



Circular Economy Villages Co-operative Ltd.

28 June 2024

The Secretary
Department of Infrastructure, Transport,
Regional Development, Communication and the Arts

Uploaded to: <https://www.infrastructure.gov.au/have-your-say/national-urban-policy-australia>

Re: Submission to National Urban Policy – Consultation Draft May 2024

Thank you for the opportunity to make a submission in relation to the National Urban Policy. Cevco is a not-for-profit co-operative of strategic planning, engineering, place-making and other professionals advocating for an innovative approach to sustainable and resilient regional development in the form of Circular Economy Villages.

We attended the informative consultation session in Sydney and shared some of our thoughts at that time. The following submission provides further details on the matters we consider relevant to the Commonwealth Government's role in urban policy:

Title – A National Urban Policy for Australia's cities, towns and villages

The term 'urban' may imply that the policy focus is exclusively on the major cities. At the consultation session there was specific and repeated clarification that the policy does not apply only to major cities, or the 20 largest cities, but to the whole country.

Recommendation:

A subtitle could be added to the policy so that it reads:

*A National Urban Policy
for Australia's cities, towns, and villages*

Don't assume rapid urbanisation is inevitable - Prepare a National Settlement Strategy

A document provided at the consultation session suggested that rapid urbanization was why we needed a national urban policy. The assumption that populations will continue to concentrate in the major cities negates the role of strategic planning and strategic investment in infrastructure and housing. With nearly 50 percent of Australia's population living in just three cities, and further growth and investment targeted at these same cities, the conflicts and tensions that are often defined as 'urban problems' will continue to escalate.

A National Urban Policy (NUP) provides the opportunity to target substantial investment in regional, rural and remote areas, creating the conditions for the spontaneous redistribution of populations and alleviating the pressures in the major centres.

While this runs counter to accepted wisdom, it aligns with the experience during COVID when there was a substantial movement of people from the cities to regional areas. The opportunity to work from home meant that for many people they could be located anywhere as long as they had satisfactory internet connection. The result was a substantial increase in demand for housing in many rural areas. With minimal new housing being provided, house prices rose substantially. While the effect of this population movement on the major cities was minimal, the impact on rural and regional towns was significant due to their small size, and lack of infrastructure and resources.

The role of the Commonwealth should be to take a holistic view of the entire country, including geography and climate in different localities, to identify suitable locations for regional population growth and investment through a National Settlement Strategy.

Recommendation:

To strategically identify preferred locations for regional population growth and investment through the preparation of a National Settlement Strategy.

Global megatrends are changing the way we live – from centralised to distributed

The CSIRO has prepared reports in 2012 and 2022 outlining how numerous global megatrends are changing the way we live. As the way we live changes, so should the ways we think about settlement planning. Such megatrends, according to the latest report include, adapting to climate change, the energy transition, health and demographic issues like pandemics and ageing populations, geopolitical instability, the digital transition, artificial intelligence, and elevating the importance of diversity, equity and transparency.

An NUP should address these challenges. For example, with rising global instability, it is crucial that all policies encourage local economic resilience and decreased reliance on global supply chains. This is necessary at the national level but even more so at the local community level as we witnessed during the pandemic. The way we build our cities, towns and villages should be based on the concept of building a continent-wide network of resilient local communities.

Climate change and the energy transition can also be addressed through a National Urban Policy. New greenfield developments as well as existing towns and villages around the country can be provided with a renewable energy micro-grid to generate, store and distribute sufficient energy for that community. Maximising local generation in all communities minimises the need for large scale transmission. As part of this energy upgrade each town or village could provide a publicly available electric vehicle charging station, supporting the transition to EVs at the same time. This kind of strategic investment in local communities can have multiple benefits across various Commonwealth programs. An example of a new suburb designed in this way is 'The Cape' at Cape Paterson in Victoria. An evaluation of this development was undertaken by RMIT University¹. They found that houses at The Cape used 88% less energy than typical 6-star rated, dual-fuel (gas and electricity) homes in Victoria. Houses at The Cape have been designed to achieve a minimum of 7.5star rating.

The Cape² also incorporates a sports precinct, community facilities, substantial open space, kilometres of walking paths and cycling tracks, revegetated bushland, and significant food production through an on-site community farm with dedicated gardener.

¹ Moore, T, Willand, N, Holdsworth, S, Berry, S, Whaley, D, Sherriff, G, Ambrose, A & Dixon, L 2020, *Evaluating The Cape: Pre and post occupancy evaluation update January 2020*. Report by RMIT University and Renew, Melbourne.

² <https://liveatthecape.com.au/about/>

The incorporation of green and blue spaces by adopting nature-based infrastructure (NBI) solutions offers a climate change mitigation strategy by capturing and storing carbon, while also significantly improving liveability and local resilience. NBI solutions include water storage reservoirs, wetlands for cleaning water and for sequestering carbon, urban agriculture, green open spaces and land for wildlife. This is consistent with the suggested investment in sustainability measures outlined on page 33 of the draft policy. Yet such initiatives are not viable in dense urban environments. A more distributed settlement pattern is necessary, with a compact community-scale built environment surrounded by the nature-based solutions, open space, trees, reservoirs and wetlands. An example of this approach is the Lochiel Park neighbourhood by Renewal SA, the South Australian State-government-owned developer (Figure 1).



Figure 1 Lochiel Park masterplan showing compact built environment with substantial open space, reservoirs and wetland (image credit: Renewal SA)

Another megatrend is the digital transition. We have already mentioned that many people can work from anywhere, decreasing our dependence on city centres and enabling the creation of a polycentric urban form extending well beyond existing cities to include networks of surrounding towns and villages. Mimicking the internet, settlement patterns can now be imagined as a distributed network.

Again, this runs against the received wisdom that cities power economic growth. Cities don't behave as a singular machine. They are composed of communities of people collaborating to meet their economic needs and desires. Connectivity in the virtual world enables a more distributed settlement pattern.

Recommendation:
 In preparing the National Settlement Strategy, appreciate how global megatrends are changing the way we live, challenge accepted norms such as the centralisation of populations in major centres, and support regional development to create a nation-wide network of resilient and regenerative communities.

Support Innovation in the Financing, Design and Construction of Urban Developments

As illustrated by the above examples of The Cape and Lochiel Park there is much innovation happening in urban design and development. The challenge now is to move beyond test cases and pilot projects that are funded by governments or philanthropists and make these integrated, systems-based, sustainable development models, economically viable.

We acknowledge and agree with the comment on page 41 of the draft policy that 'we cannot achieve sustainable urban development through business-as-usual practices'. Fortunately, there is also innovation happening in the financing of urban development.

Business-as-usual in urban development is a game of land value speculation. In contrast, other emerging development models like Build-to-rent, co-living, and student housing adopt a financial model that relies on long-term rental return. This attracts institutional investment into the housing market. Aware Super is an example of innovation in this area. They have established Aware Real Estate to manage the superannuation fund's real estate portfolio and have an Essential Worker Housing Program that offers eligible workers quality housing at 80% of market rate.

Another model is the land lease communities, mostly for retirement villages, that have a mixed model, selling the house for a lower price but requiring ongoing lease over the land and/or membership in a community club with shared facilities.

An important role for the Commonwealth through a National Urban Policy would be to support this kind of innovation in urban development and in the housing market. Investment should support innovation in design, such as to promote and fund projects like The Cape and Lochiel Park, as well as innovation in development financing. (We note the Government's bill in parliament to support Build-to-rent projects).

The goals in the draft NUP are for cities to be liveable, equitable, productive, sustainable, and resilient. This can't be achieved if the neighbourhoods that make up our cities don't have these same characteristics, not to mention towns and villages outside the cities.

The Commonwealth should embrace its role as supporter and promoter of innovation in urban development, through all its phases including financing, planning policy framework, design, construction, and ongoing operation.

Our work in developing the concept of a network of Circular Economy Villages (CEVs) around Australia adopts this holistic approach and seeks to incorporate innovations in all aspects of the urban development process. Our vision and mission is:

to plan, design and build a network of tech-enabled, regenerative villages that strive towards self-sufficiency and zero waste within their bioregion. Each village will house a diverse community of up to 200 people and will integrate affordable co-working and co-living spaces with water and energy micro-grids and a regenerative agricultural system.

We have already significantly advanced the strategic planning policy framework with Regional Councils in NSW to develop a pilot project.

Recommendation:

Include specific actions in the National Urban Policy to be undertaken by the Commonwealth particularly supporting and enabling innovation in urban development through all its phases from financing, planning policy, design, construction, and ongoing operation.

Legislate the National Urban Policy

The Commonwealth should take a far more active role in urban policy as a means of tackling the issue of climate change. Urban policy can have a substantial impact, offering both mitigation and adaptation strategies. Due to the Commonwealth's obligations under various international climate change treaties, the external affairs power under the Constitution (s51xxix) provides the authority to legislate urban policy as a mechanism to mitigate and adapt to climate change.

As outlined above, strategic energy infrastructure investment in towns and villages around the country will increase local resilience while reducing the overall cost of the energy transition by reducing demand for long distance transmission. Supporting the energy transition in this way mitigates climate risk, reduces the national cost of transition, while also increasing local resilience—an important adaptation strategy.

The addition of blue-green, nature-based infrastructure solutions in and around urban environments sequesters carbon, reduces temperatures, and improves local resilience by improving amenity and supporting water supply, sewerage, stormwater and flood risk management needs of communities.



Another key climate change adaptation strategy is planned resettlement. Many communities across regional Australia have been affected by droughts, bushfires and flooding in recent years. Some are in locations that will continue to be affected and it is important to develop strategies for the planned resettlement of these at-risk communities. Urban policy is the framework through which new settlements are financed, planned, designed and built and the NUP should include a strategy for planned resettlement of at-risk communities.

Recommendation:

1. Consider using the external affairs power under the Constitution to legislate the National Urban Policy to address the impacts of climate change.
2. Include in the National Urban Policy an integrated climate change mitigation and adaptation strategy that includes:
 - a. Mitigate climate change risks by strategically investing in, or facilitating private investment in, local renewable energy micro-grids in neighbourhoods, towns, and villages around Australia
 - b. Mitigate climate change risks by investing in, or regulating, the provision of nature-based infrastructure solutions for sequestering carbon and to improve amenity, reduce temperatures and support the water supply, sewerage, stormwater and flood risk management needs of new and existing neighbourhoods, towns, and villages,
 - c. Support communities around Australia to adapt to climate change by improving local resilience through the localisation of energy, water and food production.
 - d. Develop a planned resettlement strategy for at-risk communities addressing locality planning, financing, planning policy, design and construction of new settlements.
3. The National Urban Policy should also include the following objectives:
 - a. Deliver affordable housing in regional areas,
 - b. Improve local resilience of Australia’s regional, rural and remote towns,
 - c. Expedite the transition to renewable energy,
 - d. Build a network of electric vehicle charging stations,
 - e. Create a network of biodiverse, regenerative farms to support regional, rural and remote towns,
 - f. Care for Country and regenerate natural ecosystems within and adjoining regional, rural and remote towns.

We look forward to reviewing a revised National Urban Policy in due course. We would also be pleased to offer our assistance, if required, in the review of the policy.

If you have any further questions or comments, please feel free to contact Dr Steven Liaros at steven.liaros@cevco.life.

Yours faithfully

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