

A National Urban Policy for Australia – Submission to the Draft Policy Consultation

4 July 2024

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Background

We welcome the development of a national urban policy for Australia and are pleased to make this submission to contribute to improving and strengthening the final version of the policy. The NUP is a long document with a high level of detail. We are not able to address all questions and queries arising from the discussion it contains however we offer the following responses as contribution to the improvement of the draft towards a final version.

Learning from the history of national urban policy in Australia

Recommendation:

- *The National Urban Policy should focus on a smaller set of higher-level objectives relating to the highest priority strategic issues facing Australian cities and accompany these with clear implementation plans*

Discussion

Australia has a mixed history of national level urban policy however this offers some insights into how the current iteration of NUP can be framed and pursued. The first iteration was the Commonwealth Housing Commission program of the immediate post-WWII period. This focused on establishing a public housing program in Australia by financing state housing commission establishment and construction of rental dwellings via the Commonwealth State Housing Agreement. This program was successful in establishing public housing in Australia, however its goals of also establishing clear Commonwealth oversight of cities through State town planning regimes was barely achieved. A combination of large-scale Commonwealth-aided immigration and weak State planning controls led to rapid expansion of the suburbs of the major cities with large-scale infrastructure deficits in transport and urban services.

In the 1970s the Commonwealth attempted to remediate suburban infrastructure deficits through an investment program overseen by the dedicated Department of Urban and Regional Development. This program also sponsored the establishment of State land commissions to manage suburban development and stabilise urban land prices. These mechanisms served the purpose of ensuring social equity in Australian suburbia, while also managing adverse economic consequences of rapid urbanization.

In response to the national recession in the early-1990s the Commonwealth established the Better Cities Program, which aimed to provide economic stimulus while supporting the spatial and sectoral restructuring of Australian cities away from industrial activity towards knowledge, service and consumption sectors. This program operated through place-based projects focusing on housing and transport infrastructure. The program was partially effective by initiating urban redevelopment of former industrial sites as well as some social housing, though arguably accelerated processes of gentrification of Australia's inner cities.

In the late-2000s the Commonwealth established Infrastructure Australia to bring greater economic and technical rationality to allocation of infrastructure funding to the States. This program has been partially successful as it provides an independent advisory role assisting with transparency of decision making. However it remains subject to

politicisation and Ministerial override while also tending to adhere to business-as-usual assessment approaches that favour large expensive infrastructure projects over alternative smaller scale projects or non-infrastructure interventions.

During late-2000s the Commonwealth established the Smart Cities and Suburbs program focused on the digital transformation of urban infrastructure and services. The small scale of funding and the fragmented allocations meant that very little was achieved other than very basic digital infrastructure upgrades, such as lighting systems at local sport fields. The Commonwealth also undertook the City Deals program which was a mechanism for coordinated place-based investment in infrastructure and facilities, initially focused on regional cities but then expanded to the major cities, though often to sub-regions. The City Deals have not been well evaluated but appear to have brought some improvements in multi-level governmental coordination, especially in the case of the western Sydney airport, through dedicated governance arrangements. During this period the Commonwealth also aimed to directly fund suburban car parks, in a scheme that was roundly criticised by commentators and the Auditor General. Another policy feature of this period was the 2019 National Population Plan that aimed to guide future population growth. We note that plan does not appear within the NUP draft.

The current NUP is in consultation as Australia continues to experience the economic and social effects of the COVID pandemic among wider ongoing global economic shocks and transformations. Housing has become a key issue of concern as has decarbonisation of the Australian economy, including cities. To the extent that previous national level urban policy interventions have been successful, it has been through having clarity as to their purpose within the wider national strategic objectives. In the case of the draft NUP there appears to be a very large set of objectives, principles and outcomes and which are unlikely to be achieved in toto. Consequently the NUP needs greater prioritisation of what issues are to be the focus of the policy rather than aiming for fragmented and partial responses to a variegated array of policy issues.

UN Habitat and OECD national urban policy frameworks

Recommendations

- *The NUP should be revised to better reflect UN Habitat and OECD guidance on National Urban Policies, particularly including implementation, and monitoring and evaluation*

- *All research and technical reports, including engagement with state governments and First Nations participants, developed as part of the preparation of the draft NUP should be released publicly.*

Discussion

The NUP draft has engaged with the UN Habitat New Urban Agenda as a reference document, albeit briefly. However, UN Habitat provides extensive literature on the preparation of national urban policies, including a dedicated guide on how to formulate an NUP. Although there is mention of international comparators, the draft NUP appears not to have engaged with this normative literature. While it is too late now to reverse the consultation and drafting process there are some deficits in the draft NUP relative to the UN Habitat guidance that can still be rectified.

The UN Habitat guiding framework for NUP identifies five stages of policy development: feasibility; diagnosis, formulation, implementation, and monitoring and evaluation. From the draft NUP it is not clear that this approach has been taken. None of these stages are identified in the formal document. There is mention of ‘research’ having been undertaken (p.10) however there do not appear to have been any research or technical papers released as part of the NUP drafting process. There does seem to have been extensive First Nations engagement, which is merited, and a final report on that engagement is mentioned but that does not appear to have been released with the NUP draft nor even referenced as evidence in the document.

The NUP lacks an implementation plan as recommended by UN Habitat. This is a major deficit for the strategy as it will have little effect if it is not comprehensively and decisively applied to Australian cities. Perhaps reflecting the lack of implementation planning there is no monitoring or evaluation framework or program proposed for the NUP. This is a major deficit that needs to be rectified if the NUP is to have any serious intent as a policy.

The UN Habitat prescription for an NUP includes clear direction on economic development, human development, spatial strategy, environmental protection and climate change. The draft NUP does not explicitly address these topics however they are somewhat implicit across the various objectives. A major oversight is the lack of a clear spatial strategy and plan to guide private and public urban development. The NUP should incorporate a clear spatial plan.

Similar advice is provided through various OECD documents on the preparation of national urban policies. Many of these reflect UN Habitat prescriptions so we have not engaged

with these in detail, however we note that the draft NUP does not appear to have engaged with this further international literature on NUP development.

Building a stronger evidence base for the national urban policy

Recommendations

- *The NUP should engage with the Australian urban research community to implement the research and knowledge innovation framework proposed in the ‘Sustainable cities and regions: 10 year strategy to enable urban systems transformation’ supported by the Australian Academy of Science (2019 & 2024).*
- *An Academic Advisory Group should be established to improve the utilisation of urban research in developing and implementing the NUP and monitoring and evaluating implementation.*
- *A sustained investment program of PhD and Masters research and policy training should be established to expand academic and policy sector capability to investigate and appraise cities and develop new policy and practice knowledge*

Discussion

The NUP draft is largely devoid of sustained analysis of the issues and challenges facing Australia’s cities. It fails to provide considered and evidence-based identification of the challenges presented, and their relative significance to Australia’s urban communities. While each of the Australian government objectives sections are accompanied by discussion, much of this is statement of government policy and normative propositions about how cities and suburbs should be. Categories of urban challenges such as ‘Housing Availability’ would appear as a considerably greater magnitude of challenge to the Australian community than ‘Managing Night Time Economies’, yet the Draft strategy appears to suggest both are equal. The lack of a clear focus on jobs and industry as a geographic issue is concerning.

It is surprising that the draft has proceeded in advance of the reestablishment of the *State of Australian Cities* report series. From a policy development perspective, it is preferable to undertake a comprehensive analysis process before embarking on policy development. In the case of the NUP there is no systematic supporting reportage that assembles detailed assessment of conditions and dynamics within Australian cities.

Principle Four of the NUP (p.42) identifies the need for an improved evidence base. We agree but suggest that this should begin by much greater engagement with the existing evidence base, which seems to have been largely ignored in preparation of the draft

strategy. Just 38 references are cited to support the NUP draft of which only four appear to be scientific publications with the remainder a mix of departmental reports and ministerial media releases. This is astonishingly cursory engagement with the Australian research literature on cities and urban processes. It ignores the more than one thousand research papers and abstracts assembled and archived over two decades by the Australian Cities Research Network via its biennial State of Australian Cities Conferences. The draft completely sets aside the urban literature contained within the Australian journals *Urban Policy and Research*, and *Australian Planner*, as well as *Geographical Research* or *Australian Geographer*. There is only one citation of research undertaken by the network of researchers within the *Australian Housing and Urban Research Institute* which has published more than 400 outputs in its open access research report series. Data from the Australian government funded Australian Urban Research Infrastructure Network does not appear to have been used in preparing the draft NUP.

More systematic engagement between the Commonwealth and the urban research community on urban research and policy is clearly needed. We propose the establishment of a dedicated Academic Advisory Group to support the development and implementation of the NUP including identifying extant literature and datasets, advising on research agendas for both universities and government and identifying relevant expert capability to respond to key elements of the NUP agenda. The Australian Academy of Science and the Academy of Social Science Australia are currently collaborating on urban research and policy development. These bodies could jointly form the Academic Advisory Group to inform NUP development.

The quality of the draft NUP suggests a need to improve the capability of the Commonwealth Public Service to address urban issues. We note the research and knowledge innovation framework proposed in the 'Sustainable cities and regions: 10-year strategy' to enable urban systems transformation supported by the Australian Academy of Science (2019 & 2024). This framework provided for an expanding program of PhD scholarships accompanied by research and practice fellowships to support a generational expansion of Australia's urban research and policy capability. We recommend the funding and implementation of this PhD and fellowships program to support the NUP implementation, monitoring and evaluation.

National urban policy as spatial and fiscal coordination framework

Recommendations

- *The NUP should establish a national spatial framework that sets out clear government intentions for the spatial development of urban settlements and economic activity at the national scale, and shapes future fiscal decision-making*
- *The NUP should provide establish a framework for place-based coordination of policy, expenditure and programs, linked to the national spatial framework, across relevant Commonwealth portfolios including health, education, infrastructure, communications, emergency management, energy, environment, climate change, defence, immigration, Aboriginal affairs, arts and social security*
- *The NUP spatial coordination framework should aim to integrate the spatial interventions within the policies and programs identified in Appendix B, including accounting for conflicts and contradictions*

Discussion

Urban development is spatially differentiated. While urban development is partly directed by the decisions of private actors these actions are strongly shaped by government fiscal interventions. The location of Australia's major cities is in large part the result of decisions by colonial governments about the siting of their principal administrative functions and the continuity of these functions. For example, Canberra exists entirely as a Commonwealth government construction, while other Australian urban centres have similarly focused economic structures.

Despite the fundamental role of government in establishing the basic patterns of Australia's settlement structure, the Commonwealth has been reluctant to exert more explicit direction over national spatial development, and this Draft NUP does little to reflect a change in that regard. Consequently, the development of the nation's settlement patterns are increasingly the result of individual household or private firm decisions. This leaves government in a reactive role and limits the capacity to coordinate expenditure in specific sites over the long term. Establishing a national spatial framework to direct Commonwealth fiscal and programmatic activity would contribute to improved coordination and efficiency in government operations.

Notwithstanding the role of the States in urban planning, many areas of Commonwealth government policy have spatial dimensions, especially those that require on-the-ground delivery of programs, infrastructure, or facilities, including via State actions. Such portfolios include including health, education, infrastructure, communications, emergency management, energy, environment, climate change, defence, immigration,

Indigenous affairs, arts and social security. There appears to be little coordination across these portfolios, meaning that capacity for purposive action to achieve urban and regional objectives is weak. In addition to establishing a national spatial framework, the NUP can serve as a coordinating instrument for Commonwealth fiscal activity both through transfers to the states and households, through programmatic expenditure and through physical investments in social and economic infrastructure. This applies generally but is especially necessary in areas experiencing rapid population growth, including metropolitan growth areas which are often poorly served by physical and social infrastructure. Better government coordination of interventions across portfolios could moderate infrastructure and service gaps, especially in settlements experiencing rapid population growth. There is also a need to account for contradictions across the suite of policies identified as ‘underway’. For example Infrastructure Australia often recommends in favour of major road infrastructure investment, however this likely conflicts with net-zero carbon objectives over the short term in relation to embodied carbon emissions and the use of major roads by fossil-fueled vehicles.

Implementation, financing and monitoring

Recommendations:

- *The NUP should include a clear implementation plan, including detail on institutional responsibilities and coordination across portfolios*
- *The NUP should include a clear and rigorously costed funding program to achieve the NUP objectives. This should include a table of costings for the programs in Appendix B and how these are combined into specific spatial funding initiatives*
- *The NUP should include a clearly specified monitoring and evaluation program to assess progress and verify achievement of the objectives. This should be coordinated with the improved research and evidence base recommended above, as well as with Australia’s SDGs and IPCC reporting frameworks*

Discussion

To be effective any policy requires a clear implementation plan that is supported by adequate funding to achieve its objectives. The draft NUP lacks any detail on implementation including institutional and organisational responsibilities, priority actions and interventions, funding to support the implementation program and its substantive components. Without a clear funding program it is unlikely that the NUP will achieve its

objectives, unless there is a very rigorous framework through which to coordinate existing expenditure. While the list of current policy programs is useful, the lack of a coherent framework through which the expenditure in these programs will be coordinated is a weakness.

Pathways for engagement with the States on issues such as housing, transport and other critical urban policy areas should complement the inclusion of a spatial orientation in the NUP. This is critical to create confidence in the community that the NUP will not simply be a vehicle for electorate-focused resource allocation. Importantly, framework for engaging with communities is crucial, especially as many of the critical challenges to urban sustainability include choices and decisions about the cities we need, the housing we choose and the transport choices that are possible in Australia's urban centres.