fast rail and other transport upgrades.

Secondly, the strategy introduced an urban growth boundary to better manage and define the direction of future urban growth and to provide certainty for landowners, government,

community, developers and so on. Through its urban development program, the government has guaranteed a 15-year land supply in growth areas to ensure that land availability does not adversely affect housing affordability, which is a critical issue to manage. I might note that the urban growth boundary largely reflects existing practice, which has been in place in Melbourne for over 30 years. The green wedge concept was introduced by the Hamer government and has been supported by successive governments since then.

Thirdly, the strategy quite clearly identifies five areas at the edges of Melbourne where future urban growth will occur, these being Wyndham, down Werribee way; Melton-Caroline Springs; the Hume growth corridor; the Whittlesea growth corridor with Epping North and Plenty Valley; and the Casey-Cardinia growth corridor to the south-east. Fourthly, the strategy formally recognises a network of over 100 mainly existing activity centres across Melbourne. This includes nine transit cities in the metropolitan area plus four outside Melbourne, which are the Victorian government's demonstration projects for activity centres. I will get Peter to elaborate on that. Fifthly and very importantly, the strategy for the first time identifies and maps a principal public transport network across Melbourne to connect these activity centres and provide the basis of future investment and planning.

Before I pass to Peter, I will make three key points about the Victorian government's suggestion for the Commonwealth role as articulated by the submission. Firstly, the government suggests that formal recognition by the Commonwealth of Melbourne 2030 would be desirable and that the Commonwealth should take into account the strategy when making its investment decisions and other decisions, especially in respect of landholdings and the disposal of landholdings within the area. It is clear that the best results are achieved when all three levels of government are working to agreed and common long-term land use and transport strategies. Secondly, the government is suggesting that the Commonwealth should support initiatives which better integrate land use planning and transport systems. It is especially arguing for direct Commonwealth investment in sustainable transport systems in the urban area, most particularly public transport. Thirdly, and Mr Watkinson might like to articulate this, is the active promotion by the Commonwealth, in partnership with the state, of urban renewal projects, transit oriented development, demonstration projects, pilot projects et cetera, of which the Victorian government's Transit Cities program is perhaps the best current example of urban renewal and transit oriented development. Peter might like to elaborate on that.

Mr Watkinson—The Transit Cities program came into existence in 2001, just prior to Melbourne 2030 coming out. The Transit Cities program is really a joint transport and land use initiative to create well-designed, well-connected and well-located developments in strategic locations. As Julian said, there are nine in metropolitan Melbourne, which are spread between the eastern suburbs and the western suburbs. The sites that were chosen have good public access through public transport. Some locations could be considered to be at some disadvantage. We are trying to bring these areas up and rejuvenate them, and there are some fine examples of where that is occurring. One of the transit cities is Frankston. Through the efforts of the state government, local government, the private sector and the community, that area has certainly started to change and you are now getting positive responses.

The Transit Cities program is very much a partnership between local government, the state, the community and the development industry. We work very much in partnership to try to leverage outcomes off each other. They can be outcomes through good design development that

achieves good outcomes. The demonstration projects can be through private sector involvement or through the use of the government's VicUrban statutory authority, which is a development arm of government, to look at how we can bring in state-of-the-art urban design and sustainability principles—water reuse and solar activity—into buildings. Land assembly is a major issue in sustainability, especially in the inner suburban areas. VicUrban now has power to declare areas for development and it works with private landowners to amalgamate sites. One of the biggest problems as seen by developers is getting sites together for redevelopment. It is quite clear that VicUrban's role is as a facilitator, not as a developer; it cannot be both in that area. Through Melbourne 2030 we are identifying a lot of brownfield sites, which are prime sites for redevelopment. They will be identified over the next 30 years as industries change or as areas become ripe for redevelopment.

The Transit Cities program is really a model. It is not a one-size-fits-all approach. For Dandenong we are looking at a Dandenong development board as a model that works well with the council. In other areas we put in place managers, being staff from the Department of Sustainability and Environment, to work with councils and others to get developments up. In other cases it is a formation of government committees with players from community, business, council, ourselves and various government departments. One of the very strong things of sustainability in sustainable cities is getting a whole-of-government approach. Through this process we are working across government regularly to make sure that our investment decisions in one department align with the investment decisions in another department and build on each other and align with investment decisions that may be made by the private sector in development.

Dr Patton—I would like to touch on some of the transport aspects of our submission. The submission highlights the importance of an effective and efficient transport system to support the growth which Julian and Peter have just described and to provide acceptable social and environmental conditions—in other words, to promote a liveable city. Our submission also emphasises the approach that we are taking, which is an integrated, coordinated approach to planned improvements to the metropolitan system covering all modes in order to achieve a more sustainable performance in the transport system.

One of the themes of our submission is that patterns of personal travel and freight and commercial travel are complex and interlinked. The vast majority of freight movements are intrametropolitan. Most personal trips are also short distance trips. Both types of travel use the same arterial road network. So it is necessary in trying to take a holistic approach to how we address improvements in system performance to implement an integrated set of programs. The way we see it is that improvements in road management and road infrastructure can benefit public transport users because the vast majority of public transport trips take place on trams and buses. Conversely, improvements to the public transport system can have a significant impact on the performance of road both for personal travel and for freight travel by diverting private car users off the main arterial road network.

Our submission highlights some of the key issues confronting sustainability, including congestion, which is a growing phenomenon. The Bureau of Transport Economics forecasts that this will be growing at an increasing rate. This phenomenon is most evident in but not confined to the inner cities. We are in the process of developing a number of programs to manage congestion. We do not expect that we can eradicate congestion but we certainly need to manage

its effects. Programs such as providing priority for trams, our TravelSMART program, our park and ride program to get people off freeways and onto buses and other road space management measures are all part of that.

Other aspects include the environmental issues related to congestion. We also have issues of keeping up with growth, particularly in the areas that have been described already, which means continuing demands to provide transport infrastructure, roads in outer urban areas and extensions to the public transport network. We also have a significant number of deficiencies or gaps throughout our road and public transport networks where the system performance is below what we would expect. A number of aspects of the system are approaching a critical stage. There are railway lines that are close to capacity and a series of bottlenecks along critical road corridors. We find examples of those along most of the main corridors throughout the metropolitan area and typically those linking interregional areas. It affects them as well.

As we see it, it is sensible to manage the flows along the key corridors by encouraging people to use public transport where that is possible in order to make more space for commercial and other high value traffic. We recognise the contribution that the Commonwealth makes to interstate and interregional corridors, particularly targeting improved efficiency for freight. All we are suggesting is that the Commonwealth involvement be extended to intrametropolitan transport because of the huge impact this can have on economic growth within the cities and that passenger public transport be included in that because it is an integral part of the solutions that we are trying to develop and manage.

CHAIR—Thank you. We have heard a number of submissions encouraging greater Commonwealth intervention and involvement. For the financial assistance grants for roads, are you imagining that there would be a precondition of an active transport strategy and some threshold requirements to access those considerable sums of money that are already flowing, or are you favouring an additional program where the love that is there at the moment will continue and there will be more love for those new areas you are talking about?

Dr Patton—We are certainly not discounting the possibility of additional programs. What we would like to see is a greater interest and involvement in intrametropolitan movements. As I indicated, these are complex and cover both passenger and freight movements. Public transport has to be considered as part of the range of options to solve the problem in any particular area or sub area or corridor. We would like to see recognition given to that as being a potential area of solution and involvement.

CHAIR—Are the opportunities with AusLink still not thought to be sufficient or do we have to wait and see on that one?

Dr Patton—My understanding is that AusLink focuses on interregional corridors. While it recognises the capabilities of alternative modes, it does not take into account public transport solutions or passenger transport solutions within metropolitan areas.

CHAIR—The 2030 material, Julian, has been complimented quite widely in submissions to us. There have been areas, though, where it was thought to be a work in progress, with a heavy focus on the urban settlement issues and not necessarily directly tackling the separation between aspects of people's lives. It is fine to consolidate and target and manage the urban settlement

issues, but what about the employment opportunities and overcoming what is put to us as a disproportionate growth in the distances travelled by people in motor vehicles compared to the take-up of vehicles? Do you have some thoughts on those issues?

Mr Hill—I will provide a couple of comments. I mentioned in my opening remarks that one of the features of the strategy is the integration of land use and transport. Whilst efforts need to continue to be made to improve transport systems, we need to reduce the need to travel. To give a simple, practical example, in accordance with the framework provided by Melbourne 2030, we are now preparing new growth area plans to guide future growth in each those growth areas. There will be increased focus on making sure that there are adequate jobs within the area so that people do not need to continue to travel long distances to work. While I do not have any quantification to back this up, the anecdotal evidence we repeatedly hear from councils on the social effects is that social fracturing occurs in outer fringe metropolitan areas because of housing estates that have been built with little planning for jobs. The social fracturing in terms of domestic stress, domestic violence and all the other sorts of ill effects that go with that are profound. Ultimately, by creating more jobs near where people live, we will create more sustainable communities where the quality of life is significantly improved for the people living in those areas. So the match between land use and transport will be maximised if Commonwealth, state and local governments are working in partnership toward the same plan.

CHAIR—Are those outline development plans or overlays in those growth areas the next elaboration on 2030 that then needs to work in terms of marrying in with local planning schemes? How do you see that task, which I think we have all recognised is important, fitting into the tools that are there at the moment?

Mr Hill—Melbourne 2030 provides a high-level framework to guide the future of Melbourne. In terms of the implementation of the framework, there are a number of processes which are relevant. To articulate a little more, the preparation of those new growth area plans is being guided in each case by a smart growth committee. Those individual pieces of work will actually flesh out the detail in each area of how you put the principles of 2030 into practice on the ground. In each area that will be different, depending on existing settlement patterns and the infrastructure—physical, transport and social—which might be available there. So the answer in each of those five growth areas will be somewhat different. In some of the growth areas we will find that there are more serious environmental constraints or transport infrastructure constraints than others, but the detail in each area will be fleshed out.

Similarly, in activity centres and transit cities, which Mr Watkinson is responsible for, individual structure plans will be prepared for each of those activity centres to guide the future use and change in each of those centres. Melbourne 2030 provides the framework, the building blocks, to fill in the framework being undertaken in those individual projects in partnership with local governments.

CHAIR—Do the smart growth committees have local government representation on them?

Mr Hill—The smart growth committees have local government representation, both elected and administrative, representatives of the Housing Industry Association, the Urban Development Institute of Australia, local community service organisations and state government departments, including DOI, DSE and where relevant on the technical working groups supporting those

committees the Department of Primary Industries and the Department of Innovation, Industry and Regional Development to add an employment aspect and so on.

CHAIR—Does DOI service those things?

Mr Hill—DOI and DSE would perhaps be the key government partners in those committees but the other departments of health and education are important future planning departments and are involved throughout the process.

CHAIR—What if the work of the smart growth committees, say, spits out a conclusion that is incompatible with the first blush of 2030? Some of the areas of green wedge around Warrandyte have high conservation and ecological values. It is not so evident what the conservation value of some of the green wedge areas down my way is. There might be an argument around eco industry sectors with greater effort into habitat restoration and redevelopment that might mess with the template that 2030 has put in place. Do you see that happening or are the parameters of 2030 pretty rigid and people are going to work within those boundaries?

Mr Hill—It is a flexible framework that is based on principles that get localised in each case. In addition to the growth area plans, the strategy identifies all areas between the urban growth boundary and the edge of the fringe municipalities as green wedges, to use a generic term. The strategy identifies 12 individual green wedges around Melbourne and proposes that in partnership with local councils, landowners and so on that individual green wedge management plans be prepared. To use your example, the Mornington Peninsular type green wedge is a very different thing from Melton or Wyndham over in the west. There are very different rainfall patterns, agriculture and uses. The idea is to develop, within the goalposts provided by the legislation, the urban growth boundary and the planning controls, in partnership a positive and viable future for each of those green wedges.

Mr Watkinson—As Julian mentioned in relation to the transit and activity centres, we do not see them as dormitory suburbs with retail there. We are doing a fair bit of study and research with industry about what future businesses should go into these locations. We are finding that in some locations there is a shortfall of serviced office accommodation. We need to know how some of them relate to their business or manufacturing belt. There are opportunities there to identify businesses that will go into the future, not businesses that are only here for today and tomorrow. We want to see the activity centres as real activity centres with people living and working there. Hopefully, we can reduce the amount of travel for a number of people. Providing accommodation that starts suiting the needs of the people there is important—the ageing population and the younger people who do not want three bedroom homes but, say, the studios or the one or two bedroom homes. It is about creating housing diversity that is currently missing in a lot of our cities.

CHAIR—We have heard from Western Sydney and the Port Macquarie areas where they undertook a very organic process and the local communities started articulating their aspirations for the areas. The Port Macquarie process occurred because all the regular town planning processes went AWOL and everyone packed up and went home and stopped talking to each other. They had to start all over again and they found there was a great deal of commonality there. That seems more of a ground up process than the one you are envisaging and I am wondering how—

Mr Watkinson—We hold workshops and are engaged with the community through the structure plans right from the word go. In the transit cities and a number of activity centres people are not so concerned because they are part of the process all the way through. However, we still get some people who are concerned. In your area of Frankston people can see the results. It is important that when we start getting the first developments on the ground they are very high quality so people can see an element of trust that this is a very good stage of development.

We are working with the council at Ringwood to get high-quality development up-front. In Box Hill, we worked very closely with the developer. His first development was of very poor quality, but we worked with the council and the community and, in the end, we got a 21-storey development approved with five objections. That was approved by council because there was a lot of support for the development: the urban design was right, the location was right—it linked in with public transport—so people were very comfortable with that outcome.

CHAIR—The structure plans sound as if they have some of the characteristics of the old regional planning authority overlay where you had the state sectional planning scheme—which I think we would all recognise had a lot of value—but when you got down to the local planning schemes there seemed to be potential for a disconnect between the two. When those structure plans are done, what tools are you going to exercise to bring about behaviour consistent with those structure plans?

Mr Watkinson—Because those plans have been done jointly with us, the council and the community, the council will look at revising their local policies and municipal strategic statements in their planning scheme so that the plans will actually go into the local stage. They will be in the local planning schemes, and that is where there will be some further debate, obviously.

CHAIR—You will bed them in there—operationalise them?

Mr Watkinson—Yes, in the local schemes. We are looking there to say, 'Okay, if we go through this public process, is that enough?'

CHAIR—In terms of exhibitions?

Mr Watkinson—Yes. We will go through that process. We are running some design workshops and bringing the community in so that they can understand what we are trying to achieve at end of the day.

Mr BARRESI—I will pick up from where the chairman has left off. In response to the question before last about bringing people along with you, you mentioned consultation. What kinds of groups were you consulting with, or were they simply municipalities?

Mr Watkinson—We were engaging community groups such as the local groups of the SOS, the 'friends' of certain cities and the Chamber of Commerce—there are a whole range of them. In our work with local government they often say, 'You should be engaging with X, Y and Z because we know that they have got an interest in that.' In some cases where councils are putting together working party groups, they are actually advertising for members of those working party groups. So informal approaches and formal approaches have been made.

Mr BARRESI—Certainly when the latter part of that process happens, it is great; but often we assume that the councils have consulted when it has not been the case. I raise this issue because my understanding is that, under the 2030 plan, approximately 300,000 new residential homes are planned for the eastern suburbs of Melbourne. I think that is correct; I might be out by a few. Basically from Boroondara through to the hills there will be somewhere around 300,000 homes, of which about 30,000 will be in the City of Whitehorse. That is what I have been told. That is a lot of homes, even though it involves only one municipality.

The theory is right: we do not want urban sprawl and we want to encourage medium- to high-density housing. As I said to the ACF this morning: these plans look great on paper but the people are not behind them. There is still resistance from the people. What level of consultation takes place? It is one of those things where you can make all of these plans, you can discuss with the other political authorities—being the councils—but the residents themselves are angry. There are countless examples that I know of throughout the eastern suburbs, let alone anywhere else, where the case has not been made and the people have not been won over. What are you doing in order to bring the people with you on the plan rather than just simply saying, 'This is a great theory, let's go with it'?

You might say, 'Yes, that is great: let us put a 21-storey building in Box Hill, put another 15-storey building around Eastland and the Ringwood railway station, and build a 14-storey building around the Mitcham railway station.' But the people are not convinced, so I want to know how extensive your consultation has been in terms of getting people to be in favour of it.

Mr Hill—I might just provide some information that relates to the topics you have raised there. Firstly, the figure predicted by the strategy, based on the most recent ABS population predictions, was that around 620,000 houses will need to be constructed in Melbourne over the next 30 years. Whether in fact that turns out to be 25 years or 35 years depends on all the normal sorts of demographic factors: birth rates, death rates, population ageing, how many people move to Melbourne and so on. The government has not taken the Sydney route and set targets for councils, so there is some misinformation in the community. You quoted the figure of 30,000 for Whitehorse. The government has not set a target per municipality. Instead, they have broken down those projections, using demographic projections, into five recognised housing regions across Melbourne—the western, northern, eastern, southern and inner housing regions—and have established regional housing working groups to work in partnership with local governments to look at how that expected population growth can be distributed.

It is important to recognise that this population growth will occur regardless of the Melbourne 2030 strategy. It was councils and business that asked the government to prepare a framework to direct that growth and guide that growth into appropriate locations. That was partly in response to community concerns, which have been well stated, about unchecked and unmanaged growth and the effects that that has on people's lifestyles and on liveability in the suburbs. Therefore, in terms of how communities are to be engaged, the regional housing working groups are currently preparing those plans to look at where future housing should be directed. Part of their mandate is to undertake appropriate consultation with their communities.

The other thing, which was not mentioned before, is that it is a funding condition of any of the grants which government makes to councils to prepare a structure plan, a green wedge management plan, a growth area plan or any of the building blocks of the strategy that they must

properly engage the community. They must give public notice of the process so that people have the opportunity to come along to input, and then they must run that through normal planning processes. So I think there are a number of efforts to be made to engage the community.

Just to cast back in history: the strategy was under preparation for 18 months to two years, I think—I was not on board then. I actually engaged in another capacity when I was mayor of a city myself. In preparing the strategy, I also went as John Citizen to the public forums, and so I suppose I have another perspective on how the strategy was prepared. There was a very high degree of engagement with communities across Victoria—not just in the metropolitan area—starting with a blank sheet and progressing through a number of stages about how people wanted Melbourne to develop, what form they wanted it to take and what they wanted out of their city. So there has been engagement overall, and the engagement now will happen in individual projects.

Mr BARRESI—It is one of those things that only start to gel in people's minds when all of a sudden the planning application has been lodged and it hits the front page of the local paper. Until then it is just a blueprint or a plan rather than anything more solid. I think that that is when people really do become focused on the potential problems. I also see that there really is a crying need out there for greater attention to open space as well. How extensive is that as one of the criteria in your 2030 plan?

Mr Hill—There are a number of initiatives under the directions in the strategy with respect to open space. I can provide further detail to the committee and follow up on that rather than answer now. The strategy identifies a network of regional parks, building on Parks Victoria's strategy Linking People and Spaces. We can provide further detail to the committee on that.

Mr BARRESI—A lot of your submission is also on transport and the need for transport links. Can you identify for the committee what the plans are for new rail links in urban Melbourne? We have heard a lot about the congestion on the roads, both from you and from CSIRO earlier on. We know about the importance of linking the north-south corridors, but where are the new rail links taking place?

Dr Patton—As you know, we have a predominantly radial rail network which covers a dozen or so corridors. We are not proposing new rail links, although a number of those rail lines are close to their capacity and are likely to need upgrading at some time in the not too distant future. However, one of the significant issues that we face is that, while we have a good radial network of trains and trams, we have problems of cross-town connectivity. Within the first 10 to 12 kilometres, we have a reasonably good supply of public transport. Once you get to the middle and outer suburbs it obviously becomes much sparser. One of the initiatives that we are pursuing is the development of cross-town bus services which would enable people to access activity centres and job opportunities that are fairly well dispersed throughout the middle and outer suburbs. So, for example, in the outer south-eastern corridor around Dandenong and beyond a lot of new growth is occurring. A small proportion of the work force that is resident there would be looking to travel to the central city and that in itself will create problems on the rail network as that growth continues. More importantly, their job opportunities tend to be dispersed to areas like Mulgrave, Braeside and so on, some of which is along the corridor and some of which is a bit off the corridor.

Typically, people may use the corridor for a part of their trip or they may travel north-south for a bit and then east-west for a bit. The patterns are fairly dispersed. What we are trying to develop, as described in Melbourne 2030, is a principal public transport network which provides cross-town movement. In particular, we have upgraded a number of bus routes on Springvale Road and Blackburn Road and we are already committed on Warrigal Road to a high level of service which we call SmartBus. That has a number of features. It has higher frequency, extended hours of service and real-time passenger information at critical locations along the route. The vehicles are accessible and better coordinated with the rail services and so on. The whole idea is to improve the cross-town service and that needs to be complemented by better local services which will feed into the transit centres and other activity centres.

Mr BARRESI—But SmartBus is never going to be able to cope with the growth in commuter demand surely? Unlike Canberra or perhaps other cities that are very much bus dependent, where there is a bus culture for public transport, I do not think that Melbourne does have a bus culture. No matter how frequent these buses are going to be, there is just the sheer size of them and the expanse. If you look at the eastern suburbs of Melbourne, you have basically got four rail lines going from Harry's area up in Epping all the way down to Dandenong. There are four radial lines with a lot of basically vacant area with no light rail, tram or train routes. Buses cannot cope with that.

Dr Patton—I accept what you are saying in some areas but not all the travel demand is to the central city, a fair bit of it is cross-town. The two routes that are up and running already—Springvale Road and Blackburn Road—are showing good growth in patronage which indicates that, if you provide a good option or a good level of service, people will take up that option. Our strategy is to move to SmartBus and to attract demand. As that demand grows on particular routes, if there is a need to upgrade it to another mode which is more efficient then we would look at that. I accept what you are saying in relation to some particular corridors—for example, from the outer north-east of Melbourne where public transport to the central city is predominantly by means of buses along the freeways. The government has put in park-and-ride facilities and those are being well used. In time we will be looking at other mode options for that corridor.

Mr JENKINS—I accept what Mr Barresi has been saying—that we do not have a bus culture and that there are a lot of things in people's minds about the use of rail, whether it be heavy or light. It is a problem that we have to deal with directly or get over as a perception. In my electorate people equate public transport with rail. It is in the outer urban fringe in the north. The reality is that the last extension of a rail system was the extension of the light rail out to McKimmies Road, Mill Park, as a result of a federal Labor initiative. Since then, while there is still an interest in expanding the network, the momentum has faltered. So that gets us to this stage: what do we do next?

Dr Newton has gone. He was talking about transit cities; I am using the nomenclature of transport nodes. In my area at South Morang—which is where we are going rather than where have been—we have the opportunity for developers and council to talk about developing a proper public transport node but because we have always equated that with a rail head and there is no rail that goes to South Morang we have a difficulty. So I am trying to keep an open mind. I do not mind if we can illustrate by the expansion of the bus network that that definitely equates to public transport—bus network equals public transport—whilst there is still an idea in the

community mind that it does not. Perhaps in the future we need to look at areas—whether they qualify to be transit cities or not is not the question—and put it in people's minds that the way we are going to develop Melbourne's network will be to go closer to a bus culture. I accept that the bus interchange around Bulleen is very innovative in trying get into people's mindset that it is public transport.

Dr Patton—It is hard to say whether or not we have a bus culture. Certainly when you look at the public transport usage in outer suburbs you can see that it is at a very low percentage compared to the middle and inner suburbs. In the inner suburbs we have trams, which people are very used to. It is obviously not feasible to extend that right across the metropolitan area so the question is how to increase public transport usage in outer suburbs where the levels of usage are currently low. I am not sure whether it is necessarily an antipathy to buses or a question of where the network takes them and what they connect to et cetera. As Julian and Peter have indicated, a large part of the strategy is about getting decent centres of activity in middle and outer suburbs, and those will become the focus for local public transport services interconnected by an across town network with a high level of service. As for extending the rail network, the significant issues are the travel time to the central area and, in the case of the tram network, the unreliability of the service due to congestion and so on—hence the major effort we are putting into priority for trams in order to make their speeds greater and, more importantly, their reliability better.

Mr JENKINS—The other opportunity that I think we have missed is in terms of roads. For instance, the submission talks about the importance of the Western Ring Road, yet we really did not take the opportunity to put public transport into it—whether it be a la Perth with the train running up the middle or dedicated bus lanes. We had a great east-west opportunity around the northern and western ring of Melbourne, and it is used very much for private passenger and freight transport. We have missed too great an opportunity to illustrate the combination of public and private transport.

Dr Patton—It is a fairly complex situation. We do not have good cross-town public transport. At the same time, the vast majority of trips are relatively short, and trips on public transport tend to be on the old arterial roads rather than the freeways and freeway standard roads. One of the features of the freeways in recent years is that they tend to be in fairly large easements. It is not all that easy for people to walk to public transport services in that corridor, whereas public transport probably functions better on the arterial roads where the development is right up to the road.

Mr JENKINS—The opportunity to connect radial light and heavy rail in that outer urban fringe is something that perhaps we could have looked at to integrate the whole of the system. In your submission, you outlined nine key directions in Melbourne 2030. I probably could ask this question about any of the nine, but I just want to pick the 'fairer city'. I would just be interested in what sort of indicators you are going to use to make sure that we are implementing or achieving that.

Mr Hill—At the risk of giving a process answer that does not satisfy the question fully, the scoping of the monitoring program is one of the key priority tasks with which we are currently underway this year. The strategy was adopted in October 2002. The government took submissions focusing on the implementation for a number of months, and throughout last year settled most of the key implementation mechanisms, such as the urban growth boundary, and

established the key processes for implementation. With the help of the independent implementation reference group over the next six months or so, we will be developing a more detailed monitoring program which will articulate exactly what those indicators are. Some current thinking is that there would need to be a mix of both high level aspirational indicators—building on Mr Barresi's comments before about the need to bring the public along and have them understand what the strategy is about—and more technical indicators of city performance, such as congestion, economic equity and so on.

One illustrative map which the committee might like to look at that is in the strategy and which I can supply a copy of afterwards is a socio-economic distribution across Melbourne. I think it gives a lot of support to Mr Watkinson's comments about how the transit city investment is necessary and targeted particularly to areas of concentrated disadvantage where it is thought that only government investment will actually start to break that cycle of disadvantage. Dandenong is a good example of where government investment is going to be required to get the market interested in undertaking a development where the government wants it to happen around good transport networks. I acknowledge that I have not directly answered the question, but that is something which was on the work program once we had settled down the implementation mechanisms—to turn our minds to how we will measure progress of the strategy.

Mr JENKINS—So that will go to issues of social infrastructure, mixes of socio-economic—

Mr Hill—Very much so. One of the key things from the 'fairer city' direction is a more equitable distribution of jobs across the city and over time to achieve a better match between people's access to jobs. There is quite a telling map that shows in fairly simple terms that people in the inner city have access to a significant proportion of the available jobs in Melbourne within an easy commute and that accessibility decreases largely proportionately as you move out to the edges of Melbourne. One of the key aspects of the 'fairer city' direction is to remedy that disadvantage over time.

Mr McARTHUR—Do you think you will maintain the green wedge policy, with the pressure of developers, planners and commercial activity to always encroach on the green wedge principle?

Mr Hill—I would answer that in a number of ways. The green wedge policy, as was mentioned in broad terms, has been in place for many decades now in terms of the broader concept of having urban and non-urban areas. The government has indicated quite clearly, through what is Australian first legislation that they introduced and passed in the parliament last year, that legislative protection has been given to the urban growth boundary. Any change to the urban growth boundary or, if I recall correctly, the minimum subdivision lot size within the green wedges now requires the ratification of both houses of parliament after the minister introduces the appropriate motion to the parliament.

CHAIR—That was within the green wedges, not outside the growth boundary?

Mr Hill—The green wedge is a concept which takes a little while to get one's head around. There are 17 municipalities around the edges of Melbourne. The green wedge is the area between the urban growth boundary and the edge of each of those municipalities. In simple terms, it is a donut around the city.

Mr BARRESI—So no development at all is allowed in that green wedge?

Mr Hill—That is an incorrect understanding. The legislation sets the goalposts for changing the boundaries of the green wedges and the subdivision size. The planning controls that operate within it are part of the normal planning system. At the moment the government, in response to submissions, is finalising what the planning controls within the green wedges will be. There is still a diversity of zones available within the green wedges, which councils will work with government to apply. In addition, where councils have asked, some of the townships located in green wedges have also had growth boundaries put around them so pockets of urban development are allowed in there. But over the next 30 years when one would expect to see economy and world changes, the sustainable uses which can be permitted in green wedges may also evolve through the planning system. That is detail which can be filled in.

Mr McARTHUR—Are you really saying that the Victorian parliament has put in a statute to stop councils encroaching?

Mr Hill—The Victorian parliament needs to ratify any changes to the urban growth boundaries. Any changes to the physical area of the green wedge need to be ratified by the parliament.

Mr McARTHUR—Historically councils always want to develop that land to increase their rate revenue. Why won't they do the same this time?

Mr Hill—Councils may choose to propose planning scheme amendments but their consistency with state policy, I would presume, would be the determinant upon which the minister bases her decision whether to bring an amendment into the parliament.

Mr McARTHUR—I will rest my case.

Mr BARRESI—What are the plans for road developments through those green wedges? There is control over residential and housing growth but is the issue of roads considered to be separate?

Mr Hill—I am not familiar with the detailed consent required for such developments. I would be happy to get some other information for the committee. If that is an allusion to the north-eastern road, which was the subject of the Federal Court case, that has been well ventilated and the government has made its position clear that there are no plans to complete a freeway development through the sensitive eastern green wedge. Dr Patton might be able to add to that.

Dr Patton—No, I am sorry. I am unable to add to that.

Mr Hill—If the committee could indicate with a little more specificity—

Mr BARRESI—I was thinking about that north-east wedge—the one that divides Harry from the rest of us over in the eastern suburbs. We have a buffer zone between us! I can understand that the arguments regarding a major arterial road have been well canvassed and have been knocked on the head, but there are degrees of development of roads, from a freeway right

through to a suburban road. Does it preclude any development of new roads through green wedges?

Mr Hill—I will have to get more detailed information but I cannot see that the green wedge legislation and zoning would preclude normal sorts of road maintenance, upgrades and so on. Prima facie, you would think that if there is significantly less intensive development in the green wedges it would be difficult to understand a situation where significant road development would be warranted.

Mr JENKINS—Some councils that would have disproportionate amount of green wedge land within their boundaries would say that they are at a disadvantage in providing the services that they are still required to provide in the green wedge. In fact, submissions have put the case that there needs to be, for instance in the Grants Commission formula, some factor for that. It is a balance thing to try to avoid them coming to the position that Mr McArthur is predicting—that the only way to save themselves is to try to get a change in the zoning.

Mr Hill—Equally, many councils have made convincing submissions that the proliferation of low-density development will actually have a far greater adverse impact on their future finances as those residents demand urban services in areas in which it is simply not possible to provide them, whether they are infrastructure or human services, which ends up also being a cost on the Commonwealth through HACC and other programs.

CHAIR—We have received a lot of evidence about the metrics of sustainability: how you measure it, what are the tools and what is the analytical basis that you use to make choices. What was the framework that was applied to satisfy the government that Melbourne 2030 actually is a step towards sustainability and not simply a land use planning containment strategy with some admittedly admirable add-ons that might actually conspire to give you a less sustainable pattern of settlement and urban activity? Would either Julian or Tim like to address that?

Mr Hill —We are looking at each other.

CHAIR—I ask that because that has been a big issue. I will give you some examples. People look at condo city and think, 'Isn't this great! It's higher urban consolidation' but constructing buildings of more than three storeys involves the cost of ventilation, air circulation, lifts and those kinds of things. Then there is the intensity with which green spaces are used: you need to water them every night to keep your three-square-feet bit of grass alive, whereas a broader space can sustain activity. There is some confounding data. We comfort ourselves that certain things are better but when you actually look at the facts you see that things look a bit different. I am wondering how some of the choices that are embedded in the Melbourne 2030 document went through the testing of what actually makes a useful contribution to sustainability and what does not.

Mr Hill—We should workshop this. I am somewhat at a disadvantage in answering the question, and I am happy to provide some further information. I was not involved in the preparation of the strategy from that perspective. I have only been in the department for about 18 months, just prior to release. I can say that underpinning the nine key directions articulated are seven sustainability principles upon which the strategy is based. They are the more intellectual principles. They are mentioned on page 29 of the document. They are: sustainability, innovation,

adaptability, inclusiveness, equity, leadership and partnership. There was a large amount of technical work sitting behind that. The technical papers were publicly available to inform the preparation of the strategy, but I would not like to speculate beyond that except to say that they are available.

CHAIR—Perhaps you could have a look at that, because one thing is clear in the submissions to us: there is nothing particularly clear about what sustainability looks like. People have different connotations of it when you talk to them about it.

Mr Hill —While I note the rule that says I am a public servant so I am not allowed to give an opinion, I can say that many would say sustainability is a journey, not a destination.

CHAIR—That is true. But in keeping with that, it is something that needs to be guided by our practice of producing improvement and therefore that is a constructive step as our practice may be taking us off in another direction. I am just wondering how that was worked through in developing those policy settings. It has a lot to do with trying, as Mr Barresi was talking about, to bridge policy aspirations and the amenity goals of humans. They have a lot of daylight between them. Most people would agree—you get heads nodding—with what you are trying to do, yet when it gets brought down to the neighbourhood level there is not a lot of appetite for some of the measures. Rather than being a part of this, people feel as though you are actually doing it to them. So I am wondering how those things were worked through. Where we have seen it done well, there is magic: the neighbourhood seem to own it. They have articulated it and the collaboration has worked that way, rather than people sitting back saying, 'You're doing this to us and telling us it is good for us,' and then the battle begins. So we are trying to find what the magic looks like, because it seems to be at the heart of it.

Dr Patton—I do not think that I have a lot to add to that. Clearly, we have a triple bottom line focus. We are out to ensure that any impediments or potential threats to economic growth are managed or minimised and we see that potential threats of that type are looming. Congestion, which has the potential to throttle our cities, is a significant one.

CHAIR—It has been put to us repeatedly in different guises that there is actually a quadruple bottom line. There are four corners to sustainability: economic, social, environmental and good governance, which is the fuel that moves this forward and has communities and citizens feeling as though they are a part of that vision. We have independent implementation reference groups, smart growth committee, regional housing working groups, all of which I can perfectly relate to why they are helpful and necessary. If you are Joe Citizen, where do you fit into that picture? How is your voice heard amongst the battle of bureaucracies and all that kind of stuff? How do you influence that body of work? Do you know what I am getting at? It orbits people: 'It is good stuff. That is great, but it is over there. I want to know what my chances are of having an influence on all that stuff.'

Dr Patton—As Julian mentioned, throughout the preparation of the Melbourne 2030 plan, a large series of workshops were held throughout metropolitan and regional Victoria where people did have the opportunity to voice their issues. Those issues fed into the plan.

CHAIR—As Julian knows, I used to be a local government guy. I understand consultation, but there is consultation that seeks input to flavour, influence and shape the direction of

something and consultation where people say things and you bat them back the best you can to prove how right you are and how wrong they are. It is like doing things to us rather than with us. I am not sure how that works best.

Mr Hill—To elaborate a little more on what was said before, the government's key approach to implementation is about establishing partnerships. Depending on the particular project or outcome they are looking for, the partnerships may be with the community, the private sector, local government or a combination thereof. Ultimately, if you are asking where your average citizen can perhaps have the most input, there are all of those processes, as you mentioned—the high-level processes, the metropolitan processes, the regional processes—but in my experience, and I think the experience of the implementation process to date, people are most likely to engage through their local government processes that relate to their neighbourhood, local government area or city. Hence, the significant emphasis the government is placing on building partnerships with local government for implementation so, within the framework the government has set to guide future growth, local governments and communities can make their own choices about future development but within the goalposts or the framework that the government sets.

Mr BARRESI—Your proposal asks the Commonwealth for certain actions. I will not go through all of them. In relation to the FBT, you are proposing that we remove fringe benefits tax on executive cars, if those executive cars are used to travel into the CBD. That would be a nightmare to police surely.

Dr Patton—I do not think that was the thrust of our suggestion. We put forward a couple of examples where policies have perhaps unintended consequences as far as sustainability is concerned. In this particular case, the way that the FBT is structured perhaps provides an incentive for a person who has a car to drive to the CBD to drive more and more to the CBD. There is no incentive for them to use public transport.

Mr BARRESI—There is probably FBT on the car parking, not the car itself.

Dr Patton—We were not proposing abolition of the FBT; we were giving some examples of some unintended consequences. For example, we recognise in the other case, which was in relation to import duties on four-wheel drives, that it is in a converging situation.

Mr Hill—The anecdotal example is when the end of the financial year approaches and someone with that FBT starts driving round in circles to make sure they get to 15,000 kilometres to lower their tax bill. As Tim said, I think that is an unintended consequence.

Mr BARRESI—Does that really happen?

CHAIR—It is an idiosyncratic state government thing.

Mr BARRESI—That is twice we have heard that. I am flawed by people doing that.

CHAIR—We probably live too far out of town and knock up the 15,000 kilometres anyway.

Mr BARRESI—I have great public transport straight down the Ringwood line. In your plan you provide $5.6 million to councils to implement the 2030 plan. Can you give me an idea of

what that money is used for. The reason I ask is that over the weekend we heard that the Sunshine Coast is looking for federal government assistance because it is a growth centre. The top 10 growth centres were announced over the weekend and I understand the Sunshine Coast has pipped Hobart into the top 10, and it is saying, 'Give us some help.' You are giving councils help. Which ones are you giving it to and is that a blueprint for what the federal government should be doing?

Mr Hill—The breakdown of the $5.6 million comprises $3.1 million of base grants: $100,000 to each of the 31 metropolitan councils over three years, plus a $2.5 million targeted grants pool, which is available for the 2003-04 financial year, the majority of which has been distributed. The sorts of projects funded through that are strategic—

CHAIR—Is this the $100,000 or $2.5 million?

Mr Hill—The $3.1 million or the $100,000 per council is for each metropolitan council, which is distributed equally and is available subject to the approval of a satisfactory work program which sets out—

CHAIR—To do what?

Mr Hill—to implement strategic planning projects around priority areas, such as activity centre structured plans to support growth area councils in participating in the growth area planning projects, green wedge management plans, as well as a hotchpotch of innovative projects, feasibility studies for art centres in activity centres and other sorts of things and implements the direction of the strategy. In a nutshell, they are for priority strategic planning work to implement or localise the strategy. They are the 'building blocks of the strategy', in the minister's words.

Mr BARRESI—And the other money?

Mr Hill—The $2.5 million is a more competitive pool, which has been allocated according to need and priority, so it is not an even share across all councils. The vast majority of councils have received some funding, but the priorities have flowed towards areas that have the greatest need or have the greatest level of strategic planning work to do, particularly growth area councils and priority activity centres. That is where the majority of that funding has gone.

CHAIR—I congratulate my colleagues on not asking any questions about Scoresby, which we are all busting to ask. A federal discipline is coming through here. Closing remarks—you want to talk about Scoresby?

Dr Patton—No.

CHAIR—That could bait the panel here.

Mr Hill—The Mitcham-Frankston Freeway.

Dr Patton—I will elaborate a little more on the question Mr Jenkins asked about the use of cross-town freeways for public transport. As we see it, the uses of freeways that have arterial

roads are complementary. As I mentioned I think a large part of public transport demand would be along the settled arterial roads, but clearly there is likely to be a role for some longer distance public transport. The role of the cross-town freeway would probably be to take that longer distance travel transport, including freight and so on, which means that the arterial road is better able to be managed to provide priority for public transport in the areas where it is needed. I see those as being complementary activities.

CHAIR—Thank you for pointing out the benefits of the Western Ring Road. You are rubbing our noses in it but it is nice.

Mr Hill—Can I seek clarification as to exactly which points the committee want to follow up on.

CHAIR—You are to come back to us, Julian, on the open space aspects and on the metrics—the evaluation framework, through which the plan is being devised, so as to enhance sustainability of the city. We have just had some differing opinions on how that is achieved and whether the plan would in fact achieve that. Thank you, Mr Hill and Dr Patton. Could you thank Peter for us as well.

[2.30 p.m.]

BIRCH, Miss Julia, Research and Policy Officer, Australian Business Council for Sustainable Energy

BRAZZALE, Mr Ric, Executive Director, Australian Business Council for Sustainable Energy

CHAIR—Although the committee does not require you to give evidence under oath I should advise you that these hearings are formal proceedings of the parliament and as such warrant the same respect as proceedings of the House of Representatives itself. It is customary to remind witnesses that giving false or misleading evidence is a serious offence and may be regarded as a contempt of parliament. On that warm, welcoming note, I will hand over to you to make a brief statement or some introductory remarks.

Mr Brazzale—Thank you for the opportunity to participate in today's proceedings. The Business Council for Sustainable Energy is an industry association. We have over 250 organisations as members covering renewables as well as different sustainable energy technologies. My introductory comments and our submission focus on stationary energy and the greenhouse and energy elements of sustainability. Our vision for the future is that we want to see the greenhouse footprint of our cities, and the buildings in which we live and work, significantly lower in terms of greenhouse emissions than they are today. This will be driven significantly by lower energy consumption and through the adoption and implementation of much more renewable energy sources.

We do not believe that our current building practices and energy supply arrangements are sustainable. This is both in an environmental and economic sense. An example is the dramatic increase in peak power demand driven by the significant uptake in airconditioners. In turn, this has been exacerbated by poorly designed residential and commercial buildings. As a result, greater pressure is placed on electricity infrastructure requiring more investment, higher prices and higher greenhouse emissions.

We would also like to take the opportunity to table a new study we released last week that looks at how we can deliver a cleaner energy future for Australia. This sets out a road map as to how, by 2040, we can reduce greenhouse gas emissions from stationary energy by 50 per cent from 2001 levels. It is well accepted that we need to make substantial cuts in greenhouse gas emissions to prevent catastrophic global warming. Australia has the resource base to achieve this without sacrificing our standard of living. The two key things that we need to do are to limit the rate of growth of energy consumption and to switch from high polluting fuels, such as coal for power generation, to gas and renewables.

Finally, in our submission we outlined a suite of policy measures that we believe will deliver a more sustainable future and sustainable cities. The key measures that we call on the committee to consider are firstly, the introduction of mandatory minimum energy performance standards for new residential and commercial buildings. This builds upon existing schemes being implemented in Victoria and New South Wales particularly for residential houses. There is also

the inclusion of a carbon price signal in the energy market so as to drive effective investment in energy infrastructure and finally, a significant expansion in the mandated renewable energy target to build renewable energy industry capacity and capability so that renewables can be cost effective in the longer term.

CHAIR—Julia, do you want to add anything?

Miss Birch—No, thank you.

CHAIR—I think I have read the paper you are going to present. Is it *A clean energy future for Australia*?

Mr Brazzale—We did not have the opportunity to bring it with us today but we will forward it to the committee.

CHAIR—That would be good. In a nutshell that report talks about what is possible. You should be advertising it not me. Could you give the committee a thumbnail sketch of the report and its conclusions?

Mr Brazzale—It is pretty well accepted that we need to substantially reduce greenhouse emissions. The science has been accepted and we have moved beyond that. We looked at the stationary energy sector and at how we could deliver 50 per cent—that is, very significant cuts in greenhouse emissions using predominantly energy efficiency and fuel switching to renewables and gas. It laid out a road map for us to achieve that over the next 40 years. The document that we will table will go through that in a lot of detail.

A couple of important points for this inquiry are that residential and commercial energy consumption, particularly of electricity, are forecast to increase significantly over the next 40 years. As an important first step, we need to rein in that rate of growth of increase, and then the energy that we do consume needs to be produced by more sustainable means. The bottom line is that Australia does have the resource base. We have significant gas reserves, which are low-emission fuels. We have significant access to renewable energy. We have great wind regimes. There is lots of potential for biomass as well as a lot of solar potential to deliver that renewable energy in a reasonably cost-effective way.

CHAIR—That study relies on contemporary, current technology, not some magic ceramic cell technology that will turn water into hydrogen just by looking at it.

Mr Brazzale—That is exactly right. We have focused on the use of the existing technologies—if you like, technologies that are proven now—maybe with modest improvements. Particularly in areas like renewables a lot of it is already proven: solar photovoltaic is already proven, biomass is proven and wind energy is proven. What we are looking at is a greater uptake. As we significantly expand the uptake, the costs come down and it becomes more cost-effective.

CHAIR—The dorothy dixer is done by me. I turn to the issue around five-star energy efficiency and the energy performance of different appliances, structures and the like. Is it of

concern that some of the states and territories are going off in their own directions on that and that there is not consistency across the nation that everyone can get behind?

Mr Brazzale—This is a really difficult question. I think the answer goes back to 1901 with Federation, I am afraid. The way to answer that is that, historically, states have had responsibility for energy supply and have owned the electricity and energy utilities. Therefore, we do have a bit of a mishmash of approaches. But, having said that, some states are doing some very progressive things. We would be concerned if we had a lowest common denominator approach. But we do think it is really important to get a national framework to cover a lot of these things. That has happened with the minimum energy performance standards for appliances. We now have a national program.

With regard to residential buildings, it is much more of a mixed bag. Victoria has the five-star policy and the solar water heater and rainwater tank initiative as well, which we think is certainly going in the right direction. It will stimulate more efficient housing design and also greater uptake of renewable energy in solar water heaters. New South Wales are also implementing their BASIX building sustainability index. If they have not already, I am sure that members of the New South Wales government would probably present to you on that. We see that as a very exciting initiative that brings in not just energy but also other aspects of sustainability, including waste and water. On the greenhouse side, they are looking to reduce greenhouse emissions in new homes by 40 per cent from the year after next. Again, that will lead to much better housing design and uptake of solar energy. I understand also that South Australia has just announced a move to a mandatory five-star rating for new residential homes.

So we see the states starting to move. We encourage the Commonwealth to take more of a leadership role and to push further and more aggressively on some of these. The goal is not to discourage the states from going ahead with their own initiatives but to start to build some common currency. In other words, we must make sure that the rating tools that we use to measure and assess performance are all consistent and can be applied across states.

CHAIR—I turn to the peak power demands created by airconditioning coinciding with the highest photovoltaic solar performance that we can get. Is there an argument for a partnering measure that requires people who buy airconditioners—and, therefore, place the greatest demand on our electricity system individually—to get a PV system? Should there be some complementary measure that offsets the personal impact that they are having on the broader community's energy supply?

Mr Brazzale—We would advocate those types of approaches. There are a number of ways you could do it, but I think the fundamental problem we have is that customers that install airconditioners impose a significant cost on the electricity system but do not pay for it because they only pay an average price. They do not pay for the peak power they use and they do not pay for the peak network infrastructure that they use to deliver that power. So the question is: someone needs to build the supply infrastructure for generation as well as networks to meet that demand; how are we going to do that? One way, as you have suggested, is that, if you want to buy an airconditioner, you have to put in your own generator, which would be a PV system.

Mr McARTHUR—Do think that has possibilities?

Mr Brazzale—It has. That could also be included as part of new housing design. If you include PV as part of the building fabric, that is more cost-effective as well.

Mr McARTHUR—What are you suggesting in practical terms? You would have your own little generator run by a diesel motor?

Mr Brazzale—No, by the sun.

CHAIR—It would be photovoltaic.

Mr Brazzale—That is one way you could do it. We would advocate perhaps a different approach that might achieve the same thing—that is, if those customers actually paid a peak demand element that reflected their use of the system—

CHAIR—The San Diego model.

Mr Brazzale—In other words, if you want to install an airconditioner, you have to pay an extra $1,000 per annum. Then PV would become much more cost-effective.

Mr McARTHUR—What is wrong with advocating that?

Mr Brazzale—We think that is a good idea. If I recall, we did advocate that as one of the approaches in our submission.

Mr McARTHUR—How would you sell that to the users?

Mr Brazzale—It is simple: if you want an airconditioner, no problems, but you cannot run it unless you pay the real cost of running it. You can buy the airconditioner, but you are not allowed to run it, because someone has got to supply the power and the infrastructure.

Mr McARTHUR—At peak loading?

Mr Brazzale—Yes, it is all about the peak.

Mr McARTHUR—So the alternative is to find some solar power to help you out during a peak period. If you run out of that, then you are in trouble?

Mr Brazzale—That is right. But there is very good correlation between days of peak demand driven by hot weather, airconditioning load and the ability to produce power from PV. If the sun is out, you are producing PV power.

Mr McARTHUR—Have you got a working example of that in the Western world?

Mr Brazzale—We do have.

CHAIR—I can give you that overhead if you want it!

Mr McARTHUR—I am asking the expert, Chair.

Mr Brazzale—We would be more than happy to provide you with some data that does correlate—

Mr McARTHUR—Have you got an example in a high-sunlight country where airconditioning is a problem?

Mr Brazzale—I am not aware of a specific scheme that actually does that, but we have some data that shows the correlation between days of peak summer demand and the power produced from PV.

Mr McARTHUR—Do you think it could have solved the Californian problem if they had implemented your policy?

Mr Brazzale—Not totally. The Californian problem would have been solved if those customers who had been drawing power at peak times had been paying more. That would have done a number of things. You would have had more distributed generation like PV and you would have had better designed houses. Part of the problem we come down to is that houses are poorly designed now.

CHAIR—The chart is from Origin Energy, if I recall.

Mr JENKINS—Has pricing across the states and territories now evened out?

Mr Brazzale—Is this for peak power?

Mr JENKINS—Yes.

Mr Brazzale—It is pretty sketchy. In South Australia at the moment the price during peak periods has increased quite a bit. I think it is just under $200 per megawatt hour during peak periods. But what we have seen is that this has driven a substantial increase in the rate of uptake of PV systems in South Australia. In Victoria and New South Wales, where we have a pretty flat structure, you are paying around $120 to $130 per megawatt hour, or 13 to 14 cents a kilowatt hour for power pretty well whenever you use it. In the Northern Territory and Western Australia I think the pricing is a little bit higher because they have higher cost generation.

Mr JENKINS—What about Tasmania?

Mr Brazzale—Tasmania would be broadly similar to Victoria and New South Wales.

Mr JENKINS—What are going to be the drivers for change?

Mr Brazzale—The first point is that we have some good models in the schemes being implemented by New South Wales and Victoria—in other words, forcing new homes to be energy efficient. We will not see much impact of that over the next few years, but in 20 or 30 years time we will have substantially turned over our building stock and we should be seeing a significant improvement. So we see that as an important initiative. I might add that we need to

extend and expand those into commercial buildings because commercial buildings are also a problem and also drive significant use of airconditioning and energy as a whole.

Mr McARTHUR—How did you win individual homes over to energy efficiency? How did you win that argument?

Mr Brazzale—In the end the argument was won on economics. It was demonstrated that, if you had minimum performance standards for new homes, the additional cost of building the house was more than offset by the energy savings to the householder. Importantly, they also found that, compared to a business as usual scenario, if you limited the rate of growth of energy consumption that led to lower prices for everyone else.

Mr BARRESI—Can you actually quantify that?

Mr Brazzale—Yes, we can. The Allen Consulting Group did a report for the Victorian government that quantified that. We can table that. So there were net economic benefits. There was an increase in GDP and in jobs.

Mr BARRESI—I guess I am looking at it more from the consumers' perspective. I have raised this question with a number of witnesses. It is great having mandated zero building energy emissions and it is great requiring residential buildings to be rated, but a rating means nothing to a consumer.

Mr Brazzale—Yes—

Mr BARRESI—It does not. It means something to a builder. It means nothing to a consumer unless you can quantify the dollar figures.

Mr Brazzale—You are absolutely right. A rating, in itself, does not assist, other than perhaps in the ACT scheme, where there is mandatory disclosure providing information to customers. But in the Victorian scheme new buildings have to be five-star. It is not optional. You just have to do that. But you are absolutely right: it does not figure in a consumer's decision making. So it is done for the common good.

CHAIR—VicUrban released a housing design with five-star street cred. My understanding is that part of its marketing was to explain the operating costs.

Mr Brazzale—There have been a number of land developers and housing developers who have anticipated this or have moved before the market, and they have sought to build five-star homes and market them as energy efficient.

Mr BARRESI—Is five-star still a low benchmark? I am looking at some of the recent subdivisions that have taken place in my part of the world. Honestly, I think that what they have done in terms of medium- to high-density homes is atrocious. Apart from the density of it, it does not seem to me that there is any environmental sensitivity about the way the homes have been built.

Mr Brazzale—I think that that is generally the case these days, isn't it? We build the house we want and then we change the environment to suit. For example, you beef up with big airconditioning systems to make up for poorly designed and sited houses. But, to answer your question—is five-star enough?—I think that, long-term, probably not. But we had to start somewhere, and five-star generally seemed to be a level that could be achieved with net economic benefits. It is a good point you raise because, as greenhouse starts to bite much more firmly and there is a cost of carbon, we should go to six-star or more. The community should be prepared to bear a cost because that reflects the cost of carbon.

Mr BARRESI—The Royal Institute of Architects last week gave us 39 different criteria for building better cities. Quite a number of those related to buildings themselves. I would have thought that a five-star rating would be fairly basic in terms of an achievement.

Mr Brazzale—It might be, but if you look at what is being built now you will see that it is a hell of a long way below five-star. Five-star is probably a reasonable place to start, and then we could have a mechanism to improve on that over time.

Mr BARRESI—There is an implication in recommendation 6 of being critical about industry and the commercial world in itself. Maybe I am misreading it—I apologise if I am—but I was led to believe that the commercial sector is way ahead of the residential sector in the way that it goes about development and building for environmental sensitivities.

Mr Brazzale—That is probably the case with some of the leading builders and some of the leading property owners.

Mr BARRESI—I mean commercial developers, not your house and land package builders.

Mr Brazzale—Probably the better of the larger ones are, because they are slowly starting to factor in environmental greenhouse management performance, but there is still a lot of stuff that is being built that is very basic. They are just trying to get buildings in as cheap as possible. There are certainly some examples of good buildings. Even in Victoria, the only building that has any decent star rating is the one that we are in, which is 60L. There is no other one that even gets close to five-star. In New South Wales there are a number.

Miss Birch—There are a handful in New South Wales.

Mr McARTHUR—What is the percentage cost of getting a five-star energy efficient building? Is it another 10 or 15 per cent? What is it?

Mr Brazzale—We have that data. I cannot remember it off the top of my head but we can provide to you separately that data, particularly for Victoria, that links the relative costs of moving from three- to four- to five-star on a dollar per square metre basis.

Mr McARTHUR—Is it a big figure or is it a reasonable figure?

Mr Brazzale—It is relatively modest. There are net economic benefits to having minimum performance standards. In other words, the tenant will save energy costs and they are greater than the actual capital costs that the developer has to incur. The problem we have is that

developers are looking to minimise their capital costs and the developer does not have to pay future running costs.

CHAIR—There has to be scope in Victoria though, if half of those reports about the premium it costs to build a commercial building in Victoria because of the industrial scene are true. It is probably less than the premiums, though!

Mr Brazzale—The data that we have shows that the cost is only modest. But you have that disconnection and that is why we do not see many examples of it. In fact, we do not see any examples of it in Victoria.

CHAIR—How hard is it for a regular person to sign up for green power? Should it be as hard as I believe it is? Why is it so hard?

Mr Brazzale—We have been advised by a number of our members and other stakeholders that it is very hard. You need to be very persistent if you want green power. Part of why that is is that even the electricity suppliers are still grappling with the concept. It is a different product for them. We have also seen that not all suppliers have embraced it. A couple of them have. Certainly some of the leading suppliers like Origin Energy—I know about them because they are my supplier—market it quite vigorously, whereas other suppliers do not, particularly in New South Wales. We have even heard that the demand for green power has outstripped the retailers' ability to supply.

CHAIR—If you ask for it they make you get counselling first!

Mr Brazzale—It really has not been properly embraced by the retailers. I am not sure whether that is because competition is still emerging for retail electricity supply. We have only had contestability for a few years so the retailers are still getting their minds around that. Most customers probably would not be aware that they can switch suppliers, but we think that as the market matures it will be one way that retailers can differentiate.

CHAIR—Our committee's last report recommended a series of actions to disclose the emissions profile on your energy bill about what is happening from the generation source that is being used and what the alternatives could be in terms of environmentally friendly energy. Have you had a chance to apprise yourselves of those recommendations? Are you making steps in the right direction?

Mr Brazzale—Most definitely. We have been advocating as well for mandated disclosure of emissions, and in Victoria there is emission disclosure. I think they are moving towards disclosure in New South Wales as well. I think that is necessary but insufficient. It is starting to get the message home to consumers so at least they have some information, but then they need to be able to act on that and do something with that information, and we still need to develop that.

CHAIR—In terms of energy security and our emissions profile that is available through a distributed generation model like the one your organisation advocates, is the interconnect—the lines from those new generation points into the network—a cost that is carried by the generator or is it a cost that you think should be carried more broadly by the industry to make sure that sunk capital does not have a huge investment over the later entrants to the energy system?

Mr Brazzale—At present the network infrastructure that is in place to take supply from distant generators and also within the interconnector grid is all paid for by consumers—in other words, the generators do not pay a use of system charge. We have argued in various electricity forums in the past that certainly the use of the transmission system should also be paid by the large coal-fired generators that are located distant from the consumers because they were making use of those transmission assets to supply their power to customers. If they did not pay that cost it would disadvantage more distributed generation sources. We still have that problem in the electricity market. If you are a generator that is located close to your customer load, you do not get as much of an advantage vis-a-vis the distant generators.

CHAIR—It is not a market failure as much as a historical advantage that is carried by the in-place generators?

Mr Brazzale—I think you could categorise it that way, although we would also say it is partly a market failure because there is no proper signal for new investment. In other words, a lot of new investment in transmission and some in distribution is triggered by the location of generators and, unless generators pay, there is no signal for them.

CHAIR—The knowledge that is available around renewable energy technologies is considerable—it is deep but it is narrow. We heard from the architects that seven per cent of buildings go across the hands of an architect and the rest are spec-ed up on CAD systems and the like. The plumbing industry has accreditation for green plumbers, where they will talk to you about water efficiency and reuse and grey water trapping and management. Do you see that we need to build up literacy and knowledge of what you are talking about across the various professions that are involved in construction of one form or another?

Mr Brazzale—I think we definitely need to do that and that is part of one of the initiatives. We need to build industry capacity and capability, and that is about making sure there are appropriately skilled and qualified people to undertake energy audits, to rate homes—to have the tools available to do that. We run a training accreditation program for designers and installers of renewable energy systems, like PV systems, so we organise that small part of the market, but there are also the installers of solar hot water systems, and we need to get that information out to the broader customers.

We are starting from a very low base with renewable energy. For example, solar water heater penetration is only five per cent, PV is even lower and well-designed buildings would probably be lower still. We are starting from a low base. Whilst we can implement regulatory approaches to deliver that, we also need to make sure that we do build the infrastructure—that is, the people on the ground and the small businesses that are going to be doing this work need to be skilled and trained. It is an important part of delivering on the vision. You can have the programs but you need to make sure that you have the skill base and the businesses to do it.

CHAIR—Is there an argument that the grid-connect PV systems are not only helping the generation of electricity but setting a great educational purpose in informing people about energy consumption? We have heard from Origin Energy that there is a new social problem where people are so hung up about their interconnect that they sit staring at their meter to see which way it is going. If someone turns one too many lights on in the house they say, 'Hey, we're drawing from the grid!' Is that educational value something that we need to exploit more?

Mr Brazzale—It is. In fact we have argued through other processes that that is one of the hidden benefits of customers installing PV systems. Because they have their own generator, they become better attuned to what their energy consumption patterns are. I think some overseas studies show that it could represent something like 15 to 25 per cent—

CHAIR—Just because of the awareness factor?

Mr Brazzale—Yes. Someone who buys a PV system is likely to be more aware of the energy consumption and to take a keener interest. Also some systems will have a display somewhere in the house, so your energy information is more accessible to you. You cannot read a meter at the moment.

Mr McARTHUR—You just watch it going round; that is the way to work it out.

Mr Brazzale—That is right. But if you had a digital display that showed how much you were consuming and things like that, it would bring your consumption patterns closer to you, and you could make decisions.

Mr McARTHUR—Are you advocating that?

Mr Brazzale—I think we did.

Miss Birch—It was in the text; it was not one of the recommendations.

Mr Brazzale—As part of empowering consumers, they need to be provided with the information. Whether it is the star rating of a house they are about to buy or rent, they should have that information so that they can make judgments when comparing the cost or rent of one house to another. In the roll-out of smart meters, there should also be a display showing—

Mr McARTHUR—How much it is costing you every minute.

Mr Brazzale—It does not necessarily have to show the cost every minute, but there should be some simple mechanism to show you how much power you are consuming at a particular point in time. At least if you have got that information you can make decisions about whether you should or should not be using it at that time; for instance, when you are running your airconditioner, you do not also run the stereo, the television and five other appliances. You might cut back a bit.

CHAIR—Should that be compulsory in all public housing stock? Equity arguments have been put to us that those most likely to benefit from a more cost-efficient household are those least able to invest in the technology. We could suggest that that be remedied for those most in need of financial assistance—those who qualify for access to public housing.

Mr Brazzale—We would have that as a minimum. All public housing should be energy efficient because it is cost-effective to do so. In fact, we advocate that all new housing should be energy efficient. With any new investment, any new metering, we should look to leverage off that and make sure that we do have some visual display for customers.

CHAIR—Thank you. Miss Birch, Ric has hogged the floor. Are there any comments you would like to add?

Miss Birch—Not in general, no.

CHAIR—Thank you both for your time today and your submission. It is much appreciated.

[3.05 p.m.]

BLUTSTEIN, Dr Harry, Director, Integrating Sustainability

CHAIR—Welcome. Do you have anything to say regarding the capacity in which you appear?

Dr Blutstein—While I am representing Integrating Sustainability, I also have a very close association with the United Nations Environment Programme and their work on the *Melbourne principles for sustainable cities*, so I will be speaking on that mainly.

CHAIR—Congratulations on your success in your career. It was a good read and a great credit to you. Although the committee does not require you to give evidence under oath I should advise you that these hearings are formal proceedings of the parliament and as such warrant the same respect as proceedings of the House of Representatives itself. It is customary to remind witnesses that giving false or misleading evidence is a serious matter and may be regarded as contempt of the parliament. On that optimistic and welcoming note, would you like to make some introductory remarks or comments in relation to your submission?

Dr Blutstein—The idea of focusing on cities is a very important way forward in terms of sustainability. We are going through a number of milestones at the moment, worldwide. For the first time in human history more people live in cities than outside cities. The other thing that is interesting to note is that cities are growing at 2.3 per cent per annum compared with rural areas at 0.1 per cent per annum worldwide. Cities are where it is all happening. If we are going to succeed in sustainability it is going to live or die in the cities.

One of the other features that is particularly relevant is that in the 21st century we are going to have a number of mega cities of over 10 million people. Those mega cities will be mainly to our north—places like Manila, Jakarta and Bangkok, and places in Japan and China. Some of them are already there. They are starting to realise that they have to maintain sustainability if they are going to have viable lifestyles and increase their standard of living. What I will address today is not only what we can do in Australia but also what we can do for our immediate north—we have a range of skills that we can offer to our immediate north for both our benefit and their benefit.

Cities go well beyond their physical bounds. They have very large ecological footprints; namely, the way they draw in resources from the countryside, whether it be foodstuffs, minerals—all those sorts of things. Therefore they have a disproportionate impact on the sustainability of a country and unless we deal with the cities we will not succeed. Even though a city is, if you like, almost an organism, no-one actually owns it or manages it. We have municipalities which look at bits of it and each of them has its own little sustainability program. Sometimes they mesh and sometimes they do not. I am sure you will be speaking with a range of people from local government along those lines, and you will see that. A wonderful example is stormwater. One council can decide it wants to deal with stormwater in its municipality, but if the ones upstream do not deal with it they are not going to succeed. You can deal with air quality within your municipality but again, if it is not dealt with elsewhere, when the wind blows over you get the poor air quality from the people who are not bothering.

Cities are organisms. There are flows of materials and energy and there are people. This is very important. One of the problems when we look at sustainability is that we talk about the buildings and the technology and so on—and I was interested in some of the questions that were asked before—but we do not actually line up with the people. It is actually people changing their behaviour that is important. It is fine to provide the meters and all the other bits of technology but people need to actually understand what sustainability is and that it is important to them and their lifestyle and to their children and grandchildren. If you can get that, they will drive the change.

Sustainability is not a commodity in itself. It is actually a change process and that change process involves people. In my submission you will see a little diagram of three cogs. What I say is that environmental sustainability is driven by economic and social sustainability because it needs money and people to do it. It will not happen by itself. This is often called the triple bottom line, although my formulation is slightly different from the traditional models. Not only does it involve people but also it obviously involves government, and that is usually whom we look to when we want change. But it also involves industry and I do not think industry feel that they are necessarily part of the process. Industry have enormous impact on sustainability, they affect us in our everyday life, we work for them, so they shape our views and so on. They need to be drawn into the sustainability agenda and be seen as part of it.

Interestingly enough, within the City of Melbourne, there is a thing called the Committee of Melbourne which you may be familiar with. That is a wonderful example of where civil society, industry and government have been brought together to work cooperatively. That sort of model needs to be taken up for how we look at our cities. It provides an overview of the whole city. The Melbourne principles started off in 2002. It really came out of an idea 10 years earlier called the Hanover principles, which was for sustainable buildings. I saw that that had a very major impact in terms of setting the agenda for architects. Because cities were such an important area and there was nothing covering them, I proposed to the United Nations Environment Programme, as I was with EPA at the time, that they should develop a set of principles and hopefully, if they were developed in Melbourne, they might call them the Melbourne principles, which they subsequently did.

The idea of the principles was to make them extremely simple so they could be read in 10 or 15 minutes and picked up by decision makers to get a bit of a feel of what a sustainable city is from a holistic point of view—not a series of issues or bits and pieces but how the whole thing might work together and how the change might occur. It was also written so it could be picked up by the general community, by industry and by major stakeholders so that they could also understand what the agenda was. I think it has succeeded in doing that. The principles were endorsed internationally by the United Nations Environment Programme, who were the major sponsor, and also by ICLEI, whose logo you can see on the back. Local champions included sponsorship from the Australian Greenhouse Office, which we were very pleased with.

The Melbourne principles were developed such that they were applicable to both developing and developed countries. The group of people that came together were experts from around the world and included people from Vietnam, Thailand, Japan, South Africa and the US, which gave us a very broad range of expertise that we could draw on. It is to their credit and a testament to their abilities that they were able to actually agree over three days to this set of principles, which I think are fairly clear and straightforward. The Melbourne principles comprise a range of

principles: they look at the triple bottom line—social, economic and environmental; they are sufficiently flexible so they can be applied to any city, so it is not a series of specific remedies; they have a strong emphasis on community involvement for the reasons that I mentioned before; and they are applicable to developed and developing countries. They have been endorsed by the Australian Local Government Association.

Along with Councillor So from the City of Melbourne, I presented the principles at the World Summit on Sustainable Development. The reason Councillor So presented them was that while, as I said, we try to make the distinction that they are not principles just for Melbourne, the City of Melbourne was the first city that adopted the Melbourne principles and it was appropriate that he launch it.

CHAIR—And they are happy for the confusion, too.

Dr Blutstein—Of course—quite happy. Interestingly enough, it was not actually listed to be adopted at that session, but as a result of pressure from the floor it was adopted. It is worth noting that and that it is part of Local Action 21, which you have a copy of.

Subsequent to that the Committee of Melbourne developed a thing called the Melbourne model, which they put up to the United Nations. All the bits and pieces of the United Nations seem to bowl along on their own with their own rhyme and reason. The Secretary-General had his own project where he was developing compacts with major companies. If they signed a set of 11 principles they could sign these compacts. A number of Australian companies have signed up to that. The Committee of Melbourne suggested that there be a compact with cities and they developed what was called the Melbourne model—I have some documents on that if you like—of which one component was the adoption of the Melbourne principles. That is currently being trialled. So it is starting to develop legs.

The principal thing in terms of the Melbourne principles is that they have international support but most probably do not have the momentum that I would certainly like to see. I do not think they are being pushed aggressively by Australia in the international forum and I think that is a great pity. Not only do the Melbourne principles contribute something to the world but also they can provide a degree of branding, if you like, for Australia, saying, 'Australia is a leader in sustainable cities.' We have a whole range of expertise that, if packaged together, would provide a major service industry that we could offer to megacities to our north, which could be a significant export market. So sustainability can actually be good business. The Melbourne principles could be one way of undertaking that sort of marketing, but I think we need to do a number of things. Obviously, we need to promote it but also we need to apply it locally rather than just sign up to the principles.

The other trend that I have not talked about is that, if those megacities develop in an unplanned and unsustainable way, they are not going to be pleasant places to live both from an environmental and from a social point of view, and that is very much the breeding ground for terrorism. So from a risk point of view, not just an opportunity point of view, it is in Australia's interests to try to help these megacities to be sustainable, such that we do not end up having to take the consequence of global terrorism.

CHAIR—I was interested in your four-cornered future idea—that there is more to the triple bottom line than the environmental, the social and the economic. You particularly emphasised governance. That seemed to be a recurring theme throughout your submission. You were talking about nurturing a coalescence of views and opinions. It seemed a far more organic process than some that we have heard about where all folks, regardless of their technical status, come to the table with legitimate aspirations that need to be worked into the transformation that you talk about. Is there a sensitivity that has heightened that awareness in you from work that you have done? This seems as much a change model as a set of goals to work towards.

Dr Blutstein—It is certainly a model of change. I have prepared a paper on sustainable communities, which I can provide.

CHAIR—If you could, please. That is where we are heading with the inquiry.

Dr Blutstein—Good.

CHAIR—Our theory is that sustainable neighbourhoods build sustainable communities, which build sustainable cities.

Dr Blutstein—That is right. This paper looks at a series of models that I have had direct involvement with or am aware of. There are a number of success factors that I have identified that make a sustainable community. One is the direct involvement of those three groups that I have mentioned: civil society, industry and government. But it is also about a non-bureaucratic approach and building in the awareness. The problem with a lot of sustainability is that we have the greenhouse people plugging greenhouse, the transport people plugging roads or public transport and so on. The community is used to so many messages coming in that in the end they just close down. We are actually talking about one product. If we can concentrate on packaging that product—on providing an awareness to the community—we will get those changes. I have worked in a number of change processes where, if you can get the community to agree with you and understand what you are on about, they will change regardless of the legislation, the policy settings and all the rest of it because they actually believe it is correct.

CHAIR—It seemed to be quite a different model from the 2030 model for Melbourne, where there is a battle of bureaucracy: the independent implementation reference group, the smart growth committee, the regional housing working group and so on. That does not seem to leave a lot of space for regular folk. How would you measure your model against what seems to be going on with Melbourne 2030?

Dr Blutstein—I preface my remarks at this point by saying that from time to time I have worked for the Department of Sustainability and Environment.

CHAIR—You are optimistic that you will do so in the future—

Dr Blutstein—I hope so.

CHAIR—and your comments will be tempered accordingly!

Dr Blutstein—No, no.

CHAIR—This is a watered-down version!

Dr Blutstein—Having worked in government for a long time, I know governments basically like to run the show. They feel very insecure handing things over to local communities particularly if the communities are doing something different from what they actually want them to do. They are not very skilled at the change process of working with communities and explaining things to them so that they can make informed decisions, so it is very much a case of insecurity. I have worked within government and have tried to introduce these sorts of local self-management type systems and I have been very much out of step with my colleagues in trying to do these sorts of things. When they work, they work incredibly well. For example, there is the South East Sustainability Partnership. I do not know if you are familiar with that. It is built up around Warrnambool and goes right through to Portland. It was started by Deakin University but it also draws in local government and the water and resource authorities and so on. There is an enormous amount of enthusiasm down there for sustainability. We actually organised an event down there and the place was packed with 200 people who were just desperate for this sort of knowledge. I think that you can build up a very good network, which I did through Envirolin, by linking up the communities with the universities, as knowledge providers. The regional universities are very good in that regard and are looking for that sort of role and are building up those sorts of communities. Obviously, you would have a different thing for large cities.

Mr JENKINS—I accept the interesting comment you made about the Melbourne principles. I have to admit that I had never heard of them until today. Having flicked through them, I can see your enthusiasm for something that is a template and very much a usable set of principles. The interesting thing is that certainly in the way that people are presenting to the inquiry in the evidence and submissions that we have—for example, if we take last Thursday in Canberra, where we had the Royal Australian Institute of Architects and the Property Council of Australia—their approaches actually overlap on some of these issues. They range from the importance of governance and development beyond the triple bottom line right down to security, being one of the 39 key points set out in the Royal Australian Institute of Architects' submission. I note what you included in your opening remarks about the advantage of a sustainable city leading to people feeling a greater interconnectedness, so they are not led to drift off. So it has been very refreshing for this inquiry to start getting those threads as well as threads about health, particularly public health, issues. This notion of governance and the involvement of people obviously goes beyond the political structures that we have. That begs the question of what sorts of structures or how we make sure that we allow people to have their involvement when many of the issues become interpretation of law or regulations, let alone day-to-day activities.

Dr Blutstein—It depends on what level you are talking about, because there are different sizes of communities: there is a church community, there is a community within a building or there is a community of a large city or a town. The model that I cited to you, the South West Sustainability Partnership, is quite good. As I said, I will present to you this paper on sustainable communities, which goes through my thoughts in a lot more detail. I think the component needs to be the level of awareness. You need to actually trust people, to draw them into understanding what is going on. A very interesting sustainable community is in Whistler in Canada. In Whistler, which is built around the tourist industry—so obviously there is a very strong link with the environment—they used an educational structure, The Natural Step, which relates to sustainability. I was also on the board at one time of The Natural Step and I found that a very interesting exercise because it really drew people in such that they related what they did in their

day-to-day activities to the environmental impact. They had four very simple systems conditions on which to do that. That changed their behaviour, and they could apply that to anything. You were talking about your meter going to and fro, and that is the sort of signal that you have given, but the trouble is that there are so many different aspects of our lives that we would have umpteen meters and we would lose track of whether we were using the right levels of gas and cars and all the rest of it, whereas these four systems conditions were a nice way of doing it. The point is that they got a way of thinking within that community. That is a small community and it is applicable for those sorts of communities, but we do have them in Australia. We have a lot of them and they are very important to our economic and social welfare. So using that is important.

But there is another sort of community. You mentioned architects. I will deal with that very briefly. There is a community within a building. You can build this building with a whole range of features that are sustainable in terms of the airconditioning, balancing natural light and so on, but if the people in that building do not understand what you are on about they are going to misuse that building. That is often where these buildings fail. There is an architect called Ken Yeang, who works out of Malaysia. He builds what are called bioclimatic buildings, which have vertical gardens. He actually uses greenery to filter the air, provide some of the airconditioning and take the thermal loads. This is in places like Malaysia, Singapore, Bangkok and so on. He has open windows. He has a whole range of great innovations using natural air, vegetation and light. But as soon as the building is taken over the people in it close all the windows, retrofit the airconditioning and so on. So there is no point doing just the hard systems unless you have the soft systems. The soft systems—it is a terrible way of saying it—are just people.

Mr JENKINS—How much do time horizons play a factor in principles of sustainability? Are we able to get people to look to the longer term?

Dr Blutstein—I believe we do. Landcare is a good example of where people are thinking about the long term. They also have a history of seeing what happened when people did not think about the long term and the implications of that. This is why the sustainability paradigm is so important. It is looking towards the future. We are in an interesting situation in terms of the population distribution. It is the baby boomers who are coming through now. They are all worried about their superannuation and all the rest of it but they also have a concern for future generations. That is really both the core of sustainability and something that can be used to bring them onside for the changes we are talking about.

Mr JENKINS—What is the big bang thing that a national government can do?

Dr Blutstein—They can provide structures that allow others to take on the decisions for their local communities. There was a model of this many years ago—I do not think it was a madly successful one; it was before its time—called the Australian Assistance Plan. I do not know if you are familiar with that. It was very much trying to do that. That sort of model, obviously modified for the 20 or 30 years that have gone in between, could be one way of providing structures for local communities to take responsibility for educating themselves and promoting sustainability within those communities.

Mr JENKINS—That is music to an unreconstructed Whitlamite's ears.

Mr McARTHUR—What is the practical way of collecting urban runoff? Could you tell me the methodology?

Dr Blutstein—It depends on whether you are looking at established areas or areas that are being developed. For areas that are being developed, the best way to do it is as close as possible to source. Firstly, you should intercept your rainwater so you do not have as much runoff occurring. Secondly, you should try to circulate the runoff you have occurring, which is contaminated up to a point, through things like local wetlands and so on so that they become community facilities as well as being a waste treatment program. You can go from very simple straight out pondage systems to more sophisticated systems. There is a thing being developed by a gentleman called Dr John Todd in the US called the Living Machine. He has developed a much more sophisticated stormwater management system that can deal with anything from sewage and industrial waste to local domestic runoff, like what you are talking about.

Mr McARTHUR—I am just talking about the practicality of urban run-off from the streets and roofs. As it accumulates the argument is that it then runs into the streams and rivers and causes pollution. How are we physically going to collect that?

Dr Blutstein—That is right. People are starting to put in water tanks and there are certain incentives to do that at a local level—and we need more of that. The sort of drought that we are going through at the moment is starting to focus people's minds on that issue. People are starting to look at grey water systems and there is a degree of acceptance of that. I think there is a lot more opposition to black water systems, which are basically the sewerage systems.

Mr McARTHUR—I am talking about the roadways and the curbing and channelling and all of that. Everyone wants a curb and channel, and that creates a water flow which generally ends up in the Yarra.

Dr Blutstein—That is part of the reason that you need a much more holistic approach to these sorts of developments so that people do not ask for hard surfaces and so that they understand the implications of what they are doing. The typical way that governments—local governments and everyone else—go about it is to set up a consultation process and ask what people want. People say, 'I'd love a really great tarmac here and a footpath here—and I don't want any potholes in it,' but they are not saying it with an understanding of sustainability. Once they understand that, people might say, 'We want grass nature strips. We don't want concrete drains; we want grassed swales that will take the water and absorb it.' So suddenly we start to re-envisage our landscape. But that can only happen if people ask for it; if you try to do it without the education it will not happen.

The Melbourne City Council was wonderful. They ran this program called Growing Greener in Melbourne and they ran a consultation about how the parks and gardens should be. Everyone said, 'We want more elms; we love elms.' Without understanding the implications for water, native biota and all the rest of it, elms sound great. So unless you change the way people view these things it will not happen. For me, going to Canberra from Melbourne is quite a refreshing thing because I see a city that looks like an Australian city, because the nature strips and everything else have that look. But if you walk around Melbourne you do not have that feel at all. Hopefully in Canberra people appreciate that landscape because they have grown up with it. Unfortunately in Melbourne we have grown up with a totally different landscape which we

appreciate and there is a degree of conservativeness that we need to break out of if we are going to have a sustainable city.

Mr BARRESI—I like the Melbourne principles. I note that the City of Melbourne formally adopted them as principles back in May 2002.

Dr Blutstein—Have I got the wrong date?

Mr BARRESI—No, they formally adopted them as guiding principles for the city. What progress has the Melbourne City Council made towards this?

Dr Blutstein—You would have to ask them.

Mr BARRESI—While I have the opportunity of talking to one of the world's gurus in this field I would like to ask you a question I have not asked anybody else. In all this discussion of better cities we really have not had anybody address the way these cities should be coping with the demographic changes that are taking place in the world. We are hearing a lot about that at the moment: the ageing of the population and the fact that the first baby boomers—they might be people just a little bit older than Harry—are 60 at the moment. So in the next 40 years the numbers of the ageing are just going to explode. What are the implications for us as we try to grapple with designing and building better cities, from a demographic perspective?

Dr Blutstein—From a demographic perspective I think the baby boomers will move in two directions. Some, like me, will move in because they want to be where the action is—the theatres, the cafes and so on—and they are quite happy to move into smaller places, which is good from a sustainability point of view. Some will move out—and that is already happening—to the coasts or inland and so on. I do not know if I can say anything cleverer than that. I do not think that is the answer you wanted.

Mr BARRESI—It is a huge problem which I do not think many people address. It has great implications for transport; there are great implications in terms of easy access to family and friends. It is not just a matter of more nursing homes on every street—replacing the corner milk bar with a corner nursing home. There are 3,000 people at the moment in Australia who are over 100 years old. In 40 years time when the first batch of baby boomers, the 60-year-olds, hit 100 there are going to be 33,000. That has a huge implication for the designs of our cities.

Dr Blutstein—Because we do not look at our cities as a whole and pick up those sorts of influences—we only look for bits and pieces—those sorts of questions are never going to be asked. If there is anything I would like to see come out of the committee it is that the city be looked at as a whole, not as a government planning exercise with central control as in Melbourne 2030, but in a much more inclusive process so that people can express their own fears. Hopefully the sorts of things that you are talking about will come from people themselves and hopefully they will also come up with their own solutions. If people come up with their own solutions, they are going to live with it and they are going to make it happen.

CHAIR—The opposite of what you are talking about is actually happening. When you are moving into retirement mode, you occupy domicile areas that are the closest links to places of employment when you are least interested in employment. At the moment we are shoving people

out to the outer metro areas where employment is least accessible when they are most interested in it. We seem not to be valuing what matters in a way that asks whether this is a terribly clever choice or not.

Dr Blutstein—It is a function of a couple of things. It is a function of the economics of it: housing on the fringe is less expensive. As you have most probably heard from a whole range of submissions the capital costs may be less expensive but the running costs of people living in those areas, not to mention the social costs, are enormous. You have to run two cars if you are in those areas and you have a whole range of other costs. That is even putting aside the fact that the way in which our infrastructure is set up, we actually subsidise the infrastructure to those outer areas, so they are not necessarily reflecting the full costs of service provision. I do not know if you have any submissions coming in from the financial sector, but it would be interesting to look at the way that they set up loans, which only look at capital costs and not running costs and so on when you buy a mortgage. The financial sector never looks at those other factors.

CHAIR—Two banks have entered submissions.

Dr Blutstein—Good.

Mr BARRESI—To go back to my question, I do think that has been neglected as an area of analysis. Yes, we can all move to the coast and we have already had evidence to show that the coast areas are being heavily stressed at the moment and there is a resultant impact on the environment. The alternative is that you try to replicate the kind of lifestyle which enables you to have casual or part-time employment as you are getting older and also quality of life. There are signs of that in terms of golf course resorts such as those down at Altona and perhaps the Heritage over in Lilydale, which are very expensive. There are also signs of new residential complexes with tennis courts and swimming pools built within and managed by body corporates. I wonder whether or not that is the urban response to try to keep people within the urban environment and therefore have a real urban village. The need for urban villages has been spoken about extensively, rather than everyone feeling that they have to go to Mornington.

Dr Blutstein—I think that you are right up to a point but it also depends on what sort of community you feel a part of. The urban village has been around for a while, but you cannot say that it has taken off madly. It sounds great on paper and that is partly because, unless you feel part of that community, the community does not happen. I think that what will happen in the future with these demographic changes is that a number of factors will influence them. One will be financial both in what sort of resources people have and in what costs what, but it will also be how they see the sort of community they want to belong to. At the moment, the mental communities most of us belong to are citywide. Our friends are in different parts of the city; the football team you support is not the one down the lane there but it is across town and all the rest of it.

Unless you can get that change in thinking where people identify with those sorts of local communities you will not have things like urban villages and so on happening. You see this with these retirement villages that you are trying to put mum or dad into. They say, ‘What have I got in common with these people?’ You say, ‘You are old and they are old. Go in together.’ But they do not feel like part of the community. That is what they are saying. We have to consider that human factor in these sorts of demographic changes.

CHAIR—You get almost spiritual in the third principle, which I am quite attracted to in that there is a reflection of the intrinsic value of biodiversity in our ecology—not only is there value in itself but there is value as a source of nourishment for your personal feng shui. How is all that playing out? Is that principle being embraced in some of the planning that you are seeing? 2030 talks about parklands and remnant vegetation. This sounds more like a place to escape and get some wind in your hair and things of that kind.

Dr Blutstein—It is talking about our responsibility to biodiversity. This is really what this part is about. I guess there is a range of things being done to try to protect platypuses in urban areas and so on. Urban areas are such a modified environment already that it is very difficult to find areas that still have the native wildlife and so on. If you take up that principle in the urban context it means getting rid of the elms, perhaps, and bringing back more native vegetation that will encourage native fauna as well. Those are the sorts of things you are talking about there. Again, if you look at a lot of people in the neighbourhood, people love trees in the suburbs. They alternate between European trees and Australian trees and it is a bit of a fashion thing. The principle here is saying that we are the only species that has the ability to kill off another species totally. There is an obligation that comes out of that. If we can destroy them we also have the power to protect them, and we should take that, if you like, as a mutual obligation. We live within this environment and we benefit; therefore, we have an obligation to give something back to it.

CHAIR—Phil alluded to the success or otherwise of turning the principles into operations. How would you characterise that challenge? I was very impressed with another Demmingesque principle around continuous improvement. It seemed to be crying out for some metrics that people can get their heads around and know whether they are doing a better job or not.

Dr Blutstein—I am happy you asked me that question. I have recently been in touch with the United Nations Environment Programme and they have commissioned a report that fills in each principle and looks at the case examples, tools and so on that are available. The copy is here. We have also sent you an electronic copy.

CHAIR—Fantastic. Part of our work is trying to formulate a blueprint. We are optimistic that there is good practice going on all over the place. It is just about expanding that and perhaps asking the question: why isn't this happening in your neighbourhood?

Dr Blutstein—To finish that point, this document has been provided by UNEP. It has been written by Peter Newman, an Australian, whom you may have heard from. Again it underlines the fact that even though this has been done it would be nice if a lot more was being done in Australia to develop the Melbourne principles. It is not just a matter of looking elsewhere. That is where I find I am fairly disappointed that the thing is not moving on.

CHAIR—We have suboptimised the work.

Dr Blutstein—Exactly right. That document is quite a good document as far as it goes.

CHAIR—And the metrics?

Dr Blutstein—There is some discussion of the metrics without specifically identifying them. The point is that the process of the Melbourne principles is not to be prescriptive per se but to provide communities with what are the best practices and what is the experience from elsewhere so they can come up with their own solutions.

CHAIR—Has David Suzuki pinched your work?

Dr Blutstein—I have no idea. I have not heard of it.

CHAIR—I had the good fortune of bonding with him a couple of weeks ago, in between him giving me a serve.

Mr BARRESI—Say no, Dr Blutstein!

CHAIR—He has his global challenge or something like that. It reads to me, based on my recollection of his work, as though he has operationalised your principles at a personal level. It says, 'Do three of these 10 things.' Each of the 10 things is a very tangible, practical suggestion under those principles. Despite him giving me a spray about everything, I thought that was pretty good work. I am just wondering whether that is part of bridging the gap you identify. It is not so much about changing consumer attitudes as about having behaviour look something like espoused consumer attitudes. It seems that there is a huge gap between those.

Dr Blutstein—I certainly believe that people need a personal compass within them that says what is right and what is wrong. That is why I like the Natural Step. Within four simple principles you can be confronted by a situation, analyse it and say, 'That is going to be more or less sustainable depending on what I do.'

CHAIR—Thank you, Dr Harry.

Dr Blutstein—Thank you.

CHAIR—I appreciate you making the time available. We will look out for that work.

[3.46 p.m.]

SIMONELLI, Ms Maria, Executive Manager, International Council for Local Environmental Initiatives

CHAIR—I welcome the representative of the International Council for Local Environmental Initiatives. Although the committee does not require you to give evidence under oath, I should advise you that these hearings are formal proceedings of the parliament. Consequently, they warrant the same respect as proceedings of the House of Representatives itself. It is customary to remind witnesses that giving false or misleading evidence is a serious matter and may be regarded as contempt of parliament. On that cheery note, would you like to make an introductory statement or some brief remarks in support of your submission before we pose some questions to you?

Ms Simonelli—Listening to what the previous speaker was saying was interesting because it had a community focus. I am coming with a clear bias toward local government and the involvement of local government in decision making. For me it is about the positive stuff that is happening. ICLEI is doing some terrific stuff already, which is funded through the federal government. I want to recognise the work that the federal government have already done in terms of the rural settings—the money that has gone into water and salinity has been fantastic. Hopefully, that will roll out and you will get some outcomes pretty soon. It is absolutely essential that we have a focus on urban environments. If that is the icon issue for this year then I say go for it.

CHAIR—ICLEI has done some good work in Cities For Climate Protection and the Water Challenge. Can you point to the framework of those programs—you have milestones, measurable outcomes and building of commitments—and then talk about how that might be expanded more generally into sustainability questions?

Ms Simonelli—Should I give a bit of background first about what ICLEI is? It is a strange beast that some people may not know about.

CHAIR—Do you want to hear a bit about ICLEI, Mr Barresi?

Mr BARRESI—About Italy?

CHAIR—I thought you were paying particular attention!

Mr BARRESI—Yes, go for it.

Ms Simonelli—Shall I say it in Italian?

CHAIR—Not 'Italy'; 'ICLEI'.

Ms Simonelli—Only one person will understand what I am saying.

CHAIR—It sounds like a brief intro would be good for Phil's benefit if nothing else!

Ms Simonelli—I will give you a bit of a briefing because the context of this is pretty important. We are an international local government association. We had our birth 12 years ago at the Rio summit. In fact, we wrote chapter 28 of *Agenda 21*, which was basically a focus on how local governments were starting to focus on sustainable development as an issue. Our chapter was about embracing local government and about how they can work positively with other spheres of government and with their communities. It is interesting to note that, 10 years later, at the summit two years ago, local government was seen and recognised as a real player in all this. Twelve years ago they were in the glasshouse banging on the glass door to get in, and 10 years later they were actually a player in this. Dr Kemp recognised that, obviously, as he led the Australian delegation. I think that he was pretty blown away by the work that local governments were doing internationally on that. So it is important to recognise that work is happening out there. I was listening to some of the comments being made along the lines of, 'We want some good news stories.' There is some great stuff happening out there already. It is about capitalising on that and supporting that. Some of the methodologies that ICLEI use are about that.

We work on very pragmatic areas. We are a membership based organisation, so we take direction from our members worldwide. We have the Australia-New Zealand office just down in Collins Street. We work on something called campaigns. Our methodology is to look at problems and bring them together through a campaign. The campaigns have pretty strict guidelines that they work to. They are milestone based, as Mr Billson recognised just then. They are basically a way of councils engaging in quite complex problems by having quite tangible milestones that they work through.

We have a very strong emphasis on quantification and measurement. We talk to our councils in a way that pushes a business case so they understand the multiple benefits that can be accrued through greenhouse or water conservation or water quality issues, but we also provide a way for them to build their capacity to embrace these things. It is pretty important that we do not do it for them; we give them the tools to be able to do that for themselves.

Having that as a bit of a basis, in Australia we have about 200 councils working with us, which cover about 72 per cent of the population. So we have a fairly broad influence now. We have been going for about six years. We tend to attract councils that pretty much want to work on better practice. We have a good group of leadership councils, and I can name them if you want to know the case studies, but we are also now influencing that middle range of councils and a lot of those are semirural, regional councils that probably were neglected in the past that are now embracing some of these things. So it is not just urban councils that we work with. As I say, our methodology is about making sure that in the early stages of our campaigns they have the data and the understanding around the problems so that they can make appropriate management decisions based on canvassing what the whole problem is. Water and our climate change program are the two most well known that have been supported through the federal government and, might I say, through state governments as well.

CHAIR—For the benefit of the committee, can you explain how you take your campaigns and not prescribe a one size fits all approach but provide the scope and the tools for the smallest of councils that might not have an environment department or the technical horsepower all the

way up to, say, the City of Melbourne where you have a whole team of folks working on these things?

Ms Simonelli—The fundamental basis is that we work on capacity building, which is a much maligned concept. It is about working with the individual council and it is about seeing that council as a whole of council. It is not just working with the green officer, who can be disenfranchised within that council—often seen as a bit of a hippie; it is about working with the whole of that council. So our programs very much focus on officer level. They focus on CEO level. CEOs are very interested in the business case, and we have no problem if economics attracts them to the work that we do. Particularly with greenhouse, very much it is about energy savings and the money that can be made around that—and that is absolutely appropriate. But through their engagement with us they also see the multiple benefits—the social benefits that they can accrue and obviously the environmental benefits.

Probably the thing that is as equally important to us is the work we do with the political level—the councillors. In fact, before they engage in a program, they have to go through a political commitment process, which means that is a whole-of-council approach and a whole-of-council engagement, which means they are voluntarily putting resources towards this. We can make sure that, despite all those peaks and troughs that happen in the political world, our programs are fairly stable all the way through—that they are actually engaging in an apolitical sense, if you like. A lot of them will come for a whole lot of different reasons, but people come and go—they get pregnant, they get tossed out, whatever—but they work with us in a stable way. That is pretty important. It is a whole-of-council approach. That is the first thing.

Probably the second thing to note is that through their commitment they are putting budget commitments into these programs, so it is not just us working with them in this vacuum; they are actually making a budgetary commitment through staffing and then through actions to implement greenhouse or water or whatever. Then we work through basically some quite simple, standardised and systematic approaches, which we consider capacity building. These are around ensuring that the political, business case and officer needs are being dealt with through technical, political and program support. We do that through a whole series of tools, which some of you would be aware of.

The strong thing to note in this is the quantification work that has to be done. So very early on, probably one of the strong issues for this committee to note is access to data. It is truly difficult to get access to certain types of data. In the energy area, energy utilities are still reluctant to give data in some regions. We actually have arrangements with multiple utilities across Australia and in some cases we actually have to buy the data.

So it is really important that we note that in some contexts it is really hard to make management decisions and prioritise unless you know what the problem is. Just briefly, the milestone framework is a program management tool. You get a sense of what the problem is by doing an inventory—that is, getting data together—you set some goals, so you work out where you want to be in 10 years time; you put a plan in place; you implement it; and you review it. It is not rocket science, but if you step people through that then they actually engage in it—and you give them rewards and incentives along the way. That has been a really productive, positive approach. CCP, Cities for Climate Protection—which is our greenhouse program—over the last four years has counted 1.8 million tonnes in greenhouse savings and about $67 million dollars of

investment by 91 councils. About $3.3 million of that is to do job creation—our social indicator is job creation. When you work through that methodology, councils will engage.

We have 186 councils on CCP. Half of them are engaged at the implementation end of the program at milestone 4 and already we are getting those sorts of amazing results. So we know the methodology works and we know that when you focus an organisation on that you can get those results. We have had some positive endorsement from the federal government with some recent support for our water campaign, and we have exactly the same methodology that we will work through there—which is a holistic approach to water quality and water consumption. One of the interesting things to note there is the partnerships we are working with in terms of working with water retailers. We have terrific examples with the water retailers in the Melbourne region—that is the retailers, not Melbourne Water—who are in partnership with us and providing us with data. They see that it is in their best interest—they will meet their targets if they embrace and work with local government in a collective fashion to get there. We have different examples across Australia—and we can talk about those sorts of things and who is in partnership with us if you want. I can just keep talking.

CHAIR—I know. We are interested in the choices around what practical steps to take. ICLEI brings to the table an international perspective. I guess I was curious about how you extrapolated out of a global movement some practical things. Have you thought about advice for a local council that might only have 25 people on staff and are not sure quite what to do?

Ms Simonelli—Probably the first thing to note is that we are an international organisation. One of the interesting things we note is that when councils join us—we can have councils joining us as members as well as just participants in our campaigns—it is because they want access to other people's experiences. So it is pretty vital that we make sure that we match up. We have this thing called alliances where we match up councils with similar profiles. We have just finished a six-month alliance on renewables where the outcome had to be something quite practical in terms of them advancing renewable energy in their own municipalities. What they found of most benefit was hearing the same problems and hearing different solutions to them. We all have the same problems, but we have different approaches to them—and councils can share that information.

CHAIR—So it is a bit of a clearinghouse?

Ms Simonelli—Part of it is that, and part of it is the value of the experience. Also it is the very pragmatic approach we take, which is that you have to get an outcome at the end. It is not enough to just have warm fuzzy feelings about this stuff; we have got to be able to implement solutions—and support councils to implement those. That is just as significant for small rural communities in Victoria or wherever in Australia as it is for urban cities. What we are doing with Cities for Climate Protection is now looking at add-on programs. We have this great infrastructure in place that has been supported—particularly through the federal government over the last six years—and now state governments, and other bodies, are seeing the value of that infrastructure. The reason that the Victorian government have supported us on our CCP add-on program is that they wanted to work with rural communities. They could see them engaging in our programs. So they have funded us to do more research on the data around agricultural and land use issues so that when they look at greenhouse issues they are doing it from the context of a whole response. If you give them half an answer, they are not going to be able to make any

priorities based on what is real for them. We know that the greenhouse effect is happening now. We know that in rural Victoria the changes are already happening in our climate. So they are embracing that from the point of view of what is available to them to take it that next step. They are making choices about that now because they are getting access to the data and are able to set some goals around what is reasonable for their regions—and they are seeing other councils do it.

Earlier on before I started at ICLEI, we were told that we would not get more than 30 councils on the Greenhouse Program because they are not really interested—it is greenhouse and it is global. I have quite a lot of pride in saying that 186 councils later they are embracing it. It is not just the leading councils any more that are doing it because they are leading councils. Councils have seen that it is to their benefit, small or large, to be part of the program. They are seeing what can happen in the community. At the moment the three indicators that we are using are because we have got the data and we are wanting to expand that and look at health indicators as well. We have been supported through the VicHealth Foundation in Victoria to look at how you can develop health indicators around greenhouse. So it came in from left field. We are working on that now in terms of the advantage from the greenhouse perspective if you bicycle and the advantages to greenhouse from the health perspectives as well. So there are some interesting models being created there.

Mr BARRESI—In terms of local government, we have heard that they need some support in doing this, and obviously both you and, I think, the previous witness mentioned the critical role that local government authorities play. What type of support should the federal government be giving them directly? The Victorian government from the evidence we have heard today provides $5.6 million—which I almost laughed at when they broke it down to an annualised figure. What type of support do they need to move to their 2030 plan?

CHAIR—They want the feds to provide that money.

Mr BARRESI—Yes, I am sure that was implied in their answer. Is it a matter of providing direct funding based on signing up to programs or should we be basing it more on where the stresses are from a population point of view? That gets to the Sunshine Coast's plea the other day. They want us to help them because of their growth not because of what they are doing to become a sustainable city.

Ms Simonelli—I have to take a pragmatic perspective, which is that it is about building their capacity and, clearly, the methodology we use is working. I would be promoting inventories and quantification and capacity building approaches. Having worked with all levels of government, I think there is too much wasted on generic education programs that really do not get measured and therefore do not give you an outcome. I would be very critical of just doing mainstream education. It is about quite focused methodology around building the capacity of an organisation to move forward. That is the fundamental and pragmatic side of it—and local governments have embraced that.

The other fundamental thing that I think you should be thinking about is reducing risk. For example, we have 34 councils in the whole metro of Perth and 33 of the 34 councils are on CCP. They are all moving through the final stages of the program and are now saying, 'What's next? We want to do community regional programs.' They all know one another, they network, and they are so gung ho you would not believe it. What is next for them? How do you take that and

empower them to do something on streetlighting? Can you imagine the opportunities with Western Power, for example? They are now on their knees, basically, and through that chaos there is opportunity. What are the energy efficiency issues that you can bring up for a huge community now where they have worked through methodologies and understand the data, the triple bottom line business case, if you like?

I would be saying to the government—and I know that you are thinking of hot spots all time: 'Find these communities that have demonstrated and have engaged in that, and work with them.' It is about reducing the risk. They are not going to put a huge amount of money in if they cannot see the value of it straightaway. If we can get tripartite arrangements in place in those sorts of settings, the opportunities are enormous in terms of what we can achieve. In places like Perth, for example, where we have got three levels of government supporting our water campaign, we are building partnerships. Fundamentally, we would have organisations at odds but they are actually working towards looking at where the problems are and moving forward. There are some great stories out there about that. The clearinghouse idea, which is that we share all that information, is fine. But it is about taking the next stage to having organisations and methodologies in place within government that allow them to do that as well. Yes, funding is important but I also know that we do not want to promote a handout mentality. The councils that are working with us on CCP have demonstrated investment of $67 million. They are not looking for handouts; they are looking for partnerships that allow them to move forward but acknowledge the role that state and federal governments can play.

Mr BARRESI—Basically, you are supporting the notion that we fund based on the council's willingness to sign up to particular action items that lead to sustainability rather than other pressures—growth pressure, for instance, that Sunshine Coast was harping on about.

Ms Simonelli—Whatever brings that community together as an issue of interest is the hook that you go in on. Growth issues are clearly fundamental to sustainable development. If you do not deal with what is an issue for them you are never going to engage them. The language around sustainable development is really confusing. We are not all talking the same language here. Part of it is making sure that there is a common language and parameters around what we are talking about. We are doing a leadership program with CEOs in Victoria, and the fundamental issue—which is really challenging for us—is engaging them in leadership, using pragmatic tools and the whole concept of sustainable development and how they immerse their organisations and their communities in this in a sustainable way.

Mr BARRESI—You are right, and that is why I am a bit concerned about these pleas by some of these shire councils because at the heart of what they are talking about I sense that they want Commonwealth support for infrastructure development such as roads and bridges through their areas rather than anything which is more than what we are on about through this inquiry. The other concern that I have touches on the issue of governance. I will not be here for the roundtable and perhaps my colleagues can ask the local government councils when they arrive about the role of a body such as VCAT. Through your organisation you would have come across various appeal authorities. I get concerned that on one hand we are saying that people should be empowered and part of the consultation process and yet you have the situation where someone can go all the way through the VCAT and, based on dollars, on QCs, can win a case in spite of what the community around them may be saying. Do you have a comment to make about that? Do we have a legal process in place to be able to protect our better cities?

Ms Simonelli—I am not sure how to respond to that. It varies across each state obviously. You would be aware that planning is the touchstone of a lot of what you are probably on about. I would have to look at the jurisdictional responsibilities of local government in each state to make any sort of true comment there. Planning jurisdiction in Western Australia is completely different from Victoria and New South Wales where they have far more control. So firstly, you cannot make blanket statements like that. The second part of that is that there is a difficulty between what the community wants and the processes that are in place that allow developers, I assume—

Mr BARRESI—There is tension there. On one hand you will get a developer saying, 'I am fulfilling every obligation. I am doing this by the book. It is part of the government's 2030 strategic plan for the greater Melbourne,' but when it gets down to what that strategic plan looks like at the neighbourhood level all of a sudden we find the neighbourhood does not like it. But as much as they may appeal against it and have rallies and oppose it, they are likely to be overruled when it comes to going to VCAT. That is what concerns me. Somewhere among your 450 councils around the world is there a model that does empower the people but at the same time remains true to the principles of overall plans?

Ms Simonelli—On the discussion around blueprints maybe LA21, Local Agenda 21, is a model for you to think about. It is about community engagement in strategic approaches that councils embrace on behalf of their communities. It is never going to stop the tensions. I wonder whether what you are seeing is a mismatch between people using loopholes and clarity around what they can and cannot do. I do not know that I can answer from the point of view of a blanket statement. There is not going to be one answer. It is about local governments, and I embrace communities' ability to respond and make some decisions about what happens in their communities and to work with their councils to do that. That is the democratic process. If the systems are not working, you do not blame the organisation; you look at the system in place. If what you are saying is that things are getting through the system, then I would focus on the system. I would not focus on the lack of consultation or say that consultation is a problem or that the community is a problem.

CHAIR—We have had diametrically contradicting views. What you are saying appeals to my sensibilities about a more organic local decision making process but we have also had put to us that that contradicts and is unhelpful towards a more sustainable pattern of urban settlement and that governments are about policy setting. I think the term 'separation of powers' was used: a local council area should define the policy parameters and then hand them over to a bunch of expert bureaucrats to say yea or nay about whether those proposals marry up and fulfil those policy outcomes, and if they do not we should remove the local influence completely. That struck me as an interesting but highly bureaucratic theoretical model. I think that is what Phil is alluding to. You are getting these dichotomies of opinion where both seek to solve the same problem but come at it from absolutely—

Mr BARRESI—That is exactly right. We can have great plans—the 2030 may achieve gold star rating by the United Nations for all I know. But at the end of the day when it comes to implementing it in a given neighbourhood the neighbourhood might say, 'No, I do not like the way that is being applied in my block.' Because that development has fulfilled the overarching framework for the city or for the greater metropolis of Melbourne that neighbourhood is disenfranchised.

Ms Simonelli—Part of it is, yes.

Mr BARRESI—That is what concerns me. We do these things but we do not take into consideration possible disenfranchisement. I am saying that the VCAT system, which is the only system I know—I do not know about the over 429 around the world—does not support that local input.

Ms Simonelli—I am not an expert on planning and VCAT—

Mr BARRESI—Neither am I.

Ms Simonelli—I am not in territory I feel comfortable with.

Mr BARRESI—I did not want the committee to be—what was Mal Brough's word—'embuggered' by a local case. I have got a developer in my area who is building a waste transfer station. He is building that waste transfer station by the book, so he says. From every possible angle you look at it, it looks right. But it is 50 metres from a residential area. Those people 50 metres away feel as if they have been encroached upon but they have nowhere to go. That is just a basic example. It could be someone building a 14-storey building next to their house. I am just not sure whether there has been enough attention given to how we make sure that people are satisfied with the plans that we put together.

Ms Simonelli—I totally agree. It is beyond a consultative process. This is about engaging people in real pragmatic approaches. Clearly, you are noticing that consultation processes can be really tokenistic, and I absolutely agree.

Mr JENKINS—But it is probably a clash between the public good and the private pain, so it is a public gain against private pain. And this goes to a lot of your work. At the end of the day some of the initiatives that you try to put in place are across a community but then they will require private action, and it is trying to make people comfortable with that private action that is the issue.

Ms Simonelli—I probably need to be clear here. We focus on local government; we do not focus on everybody else. We empower local government—again, a much maligned term—in how they work with their communities. We are about making sure that they have the tools and the skills to pick up some of these challenges that you are talking through. Clearly, their state jurisdictions will vary and in some cases they are hamstrung. In that case, if a state government has made a decision that that waste dump is going to be there, that waste dump is going to be there. You cannot just pull one slice out. This is a whole process that we are talking through.

Mr JENKINS—So from your experience what do federal and state, the other two spheres of government, need to do to ensure that local government can get on with—

Ms Simonelli—In the proposal we have given a couple of quite generic things—and I know that this is very superficial. What I am particularly concerned about is coordination across government departments—and you have probably heard this a number of times. One example is the reporting processes. Councils have to report on multiple standards to multiple departments. So standardisation of their workloads around that is just one example where efficiencies can be

gained. We want to get local government involved in consultative processes that engage their communities really early on in policy making. So processes like this are pretty important.

Revisiting financial arrangements such as taxation is probably a theme that has been coming through all the time. We are pretty keen on looking at practical issues around purchasing, for example. We have got a green purchasing program which is getting to the hard edge of this stuff about how you count the benefits. It is all well and good to have policies in place but, if you do not work through the really fundamental and difficult stuff around how hard it is to count the value of cradle to grave, it is really challenging. We are pretty keen to look at tripartite arrangements around that as well.

The implementation side is what you should be supporting. You can have all the strategies and policies in the world but if at the end it is not leading to any implementation then it has limited value. That could be done through special assistance grants. It could be done through competitive grants or by looking at the value and the work that councils have already done in the past and rewarding that in some way, if you like. There are a whole lot of models out there in terms of providing financial assistance to councils to do this. We are particularly keen to look at the opportunities around regional approaches. Australia has got some fantastic voluntary organisations—they are not a level of government—where a lot of incorporated bodies now are ROCs, regional organisations of councils. They have that infrastructure in place so that you can get large-scale abatement water conservation implementation in place with a little bit of kick-in from state and federal. It just speeds up the process.

CHAIR—Why is kick-in required? This is something that I will never understand as long as I can suck in air. If this is such core business, if any organisation knows that you cannot eat cash and expect to survive into the future, why do we have to kick in to get people to recognise that you cannot keep eating your natural systems and expect to survive into the future? So often issues around environment and sustainability are almost bolted on, forced upon or sweetened up to get people to do something. Surely, as they bound out of bed in the morning this has got to be front and centre in their thinking, I would have thought.

Ms Simonelli—This is bread and butter. When we talk about people, let us talk about organisations and about the corporate body of local government. Local government are kicking in millions and millions of dollars in terms of their own organisations. They are actually doing that. They are doing it based on a number of criteria—paybacks, multiple benefits, leadership within the community, all sorts of reasons. They are actually getting their own houses in order. I am being very generic here but those councils that embrace our programs do it because they can see financial and other benefits in terms of getting their own corporate bodies in order. It is happening. The difficulty then is how you translate that back to the community and who has ownership in that community. It is not just local government's influence there; it is all three levels of government. They vote federally, they vote state and they vote locally.

CHAIR—I will put the question to you in other way. As a fan of local government, I like to see local government fulfil its potential and optimise that potential, but my money would be safe if I bet that if every council received an extra $100,000 through their FAGs—financial assistance grants—this would not be where they would spend that money. So why is it that they would find something else to be a more compelling priority when the whole world is talking about this issue. The funds would end up being spent on a skate board ramp. As important as those sorts of

things are, someone has got to buy into that commitment, because left to their own discretion that is not where their next effort will go.

Ms Simonelli—We cannot put a one size fits all on all of this. Some of the work that we are doing with our sustainable development program is looking at tools for sustainable development, and one of those is triple bottom line decision making. Instead of looking at it from the context of reporting after the fact, we look at how you intervene in the decision making that happens in an organisation so that you can start to look at how you influence those decisions. That is about being transparent. In some cases they will make decisions where the social benefits are more prevalent or are placed above economic or environmental. More likely environmental programs will go forward when it is cost neutral or it slightly goes into the red. It will not be often where there is a huge lag for them or a huge risk for them. I do not why it is happening. If I knew that, I would be sitting on that end of the table maybe.

CHAIR—Even that would not help. We are sitting here, and we are not sure what it is.

Mr BARRESI—I know why. I think it is because the ratepayers of those cities do not value it higher than other things that the council delivers. They see other things far more tangible than programs which lead to a more sustainable municipality. Unless it is some very specific gimmicky program, they just cannot see a lot of the things. It is not tangible enough for them.

Ms Simonelli—I agree. There have to be some tangible benefits. I would also say that there are some really good examples out there where you can create a culture for that. Just down the road is the City of Port Phillip. The council have invested an enormous amount of money in a program—which you might perceive as gimmicky—called 'Sustainable living at home'. This involves setting up a group of volunteers in their community to work with householders to help them count their emissions and read their metres so that they can have the local knowledge, the individual knowledge, that is important to make the changes that have to happen. That is coming from ratepayers' money, and it is not being questioned. Yes, it is a small icon type project. I can give you hundreds of case studies on where those sorts of things are happening and where culture change is happening. Six years ago lighting retrofits were perceived as innovative programs. Now they yawn when they come up because they know that that is business as usual. They do not ask for money to do that sort of stuff any more. They know there are paybacks, they know that it is their responsibility. It is changing lights over to more efficient lighting.

We are slowly getting that in community work. And, yes, it is slow, but I think through these programs where they are sharing information and seeing the value from a TBL—triple bottom line—perspective that you will start to get those coming to the surface and you will start changing and influencing where communities want to go, where they want to live based on what the culture is of that municipality. People move to Port Phillip because they know what Port Phillip is like. They move to St Kilda not just because the coffee is good but because of that icon of what that is. And you will start to get that. You have got it now. It is maybe not coming to the surface enough for you.

Mr JENKINS—Through all the work you have been involved in in getting this change, you would have experience of the up-take of the different programs. Is the take-up of the triple bottom line assessment of the overall work of local government gathering the same momentum?

Ms Simonelli—Yes and no. It is misunderstood. Sustainable development is a misunderstood concept to start with. We spend a lot of time on language. As I say, we took the approach which was not the private sector approach which was to report after the fact. We have taken the approach that we are promoting through groups like GRI—Global Reporting Institute—which you probably know of. We are working with them at the moment. They have come to us because they have had a private sector approach. They are now doing a public sector supplement, if you like, and are looking at how local government make those sorts of decisions. I think your question was: is it happening? If the work that this very small organisation that we have is any indicator, yes, they are thinking about it. They already make decisions based on social, economic, environmental and cultural indicators, so it just has not got a label. But the councils that want to work with us want to systematise the way they do it.

Mr JENKINS—Going to Phil's position and noting that you are working with the organisation, if we are struggling at the moment to make sure that the organisation builds its capacity to gets its head around these concepts then we are still waiting to get it across to the community. I suppose we really have to look at ways by which we can quicken the pace of that change as well, so that concerns local government so that it flows through to people.

Ms Simonelli—Absolutely. It is also about being transparent about how those decisions are being made.

Mr BARRESI—I have one last comment which will give you a chance to have a free plug. You have given us recommendations as to what the government should be doing overall in terms of better cities. However, what does your organisation need to be more effective?

Ms Simonelli—That is a gimme—thanks. We work on the basis that we value-add wherever we can. We think that we have proven ourselves when it comes to Cities for Climate Protection and what we would like to do is take that program to the next stage—touch wood—given the fact that we have been going for six years and that we have been supported by the Australian Greenhouse Office and are in an interim funding round at the moment, as many of the AGO's programs are. We have about a third of the councils finishing the program now, and we have developed a new program called CCC Plus, which is about empowering local government to work on large-scale, big icon programs that will make changes in the community so that they can start to see the tangibles around renewables, streetlighting, transport and waste. The sectors are there and there are projects to be done, so let us get out there and start doing them. We have put in a submission to the federal government to support us on that one.

We have recently received support from the feds for our water campaign. It is really in its early days, but we think we can demonstrate some value from that fairly soon. Part of Dr Kemp's interest was that he saw the value of local government engaging in regional catchment approaches. The federal government has placed a huge amount of emphasis on NRM and there is a lot of big long-term strategy stuff at the regional level. There are a million different definitions of 'region', which I will not go into, but let us just accept 'region' as that at the moment. What he was particularly interested in was how you engaged those levels—local and regional—together, so it is about making sure that that stakeholder, which has enormous opportunities and a role to play in water quality and consumption, can engage at that level and be part of that strategic development. Hopefully, you have funded us to do it and we are going to be able to give you an outcome fairly soon on that one.

We are interested in doing a biodiversity campaign. That would be an urban and rural one, and that would not just be looking at remnant vegetation. We are scoping that now, and we would love to partner with a group to be able to do that. To go back one step, with our Green Purchasing pilot, for example, we worked with 10 councils who paid to be part that program and funded it for 12 months. We came up with some fantastic outputs at the end. We do not seek huge amounts of money to work on this; we will work on something and we will test the methodology and we will pull it apart to make sure it works and then go back to whatever players are out there—state and federal and also local government, because local government pays to be part of these programs—and say look, 'This is working. Let us roll it out.' So biodiversity would be in that and we would love to partner with a group in a little bit more time, because we are scoping it now.

You might also be interested in the whole concept of TBL as a tool to working towards sustainable development and the context of that within sustainable cities. We are working with public sector local government on that; we have engaged with local and federal officials. We did a workshop in South Australia a couple of months ago which was trying to get some consistency across the approaches there. We are particularly keen to work with organisations that can create some good frameworks for local government to work with. The private sector models are not particularly useful for us and what we are doing is creating a different approach, which concerns that decision making intervention approach. That is going to happen regardless—I do not need to plug it—but again it is something that the public sector might learn from. I do not think that we should just assume that the feds and state public sector have all the knowledge of these things.

CHAIR—The bee's knees.

Ms Simonelli—Local government can also teach other sectors of government.

CHAIR—Thank you, Maria. I love your work. All the best to the ICLEI people.

Mr BARRESI—Where is ICLEI located?

Ms Simonelli—We are in Collins Street, next to Tiffany's. The rents are going up, let me tell you. We are an international group with offices around the world, but we have the Australian-New Zealand office. We are about to finalise a contract to do CCP in New Zealand based on the work done here.

CHAIR—Well done. No wonder you are travelling a lot these days. Thank you.

Proceedings suspended from 4.31 p.m. to 5.00 p.m.

[5.00 p.m.]

ATKINS, Mr Alex, Director, Sustainable Environment, Mornington Peninsula Shire

BREEN, Mr Kevin Vincent, General Manager, Strategy and Governance, City of Darebin

FORREST, Mr Bill, Group Manager, Environment and Community Services, Nillumbik Shire Council

HANCOCK, Mr Richard, Member, Regional Cities Victoria and Chief Executive Officer, City of Latrobe

JOHNSTONE, Councillor Elizabeth, Mayor, City of Port Phillip

JOHNSTONE, Dr Phillip, Manager, Environmental Sustainability, Bayside City Council

LAWLER, Mr Geoff, Director, Sustainable Development and Strategy, City of Melbourne

MARSHALL, Mr Peter, Chief Executive Officer, Wodonga City Council

TRELOAR, Mr Darrell John, Chief Executive Officer, Hume City Council

TURNBULL, Mr David Andrew, Director, Planning and Development, City of Whittlesea

WALTON, Mr Phil, Manager, Strategic Development, Cardinia Shire Council

CHAIR—Welcome. The Standing Committee on Environment and Heritage is conducting an inquiry into the development of sustainable cities to the year 2025. We are looking to formulate a blueprint that embraces all the great things you guys are doing. We are asking why this is not happening more generally and what constructive and realistic role the Commonwealth can play. Bless our federation, but a number of jurisdictional issues arise. That is the first time I have ever said that!

The roundtable discussion is a formal part of the committee's program of gathering evidence in relation to our inquiry. Although the committee does not require participants to give evidence under oath I advise all of you here today that this roundtable warrants the same respect as proceedings of the House of Representatives itself. Discussion is not able to be taken from the floor. Giving false or misleading statements would be a serious matter and may be regarded as a contempt of parliament. I would also like to make it clear that these proceedings are covered by parliamentary privilege. The committee will authorise the publication of the record of this meeting by Hansard.

Having said all that let me say that these proceedings will not be conducted with the same degree of formality as some of you may have seen with other parliamentary hearings. We are aiming for a free flow of discussion and ideas and the exchange of information from all sides of the table. Please feel free to contribute as you are able with due respect to others who are also

keen to contribute. We have received comprehensive submissions by local councils to the inquiry and are grateful for those. They are impressive and very useful for us and they have pointed to some of the positive programs and projects you have all been involved with. We are hoping to go beyond those submissions but maybe draw from them, in terms of what helped make them possible, what we could do to make similar good work more likely in the future and some strategies and potential actions that the Australian government may be interested in picking up to coordinate or maybe drive or support sustainability policy and frameworks to assist you guys in implementing programs and projects.

We are aiming to focus on three things today: firstly, the vision for sustainability within the local government sector and for your municipalities; secondly, what kind of policies and frameworks will facilitate sustainability programs and projects; and, thirdly, what role the Australian government can play in supporting and assisting your work, notwithstanding the constraints provided by the federation. That is the setting. We are happy to have brief ads about how clever and great your individual councils are—that is fine—but please keep those pretty sharp and to the point. Maybe you could think about what would be useful input that we could talk about. Seeing as we are in the fair city of Melbourne, do you want to kick off with a few introductory remarks, Geoff?

Mr Lawler—Thank you. On behalf of the city I congratulate the parliament on this inquiry. The federal government taking an interest in cities is very welcome. I would like to tender a document that was produced four years ago by the Council of Capital City Lord Mayors. It is an economic document but it is one that makes an economic argument why the federal government should be interested in capital cities at least because of their contribution to the nation.

The City of Melbourne has provided a submission. Rather than go to the detail of it, I am trying to think through what you said of where the federal government should place its interest in the area of sustainable cities. This is somewhat of an opinion, but if you look at the way in which cities large and small have been created in Australia, you will see that they have all been created during the industrial age. They have one great attribute that makes them flexible: they are all sitting on networks. They are either energy networks, water networks or transport networks of one sort of another. We are increasingly finding that, for sustainable futures, those networks have to be transformed. If it is a case of energy and the impact on national greenhouse objectives, the production of electricity from brown coal has always been Victoria's great competitive advantage but, in greenhouse terms, it is a significant disadvantage. If you accept that and look at the technology, although expensive, that now seems to be available to convert brown coal more efficiently into electricity you will see that it suggests that, ahead of the normal market mechanisms, there may be a role for the Commonwealth if it matches a national objective to support accelerated structural adjustment. That could equally apply to transport.

In metropolitan Melbourne the tram and train system is largely underutilised. Local governments can do a lot on the demand side—and this applies to energy and water, because local government is very close to citizens and consumers—but I think there may be a role for the federal government to work with the states or metropolitan authorities to try to accelerate the changeover and the way in which those networks work.

The other point is that, at the other end of the scale—and we are talking about building—I think there is a role for the federal government to support more innovative and sustainable

building activity in cities. The City of Melbourne is currently engaged in building itself a new office building, and it has used the Green Building Council of Australia green-star rating system as a guide. We would anticipate that it will provide a benchmark for medium size office building, at least for the foreseeable future. We anticipate that the biggest benefit from it—and we cannot prove it yet, of course—because it will have a more amenable indoor environmental quality is that there will be between one and four per cent productivity improvement. Environmentally sound buildings are likely to be healthier buildings because they are using fresh air—all those sorts of things which can lead to better health.

CHAIR—We might come back to that, Geoff.

Mr Lawler—The point I was going to make is that, if this is true and if it were applied universally, it is an enormous economic opportunity and the federal government might support it.

Mr Breen—The City of Darebin is an inner to middle ring municipality in northern Melbourne, bordering on Mr Jenkins's electorate but on the inner side. If I were going to make one general observation, it would be a plea to the federal government to take its policy objectives seriously in relation to cities. I think we made a comment in our submission that the majority of the Australian population live in cities. Cities are the economic powerhouse of the future. A joined up government, across the three levels of government within an integrated policy context, is critical for the future prosperity of the nation. I make the same observation as my colleague from the City of Melbourne—it is probably a personal view—that the federal government has been conspicuous by its absence from an urban policy agenda over the last decade at least and, probably since the early seventies, there has not been serious engagement on the issue of cities.

CHAIR—It is an encouragement to step up.

Mr Breen—It is an encouragement to step up and there is a whole set of policy initiatives already implemented by the federal government around taxation and a range of other policy objectives that fundamentally impact on the functioning of cities. We would encourage the federal government to take a very active role in an urban setting even to the extent of having some level of coordinating mechanism at a federal government level to assist with an integrated policy response to the challenge of cities.

Dr Johnstone—I manage environmental sustainability at Bayside City Council. Bayside is involved in a number of programs that you have undoubtedly heard about from other organisations today. One of the things that we have been doing recently, which I think reflects where we are and where we are heading, is that we have conducted a profile of ecological footprints across the Bayside community based on the principle of 'if you do not measure it, how do you manage it'. It is trying to link that notion of measurement and management together.

Bayside spans quite a breadth of socioeconomic conditions. We tend to associate Bayside more with the affluent end of Brighton and Beaumaris but it also includes areas of below average household income et cetera in terms of Melbourne's averages. What we found with the ecological footprint is a pretty direct relationship between some of those socioeconomic measures of personal income et cetera and the environmental impact of households or

individuals in their households. In many ways that reflects a lot of what we see in the consumption of water, energy et cetera. A lot of our frustration then comes down to being at the receiving end of that. A lot of the macro policy settings directly determine those sorts of aspirations and outcomes.

I will use one very specific illustration. In the last two weeks we have been involved in a sustainable house makeover with the Australian Conservation Foundation. It came about by accident in some ways. It is an eight-year-old house. We went into it and thought, 'Okay, it's a fairly new house, you'd expect to walk in and not have to do much. It should be pretty good. It has all the things that would attract a buyer. It has ducted heating and cooling. It's a pity there's no insulation in the house.' Those sorts of things serve to illustrate some of the issues that we are up against in terms of the aspirations and some of the reality that sits behind those. We are keen to see some leadership come through that starts to, as was said in David Yencken's book a few years ago, reset the compass and take us down a different pathway rather than following the same one.

Councillor Johnstone—When you invited us to a roundtable I did not realise we would go round the table.

CHAIR—My colleague is saying, 'We're not going to go round the table.' It gets people upset if they do not have a chance to have some say. If you want to forgo your spot, that is fine! We are happy to accommodate that!

Councillor Johnstone—That would not be in my character.

Mr McARTHUR—We have all read your submission.

Councillor Johnstone—One of my concerns when I did see the timetable today was that local government had been put in the graveyard shift towards the end of the day. Indeed, an incredibly diverse range of local councillors was in the 1½-hour slot.

CHAIR—It is half an hour more than the state government got.

Councillor Johnstone—There was only one of them. I understand the difficulty and the need to engage with local government as a sector. But I did not think it did justice to the capacity and experience of local government and indeed the important role that we will play if we are to assist in the implementation of any change agenda to achieve more sustainable urban environments across Australia. I am comforted to know that you have read the submissions and have been able to take those individual perspectives into account. You asked about our vision. From the Port Phillip and the urban perspective it is about retrofitting, by and large, inherently unsustainable environments that support unsustainable patterns of behaviour and consumption.

To do that in Port Phillip, we have taken an approach that we call the four pillars approach that actually values not just the economic prosperity of our community, environmental stewardship and social responsibility but also values and tries to measure the cultural value of the experience of living, working and visiting the City of Port Phillip. We believe strongly in leadership and leading by example. We believe that the federal government—or the Australian government, as you are increasingly known—has a very strong role to provide that leadership. There is an awful

lot that you do that could be done slightly differently that would have an immediate and far-reaching impact on what happens locally. The terms of reference read as if they are about smart sprawl. The first home buyers scheme could be linked to the smartness of that sprawl.

There are a number of things that you could do within the ordinary course of your business, across all aspects of the federal portfolios, which we look to you for leadership on. The nature of settlement and the engine rooms that are our cities, I suppose, is an issue for us. We do not want to be an inner city that does not provide employment and quality of life as well. We are one of the fastest growing areas of population in Victoria and we are a kilometre from the CBD. So the experience of those coastal councils that are gathering momentum is something that is also felt in the inner city.

Mr Forrest—I think you will find that there is more that binds the local government submissions than divides them, and I think you will find that local government generally will congratulate what is seen as a re-engagement around urban affairs issues. Local government see it as being really important to engage about micro-economic reform, the efficiency of cities, liveability and urban transport. I think you will find that those things are common. Rather than go through our submission, I would like to table a paper presented by the federal president of the Planning Institute of Australia at their recent national congress in Hobart. It was put out subsequent to the call for submissions. There was a letter in the *Age* last week about this. It is a very interesting article in terms of the author saying that he sees this as the new agenda for micro-economic reform. It picks up a bit on what Geoff was saying—sorry, Geoff, we are doing it to you again; aren't we? You are stuck in the middle and cannot reach. This points to a piece of work done in New South Wales by the National Institute of Economic and Industry Research that showed that improving the structure of the Sydney metropolitan region would enable the US economy to be $1.4 billion larger than it otherwise would have been 15 years from now, would boost GDP by $1.7 billion and it would mean 20,000 extra jobs in New South Wales and 24,000 extra jobs across Australia. He is saying, in essence, that the Commonwealth needs to engage on this in terms of micro-economic reform—and if you have got growth taxes you have the capacity to harness that and start to think seriously about major infrastructure funding through that growth.

The other key concept in his paper that I think is really important is what he calls the concept of subsidiarity. He talks about the policy development and implementation being undertaken as close as possible to local communities but consistent with the discipline that this policy development does not compromise agreed objectives at the regional, state and national level. It picks up on that and gives the example of the way that the Commonwealth has approached the NCP, set broad Commonwealth objectives and run stuff through down to the states. In Victoria we have then seen it in Victoria come through as NCP payments to local government. I think it is a very interesting paper that picks up on some of the debates that we have been having more recently.

CHAIR—A model was put to us early in the day, so you might want to think about the transportability of those ideas.

Mr Walton—Thank you. For those not aware of where Cardinia Shire Council is, it is not in Geelong—it is actually down to the south-east of Melbourne. We are an interface municipality.

CHAIR—Is that 70-30?

Mr Walton—In fact it is more than that. Our growth area represents 3.5 per cent of the geographic municipality. We currently have a population of 50,000, 70 per cent of whom live in the rural areas and 30 per cent live within the growth area. In the future, we will grow to 130,000 people. At that point in time, 70 per cent of people will live within the growth area and 30 per cent of people will live within rural areas. How we provide a sustainable future for that community, both within the urban area and within the rural area, is a very major issue for the council.

The shift towards sustainability requires the support and involvement of all levels of government. Each level of government has been working hard at different things within their sphere of government, but there needs to be greater cooperation in terms of trying to achieve sustainability outcomes. As well, there needs to be greater community acceptance about the past and unsustainable practices, and about shifting towards greater sustainability. One of the big issues we face is trying to increase density to support sustainability. That often flies in the face of community expectations and market expectations. It is a question of how you bring the community and the market around to understanding that increasing densities, hopefully, also produce better urban environments.

CHAIR—If you were Prime Minister for a day, what is the one thing you would do? We are interested in what practical measures or interventions you would advocate. So have a think about those things.

Mr Atkins—The Mornington Peninsula Shire has brought sustainability to the centre stage over the last five years, and over that period we have learnt quite a number of lessons about what that might mean. Having tackled it at very local levels and also internationally, given that we led the charge to have the Mornington Peninsula and Westernport recognised and designated as a biosphere reserve under UNESCO, and having been successful in that, one of the lessons we have learnt is that there is a great deal of mistrust about government. The state of the environment is seen as a failure of government in so many respects. The community at large, certainly in our portion of Victoria, are very suspicious about the role of government and want to take charge of the agenda themselves in one way or another, and are looking for ways in which that can be achieved.

More locally, we have introduced a sustainability rate for landowners who are doing good works in the environment, and that has been very slow on the uptake, but those who have taken it up have been hungry for information. That is one of the other challenges for us in terms of getting the message out about sustainability—to have access to information that is in a form that people can comprehend and work with. That is perhaps an area where the federal government can put some resources into education. The number of people in the community and available to do the work necessary to help people understand the environment and understand the good things and the bad things that will arise from the ambitions they may have for their lifestyles and for their land management is certainly an area where there is a lot of work to be done.

The other challenge we have had is that with sustainability it is very easy to identify a constituency out of the green movement or the conservation movement, which have been around for a long time. It is very much harder to engage with people interested in social welfare. It is

very hard to engage with industry. Even though industry is looking more and more interested in the environment, and looking to do more clever things, we need to have an integrated approach to the way in which we engage with industry, both from the point of view of job creation and of identifying where new jobs are going to come from as we move forward. We also need to be alert to the fact that jobs, social welfare and the wellbeing of people will mean that the environment, the way they respond to it and the way they deal with it are very much tied to their ability to understand and comprehend it, given their particular circumstances.

Mr Treloar—To give you an overview in relation to Hume, Hume City Council has a population of 145,000. It is an interface council. The 70-30 rule applies, and will continue to apply. We recently released our second annual state of the environment report. I am more than pleased to provide you with a copy of that but I have not brought it along today. I would like to talk about some of the key issues that relate to us and that are common to the interface councils, particularly the growth councils. We are experiencing a growth rate of three per cent per annum. That is not at the highest end, but it is certainly a substantial growth rate and creates some interesting challenges for us. We are fortunate as a municipality in that for every new tenement or house that is produced, about two jobs become available within the city. Therefore, there is a jobs-housing balance. In terms of sustainability, we think that is important. I guess it has occurred probably as a consequence of David Turnbull's good planning when he was with the Shire of Bulla. Nevertheless, it is a very good characteristic of the city and something we want to maintain.

The real issue we have, though, is that of public transport and the fact that adequate public transport is not provided until well after the need arises—if indeed it is ever provided. As a consequence, the majority of the families that live in our newer estate by necessity have two or more cars and very poor public transport services, to the extent that even very basic bus services are not available. There is the Sydney-Melbourne line, which runs through the eastern part of the municipality. That in itself is a very important public transport corridor, a spine, but it does not meet the public transport needs of the city. There are very poor east-west links across the north of Melbourne. In many respects, the issue of the provision of public transport in the outer metropolitan areas is one that needs to be addressed by all levels of government working together.

Quite clearly, it needs to be funded. In the past, the reality was that the cost of the provision of that type of infrastructure was met through the public purse. Increasingly today, developers are being asked to meet the cost of infrastructure and development. There is some merit to that argument. But the capacity for developers to meet those costs, particularly having regard to housing affordability, is limited. In the case of Hume, where we have some older, commission home areas, particularly around Dallas, Broadmeadows and Coolaroo, there is substantial retrofitting required to address some of the legacy of the development that occurred in the past. So I think public transport is a key issue that needs to be addressed. It is central to sustainable cities in the future. I will leave it there at this stage.

Mr Turnbull—So that I can orient the committee in terms of who we are and where we are, I have some maps in this document that I would not mind passing around. It is also a very brief summary of what we have to say. Basically, to very quickly follow on from where Darrell finished off, one of the things that the interface has been looking at recently is this whole issue

of infrastructure. It will be no surprise to you that infrastructure and sustainability very much go hand in hand, in our submission.

Recently the interface has been looking at the imposition by the state, about two years ago, of the urban growth boundary. Let us use Mernda growth area in the City of Whittlesea. Broadacre land prices have gone from $220,000 a hectare to $650,000 a hectare in the space of two years. Anecdotally, we are hearing stories of people buying in for $400,000 and selling for $6½ million five years later. Our point there is that none of that money comes back into the growth area. I think it was called a betterment tax when it was debated many years ago.

Darrell is right: at the moment the developers are increasingly being asked to foot the bill for development contributions. Those contributions are essentially for local infrastructure, not for regional or state—let alone national—infrastructure. So the City of Whittlesea, in partnership with Hume and others, has recently been looking at structuring some form of taxation system where some of those windfall profits brought about by development opportunity can be preserved for infrastructure provision. We would argue that these should not just be in discrete growth corridors but that there should be a metropolitan wide approach where either the state or the national government takes a metropolitan view of growth areas and infrastructure. I do not know whether you want me to flick through these pages.

CHAIR—We will be right.

Mr Turnbull—There are some maps. There are some examples of the work that council have done in designing new communities that we would argue are sustainable. One of the points we want to make is that there essentially seems to be a negative connotation when the word 'sprawl' is mentioned. We think, conversely, that the relatively uninhibited scale of opportunity that growth areas give for sustainable outcomes cannot be matched anywhere else in the metropolitan area. You are starting from a clean sheet. As I said, the plans can be developed on a clean sheet, and all the elements that we believe make communities truly sustainable can be planned for. Our difficulty is that we can accommodate the local infrastructure and sustainability elements and we can plan for the regional, state and national elements, such as rail lines, but we cannot physically fund the provision of them.

The other thing that I wish to mention is that, if we look at discrete sustainability items such as recycled water—which is third pipes—or other similar initiatives, at the moment they are a cost penalty to developers. There is no incentive whatsoever for developers to run with a third pipe system, compulsory water tanks or stormwater harvesting et cetera. What we have when we get a developer wanting to run that sustainability agenda is them saying, 'Who can help me out?'—

CHAIR—This is unless you go the Caroline Springs way, where you put package capacity in place and withdraw wholesale water from—

Mr Turnbull—No, Chair, that is what I am saying: that is a cost penalty to the developer. Not only are they providing the water pipes for the potable water but they are laying another system in parallel for use of the recycled water and they are paying for both types of water.

CHAIR—I thought in that example, though, it is at a scale where they manage to contain much of the stormwater and waste water onsite and that there is a gap between that and the

throughput costs of what they return to the greater Melbourne sewerage system for treatment. I thought that gap gave them some scope, but obviously the maths are not as attractive as they were said to be.

Mr Turnbull—I am not sure whether VicUrban are here—

CHAIR—We are actually seeing them tomorrow.

Mr McARTHUR—So what would you do with the development? If you are saying that there is no incentive there now to do it, what would you recommend?

Mr Turnbull—Tax incentives. I am not sure what they are at this point.

Mr McARTHUR—So, if they had to put in the tanks, the grey water and all that sort of stuff—

Mr Turnbull—I am coming back to the developer end, Chair. I am not sure that you can really achieve much if you leave it to individual householders. I think it has got to be at the development stage. Our major point through all of this is that we do not have a metropolitan plan for Melbourne and particularly for the growth areas. It takes a whole-of-metropolitan approach, and one that is truly plan based. We have a lot of aspirational objectives and then it flows back to the local level where we are dealing with individual developers attempting to get them to include sustainability elements.

CHAIR—We have had a big dose of that today that we would like to talk to you about. We will quickly hear from Peter and then Richard.

Mr Marshall—If I were Prime Minister for a day and, on that day, my job was to adopt or develop policy on sustainable cities and, looking at it holistically, a sustainable Australia, I would adopt a population distribution policy because I believe that would pretty much drive everything else. As a group of regional cities, we are here to represent the regional cities of Victoria. We fundamentally believe it is not good for Australia's long-term future to have more than 70 per cent of its population in five capital cities.

CHAIR—You are from Wodonga.

Mr Marshall—Yes, Wodonga and Latrobe City next door. We believe that there should be a better balance of distribution of population. There are plenty of regional cities outside of the five capitals which can accommodate our growth, put in place all of the sustainability principles and do it more efficiently and more cheaply than the major capital cities. We are working with the Victorian government at the moment to do some research on the cost of developing land in metro versus regional centres. We fundamentally believe that, just on the dollar equation, there is an incentive to get more growth into the regional centres. Our growth in Australia comes from migration, because our birthrate is below replacement rate. Ninety-four per cent of migrants end up in the five capital cities. Sydney gets nearly 52,000 a year out of the 130,000 that come into the country. Out of the 27,000 that come into Victoria, ninety-four per cent come into Melbourne. The growth is continuing in the capital cities. We do not believe it is good for

Australia. As Prime Minister, I would go for a population distribution policy that tried to push the balance back the other way.

The only government in Australia that has some form of population policy or target is the Victorian government. In November 2002, John Brumby announced a policy of 1.25 per cent growth for provincial Victoria. To achieve that, the regional cities had to grow by at least two per cent per annum. We are experiencing growth down the coastal fringe—all the way down the east coast of Australia at the moment—and we are now hearing the councils all along that fringe talking about the demands on infrastructure. Basically, people move because of jobs and their ability to accumulate wealth. They are the two drivers, but now a third one, lifestyle, which is an emotive one, is pushing them out of the capital cities to the fringe areas—that is what we are hearing here today—and along the coastal areas.

That is a trend that is happening—not necessarily in a sustainable way, though. I guess what we are suggesting is that the government needs to have a serious look at how you attract more people from the capital cities into the regional centres across Australia and hence support and reverse the decline in some of the rural and outlying areas. It is going to take quite a bit of work but, if the Commonwealth government does not have as a primary policy position a fundamental desire to reverse this trend, then all other secondary policy, like university placements and migration strategy—all sorts of things like that—will not work towards getting a better outcome.

CHAIR—Thanks, Prime Minister! Richard?

Mr Hancock—I would like to add to what Peter was saying and make the point that regional cities provide a significant amount of product and service to the capital cities of Australia. We rely on a skilled work force to be able to do so. One of the issues that regional cities and rural Australia are facing is an ageing population, which is somewhat reflective of the lack of a population policy that Peter talked about. Regional cities also serve as a very important centre for a very large rural catchment area, and that area is suffering, we think, from a form of decline to do with population drifting towards the capital cities for employment and those sorts of things.

So from federal government we would be seeking some work around shifting the perceptions about regional cities. The discussion paper that the committee produced is very capital-city-centric. I think it lacked some recognition of regional cities and the importance that they have for Australia. So we would argue that there is a need for a shift in perception about regional Australia, and regional cities in particular in our case, so that we do provide a viable alternative, but from a lifestyle, work and investment point of view.

I would also say that we would like to see the federal government concentrate on increased research and development into the areas of strength that are present in regional Australia. To take the Latrobe Valley, which is where I am from, as an example, research and development into the use of the brown coal resource is absolutely vital, I believe, to both the state and the national interest, not only to address the greenhouse gas emission issue but also to address the alternative forms of product that can come from that extremely valuable natural resource. So we would certainly be looking to the federal government to increase research and development funding not just on brown coal but on other natural resources that are present in regional cities and their catchment areas.

The issue of university places is allied to that. Encouragement of more university places in regional campuses, we think, is extremely important to the sustainability of regional cities. It creates employment but it also gives young people an incentive to stay rather than drift to the larger universities in the capital cities. That is a trend that we are extremely mindful of and we think is a great sustainability issue for regional cities and regional Australia. The infrastructure issues that Peter raised are also extremely important: transport, soft infrastructure around community services and health services—all of those things need to be considered along with something like a population policy that would hopefully bring skilled migration into the regional city areas. We would like to see the federal government think very long and hard about those sorts of issues along with us. We would be seeking a partnership approach in that.

CHAIR—So at the heart of what everyone saying is that sustainability is a rounded concept—not just about ecological sustainability but about issues to do with people's lifestyle opportunities and legitimate aspirations for improved living standards. That takes us back to David's point that sprawl, if it is only urban, might be a bad thing—if it is just a dormitory running forever—but if there are other aspects to it maybe sprawl is not such a bad thing. Why don't you kick that around a bit.

Mr Turnbull—One of the things that Whittlesea and some of the other growth colleagues have been working very hard at is making sure that we do not create bedroom communities, which is essentially what you are talking about. Darrell mentioned the jobs-housing balance. If you look at the sort of growth plans that are being prepared now by councils—and this is why I am saying the state has a role here—you will see that they do match jobs and housing with transport, access to open space, access to retail and, in terms of our neighbourhood planning, neighbourhood access to facilities and car use et cetera. But all that goes out of the window a bit if you have a train reservation sitting there and the train is not provided or the fixed rail transport is not provided for another 20 years. Then people have bought their third car. It is very hard to change people's mode of travel.

CHAIR—So it is lags.

Mr Turnbull—Yes. That, to me, in growth areas, has been our single biggest problem—that lag of provision. One of the other issues we were going to talk about—

Mr McARTHUR—Public transport?

Mr Turnbull—Public transport predominantly. One of the other issues we were going to talk about was some form of Sustainable Cities infrastructure program that is based on sustainable planning—money that is allocated not just according to region, and a percentage according to population growth, but to those that are really having a decent go at planning sustainably in growth situations.

CHAIR—The state government put to us the criticism that 2030 needs apparently are all about housing containment. What about the other aspects of people's lives? Apparently there is some work going on through independent implementation reference groups, smart growth committees and regional housing working groups. The take-home message was that everyone needs $100,000. That was the recommendation put to us—that the councils involved need

$100,000 to put in place their strategic planning to bring about the operationalisation of the urban growth boundary and the bits that sit within it.

Mr Turnbull—I disagree with that.

CHAIR—I thought that was core business for you guys.

Mr Turnbull—It is—

CHAIR—I thought we were buying you guys doing that. I thought the first thing you do when you get up in the morning—

Mr Turnbull—It is.

CHAIR—is think about the future of your communities.

Mr Turnbull—It is, but there is another point. You can have smart growth committees for each growth municipality, which will work well for that municipality, but the point I am trying to make is that for infrastructure, from an efficiency point of view, a metropolitan wide view has to be taken. We are going to have five or six smart growth committees off doing their own thing. There is nothing that is sitting above them that is driving them to a common purpose in terms of planning for sustainability.

CHAIR—So you want the regional planning authorities back?

Mr Turnbull—Not necessarily. We want a strong state government; that is it.

CHAIR—So there is a gap there between the municipality wide perspective and where it fits as a contributor and building block into a regional picture?

Mr Breen—I concur with David. We are the municipality sitting on the inner side of the city of Whittlesea and we support the range of strategic planning activities that are being undertaken there. But we have a rail system that is now at capacity. As the population grows in Whittlesea, people will not be able to get on the train in Darebin.

CHAIR—He cannot understand why you will not let B-doubles down your main street to support his economic development strategies. What is going on?

Mr Breen—There is a real issue about the funding or the adequacy of public transport and for that to be planned on a large-scale area. I have a couple of figures here. Between 1975 and 1998, we had something like $43 billion spent by the federal government on roads, $1.2 billion spent on rail freight and $1.3 billion spent on urban public transport.

CHAIR—How did that get through?

Mr McARTHUR—I want to raise the issue that some of the submissions we have had are putting a proposition that, in the inner urban areas, we need to encourage bike riding and walking and the relativity of the motor car to public transport and those two issues. A number of

submissions suggested that in some of the inner urban areas of other capital cities around the world those arguments have worked quite well. They have got away from the use of the motor car. They are using the train systems a bit better and they have encouraged bike riding. I would be interested to know what the panel thinks about those views as they affect local government.

Mayor Johnstone—I think it will be congestion, as has been the European experience, that gets people to look for alternative transport as well as health, lifestyle and environmental considerations. I think the motor vehicle is here to stay, but it spends 96 per cent of its life parked and stationary. The storage of them causes almost as much grief in the inner urban environment. As people age, they are looking to public transport more and more. Increasingly, people are living alone and they need to engage with their communities. If we are going to have sustainable urban environments then people need to be well connected and they need a range of transport available to them. They need safe pedestrian environments; fast, frequent and nightlife-free public transport; and a road system that works for freight, mass communications and individuals in vehicles.

CHAIR—Just to pick up Stewart's point, though, if that amount of money is being spent on roads, what would be the reaction if the Commonwealth said, 'No FAG cash unless you have an active transport strategy'?

Mayor Johnstone—Or, 'No freeway for freight unless you have an integrated rail system.'

CHAIR—Yes, it is a similar thing.

Mayor Johnstone—I do not know that it is either/or; it is thinking about a multiple range of users. Can I table a document that has been prepared by a group of local governments who are part of the Metropolitan Transport Forum? It is in draft form, but it does look at funding choices to move towards different transport models.

CHAIR—Yes.

Dr Johnstone—Coming back to some of the points I was making before about the ecological footprint, I guess we are also seeing some of the drivers, to use a bad pun, as to why people are in their cars—those are things like salary packaging, where, as you move up through the ranks of an organisation, you are able to access some of the salary sacrifice things. You are able to salary sacrifice a motor vehicle, but you cannot salary sacrifice a public transport ticket. Those sorts of things are starting to be manifested in where people see themselves, where they see themselves going and particularly, then, how they move around.

We certainly see, when we look at the census data across the City of Bayside, some really interesting patterns. Even close to railway stations, the journey to work is quite often made in a motor vehicle. There are some very disturbing features there. I guess what we are doing is spending our time moving cars around rather than moving people. That is perhaps the paradigm shift that needs to be made.

CHAIR—Doesn't that come back to the dislocation? Once they are through puberty, I do not know too many people who drive just for the heck of it. There is a journey purpose that underpins it. I just wonder whether that dislocation of those various parts of people's lives is at

the heart of it. We are getting data telling us that there is a substantially greater increase in kilometres travelled. That is increasing rapidly at a greater rate than the amount of new vehicles coming into the fleet, which is also going up.

Dr Johnstone—There is a number of different patterns there. No-one wants to sit in a car for an hour and then find somewhere to park it if there is a more comfortable way of travelling. I am a bad example. I spend over an hour each way going to work, but there is no alternative—if I went by public transport I would be spending about three hours each way. Prior to that, when I was working in the city, I was able to use the bus system. But, after a couple of years, that also starts to wear a bit thin once you are working later hours et cetera, because it is just not there. It comes back to the fact that, if there is a system that is convenient, takes you from where you are to where you want to be and does it at the times you want to do it, then it becomes a viable alternative. I think that what we see with public transport is that it is very much a second-rate system. In the inner city, if you are going along the main trunk routes, it is good—it is fine. But it still has that connotation of being a second-rate system.

CHAIR—Rails lead into your city?

Mr Lawler—They do.

CHAIR—It gives everyone else the irrits, but it must be great for you guys!

Mr Lawler—Even in the city of Melbourne, where arguably you have the highest degree of choice of transport modes, still 45 per cent of it is by private vehicle. Roughly 45 per cent is by private vehicle, 45 per cent is by tram, train or bus and about 10 per cent is by walking. The walking bit is great—walking and cycling are growing, and that is a demonstration of the intensification of the inner city as a living and working place. But I think it would be unrealistic to think that you can completely transform a metropolis into one that is purely public transport oriented. Everywhere the degree of private travel and the mobility of jobs is increasing. That suggests that part of the mix the federal government should be thinking about is what incentives it might give to fuel change. If you take higher order objectives, be they greenhouse, air quality or whatever—we tend to think of private vehicles as simply being petrol driven combustion engines, but that is not necessarily going to be the case in the future—there may be a role for the federal government to again accelerate that aspect of it.

Mr Forrest—The paper that was just tabled shows at the macro level what the US have had to do in terms of the issue of the liveability and economic viability of their cities. They are using a percentage of fuel excise to fund new public transport initiatives and are expecting a leveraging off that. They are spending huge sums coming to terms with how they make their cities more liveable and viable by getting decent public transport into them. The problem with some of the discussions here is that it is all very well to put the trains out in David's area but when you get into the inner city there is a single line. There is part of the metropolitan rail system in the inner suburbs, in from Epping, that is a single track. When I worked in the outer west, it was all very well to put extra trains out to Melton but you could not get from North Melbourne to Spencer Street. The big issue is that it is not only the capacity on the fringe but also the capacity in the inner area that needs to be addressed.

It comes down to local stuff as well. Most councils probably have integrated transport strategies, looking at some of the things in local areas. A practical example is what it is like in the mornings during school holidays versus school terms; everyone sees the traffic. Most councils are probably engaged in the issue of mode of transport to schools, both primary and secondary. School bus programs for primary schools are around security, and at the secondary level it is around cycles and other methods of getting to secondary schools that are safe rather than secure. Most councils are trying to tackle those things at the local level. Some flexibility around road funding initiatives from the Commonwealth, which we talked about before—

Mr McARTHUR—Can I just clarify the city of Melbourne figures? If there are 45 by train and 45 by car, that is contrary to the accepted norm that about 80 per cent travel by car. So in the CBD you have really got half and half—half by public transport.

Mr Lawler—Yes, but as soon as you step out of the CBD—for example, into Carlton—that proportion switches to something closer to 80 to 20.

Mr McARTHUR—You have a ring around where that half and half happened. Is that walking access, tram access or a car parking problem?

Mr Lawler—If you take Melbourne CBD only, you find that the travel into the CBD on a daily basis is about 45 per cent by tram, train and bus and 45 per cent by private vehicle. But that choice very quickly dissipates. Even if you go to a place like Carlton, which is on the edge of the CBD, the travel choice is much more heavily geared towards cars, or private vehicles. Walking and cycling are growing, and they have a lot of other benefits beyond simply transporting people. That is a factor of more people living and working in the city, but the use of the private vehicle and road based vehicles for freight is not going to go away.

Mr McARTHUR—Are you encouraged by the trend? Are you moving towards the trend of public transport, or is it going the other way?

Mr Lawler—We will need to be taking steps to go more heavily towards public transport, because of the congestion issue.

Mr Marshall—There is a fear of the massive costs and huge challenges to get this sort of thing working. Some research was done, I think in the eighties, that showed that the optimum population of an urban area is roughly 300,000 to 500,000. On that scale you can then get a lot of employment and environmental features into it as well as the social cohesion aspects of a city, where people are healthier. They are still connected, they have a sense of belonging and all of those sorts of things. But in a city which functions and works well, a scale above 500,000 is where it starts to get expensive. When you get up to the size of Melbourne, that is when you start talking about the expensive infrastructure that we are talking about here.

CHAIR—Stewart has to catch a train, because it is actually quicker to get from Melbourne—

Mr McARTHUR—I am using the public transport system to meet the deadline.

CHAIR—As a little ad for my electorate, it is now quicker to get from here to Geelong than it is to get to Frankston, so no more bellyaching from you, McArthur!

Mr Marshall—Geelong is a good example of a regional centre where you can have most of that. You can get a lot of employment there but you can still commute via a rail system and a road system to a capital centre for capital city services. What we have to start looking at in the future is how you get these nodes that have a better environment for people to live in. You can build in these sustainability principles, all the things that we have heard here, much cheaper. Instead of people having to travel for an hour to get in to the heart of the city and do their stuff, it takes much less time. It might take 10 or 20 minutes maximum.

CHAIR—What do you say to the argument that remedying what we have now actually exacerbates the very pressures that we are trying to avoid?

Mr Marshall—I agree. That is why you have to start focusing on policies, such as the targeted migration policy, university placement, all sorts of things to plonk the growth in the centres that can grow and build all these principles in from scratch so that your regional centres are small enough to grow and you can put all of these fundamental principles in without the huge costs of trying to do it into a Sydney, for example. Obviously, you are looking nationally. Sydney is probably your biggest challenge of the lot and Melbourne is the second biggest. If you can get strategies and government programs—this is second level policy stuff—to direct the growth and those sorts of placements into the regional centres, where you can build sustainability principles much more efficiently, then over time, over a 50-year period, you really start to get things happening.

Mr JENKINS—I am trying to avoid being parochial, but I have been lucky that the case for my patch and its surrounds has been well put by those who deal with it. I think Peter has led in to a question I have. Sometimes we are told that the market is going to solve all these things. I get a sense that there is a need for intervention, whether it be a small 'i' intervention or capital 'I' intervention—whether it be David's example that you have to put public transport infrastructure in before the third car is bought or the desperate attempts to make sure that the resident to job ratio continues until somebody says, 'No, that's not what the market wants,' and we have to change planning. To the extent of all the virtues that regional cities in Australia have, why has it not happened? I accept the point about a population distribution policy, because that would underpin a population policy, and we have still got to achieve that, but it suggests to me that we really have to look at mechanisms where we intervene. Whilst I might be a capital 'I' interventionist, I am happy to look at small 'i' intervention.

Mr Forrest—We could call it 'leadership'. Maybe we have to play around a little bit with the terminology and talk about national leadership and some national will—which I perceive we have—to come to terms with these things.

Councillor Johnstone—I make one observation very quickly. I think that is an important point. In the census collector district of Elwood, we had 238 new dwellings in that period and only eight more people. It is not simply a matter of the population growth on its own; it is the changing nature of our households and their individual consumption patterns as well that need to be factored in—when you are the Prime Minister for the day!

CHAIR—In Alex's case, even touching up the developers will not work down on the peninsula, because a lot of it is housing conversion from holiday houses to permanent residences. There is no obvious physical transformation from the outside, but inside there is a

bunch of humans living there for 365 days a year, not three weeks. That is putting so much pressure—

Mr Atkins—Something like 30 per cent or 40 per cent of our expected population growth will come from the conversion of established houses, not from new subdivisions or greenfields developments, by any stretch of the imagination.

Councillor Johnstone—Yet there are enough spare holiday homes in Australia to accommodate two cities the size of the Gold Coast, so there is the affluence element as well.

Mr Atkins—But there is no simple solution or formula to fit all locations and circumstances. There has to be a wider acceptance of diversity in the solutions that are going to have to be brought to bear. While we have a jobs and housing mismatch in terms of distribution, we have the same for hospitals, schools and all sorts of social services around the place that also have to be in the mix.

CHAIR—So we set up a national sustainability council. It has several hundred million bucks up front which is just for turning up. We pick up the Melbourne principles, which are a set of 10, or the CSIRO's model—there is an abundance of them—and we say, 'We don't want to prescribe to you what the response is for your region, but you are going to have to bond with the other players in the area, engage the community and show some demonstrable progress towards it. You well get the first tranche of love and so on.' Is that the kind of principle driven thing that Kevin is waving around?

Mr Breen—That is the central thesis in the Marcus Spiller paper that was tabled before, which is a model founded on the NCP principles.

Mr Forrest—It also has some parallels with what we do with the environment at the moment where we see a lot of environmental initiatives. We talk about the payback period. There is a notion that you can deal with microeconomic reform and better functionality of cities, not only the capital cities but regional cities.

CHAIR—You are sitting on a patent though, the community service environment. I think a strong argument is: to not do this is bloody expensive.

Mr Forrest—Viability of cities—where does liveability go?

CHAIR—The argument I put to the government to get the reference was that, when things are not done well, the feds end up coughing up the cash anyway for unemployment, social dislocation and all those kinds of things. Therefore an investment looking at avoiding the ghettos of tomorrow makes a whole lot of sense.

Mr Treloar—It comes back to the issue that David raised: the need for layered planning and a role for the federal government, state and local governments. If we were to look back on the strategic planning that has been done over the last 30 to 40 years in Victoria, apart from some valid strategic planning in the functional area, there has not been a whole of Victoria strategic plan. I am not sure there has ever been a national plan for Australia. The best example of planning that has been done is by some councils. Some councils have done it extremely well

where they have actually understood their cities. They have understood the spatial relationships that occur. They have understood what people want to do and how they can do it efficiently and what have you. I do not know that we have done that on a state or national basis.

The challenge is to set up a framework which allows high level decisions to be made at the right level rather than by someone else by default, or not made at all and we leave it up to the market; state government decisions to be made at state government level and for them to be encouraged to actually make those decisions and put the plans in place; and local government to get on with the job of administering the local plans within the broader strategic framework that is being established. In relation to Melbourne 2030, I think the state government has failed to grasp the nettle on producing a plan for Melbourne. They wanted to produce a plan for all the councils in Melbourne. In some respects, they have missed it. There is no bus plan. There is no train or tram plan on the table. We have not seen what the vision is for provision of broader and higher level infrastructure for Melbourne, and I would have thought that was central to the solution that is required.

CHAIR—Western Sydney did it. They had a very organic process where WSROC—the regional organisation of councils—got together and had everybody around the table, including the nonexperts like Joe and Mary from down the street, to actually describe what their aspirations were for their region. That interaction spat out a remarkable plan that the ANU oversaw. It seemed remarkably rigorous because people said, 'Yeah, we've got to deal with our waste somehow. How are we going to deal with it?' It was almost like a compact between everybody: 'You've got some capacity to do that; we haven't.' It seemed to be a more organic from the ground up process. Whereas Melbourne 2030 seems to put some pretty rigid parameters in place and then you get told, 'Fill in that square there with this coloured pencil.' It just seems a little more top down where regular folks do not get much of a look-in either. How do you get regular folks on board?

Mr Forrest—Councils have cried out for a regional context and a state-wide context in which to do their planning, so it is certainly better than nothing. The other thing we need to think about is that we still have the world's most livable city in terms of these indicators, so we are not doing things that badly. It ain't that broke, but there are real challenges.

CHAIR—Despite everything, it is going okay.

Mr Forrest—Yes. But there are real challenges, such as the congestion factor and the urban transport systems. I think the population distribution policies need to be tackled if we are going to continue to have that status of livability. In terms of the notion of world cities and competing in that sort of environment, you must have it.

Mr Marshall—I think this leads into looking at, perhaps from a federal government point of view, the best cities in the world and what it is that makes them the best—the most livable but also the most sustainable. You need to have a set of sustainability criteria, as well as health and wellbeing criteria, for the people who are in the cities, then you look for the best models and see what features in those cities we would like to emulate here. Is it the size? Is it the way the grid patterns work or whatever? The Commonwealth government should then look at what we have to do to achieve that in our country. What are the policies that we have to put in place to guide the free market? In the fifties and sixties, 70 per cent of migrants who came to Australia came to

regional areas. That is where we had regional growth. Now 94 per cent go to capital cities. Why is that? Do we just let it keep happening? DIMIA is working with state governments in joint working groups now to look at incentives to get people into regional areas or into the smaller cities, where they can be accommodated more easily. As an example, if we decide that the ideal types of cities in terms of sustainability and wellbeing principles are a certain size then we should look around Australia and say, 'Which ones can accommodate this? Who can go there and how do we get people there?'

CHAIR—A lot of the evidence we are getting, though, talks less about the physical dimensions and more about the process—about the conversations that are being had within communities to make those choices and to make everyone feel that they have a bit of buy-in so that they are feeling part of what is going on rather than having something done to them. It is not a case of: 'This is a great idea. Guess what we're going to do to you this month. You're going to become sustainable whether you bloody like it or not.' It is as much a change process as a vision being articulated.

Mr Hancock—That picks up the point that Darrell made: that there is a layered approach to this. At the federal level there is a need for broad strategic policy direction, particularly on population. To me that seems very clear. At state level there is a need for another level of intervention or policy setting. Local government connects the community with all of that, in my opinion. That is where that kind of organic community consultation and togetherness can start to happen.

CHAIR—What are the tools you need?

Mr Hancock—I would go back to what Peter and I have already said: we need population policies which encourage migration to these areas.

CHAIR—Context matters for you guys. Start at a very high level.

Mr Hancock—Very much, yes. We can work with state and federal governments if they wish us to, to bring about the other mechanisms to integrate communities. That is very important.

Mr Atkins—I would like to make a bid for the bottom end here, in that I think we need some resourcing at the coalface to service a lot of the consultation that needs to be undertaken, to service the knowledge building and communication that has to happen if people are going to be able to engage in this sort of debate in a sensible way that will lead to some sort of outcome.

CHAIR—The building council of Australia said that it is easy. We have planners who do not plan; they process development approvals. They said that there should be a separation of powers. The councils are policy-making and strategic organisations. Once they have set the policy and articulated the strategy they should rack off and put some pencil heads there to see whether each of the applications marries with that framework. They should give it a tick or no tick, then you can plan to your heart's content. Their argument was that there is micromanagement going on at a development approval level that is displacing the strategic stuff that everyone keeps talking about.

Mr Atkins—I would thoroughly disagree.

Councillor Johnstone—I have one example that I always go back to. There has always been a desire to get the growth towards the west of Melbourne. It was in different policy documents, but it was only when an infrastructure project—the Western Ring Road—was put forward that that shift occurred at a significant level. Planning is but one of a spectrum of implementation mechanisms. You are saying that we need really strong leadership and the framework so that people know why their behavioural change is important. The Building Commission would argue, 'Let us get on with it because we know.' In Victoria building controls have been deregulated, making sustainable design increasingly difficult, but it could be accelerated greatly by working with the Building Commission of Australia and getting some consistent standards in place that are mandatory so that we could tick the box.

CHAIR—What about the argument that says: 'You have the tools but you do not use them'?

Councillor Johnstone—They are very weak.

Dr Johnstone—Someone always tries to find a way around the edge of those tools. Yes, we have our planning schemes, municipal strategic statements, local planning policies and all those sorts of things. Someone will try and find a way around them to skim the extra couple of dollars off the top. That is what ends up fundamentally undermining the intent of those sorts of strategic planning approaches. If everyone were playing with the same intent then it would be much easier, but clearly that is not what happens.

Councillor Johnstone—I think sustainability is not the cookie cutter, 50 suburbs sort of development of the past that was formulaic, tick-the-box and able to be assessed consistently. We have learnt that that did not integrate; it did not take into account affordability and all those things that we now know are really important to an urban experience.

CHAIR—Let us look at a situation where you have default levels of, say, subdivision controls. If someone came to you with a plan for 1950s homes and said, 'We've really not put a lot of thought into this; we'll go the stucco, sort of el rancho style, with no eaves'—the sort of house that is bloody hot and costs a fortune to run—'but we can butt them up against each other,' you could reply, 'You might be able to run that argument, but if you come back to us with a better package we could up the lot yield.' That might put some incentives in place for people to do the right thing, because at the moment it seems that there is no downside for doing the wrong thing and no great signal that says: we value a better level of performance. I just wonder whether that discipline and that discretion can be brought home through local government.

Dr Johnstone—I think it does exist in planning approvals. A plan that is better performing is more likely to get through the system quicker and easier and without objections than one that is not. It is when someone wants to try it on in that sense and really push hard for their development, as you described there, that their plan gets caught up in the system and takes a long time to go through.

Mr Atkins—There is also the desperation of getting into the market, which I think allows some very bad developments to get online and for people to sop them up as quickly as they are available because they want to get their foothold.

CHAIR—The architects tell us that 94 per cent of houses are not designed by an architect—someone with a 'bad design' machine spits them out.

Mr Atkins—Again that goes to housing affordability. That has got to be a part of the package in terms of the consideration of where we are going as a city. Sustainability has to be tied back to what is going to be available for people. It goes back to the structure of households; it goes back to the distribution of where the work is and where the houses are. It is a very mixed problem.

Dr Johnstone—Another direction to add to that is population policy. I think social policy is really the next level beyond that, which is not just about how many people but about—as I think Liz was saying before—the number of households increasing with no increase in population. What we see in places like Bayside is that same pattern where it is the ageing in place. As the children grow older and move out, people stay in the family home. That means that two people are in a large home. The kids will go off and build something out on the fringes of Melbourne, because that is where they can build a family home. We are not using that infrastructure or that resource effectively, but there are certainly very strong social reasons as to why that happens. Maybe looking at that from a social policy perspective, there are some ways of intervening that could assist people to move on in their housing, without moving on and dislocating themselves socially.

CHAIR—Housing conversion.

Dr Johnstone—Yes, those sorts of things.

CHAIR—If the neighbourhood is changing demographically you do not need four primary schools any more, you only need one. And on the vacant ones would you put in high-density—

Councillor Johnstone—You could use them for aged care until such time as they may be needed. You would not preclude a future for them.

Mr Breen—The capital gains tax exemption on the family home also creates the sort of environment that Phillip was addressing, where you have got people overconsuming their traditional family homes because they might, say, in Bayside have $800,000 or $900,000 tied up as an asset in the family home. That was the point that was being made by a few of us earlier on: the interrelationship of a range of federal government policies as they exist at the moment has a fundamental impact on the way cities function.

CHAIR—It was put to us that a generation ago housing mobility was almost in sync with employment mobility. But now, because people are changing jobs far more often the housing mobility is lagging behind employment mobility and people just reach out further. Then they have their CGT to worry about and things of that kind. It is not moving in sync any longer and that is partly adding to these megacommutes and things of that kind.

Dr Johnstone—It is also about providing assistance to housing mobility in the sense that, as a family's size changes over its life, rather than people staying in a large house and rattling around in it there should be assistance to be able to move their housing but not necessarily move out of the area. Rather than converting that housing to something, as was suggested before, that could then be a house that was available for a family. It is more about keeping that dynamic happening

within an area so you then maintain the need for the primary schools because you have got that flow through it. We tend to be fairly sedentary in our ways. With a bit of assistance we can perhaps get better outcomes, but that requires intervention. It is not something that is going to happen by letting people just sit where they are.

CHAIR—So the feds have got to turn up. It seems to be—

Dr Johnstone—Push people out of their homes!

CHAIR—They have got to turn up with some interventions, a vision of what is desirable—

Councillor Johnstone—And money.

CHAIR—and some encouragement for people to behave in that particular way. Richard, let us say you are Prime Minister for the day. You are there, you are on board and cabinet is listening—what are the top couple of things we need to do here?

Mr Hancock—From a regional cities perspective it would be about population policy—encouraging skilled migration into the regions, combined with infrastructure assistance to service the increase in population that will result.

CHAIR—Are we going to build more momentum for the regionalisation argument if we accept that within a metropolis there are regions as well—like Dandenong, Frankston and Knox?

Mr Hancock—Yes, there would be an increased emphasis on regional cities as part of the solution to congestion, transport and all the other infrastructure issues that I have heard about for the last hour and a half that are occurring in the capital cities already and in the outlying metropolitan areas.

Mr Marshall—Producing these nodes where they have got a heart. People tend to go to the heart rather than all the way to somewhere else, whether it is a regional centre or not.

CHAIR—It helps with the public transport too. The world's aviation industry is built on the hubbing concept, where if you cannot get there directly it is only one hop in one direction to get there. It seems to build up an argument for that. David, you have been Prime Minister before; you can be Prime Minister again.

Mr Turnbull—I was going to make the point that when we plan for public transport there does seem to be a fixation whereby we assume everyone wants to go into the CBD. I would like you to have a look at some of the plans we have in this document. If we plan properly we can create a series of self-contained communities in and around Melbourne that have origins and destinations for viable public transport within themselves. That is the approach that a number of growth councils have taken.

The other point is that in some of your comments before there was an assumption that local government is not at the controls in getting good quality outcomes or influencing developers to provide something more than the three-bedroom house on a quarter-acre block. The point I wanted to make—and I said this at the outset—is that there is nothing like the power of a good

plan. What we have noticed at Whittlesea is that, if you have a good plan that shows real leadership, the good developers—because you flick off the bad developers; and there are ways of doing that—will come. The good developers will not only come but will look to make your plan even better and will try to outdo themselves. A lot of the developers nowadays that we deal with are publicly listed companies. They report to their shareholders. More and more their shareholders are looking for sustainability. In fact, Australand recently introduced a sustainability covenant or section in their annual report, and Stockland are doing the same. I suggest to you that with a good plan local government can actually make a very big difference.

CHAIR—Is that the Western Australian model? The WA councils are more self-determining than the councils here.

Mr Turnbull—We have had to be. The point I made before is that in a sense we really do not want to be, because we believe that there should be a metropolitan plan that goes to a level of detail that allows you to allocate your infrastructure funding in a climate of certainty—you know where it is going and why it is going there, not just guessing about what might be a good project in year 1 and what might be a good project in year 3.

CHAIR—So there are no surprises; you take the mystery out of it.

Mr Turnbull—The other thing about a plan is that it creates certainty, and that is what the development industry have really supported.

Mr Treloar—I would like to support the views that David has just put before you and equally to say that, when the standing committee is nearing the completion of its work and has taken all of its evidence, I would encourage you to look at what research and robust analysis you need to do to test the theories and hypotheses because I think there is a risk that certain directions might get a level of momentum that might not stack up. I think the work that you are doing is really important to ensure that a very good, workable outcome comes from this committee.

CHAIR—The state government is coming back to us because I asked that question about Melbourne 2030—what analysis and decision framework they have used to conclude that that is the bees' knees in what they are trying to achieve. They are going to come back to us on that, and that will be interesting when it happens.

Mr Atkins—I would be opting to make an investment in resourcing the processes that we want to undertake to change behaviours and practices by investing in some education and perhaps even in early childhood education. I think the point you made before about seeing the problems 20 years on and seeing what we can do right now to stop them emerging is important. We need some jobs tied to sustainability and we need economic welfare tied to sustainability as well as resource management. It really is about acting now to get the thinking straight and the values right in the way we approach the problems.

CHAIR—Liz, your municipality has a reputation for a greater level of consciousness around these issues. We have heard evidence that 80-odd per cent of people espouse an environmental consciousness in their living and their purchasing, but about eight per cent actually do it when it comes to the till. That is a lot of daylight: there is a lot of room to work with there. Is inculcating

the sustainability principles into people's lives, rather than having them bolted on as an afterthought, something that you have worked at or is it something that has just happened?

Councillor Johnstone—It is something that our community demands of us now. There has been a strong level of commitment towards sustainability in all its dimensions from the City of Port Phillip for a decade and from the predecessor councils. It needs a sustained, clear leadership and it also means that we put the spotlight on ourselves and do what we are asking others to do.

CHAIR—You walk the talk.

Councillor Johnstone—We walk the talk. We have a demonstration project called Inkerman Oasis that has Commonwealth funds invested in it and has been recognised by the Stockholm Partnership for Sustainable Cities as a model of urban sustainability. We run Sustainable Living at Home programs that are household based and are all about empowering people with information, not to radically alter their lifestyle but to think about how they live.

CHAIR—They are practical steps that householders can take.

Councillor Johnstone—There would be a heap of those examples around the table. It is becoming normal. The community demand it of us. I would imagine that increasingly they are demanding it everywhere. They are demanding it of all levels of government. There are some fantastic innovations: the DIO lighting project on the foreshore, which was a technological breakthrough, has value. Increasingly, the Holdens and Toyotas are coming to us, saying, 'What program can we support?' I think those partnerships, the innovation and the leading by example are things which every level of government has a responsibility to develop.

Mr Walton—It needs to be recognised that at the local government level there has been a lot of planning and a lot of research. We know the outcomes that we need, particularly in the growth areas. The plans are there; it comes down to the infrastructure. It is about finding the infrastructure, recognising growth in terms of the formulas for funding and looking at innovative ways to intervene, particularly for facilitating investment. The council has done that in a number of ways with developers and the private sector to try to bring about change in terms of employment and housing diversity. There are certainly opportunities for other levels of government to do that as well.

CHAIR—What about the road formula? You have rural roads now catering for huge volumes of traffic and suffering from acute growing pains. How is that reflected in the resources made available to you, and is that an area where communities in transition from sleepy hamlets to throbbing urban metropolises are not being picked up in the allocation of resources at the moment? Is that something that you guys are experiencing?

Mr Walton—That is a very major issue for us. Hopefully this afternoon we are also signing off on a major BOOT scheme with the private sector which will see over 50 kilometres of local roads built as a way of trying to address that backlog or lag in infrastructure.

Mr Forrest—I would go back to that notion of the national charter of sustainability and the sustainable development commission that is funded through the identification of the benefits in growth taxes that you will get through more efficient and more effective cities as a new platform

for microeconomic reform. People have sat here saying that there is international best practice around the place. Another case example we had was Caroma with their dual-flush toilets taking the States and Canada by storm, because the average flush in Canada is 16 litres and, in the States, 12 litres. Ours is three and six. If we had a national sustainability development commission there would be the capacity to export the technologies, products and the things that are being done.

CHAIR—You would start with an inspirational declaration that this matters, you are serious about it and this is what it looks like.

Mr Forrest—Yes, it is across the social, economic, cultural and environmental dimensions and it then flows through to the state level. The concept at the moment is to look at payback periods and use those sorts of technologies to talk about the infrastructure investments and the infrastructure funds that flow with it.

Dr Johnstone—There are a couple of key policy directions. One is to integrate across different areas. Certainly one thing that councils do, and I think are doing progressively better, is to integrate across the different silos of council. It would be nice to see that happen at the other levels of government as well and to take a triple bottom line approach to things that bring together an economic analysis with the social and environmental. One of the things we see is that often economic analysis gets watered down to being a financial analysis. It is a case of how many dollars there are in the next year rather than the true economic effect.

The other policy direction is really about moving from bandaid solutions to fix the problems we have to looking at what some of the underlying causes are—what we see with transport and why we are seeing so much going into roads is that there is a problem out there on the roads, so let us build more roads and keep the cars moving and hope they do not ever stop. But if we start looking at why those cars are on the road, what some of the causes are and what the triple bottom line elements are to those demands for vehicle travel we will be able to move forward. I think an in-depth policy approach is required to change some of those key settings.

Mr JENKINS—I want to thank Kevin for mentioning capital gains tax at this point in the political cycle; it is very unnerving. Having said that, I have a question about private sector involvement. In the wrap-up, is there anything more than has been said already? I acknowledge David's point about the local level. There has been discussion about tax treatments of some of the developers, but is there anything else that we could drive from a national level about the involvement of private citizens?

Mr Marshall—There was one opportunity hugely missed with the first home buyers grant. A sum of $14,000 was offered with virtually no strings attached, except eligibility criteria. That could have been applied to introduce certain principles into the home, particularly for new homes—solar principles and all sorts of things. You could have got the $14 grand as long as you got those items ticked.

CHAIR—So performance criteria?

Mr Marshall—Yes, performance criteria. That would particularly get the young people moving into housing to choose what sorts of things they do in the future, and they would be

better educated right from the start. You could have covenants and tax incentives for the private developers. David suggested the private developers want to do it. I think they do. That is what we have seen in Perth, Brisbane and Adelaide. They want to set the benchmark right up high and compete, because the market is actually buying that sort of stuff now. In those centres, people will actually go to the environmentally friendly suburbs and pay more, because they also know they can sell that house and get a better price. So the money bit works. But you could actually have some tax incentives for developers who have covenants, right across the states, that require them, as a minimum, to jump over a certain bar with their environmental and sustainability standards. They are things that could be done easily. The first home buyers grant was a missed opportunity to start to bring some of these things in.

Mr Lawler—Can I be Prime Minister?

CHAIR—Yes.

Mr Lawler—Can I suggest six things, or is that a bit over the top?

CHAIR—Melbourne City: the Texas of local government. We know about your capital works program. Six it is; fire away.

Mr Lawler—Notwithstanding the comments that have been made about the opportunity for new growth areas, we still have to recognise that we have substantial investment in existing metropolises and, if we are going to improve the environmental performance of those, we need to look at that. The experience that we have found works for us is, firstly, setting some targets for overall performance and, secondly, examining what the business case is. The business case may be: what is the business opportunity that comes from a change in behaviour? I would suggest, in light of those two ways of doing things, that there is an opportunity for the federal government to set national targets for cities on energy—or greenhouse, if you want to put it that way—water, transport, waste and biodiversity. I am talking only about environmental performance, not the social and economic aspects—which are just as important.

Thirdly, and in that same vein, there is a need to review taxation policy so that it supports the development and operation of sustainable buildings and transport technology. The operation is really going into the heart of the people who actually do their business within the environments that we create. It is not just the creation of them but how people behave within them, and I do not know that taxation policy actually recognises shifts in that direction. I would suggest that, increasingly, the inputs to cities are being regulated at a national level. An example is the generation of waste by business operations. You could review national regulatory frameworks to encourage cradle-to-cradle business operations to minimise the waste stream. At the moment, we tend to concentrate on trying to recycle waste, rather than minimising what goes into waste and thereby generating more businesses that develop products from the product of waste, so to speak. That can be applied to everything. On a metropolitan level, it is about converting the way we think about sewage treatment plants at the end of the big system. It has always been thought about as waste disposal, but it is a resource; it can be reused.

Fourthly, I would accelerate national regulations to provide a common Australian approach to sustainable building development, because it is a national industry now. I think the Green Building Council's green star rating system is a good pointer. It is only for commercial buildings

so far, and I think we need a single approach to this. I would suggest that the Commonwealth, in this vein of walking the talk, should apply triple bottom line performance measures to its own procurement and asset disposal processes. You have enormous impact through supply chains; it is another mechanism you have.

CHAIR—We will send our last report to you.

Mr Lawler—Thank you. Finally, I think there is a need for investment in research, as was mentioned earlier, and national research on the business case for sustainable development including an assessment of the productivity potential of green building environments, which is also something I mentioned earlier.

Mr Breen—Posing as the last Prime Minister, I certainly acknowledge the good work of my predecessors, but I would like to build on the innovative establishment that Prime Minister Forrest introduced, which was a sustainable development commission. I think that concept has some real merit. I would also like to introduce a population settlement policy. It has been talked about earlier on and is fundamental to this question. Lastly, I think the question of capital funding for public transport for the cities cannot be underestimated, whether that is separate funds or at least access to the Roads to Recovery funds in urban settings to allow it to be used for alternative transport needs.

CHAIR—Prime Minister, you have had a good day there. As there are no other closing comments, I would encourage you, if, out of today's discussion, you have what we call 'ahas'—as in 'Aha! There's an idea'—to send them in, because we are always interested in people's input and it is useful for us. I am not quite sure how we plan to road-test some of our conclusions, but we might see some of you again down the track, just to have a reality check on what might have seemed like a good idea at the time but what you guys might think is a dog of an idea. We will try to get that done. Thank you most sincerely to all of you for making your time available and for your submissions. They were excellent. We have a lot of work ahead of us.

Resolved (on motion by **Mr Jenkins**):

That this committee authorises publication of the proof transcript of the evidence given before it at public hearing this day.

Committee adjourned at 6.37 p.m.