



# UDIA POLICY PAPER

## CITIES AND URBAN POLICY

### BACKGROUND

Cities are critical to the prosperity of the Australian economy and the quality of life of most Australians. Australia's major cities are home to the majority of Australia's population and are the source of over 80% of GDP. To ensure our cities continue as world class places to live, work and do business their economic productivity, liveability and sustainability must be supported. These factors have come under increasing strain in recent years as a result of insufficient investment in urban infrastructure, poor planning and inefficient taxation in the face of surging population growth.

The importance of Australia's cities has gained growing recognition at the federal level in recent times with both major parties now support a dedicated Cabinet level Minister for Cities to oversee Commonwealth involvement in urban policy.

### UDIA POSITION

Whilst acknowledging that urban policy issues are predominately the responsibility of state and local government, UDIA believes that there is a strong role for the Federal Government to play in Australia's cities.

The Federal Government has a key role to play in the delivery of urban infrastructure through its ability to provide funds directly, support innovative and alternative funding options, and ensure infrastructure projects are subject to rigorous selection criteria. By ensuring sufficient investment in the right type of urban infrastructure, the Government can measurably improve the productivity and quality of life in our cities.

Additionally, UDIA believes the Commonwealth Government has the ability to contribute to urban policy by providing leadership, assisting state governments with reform through the use of financial incentives, and by coordinating and facilitating action on urban policy between different levels of government.

### ACTION FOR GOVERNMENT

- Federal and State Governments to provide more funding to Local Governments and relevant state agencies for the financing of local infrastructure. The Federal Government should increase funding to the National Housing Infrastructure Facility up from the \$1b in the 2018 Budget.
- Ensure adequate investment in key urban transport infrastructure, including public transport, to ensure communities are well connected.
- Investigate innovative and alternative infrastructure funding methods, and ensure infrastructure investment decisions are subject to rigorous selection criteria.
- Implement a financial incentives scheme that links federal funding to state government performance on planning system reform, to improve the supply and diversity of new land and housing.
- Improve liveability and housing affordability by reducing the reliance of governments on high and inefficient taxes on new construction, such as stamp duty and developer levies, in favour of more efficient taxes such as land tax or a broadened GST.
- Federal and State Governments to collaborate to establish regular short/medium/long term population forecasts along with infrastructure servicing plans.
- The Federal Government should expand the National Cities Performance Framework to measure improvements in Australia's largest cities and identify the base level of service expected for key elements of liveability: affordability, congestion, environment, business investment, to accommodate a larger population.

### WANT MORE INFORMATION?

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