



BUDGET

OUR CITIES, OUR FUTURE

**- A NATIONAL URBAN POLICY FOR A PRODUCTIVE, SUSTAINABLE AND
LIVEABLE FUTURE**

**STATEMENT BY
THE HONOURABLE ANTHONY ALBANESE MP
MINISTER FOR INFRASTRUCTURE AND TRANSPORT
10 MAY 2011**

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FOREWORD

Australia is one of the most urbanised countries in the world. Our cities play a pivotal role in securing the economic, social and environmental wellbeing of our nation. Cities are not only centres of economic activity and home to the vast majority of Australians, they are also gateways for the important economic and cultural contribution of regional Australia. Our cities also have a strategic contribution to make to Australia's global competitiveness in an increasingly urbanised world.

The Australian Government is committed to forging a fairer, more prosperous and resilient future for Australia and is determined that Australian cities will lead the world in productivity, sustainability and liveability.

As with many cities internationally, Australian cities are confronted by significant long-term challenges including population growth and demographic change, climate change, increasing fuel costs and resource limitations, housing affordability, technological change, and the accelerating processes of globalisation. As concentrated centres of people and activity, cities provide immense social and economic opportunity, as well as substantial potential, to redress environmental pressures.

The way in which governments plan and manage our cities needs to respond effectively to these challenges whilst harnessing opportunities. This will be critical to maintaining and improving the quality of life enjoyed by our communities and to securing the nation's productivity into the future.

On 1 December 2010, the Australian Government released *Our Cities – building a productive, sustainable and liveable future* discussion paper, accompanied by a background and research paper *Our Cities – the challenge of change*. These documents set out the Australian Government's aspirations for a national approach to planning and managing our cities, and invited contributions to a national discussion on the future of our cities. I thank all who participated in this dialogue, and in particular to the many individuals and organisations that committed time and energy to lodging submissions.

The Australian Government is now taking the next step in setting a framework for how—in partnership with State, Territory and local governments, business and the community—we can deliver on the aspirations Australians have for our urban communities.

This Ministerial Statement establishes the Australian Government's objectives and directions for our cities as we prepare for the decades ahead. It recognises the critical roles of State, Territory and local governments, the private sector and individuals, in planning, managing and investing in cities. It also highlights that the Australian Government makes decisions that impact upon urban Australia. This is the first time that an Australian Government has sought to outline its overarching goals for the

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nation's cities and how we will play a role in making them more productive, sustainable and liveable.

The National Urban Policy is about how the Australian Government can facilitate better outcomes in our cities through both direct investment and by influencing the actions of others. It shows where we have already started to make substantial reforms, and proposes additional critical actions to set us on the path to creating better cities. The Australian Government has already demonstrated its commitment to better outcomes for Australian cities through simplified regulatory environments and its significant unprecedented funding of public transport projects across most of Australia's capital cities. These efforts are part of a much more substantial reform agenda.

This National Urban Policy sets a vision for our cities to deliver future prosperity and wellbeing for our communities and reinforces the Council of Australian Governments' (COAG) national objective *to ensure Australian cities are globally competitive, productive, sustainable, liveable, socially inclusive and well placed to meet future challenges and growth.*

The National Urban Policy complements the Australian Government's forthcoming Sustainable Population Strategy and our ongoing focus and commitment to Regional Australia. It recognises the strong interrelationships between cities and regions. The policy does not focus on capital cities alone, but recognises the important role that our major regional centres also play, and the substantial challenges that they face in dealing with the complexities of the modern economy.

I am very proud to present, through this Statement, the principal elements of the National Urban Policy. This is a key step to making our cities more productive, sustainable and liveable and I look forward to continuing strong partnerships in delivering it.

Anthony Albanese

BUDGET HIGHLIGHTS

INVESTING IN SUSTAINABLE COMMUNITIES

The National Urban Policy builds on the analysis currently being undertaken by the COAG Reform Council on Capital City Strategic planning systems and the consultation processes undertaken in relation to major cities and the population strategy. Strategic plans are to be in place from 1 January 2012.

The Sustainable Communities package targets the more effective planning and design of our cities and efficient use of new and existing infrastructure. The outer suburbs of our capital cities and major regional centres in particular are experiencing population growth pressures and housing and transport affordability pressures.

New programs will deliver demonstration projects within capital cities and regional cities that drive urban renewal through:

- investment in capital projects which improve public transport services and support new local jobs;
- working in partnership with the Capital City Lord Mayors on demonstration projects which enhance the liveability and sustainability of our capital cities;
- funding capital projects which support urban development or renewal projects that reduce costs and improve access to transport;
- more efficient and effective use of new and existing infrastructure through the incorporation of smart technology;
- demonstration projects to show how new investments in community facilities and better planning can help improve quality of life in our outer and growth suburbs; and
- funding projects in outer suburbs and major regional cities which meet the COAG national criteria and promote improved housing and transport supply.

The Sustainable Communities package will provide \$120 million to State, Territory and local governments, potentially in partnership with the private sector, to fund projects aimed at improving affordability and liveability in cities.

Part A: Liveable Cities

The Australian Government has allocated \$20 million for planning, feasibility assessment, design and/or capital works projects which improve the quality of life in our cities.

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Key objectives will be to:

- invest in the development of urban renewal projects that improve access to jobs and housing and enhance the liveability of our cities;
- improve urban design outcomes to deliver higher quality public spaces and streetscapes to benefit local businesses, communities and visitors.

Examples of proposals that might be considered for funding include the planning, feasibility assessment and/or design for demonstration projects that:

- facilitate innovative residential developments that promote housing affordability, adaptable and accessible housing and improve access to services and public transport;
- create or enhance mixed use precincts that optimise public transport use such as the creation of transit malls and the re-development of significant public spaces;
- identify critical infrastructure corridors, sites and buffers;
- facilitate strategic plans for major cities with populations greater than 100,000 in line with the COAG criteria for capital city strategic planning systems; and
- promote or incorporate active travel through walking and cycling.

Part B: Suburban Jobs

The Australian Government has allocated \$100 million to support State, Territory and local governments to plan and provide for employment precincts, manufacturing hubs and multi-function developments close to residential areas, in order to reduce travel times to work and services. This program will be administered by the Department of Sustainability, Environment, Water, Population and Communities.

The proximity of existing and planned housing to employment centres is a growing problem in a number of our major cities – especially in outer metropolitan growth areas. Establishment of local employment precincts in such areas, and improving the skills and participation of the local workforce in these places will:

- improve liveability in these areas through reduced travel times to jobs and services, and potential reduction in congestion;
- promote decentralisation and improved economic resilience in our major cities; and
- improve productivity and prosperity.

NATIONAL SMART MANAGED MOTORWAYS TRIAL

This Government will provide \$61.4 million over three years for the development of a national smart managed motorways trial to improve congestion, lower urban emissions, and expand the capacity of existing outer city road infrastructure networks.

The program will fund smart infrastructure road projects identified by Infrastructure Australia as demonstrating high benefit-cost ratios and improving traffic demand management and the overall efficiency of the transport flows in major cities.

Efficient motorway performance is critical to Australia's economic performance. Managed motorways use system control through integrating data collection sensors and control tools to improve real-time management of motorways to secure a higher and more consistent level of motorway performance. This results in travel time savings and improved reliability, improved road safety and lower greenhouse gases emissions.

An initial set of projects that would be eligible for funding have been identified by Infrastructure Australia:

- an upgrade of the M1 West Gate Freeway in Melbourne (Western Ring Road to Williamstown Road section) to level 3 Intelligent Transport System (ITS). The Nation Building program is currently funding an upgrade of the M80 to ITS level 3. This project would complement the M80 upgrade and close a gap in the network which is projected to have the highest volumes of freight in Australia;
- feasibility, project development and early works funding for the M4 (Western Motorway) in Sydney to introduce a managed motorway system, including ramp metering and potential freight prioritisation;
- funding to introduce smart technology to the Gateway Motorway (Nudgee to Bruce Highway section) in Brisbane, including pole mounted variable speed limits, ramp signalling, travel time signs and variable message signs;
- feasibility funding and trials of technology, such as ramp metering on the Perth road network – including the Roe Highway and Graham Farmer Freeway.

Managed motorway technologies deliver substantial improvements in traffic management and safety. Specific benefits of managed motorways include:

- variable message signs, which deliver an 8 to 13 per cent increase in travel speed; and
- ramp metering, which delivers a 13 to 26 per cent increase in travel speed, an increase in volume (throughput of traffic) of between 5 and 30 per cent and a 15 to 50 per cent reduction in road accidents.

The rapid growth of our cities, as well as the outward expansion of cities over the last 50 years, has created significant congestion on urban roads, which has had an impact on residents' quality of life and reduced family and social time. Managed motorways can be effective in improving productivity by reducing congestion on busy roads, whilst also delivering important sustainability and liveability outcomes from our transport network.

Managed motorways move people from their workplaces to homes more safely and quickly, and by addressing road congestion, are also supporting more sustainable cities. Given that vehicles under congested conditions use more fuel and emit more pollutants than vehicles under free-flow conditions, these systems deliver sustainability improvements through greater fuel efficiency and reduced emissions from cars and trucks standing idle on congested roads.

All projects will be jointly funded by the Australian Government and the relevant State government.

Funding will be subject to State and Territory Governments signing National Partnership Agreements on the establishment of Single National Jurisdictions for heavy vehicles, interstate rail operations and maritime regulation.

INVESTMENT IN PRODUCTIVE CITIES

Well targeted, high quality investment in infrastructure is vital to lift the productivity of our cities. The 2011 Budget includes a range of new measures to encourage increased private sector participation and investment in our nation's infrastructure.

The Infrastructure Investment and Financing Reforms package of measures will improve the quality of infrastructure development and private sector opportunities to invest in infrastructure, including in urban areas, by:

- enhancing the role of Infrastructure Australia (IA), including through IA publishing project assessments and cost benefit analyses where information is not commercially sensitive;
- establishing special tax provisions to improve certainty for private sector investment in nationally significant projects by removing the Continuity of Ownership Test and the Same Business Test and uplifting early stage losses by the government bond rate.;
- enhancing the transparency of planning, implementation and evaluation of infrastructure projects;
- ensuring that the Government undertakes post-build evaluations of Australian Government funded projects; and

- establishing a comprehensive National Infrastructure Construction Schedule, listing large economic and social infrastructure projects in Australia to complement the National Priority List.

INVESTING IN INFRASTRUCTURE AUSTRALIA

A key challenge facing Australia is the imperative to lift economic productivity to ensure that Australia's economy is built to compete and prosper in the global economy and continues to deliver wellbeing and quality of life for all Australians.

A crucial plank in lifting Australia's productivity is continuing to invest in economically productive infrastructure. In a significant reform the Australian Government established Infrastructure Australia to provide strategic advice to Government on national priorities for investment and reform. The Australian Government is committing additional funding of \$36 million over the next four years to continue and strengthen Infrastructure Australia to develop long-term strategies to tackle infrastructure bottlenecks, improve our vital freight networks, and promote private funding of domestic infrastructure by investors like superannuation funds.

DELIVERING MORE PRODUCTIVE, SUSTAINABLE AND LIVEABLE CITIES

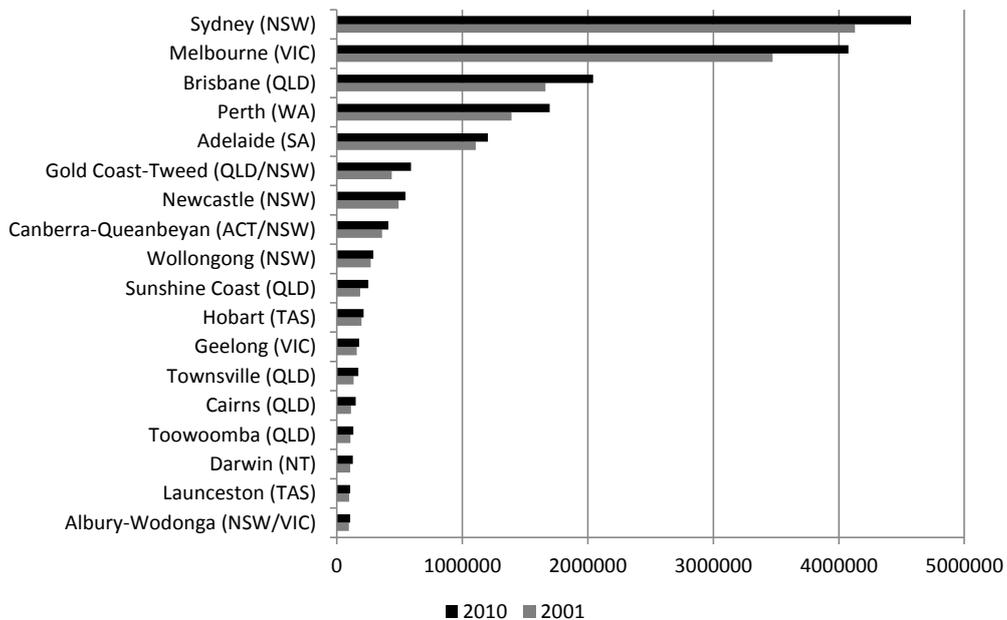
To secure the ongoing prosperity and wellbeing of our communities, we must ensure that our cities meet the needs of current and future generations, and that economic growth can be sustained and increased without compromising the natural environment or our quality of life. This is the basis of a sustainable future.

The Australian Government has a role in planning for, and delivering, an urban Australia that is more productive, sustainable and liveable. The development and management of our cities affects national prosperity and the wellbeing of all Australians, no matter where they live.

Three-quarters of Australians live in our 18 major cities (that have populations over 100, 000). Refer to Figure 1. While Australians are fortunate to enjoy some of the most liveable cities in the world, our cities face a number of long term challenges: the need to improve productivity growth; provide affordable and accessible housing; create safe community spaces; meet the needs of a growing and ageing population; ensure an inclusive and cohesive society; and address the implications of climate change. The way our cities develop to accommodate future growth and change will be critical to maintaining their status as some of the best cities in the world.

Figure 1 Population of Australia's 18 Major Cities

Source: ABS 2011 Cat No 3218.0



Quite reasonably, Australians expect their cities to provide a variety of social and economic opportunities, whilst also protecting valuable environmental and cultural resources. Australians also expect their governments, at all levels, to deliver these outcomes. Consistent policy objectives are needed to ensure that investments in, and management of, urban systems create more productive, sustainable and liveable outcomes for our cities.

Diversity of lifestyle choices, improved accessibility and affordability, and less carbon dependent ways of living, need to be adopted. This includes making the most of our people – our human capital – including through education and training programs that equip Australians for the jobs of the future; through facilitating an adequate supply of appropriate housing; through measures that lessen dependence on private motor vehicle use; and by re-thinking the way our cities and communities are planned.

- The National Urban Policy establishes the first long term national framework to guide policy development and public and private investment in cities.
- In establishing the framework the Australian Government is determined to improve the productivity, sustainability and liveability of our major urban centres.

PRODUCTIVITY

Productivity growth will be the key driver of economic growth and prosperity over the long term.

Our major cities generate around 80 per cent of our gross domestic product and employ 75 per cent of our national workforce. Cities are centres of economic activity where labour, industry and social institutions are concentrated.

How efficiently our cities connect people, knowledge, businesses and markets – and how effectively our economic and human capital is utilised – directly impact on the economic performance of our urban and regional environments and their ability to contribute to national productivity growth.

SUSTAINABILITY

A more sustainable Australia will require better management of the consumption of resources and production of wastes to reduce our impact on the environment.

Our rapidly growing urban populations are placing pressure on the environment through increased demand for water, energy, land and other resources, and through the production of wastes and pollution.

We need to reduce the carbon pollution from our cities, and become more resilient to the impacts of climate change.

LIVEABILITY

Liveable cities offer a high quality of life and support the health and wellbeing of people who live and work in them.

Liveable cities are equitable, socially inclusive, affordable, accessible, healthy, safe and resilient. They have attractive built and natural environments and provide a diversity of choices and opportunities for people to live their lives, share friendships, and raise their families to their fullest potential.

LINKS BETWEEN PRODUCTIVITY, SUSTAINABILITY AND LIVEABILITY

In cities the challenges and opportunities of productivity, sustainability and liveability are part of an interrelated and dynamic system. Addressing one goal can have an impact, either positively or negatively, on the others. For example, efficient public transport can address congestion and improve access to jobs and opportunity (productivity); it can also reduce greenhouse gas emissions (sustainability); and enable affordable access to education, health and recreational facilities (liveability).

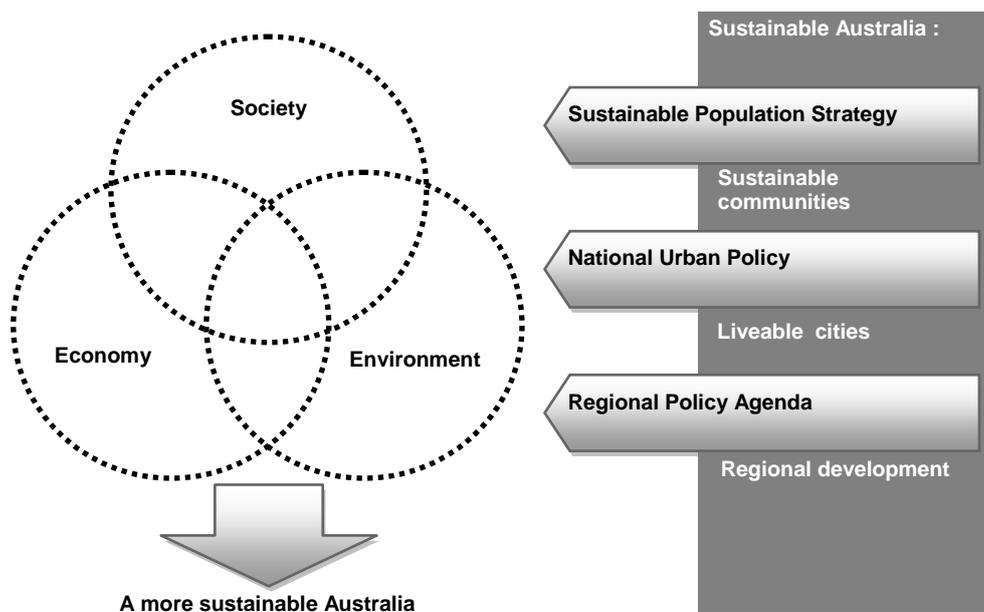
Likewise, access to affordable high speed broadband will speed up business transactions (productivity); reduce the need for physical movement and transportation of people and documents (sustainability); and enable enhanced social, cultural and educational participation (liveability).

THE SUSTAINABLE POPULATION STRATEGY AND RELATED POLICY INITIATIVES

To support a sustainable Australia the Government knows it needs to help to get the balance right to meet Australia's future challenges.

There are three key initiatives in the 2011 Budget that underpin the Government's approach to building a sustainable Australia: the National Urban Policy, measures supporting the forthcoming Sustainable Population Strategy, and the Regional Policy agenda. These commitments will enable us to achieve more productive, sustainable and liveable cities and build strong regional communities, providing a platform for a more sustainable Australia.

Figure 2 Building our Regional Communities and Enhancing Liveable Cities



The National Urban Policy complements the Australian Government's forthcoming Sustainable Population Strategy. Population growth over the coming decades is expected to be concentrated in our major cities. The National Urban Policy is therefore a critical component of a Sustainable Australia framework. It applies the principles of the forthcoming Sustainable Population Strategy specifically to the urban context. In doing so, it 'translates' the Strategy into tangible outcomes for cities, such as meeting

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future infrastructure needs through first achieving more efficient and effective use of existing infrastructure.

Together, the National Urban Policy and the Sustainable Population Strategy will provide for an evidence-based approach to how the Australian Government can contribute to meeting current and future challenges, to ensure that Australia remains a prosperous, fair and environmentally-sustainable society.

The Australian Government is also developing a Regional Policy agenda to acknowledge regional diversity; ensure place-based thinking; empower communities to innovate and shape their own future; and to ensure a fair balance of investments and access to services for Regional Australia.

These are important investments in regional Australia but our strategy does not stop there. The Prime Minister will also begin a rigorous COAG process that asks State Premiers to lead the development of Commonwealth-State reforms that are of particular relevance to their jurisdiction, whether it be labour mobility in the west or easing congestion in Sydney.

This Government is funding projects across the country in every capital city to help ease congestion and the time spent in cars and traffic.

Key components of our national transport infrastructure are located in our major cities which are both hubs of activity and gateways to international and domestic markets. The Australian Government, through Infrastructure Australia, has improved investment planning and project assessment and has developed the National Ports Strategy and a draft National Land Freight Strategy. These will inform the future investments and reform policies of the Australian Government, and can serve as a guide to the transport and logistics industry and for State and Territory Governments in the long term development of critical city infrastructure.

In 2009, through the National Aviation Policy White Paper, the Australian Government committed to working with airport lease holders and other levels of government to achieve a more balanced airport planning framework. The Australian Government's commitment to improved integration between governments in aviation planning, is demonstrated by the Australian Government and the New South Wales Government working collaboratively to examine the long term aviation needs of the Sydney region and on the long term planning of the Greater Sydney region.

More recently, the Australian Government commenced a two year study for a possible high speed rail network along the east coast of Australia. This will provide the Government with a critical analysis of the issues which are involved in constructing a modern passenger rail connection between our three largest cities of Brisbane, Sydney and Melbourne.

The Sustainable Population Strategy and related policy initiatives

In addition, the National Broadband Network will have a significant impact on the connectivity and inclusiveness of our cities, as well as enhancing our relationships with the rest of the world.

The Australian Government is undertaking significant reforms to the way infrastructure projects of national significance are planned, assessed, funded and regulated.

COORDINATING ACTIONS IN CITIES

States and Territories, together with local governments, have primary responsibility to plan for urban growth and change. To support the States and Territories in this role, the Australian Government works cooperatively with these jurisdictions through COAG.

The Australian Government has significant investment in Australia's urban communities through its contribution to the development of economic, transport and other infrastructure; health, housing, education and training; and social services and welfare. These investments, together with a range of Commonwealth policies and regulatory activities, influence the way cities are planned, managed and developed. However, in the past, Commonwealth policies, investments and activities were not always coordinated with other levels of government, nor well understood from the spatial perspective of cities.

COUNCIL OF AUSTRALIAN GOVERNMENTS' REFORMS

On 7 December 2009, the Council of Australian Governments (COAG) agreed to nine criteria and a national objective to ensure Australian cities are globally competitive, productive, sustainable, liveable, socially inclusive and are well placed to meet future challenges and growth.

COAG agreed that by 1 January 2012, States and Territories will have in place plans that meet the criteria and noted that the Australian Government will link future infrastructure funding decisions to meeting these criteria. In order to do this, the Australian Government will:

- consider if State capital city strategic planning systems have met the criteria;
- have reference to, and endeavour to act in a manner consistent with, those capital city strategic planning systems which meet the national criteria; and
- consider whether there is a jurisdiction-specific mechanism to ensure independent and expert advice is provided to governments on the development and implementation of capital city strategic planning systems.

The Australian Government undertook to contribute to the reforms through:

- using its property and assets to support innovative urban development, wherever possible;
- better coordinating the management of Commonwealth properties, with State and local planning systems, including for airports, as outlined in the Aviation White Paper;

- better coordinating the management of Australian Government services, for example the location of major Australian Government service delivery facilities, with State, Territory and local planning systems, and
- better linking and streamlining approval processes under relevant Commonwealth legislation.

As part of these reforms, the COAG Reform Council (CRC) is currently undertaking a review of jurisdictions' capital city strategic planning systems against the nationally agreed criteria. This review will conclude by December 2011. Once the CRC has completed its review, the Australian Government will need to consider what further actions, if any, are necessary to deliver on our objective to provide more productive, sustainable and liveable cities. The Minister for Infrastructure and Transport will work with the Minister for Regional Australia, Regional Development and Local Government and the Minister for Sustainability, Environment, Water, Population and Communities in leading the Australian Government's activities in regard to cities' policy.

The National Urban Policy represents an important contribution from the Australian Government to the COAG cities reform agenda by:

- setting out national principles and priorities to guide States and Territories in the development of strategic planning systems to ensure our cities become more productive, sustainable and liveable;
- articulating how the Australian Government will coordinate its own policies, investment and activities in cities, in partnership with State, Territory and local governments, the private sector and communities; and
- outlining how the Australian Government will uphold the COAG agreement through its policies, investment and activities.

NATIONAL URBAN POLICY – A CLEAR DIRECTION FOR OUR CITIES

The National Urban Policy presents the Australian Government's agenda on the future shape of our cities. It is a long term, national framework to guide policy development and public and private investment in cities through articulating a set of goals, objectives and principles.

The goals of the National Urban Policy are:

- **Productivity:** To harness the productivity of Australia's people and industry, by better managing our use of labour, creativity and knowledge, land and infrastructure.
- **Sustainability:** To advance the sustainability of Australia's natural and built environment, including through better resource and risk management.
- **Liveability:** To enhance the liveability of our cities by promoting better urban design, planning and affordable access to recreational, cultural and community facilities.

These goals will be achieved through delivering on the following objectives:

PRODUCTIVITY

1. Improve labour and capital productivity by:

- aligning workforce availability and capacity to meet labour force demand; and
- supporting education, research and innovation.

2. Integrate land use and infrastructure by:

- integrating planning of land use, social and economic infrastructure;
- investing in urban passenger transport; and
- protecting corridors, sites and buffers.

3. Improve the efficiency of urban infrastructure by:

- maximising returns on new and existing infrastructure;
- taking into account operational and maintenance costs of infrastructure and assets;
- connecting private investment capital to infrastructure and assets of high public benefit;

- utilising smart infrastructure; and
- enhancing connectivity through the National Broadband Network.

SUSTAINABILITY

4. Protect and sustain our natural and built environments by:

- protecting and enhancing natural ecosystems; and
- supporting sustainable development and refurbishment of our built environment.

5. Reduce greenhouse gas emissions and improve air quality by:

- supporting and investing in low emissions technologies;
- putting a price on carbon; and
- facilitating regulatory reform.

6. Manage our resources sustainably by:

- reducing resource consumption and waste; and
- improving water, energy and food security.

7. Increase resilience to climate change, emergency events and natural hazards by:

- climate change science and research; and
- mitigation and adaptation.

LIVEABILITY

8. Facilitate the supply of appropriate mixed income housing by:

- encouraging a range of housing types to suit diverse households across all parts of cities; and
- supporting the development of aged persons accommodation, including medium and high care.

9. Support affordable living choices by:

- locating housing close to facilities and services, including jobs and public transport, in more compact mixed use development; and

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- supporting new outer metropolitan housing with access to facilities, services and diverse education and employment opportunities.

10. Improve accessibility and reduce dependence on private vehicles by:

- improving transport options; and
- reducing travel demand by co-location of jobs, people and facilities.

11. Support community wellbeing by:

- providing access to social and economic opportunity;
- improving the quality of the public domain;
- improving public health outcomes;
- redressing spatially concentrated disadvantage; and
- enhancing access to cultural, sporting and recreational activity.

GOVERNANCE

12. Improve the planning and management of our cities by:

- facilitating a whole-of-governments' approach;
- integrating planning systems, infrastructure delivery and management; and
- encouraging best practice governance and applying the principle of subsidiarity.

13. Streamline administrative processes by:

- improving the effectiveness and efficiency of approval processes for development; and
- encouraging participation and engagement with stakeholders.

14. Evaluate progress against performance by:

- research, analysis and reporting.

The goals and objectives are also underpinned by the following principles which will guide policy and investment decision-making in relation to cities:

Efficiency	Our cities and the social and economic infrastructure and services that support them should be planned and managed to maximise their efficient use.
Value for money	Investments in our cities should be cost-effective to return maximum benefits to communities and investors.
Innovation	The planning, design, construction and management of our cities require creative ideas and solutions to meet the current and future challenges.
Adaptability	Our cities need to be adaptable to changes in economy, population, demographics, technology and the environment.
Resilience	Our cities need to be resilient to events such as natural disasters, the effects of climate change and global socio-economic processes.
Equity	Our cities should support the equitable distribution of access to resources and opportunities, including education, jobs, housing, services and facilities.
Affordability	Households should have affordable options for where they live and work, how they travel and access services and facilities, and for leisure opportunities.
Subsidiarity	Planning and services should be delivered by the most local level of government that has sufficient scale and capability to reasonably deliver them.
Integration	Policies and programs need to be integrated across the different levels of government, across portfolios, and with industry and communities.
Engagement	Planning, policies and programs need to be informed by the views of all sectors of the community.

The National Urban Policy commits the Australian Government to those principles and objectives for all future activities and investments which impact on major cities. It identifies areas of Commonwealth focus to advance its productivity, sustainability and liveability goals and objectives.

AUSTRALIAN GOVERNMENT INITIATIVES IN CITIES

In releasing the National Urban Policy, the Australian Government is establishing a framework of goals, objectives and principles which it will apply in determining its future actions in Australia's major cities.

The Australian Government is dedicated to making a positive difference in our cities. We will build on the success of our cities to drive our economic opportunities and grow our social cohesion.

To ensure that the National Urban Policy achieves its goals and objectives, the Australian Government will introduce a number of new initiatives that complement our existing work program and increase the productivity, sustainability and liveability of our cities.

PRODUCTIVITY

Productivity is vital for Australia's future prosperity and wellbeing, and cities are crucial to Australia's productivity. They are centres of economic activity, where the workforce, businesses and institutions come together. Australia's major cities are home to four out of five jobs in Australia's high growth industries of construction, health care and social assistance – industries that have collectively contributed 34 per cent of jobs growth in the last 10 years.

Productivity gains can be achieved by facilitating efficient and effective connections between people, businesses and markets. How effectively economic and human capital is combined has a significant impact on the productivity of our cities and their contribution to the national economy. Cities, by their concentrated form, provide immense opportunity for productivity growth, but how large cities, in particular, are planned and managed can present challenges to productivity. For example the avoidable cost of congestion in capital cities is equivalent to 1 per cent of GDP and is forecast to more than double 2005 levels to reach \$20 billion a year by 2020 if nothing is done¹.

In our cities, fostering flexibility and capability means integrating skills, innovation, creativity and infrastructure with industry development and transformation. This includes making the most of our education and training system so that supply and demand for training are better aligned with, and responsive to, structural changes to the economy. This will enable students to make more informed training choices that match future work opportunities.

¹ Bureau of Infrastructure, Transport and Regional Economics (2007) Working Paper 71

The Government is investing in capabilities in our cities. Deepening Australia's skill levels will enable us to successfully adapt to change. COAG has agreed to a substantial reform agenda aimed at increasing opportunities for skill development. Through this agreement, we have key targets to increase human capital development, such as increasing year 12 completion rates to 90 per cent by 2015 and halving the proportion of Australians aged 20 to 64 without Certificate III or above by 2025. Key reforms to education and training include:

- implementing universal access to early childhood education;
- the Smarter Schools National Partnerships to boost foundation skills in schools;
- uncapping the number of public university places (from 2012) to allow universities to offer a place to eligible students; and
- implementing the *Skills for Sustainable Growth Strategy 2010* and the 2011-12 budget package, including measures to boost literacy and numeracy skills of Australians in the workforce.

The Government is also supporting industrial transformation by helping workers and entrepreneurs move into higher, value-added activities.

The Australian Government's investment in innovation, technology and entrepreneurship will build a competitive, high-skill economy into the future. Over the next decade the *Powering Ideas* agenda involves:

- reforming university funding arrangements and boosting investment with a focus on excellence and transparency, and increased support for postgraduate research students;
- investing in science and research infrastructure and taking an innovative approach to the commercialisation of research to enhance Australia's competitive edge; and
- improving innovation skills and workplace capabilities, including management and leadership skills.

This investment is underpinned by investment in infrastructure that maximises opportunities for new industries, such as Australian Government investment in the National Broadband Network, public transport, rail and roads. Better price signals in the use of infrastructure will also promote more efficient and effective use of and investment in infrastructure.

The Australian Government is committed to the implementation of national transport regulators that enable more seamless national regulation of the \$61 billion transport

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industry. By 2013 there will be single national laws covering maritime safety, rail safety and heavy vehicles, reducing 23 regulators across the country to three.

These microeconomic reforms will improve safety, simplify the compliance task for transport operators and boost national income by up to \$30 billion over the next 20 years. The 2011-12 Budget allocates a further \$25.2 million over two years to ensure that these historic reforms are implemented.

Nation Building Program and the Building Australia Fund

The Nation Building Program and the Building Australia Fund have been supporting nationally significant transport infrastructure across Australia. The Government is making record investments in our national network of highways and rail lines, as well as providing some support for off-network roads, fixing road 'blackspots' and additional measures to improve heavy vehicle movements and regional roads. The 2011-12 Budget strengthens this commitment, allocating new funding for our existing six-year National Building Program.

Through these funds the Government has invested heavily in improving the movement of people in and around our cities, and importantly helping to move freight more efficiently between our businesses, ports and markets.

The Australian Government has since 2007 made a historic shift to support transport infrastructure, including unprecedented public transport investment, in our cities. This includes funding for a major rail project in every State capital city on the mainland:

- Noarlunga to Seaford rail extension and Gawler Line in Adelaide;
- The Northbridge Link in Perth;
- Moreton Bay Rail line in Brisbane;
- Regional Rail Link in Melbourne; and
- The Parramatta to Epping line in Sydney.

The Gold Coast Rapid Transit project is another example of how our investment is focussing on the critical needs of growing urban centres. This project will ease congestion through the growing commercial and tourist hubs of Southport, Surfers Paradise and Broadbeach and will also improve access along the corridor to services. Likewise the significant \$2.5 billion investment in the Ipswich Motorway will link commuters from Ipswich to Brisbane, increasing productivity and reducing congestion.

The South Road Superway project that is about to commence in Adelaide will be the biggest road construction project in South Australia's history. It follows the recently completed Northern Expressway link between Gawler and Northern Adelaide, which has improved the efficiency of freight into the Port Adelaide area. The Australian Government is also investing in new urban rail upgrades in Adelaide, which will better link outer metropolitan communities with the work and recreational facilities across the City.

Early works have commenced on the Regional Rail Link project in Melbourne. It will provide a dedicated dual track link from Geelong, Ballarat and Bendigo to the Melbourne business district, segregating V-Line regional services from metro rail

services. This will expand the capacity of the network and significantly reduce congestion on both the rail and road networks. The Australian Government's \$3.2 billion investment in this project is expected to improve the productivity of Melbourne. Additionally, the project will provide opportunities for urban redevelopment and infill along the corridor.

Work on improving congestion and maximising traffic flow on the Western Ring Road in Melbourne is progressing well. The Australian Government is contributing \$900 million to this \$1.2 billion project, which involves lane widening and safety improvements on one of the city's busiest road networks.

The Perth City Link project that will commence construction later this year will sink rail lines in the CBD to revitalise the Perth city and allow further redevelopment of the City Centre. The project will remove the rail line divide between Perth and Northbridge and will have a number of productivity and efficiency benefits for people and businesses in Perth.

The Government's investment is addressing the increasing freight task in our urban centres. The Government established the Moorebank Project Office in 2010, to work through the issues and options for the development of an intermodal terminal at Moorebank on Commonwealth owned land. Moorebank represents a significant opportunity to shift freight from Botany Bay onto rail – equal to the capacity of more than 1 million trucks which may otherwise use Sydney's roads each year from 2020. This project is important for Sydney and will, subject to environmental and other approvals processes, provide a nationally significant freight movement improvement at our second largest container port.

The F5 widening project in south-west Sydney (from Narrellan Road to Brooks Road) will improve safety, reduce travel times and assist workers in Campbelltown to commute to major employment centres in south and western Sydney.

These examples of some of our major projects in our cities demonstrate the strategic investment that the Government is making to make our cities more liveable, more productive, and more responsive to projected growth.

National Urban Policy Productivity Initiatives

More needs to be done to ensure cities can realise their productive potential. To help achieve our productivity goals, the Australian Government will:

- Apply the principles and objectives of the National Urban Policy to future investment in infrastructure, including the second Nation Building program and other Australian Government investment programs.

- Ensure that projects funded through the second Nation Building program are aligned with COAG capital city strategic plans.
- Require, as a condition of funding for the second Nation Building Program, that each capital city have in place by 2014, a 20 year freight strategy consistent with the National Land Freight Strategy to:
 - identify the key demand forecasts, key bottlenecks and pressure points;
 - ensure land use planning systems adequately provide for freight terminals and transportation corridors, including buffer zones, and take into account aviation freight hubs;
 - ensure that freight planning focuses on whole-of-supply chain productivity gains; and
 - identify investment plans, performance indicators and regulatory and pricing reforms to meet the forecast freight system demand.
- Establish a new funding program, the Liveable Cities program (see budget highlights) to facilitate tailored local solutions to urban design and infrastructure challenges in our 18 major cities. This program, along with the other Australian Government investment programs, will support:
 - public transport projects which facilitate increased residential density and employment nodes to improve transport connectivity within cities and accessibility to employment and services;
 - road and rail infrastructure projects which increase the capacity of our cities to function more efficiently and effectively now and into the future;
 - projects and reforms that deliver better use of infrastructure to ensure maximum benefit for Australian businesses and communities from government investment in infrastructure;
 - urban renewal projects which are linked to accessible public transport, and which provide mixed income housing, improved housing affordability and access to employment opportunities in our cities;
 - the development of ‘second CBDs’ in our largest cities of urban centres, such as Parramatta for Sydney, that will create a better distribution of opportunity and lifestyle choice;
 - the identification and preservation of sites and corridors for the future growth of our cities; and

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- projects which incorporate walking and cycling infrastructure to enhance local networks.
- Consider travel demand management policies to reduce congestion in our cities.
- Introduce a National Smart Motorways trial (see Budget Highlights) to retrofit our congested motorways in our capital cities with new technology which improves traffic flow, cuts energy use and emissions from idling cars, and achieves greater productivity from existing infrastructure.
- Commission Infrastructure Australia to further review how key transport, communication and energy corridors, sites and buffers in our major cities can be better planned, protected and managed, while minimising disruption to communities.
- Engage with capital city airport operators, states and local government on integrated planning on and around airports through existing Planning Coordination Forums. This will include planning and investment in public transport links to our airports.
- Use the outcomes of the 2011 joint Sydney Basin Aviation Capacity Study to inform policy, investment and decision-making for future aviation needs in the Sydney region. The study will address the short, medium and long term needs of Sydney, and will take account of both future aviation needs of the Sydney region and broader planning and infrastructure needs for residential growth and economic development.
- Work with States and Territories to implement the National Ports Strategy by August 2011, which will improve and reform port governance and planning. The National Ports Strategy covers both bulk commodity ports and container ports, identifying:
 - the most effective regulatory and governance frameworks;
 - ways to improve land planning and corridor preservation;
 - better use reforms to improve landside efficiency, reliability, security and safety; and
 - the future infrastructure requirements of Australia's ports, including road and rail links.
- Work with State, Territory and Local Governments to finalise the National Land Freight Strategy by the end of 2011. The Strategy is a blueprint for a truly national, integrated and multimodal transport system capable of moving goods quickly, reliably and efficiently.

- Work with States and Territories to plan and develop strategic intermodal freight hubs, including the proposed Moorebank facility in Western Sydney which is being assessed, and will improve freight flows and remove many large heavy vehicles from our urban roads.
- Continue to encourage the States and Territories in best practice use and delivery of Public Private Partnerships (PPPs) in infrastructure procurement where these provide value for money, and investigate innovative approaches to managing patronage risk to encourage private investment in urban infrastructure.
- Improve labour and capital productivity in our cities by implementing comprehensive productivity reforms including the development of a Skills for Sustainable Growth Strategy, a National Resources Sector Employment Taskforce, Education Investment Fund, and Trade Training Centres in Schools Program as part of a productivity policy framework to build a high-skill, high tech, low pollution economy that will succeed independent of our mineral wealth.

SUSTAINABILITY

Recent trends in population growth and urban development are intensifying pressures on our built and natural environments. Over the past decade, there has been an increase in the number of threatened fauna species from 312 in the year 2000 to 427 in 2009. As our cities grow, it is critical that governments and individuals maintain our natural environment and heritage for future generations.

Road transport has been the main source of transport emissions and accounted for 86.3 per cent (69.2 Mt) of 2008 transport emissions. Emissions from road transport increased by 27.5 per cent (14.9 Mt) between 1990 and 2008. Passenger cars were the largest source of transport related emissions, contributing 60 per cent of emissions from road transport (41.6 Mt), and increased by 18.2 per cent (6.4 Mt) between 1990 and 2008².

All capital cities have increased their mode share of travel by public transport in the past five years. Many cities, like Melbourne, have set targets of increased mode share to public transport of up to 20% by 2020 and demonstrated that this is realistic with an increase of public transport patronage from 9% to 14% in 2009. A small modal shift to public transport and active travel, (walking and cycling), can reduce greenhouse gas emissions by up to two thirds for peak travel³.

In this context, the Australian Government has been pursuing a broad range of policies and programs to improve the sustainability of cities by minimising their environmental impacts. The Government is committed to introducing a carbon price, a reform that will support a transition to a competitive, low carbon economy.

The Australian Government, through programs such as Caring for our Country, funds environmental management of our natural resources by supporting communities, farmers and other land managers to sustainably produce food and fibre whilst protecting Australia's terrestrial and aquatic environments.

The Australian Government is also committed to improving air quality and reducing carbon emissions in our cities by:

- implementing pricing and energy efficiency mechanisms for cost effective greenhouse gas emission reduction;
- supporting research and development of low emissions technologies;

² Department of Climate Change and Energy Efficiency (2010) National Greenhouse Gas Inventory accounting for the KYOTO target, May 2010

³ Stanley and Barrett (2010) Moving people - solutions for a growing Australia BIC, ARA, UITP

- working in partnership with governments, businesses and the community to deliver improved energy efficiency through investment in low emissions transport networks including electric hybrid vehicles, and the Solar Cities program;
- working with governments and industry to improve the environmental performance of existing infrastructure by utilising smart technologies to cut congestion and urban emissions and to maximise use;
- increasing the energy efficiency requirements for new buildings and major renovations in the 2010 update of the Building Code of Australia and the Building Energy Efficiency Disclosure Act;
- the Government will also be consulting on the design and implementation of the Tax Breaks for Green Buildings policy which provides incentives for businesses to improve the energy efficiency of their building stock; and
- leading national reform to ensure cities are well placed to deal with the risks of climate change impacts, including through the provision of good science and information.

Many of our major cities are vulnerable to, and are currently experiencing, the impacts of climate change and natural disasters. The Australian Government continues to provide support to cities to build resilience to climate change and natural disasters via a wide range of environmental modelling, research and planning tools, as well as through local and community infrastructure programs.

National Urban Policy Sustainability Initiatives

The Australian Government is committed to furthering environmental sustainability in our cities. In applying the principles of the National Urban Policy to its future urban sustainability agenda the Australian Government will:

- Introduce a carbon price as a comprehensive measure to respond to the Climate Change challenge from 1 July 2012. This will provide incentives for our cities to lower their carbon emissions and improve energy efficiency.
- Reduce incentives for unnecessary driving by replacing the current tax formula for valuing car fringe benefits with a single statutory rate of 20 per cent, regardless of the kilometres travelled. This reform was recommended by the Henry review to simplify the tax system and remove incentives in the system for increased motor vehicle use.
- Continue to work with States and Territories to develop guidance, including spatial mapping, to help reduce exposure of urban assets to climate change risks.

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- Further strengthen the role for Infrastructure Australia in undertaking cost-benefit analysis of proposals for infrastructure funding. This will include consideration of:
 - how to achieve better use of infrastructure to help improve the efficiency of critical infrastructure, such as transport and water; and
 - whether proposed infrastructure projects are well placed to deal with the risk of climate change impact.
- Continue implementation of the Water for the Future program to provide national leadership on water reform for all Australians. Water for the Future will enable Australia to better balance the water needs of communities, farmers and the environment.
- Pursue urban water reform through COAG following the agreement at the November 2008 meeting of COAG, which provides for a renewed approach to urban water reform by the Australian Government together with States and Territories, and addresses key challenges in urban water. An agreed set of National Urban Water Planning Principles provide governments and water utilities with the tools to better plan the development of urban water and wastewater service delivery in a sustainable and economically efficient manner.
- Implement the National Waste Policy, which heralds a new, coherent, efficient and environmentally responsible approach to waste management in Australia. The policy was agreed by all Environment Ministers in November 2009, and endorsed by COAG in August 2010. It will set Australia's waste management and resource recovery direction to 2020.
- Continue to work with industry and governments to improve air quality by the setting of product standards, urban design, public transport planning and climate change abatement measures.
- Apply more stringent mandatory air pollution standards for all new cars, 4WDs and utes sold in Australia. These tighter emission standards – known as the Euro 5 and Euro 6 standards - will target the pollutants responsible for the formation of smog over our major cities and health problems within our population, such as respiratory and cardiovascular disease. When fully in place the new standards package will cut a new car's maximum allowable emissions of:
 - hydrocarbons by up to 50 per cent;
 - oxides of nitrogen by up to 70 per cent; and
 - particulate matter by up to 90 per cent.

- Continue the Government's Green Vehicle Guide (GVG) website as a primary source for consumers wishing to make informed purchasing decisions regarding the environmental performance of new vehicles. The GVG covers all light vehicles (up to 3.5 tonnes) released onto the Australian market since late 2004 and is continually updated as new models are released. The GVG provides consumers with user friendly ratings on environmental performance of specific models, as well as fuel consumption data - thus enabling side-by-side comparisons of individual models on a common basis. The GVG also enables consumers to estimate annual fuel costs for individual models. The Guide is reinforced by the mandatory fuel consumption label which provides consumers with the comparative fuel consumption and CO2 emissions' values of individual models.

LIVEABILITY

Liveable cities offer a high quality of life and are socially inclusive, affordable, accessible, healthy, safe, and resilient to the impacts of climate change.

As our cities grow and change, so does the challenge of maintaining quality of life and well-being in our communities. This requires governments to work together to ensure access to social and economic opportunity, affordable living choices, and to support healthy, cohesive communities.

The National Urban Policy builds on the existing policy agenda and focuses additional efforts in improving the liveability of our cities.

It is important to ensure that everyone in cities has access to a full range of services that meet community needs. The Australian Government is supporting the liveability of our cities through:

- service delivery reform, including co-location of Government shop-fronts, to provide better support for people when they need it;
- coordinating the efforts of all Australian governments under the National Disability Strategy to meet the diverse needs of people with disability and their carers;
- the National Compact with the Third Sector which is working to strengthen the not-for-profit sector by reducing red tape so that these organisations are able to provide support to people in need; and
- developing strategies to support and expand volunteering, philanthropy and social investment as ways of building community resilience, social inclusion and liveability.

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The Australian Government is also investing in a range of policies and programs targeted at helping all Australians remain engaged in their communities, making them safer, more productive and liveable places to work and raise families.

Since its inception, the Regional and Local Community Infrastructure Program (RLCIP) has made more than \$1 billion available to local government authorities to build and modernise community infrastructure. This has resulted in more than 6,000 individual projects funded, and funds given to all of Australia's 565 councils and the Australian Capital Territory to assist councils build and modernise community facilities, including town halls, libraries, community centres, sports grounds and environmental infrastructure. The program has strengthened our communities during the economic recovery by supporting local jobs and provides long-term benefits to communities by renewing and upgrading local infrastructure.

Building on the success of the RLCIP, the Government recently announced the \$1 billion Regional Development Australia Fund to fund projects that support the infrastructure needs, and will enhance the economic and community development, of Australia's regions. Program funds will be used to maximise outcomes through effective partnerships across all levels of government, and the business and not-for-profit sectors.

The Australian Government is supporting innovative models to improve urban liveability through projects such as the Adelaide Integrated Design Strategy. The project is identifying opportunities to improve the productivity, liveability and sustainability of Adelaide, as well as plan for future growth.

Housing plays a key role in establishing liveable and sustainable communities and is therefore a major priority for the Australian Government. Ongoing Australian Government programs, introduced in 2007, have established future directions for investment in affordable housing that can improve outcomes for low income households and communities to 2014.

The \$5.64 billion Social Housing Initiative, under the Nation Building-Economic Stimulus Plan, supported both the construction of over 19,300 new social housing and the repair and upgrade of approximately 80,000 existing homes. The initiative assisted vulnerable households and encouraged the construction of mixed tenure and use developments that are located close to transport and support services, in addition to supporting the use of universal design principles to enable ease of access for older persons or persons with disability.

The National Affordable Housing Specific Purpose Payments provides \$6.3 billion (over the 2010-11 to 2014-15 period) in relation to the National Affordable Housing Agreement. This provides housing assistance to low and middle income Australians, including assistance for social housing and homelessness services and various mortgage assistance schemes. One of the key reform directions of the National Affordable Housing Agreement is to make better use of States and Territories

significant public housing assets. The reforms will reduce concentrations of social disadvantage through appropriate redevelopment to create mixed communities that improve social inclusion.

The National Affordable Housing Agreement includes initiatives for homelessness and Indigenous Australians living in remote areas and social housing, which will build new or redevelop social housing dwellings, as well as fund support for vulnerable households. The White Paper on homelessness, *The Road Home*, sets out a national approach to reducing homelessness by 2020. Within this approach, the Government is implementing innovative programs including assertive outreach; Common Ground housing models; case management; and mentoring, under the National Partnership Agreement on Homelessness.

The Australian Government is also continuing to work with States and Territories through the COAG Housing Supply and Affordability Reform (HSAR) agenda (due to report back to COAG mid-year) in examining the current constraints to housing supply and affordability.

Combining Liveability and Sustainability at the heart of new WA developments

The completion of a Nation Building Economic Stimulus Plan project and the start of another in Western Australia have highlighted sustainability as an important part of affordable housing development in the state.

Stage Two of the Stella Orion apartments in Success, which reached staged completion in December 2010, and Signal Terrace in Cockburn, which commenced in November 2010, is part of the Cockburn Central Regional Centre in WA-one of Perth's most rapidly expanding regional hubs in the south west corridor.

These transit-oriented developments are strategically located along the Southern Suburbs Railway line with easy access to public transport and only a stone's throw away from a large shopping precinct. They will provide affordable and attractive housing options for people who want to live more sustainably and closer to employment opportunities.

Stage Two of the Stella Orion development consists of 130 one and two bedroom units spread over four separate two and three level buildings. As of December 2010, two of the four buildings have been completed with the other two due to be ready by February 2011. Stella Orion is part of a six-stage master-planned community of approximately 900 units in total.

The new Cockburn project consists of 67 one bedroom, 56 two bedroom and 7 three bedroom units scheduled to be ready by early 2012.

A key element to the selected proposal was the futuristic design and the ability to incorporate universal and adaptable design across the majority of the units on top of a range of energy efficiency features.

All 130 units of Signal Terrace have achieved 6-star or higher energy rating under the Natethers energy rating scheme, which is believed to be the first of its kind in Western Australia on this scale. Such high energy ratings are a result of orientation, insulation, glazing, and other features that contribute towards low energy costs in usage. The development also includes other energy efficient features like lighting, water efficient fittings and heating arrangements.

These two developments are also excellent examples of constructing a wide range of housing options across the metropolitan area, rather than just focusing on concentrations of a single style of housing or tenants in a particular area.

These developments are also accessible in terms of transport and lifestyle options, facilitating a more inclusive approach to the production of social and affordable housing, supporting the needs of the wider community. Dwellings for private sale, affordable rental housing for private tenants on low to moderate incomes, and public rental stock for people on the public housing waiting list ensures a mixed tenure development

National Urban Policy Liveability Initiatives

The Australian Government has a commitment to social inclusion and to secure the health and wellbeing of all Australians, and to better support people when and where they need it. It is committed to the development of accessible and affordable human services and cultural facilities, and affordable living in our cities. In support of these commitments, the Australian Government will:

- Work with State and Territory Governments to improve accessibility and mobility in cities, including improving overall travel times, costs and experience in cities through a number of means, including more compact and mixed use development, improved public transport and active transport options, and more efficient use of infrastructure assets.
- Establish new funding programs through the Sustainable Communities Package. Together, the Liveable Cities program and Suburban Jobs program (see budget highlights) will facilitate tailored local solutions to urban design and infrastructure challenges in our 18 major cities. This package will also deliver social and economic opportunity to city communities, with an emphasis on addressing the needs of suburban communities.
- Continue the roll out of the National Broadband Network.
- Prepare a national Urban Design Protocol that will provide Local Governments, developers, industry professionals and communities with a tool for designing, assessing and implementing better design and construction outcomes for our cities.
- Ensure that Australian Government housing outlays are targeted to support the objectives and priorities of the National Urban Policy, in particular to supply more affordable and accessible housing in attractive, inclusive developments, located close to centres and public transport interchanges.
- Work with the States and Territories to address impediments to the better functioning of the housing market to improve housing supply and affordability. This will include seeking reforms to:
 - improve planning and land release processes;
 - increase code assessment of development proposals;
 - improve spatial planning and setting an appropriate balance between infill and greenfields development;
 - reduce barriers to mixed use development and making greater use of multi-use zoning which permits a range of activities.

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- Work with the States and Territories through COAG's Housing Supply and Affordability Reform (HSAR) agenda to examine issues such as zoning and planning approval processes, infrastructure charges, environmental regulations, and opportunities to identify currently 'underutilised' land.
- Consider best use of Commonwealth owned land to support the supply of housing, improved community amenity and new job creation through Commonwealth Property Disposals Policy.
- Ensure that housing assistance is adequate, targets those in need and supports participation incentives.
- Ensure that housing programs support the age-friendly objectives of the National Urban Policy, including progressively increasing the supply of housing that is adaptable and accessible, and built to universal design standards to ensure access for the elderly and people with disabilities.
- Support the priority approval and construction of aged care housing, including through high care developments that are well integrated with urban areas so that aged care facilities and places become operational more quickly.
- Support urban development that supports aging in place, is socially inclusive and is integrated with surrounding community facilities.

PARTNERSHIPS FOR PLANNING AND MANAGEMENT OF CITIES

COAG identified the need for capital city strategic planning systems to ensure investment in cities is guided by long-term strategic objectives and national priorities. States and Territories will have in place capital city strategic planning systems which meet the COAG agreed criteria by 1 January 2012.

As part of its contribution to the productivity, sustainability and liveability of our major cities, the Australian Government is committed to supporting regional cities in developing comprehensive strategic plans in line with the COAG national objective and nine criteria. Regional cities often lack the capacity and resources to undertake comprehensive strategic planning, which has stifled their ability to attract capital and investment required for long-term economic growth, population and demographic change, meeting the service needs of their regions and addressing the long-term environmental challenges.

The Australian Government will support State, Territory and Local Governments in all major cities to:

- complete metropolitan plans that better deliver on the COAG criteria, not just in capital cities but in major cities across Australia;
- undertake detailed policy, planning, feasibility assessment, and/or design to implement components of metropolitan or city plans to deliver on elements such as maximizing the efficiency of land use and transport, facilitating housing affordability and diversity, increasing public transport and active travel, climate change mitigation and adaptation, facilitating social inclusion and economic participation, and identifying and protecting infrastructure corridors and sites; and
- improve coordination and governance arrangements within and between governments.

National Urban Policy planning and governance reform and monitoring initiatives

When making its own contribution to achieving more productive, sustainable and liveable cities, the Australian Government is committed to:

- Ensuring its policies, investment and other activities across government meet the objectives of the National Urban Policy and COAG cities' reforms.
- Working in cooperation and partnership with State, Territory and Local Governments, businesses and the community.

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The Australian Government will continue to support the planning, development and management of cities through:

- Establishing an Urban Policy Forum with key stakeholders and independent experts to advise on the National Urban Policy implementation.
- Continuing to provide funding to local government for community infrastructure.
- Working with states and territories to address issues identified in the COAG Reform Council's review of capital city strategic planning systems.
- Supporting local government to undertake reforms to streamline administration and development approvals, and implement strategic spatial planning, in accordance with the National Urban Policy goals and objectives.

Given the importance of robust planning for all Australian major cities, the Australian Government will:

- Seek the support of states and local government, through COAG, to expand the use of the national criteria for Capital City Strategic Planning Systems to the planning of regional major cities.

The Australian Government supports governments, industries and communities involved in the planning, development and management of our cities through capacity building, community education, research monitoring, evaluation and reporting.

To further assist stakeholders in understanding what drives improvements in our cities' productivity, sustainability and liveability, the Australian Government will:

- Publish annual updates of State of Australian Cities report to track the progress of our cities in achieving objectives.
- Include research into urban systems, environments and communities into the Australian Government's National Research Priorities (NRPs).
- Produce a spatial report, to be updated every 5 years, which shows the land use and infrastructure impacts of population change and structural change. This will provide a key document to guide planning and improve community understanding of Australia's urban issues.