

Urban Renewal Initiative

The Property Council welcomes the establishment of the Major Cities Unit within Infrastructure Australia.

We believe this is a good first step, but to achieve its objectives and properly complement Infrastructure Australia, the Major Cities Unit needs to be better funded.

The Major Cities Unit should be responsible for developing and implementing an *Urban Renewal Initiative*, which would link all aspects of urban infrastructure to economic, livability, environmental and governance KPIs.

Australia's next leap in competitiveness and living standards will occur in its cities and major regional centres.

While ongoing reform programs focus on key sectoral drivers, such as transport, health, education and infrastructure, we need to hardwire these programs into an overarching strategy that addresses the urban communities that generate 80 per cent of the nation's GDP.

In addition, there are already myriad government programs that touch on the nation's major cities and townships.

However, there is little public policy logic and few performance targets that tie these programs into a coherent community capacity building strategy.

Urban Renewal Initiative: Principal Proposition

The concept of a national urban renewal action plan is based on these basic propositions:

- **renewal plans are needed for major locales** in Australia based on medium and long-term targets for community capacity building;
- such targets should **address factors that drive prosperity**, including health services, education, transport, information connectivity, and the natural environment – as they relate to local communities;
- renewal plans should be **linked to infrastructure delivery programs**;
- each plan should be **financed by modern public and private funding practices**;
- each plan would **provide an assessment of estimated dividends versus the total cost of implementation**; and,

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- the *Urban Renewal Initiative* should work in conjunction with other government objectives to **reduce red tape, improve governance** and ensure the **optimal democratic involvement of local communities**.

What Would the Urban Renewal Initiative Aim to Achieve?

The Urban Renewal Initiative would seek to facilitate a major boost to both Australia's competitiveness and living standards.

To be successful Australia's cities and major regional centres need diverse, vibrant and inclusive communities.

They must be exciting, accessible and safe places where we can build the social capital that reduces poverty and unleashes creativity.

In short, **our cities must be magnets that attract and leverage both capital and talent**.

The centrepiece of the Urban Renewal Initiative is a concept of sustainability that involves better managing the community's economic, social, environmental and governance assets to produce dividends that improve opportunities for all citizens.

Delivering the Urban Renewal Initiative (URI) – Role of the Major Cities Unit

A Major Cities Board (or Roundtable) comprising senior government, industry, and community representatives should be established to guide and oversee the work of the Major Cities Unit, reporting to IA's Board.

A property industry representative should be included on the Board – reflecting the significance of integrating land use and infrastructure planning.

A work program for the Major Cities Unit should be established and endorsed by COAG by December 2009.

The **community capacity building KPIs** developed by the Unit should also receive COAG sign off.

These KPIs should be applied as a basis for determining continued access to Federal funding.

The Major Cities Unit should identify and **seed fund major projects** that demonstrate governance reform.

Five catalyst urban renewal projects should be identified and provided with five years of Commonwealth support (a five year program).

These should be selected on merit (projects which would deliver the greatest community capacity building dividends).

Detailed renewal plans should be agreed and implemented for selected precincts, including land use and infrastructure plans.

The Major Cities Unit should also **promote systemic reform to improve Australia's land use and infrastructure planning** system.

Similar to IA's work in promoting nationally consistent PPP guidelines, the Major Cities Unit should promote implementation of the Development Assessment Forum (DAF) model by state and local governments.

Proposals for improving metropolitan governance and development assessment processes are canvassed in Sections 4.1 and 4.2.

Reform targets for jurisdictions (state or local) should be negotiated by the Unit and tied to Federal financial assistance.

Urban Renewal Initiative – Recommendations:

- First:** **Establish a Major Cities Board**, reporting to the Infrastructure Australia Board, to oversee the Major Cities Unit.
- Second:** **Establish an Urban Renewal Initiative** overseen by the Major Cities Unit.
- Third:** **Develop community capacity building KPIs** for COAG sign off, to be used to guide Commonwealth funding support. Such KPIs could underpin a sustainability and growth charter along lines recommended by the House of Representatives reports on *Sustainable Cities (2005)* and *Sustainability for Survival (2007)*.
- Fourth:** **Identify and fund five catalyst urban renewal projects** (confirm five years of Commonwealth financial support).
- Fifth:** **Provide financial assistance** to state or local governments who achieve implementation of agreed DAF reforms.

Sources:

Tax Increment Financing to Fund Infrastructure in Australia, PricewaterhouseCoopers (2008, forthcoming)

Australia's Future Infrastructure Requirements, Property Council of Australia submission to Infrastructure Australia (2008)

Australia's Infrastructure Priorities: Securing Our Prosperity, Infrastructure Partnerships Australia (2007)

Funding Urban Public Infrastructure, Allen Consulting Group (2003)

Recapitalising Australia's Cities, Allen Consulting Group (2002)

Sustainable Communities: a national plan of action, Centre for International Economics (2006)



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Sustainable Cities, House of Representatives Standing Committee on Environment and Heritage (2005)

Sustainability for Survival, House of Representatives Standing Committee on Environment and Heritage (2007)