

Australian Capital Cities

partners in prosperity

executive summary



COUNCIL OF CAPITAL CITY LORD MAYORS

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lord mayors' statement

Capital cities need a working arrangement with the federal government as national and local priorities converge and demand policy alignment and collaborative investment.

Capital cities are major generators of wealth in each Australian state and territory. They are the engine rooms of economic growth and the cradles of national creativity and innovation responsible for 78% of economic growth over the last five years.

Australia's continued economic prosperity depends on its capital cities maintaining and enhancing their international standing and we need to invest in their security and sustainability if Australia is to become more competitive, innovative and productive.

Our capital cities are centres of opportunity which attract business, labour, tourists, international students and investment from around the world. They are the face of Australia, projecting its character, and are the international gateways to our region.

Capital cities which are globally competitive must be safe, accessible, and supported by efficient transport, world-class urban design and sustainable development. Cities must be stimulating and liveable in order to attract a mobile and skilled workforce. They must support a creative and diverse cultural environment, a sustainable built environment and foster an inclusive social ethos if they are to compete in the global market. Capital city councils allocate \$3 billion per annum to meet these demands.

Capital city councils work closely with the business sector, deal with the everyday needs and demands of both the urban workforce and their constituents and, at the same time, enjoy strong international relations with cities of strategic interest.

Capital cities need a working arrangement with the federal government as national and local priorities converge and demand policy alignment and collaborative investment. Governments in Europe, Canada, the United Kingdom and the United States of America have recognised that capital city economic clusters accelerate innovation, investment, job growth and wealth generation. They have accepted the need for a new co-operative approach to city management and to relations between the cities' economies and the national government.

The Council of Capital City Lord Mayors' policy priorities align with those of the federal, state and territory governments as articulated by the Council of Australian Governments' agenda. The capital cities' priorities which underpin strong urban economic activity are transport and infrastructure; social infrastructure; city safety and security; global engagement and tourism; and sustainability.

The Lord Mayors of Australia's capital cities call for:

- A direct partnership between the federal government and Australia's capital cities
- A national Capital Cities' Policy to optimise both the productivity and liveability of our cities.

A failure to act could result in Australia being left behind in the competitive global environment and risk the decline of our cities' international standing as being among the most liveable in the world.

Capital City Council Lord Mayors

The Rt Hon the Lord Mayor of Adelaide

Michael Harbison

The Rt Hon the Lord Mayor of Brisbane

Cr Campbell Newman

ACT Minister for Territory and Municipal Services*

Mr John Hargreaves MLA

The Rt Worshipful the Lord Mayor of Darwin

Alderman Garry Lambert

The Rt Hon the Lord Mayor of Hobart

Alderman Rob Valentine

The Rt Hon the Lord Mayor of Melbourne

John So

The Rt Hon the Lord Mayor of Perth

Dr Peter Natrass

The Rt Hon the Lord Mayor of Sydney

Clover Moore MP

* The ACT, encompassing the city of Canberra, is unique in the Australian political landscape. As a self-governing Territory, a Capital City, and the Seat of the Australian Government, Canberra faces somewhat different challenges to the other capital cities of Australia. The Territory Government takes its place with the Commonwealth, States and Northern Territory on both COAG and the recently established Council of the Australian Federation, as well as a range of intergovernmental Ministerial councils and associated structures. It is through these processes that the ACT works with other jurisdictions to establish and agree on Australia-wide policy priorities for the provision of public education, health and hospitals, police services and emergency management, urban development, the environment, water, transport infrastructure and services, and cultural and recreational amenities. The ACT is also subject to a range of funding mechanisms arising from its joint Federal/State/Local Government responsibilities which differ markedly from those of other capital cities.

For these reasons, while the ACT Government acknowledges the strategic importance of capital cities to the nation's productivity and supports the CCCLM's call on the Australian Government to work with capital cities to unleash their potential, it does not necessarily commit itself to the specific actions, policies and accountability measures described in these documents.

footprints in the stone

The Council of Capital City Lord Mayors acknowledges the traditional owners of the regions and communities it represents and the important role Indigenous people continue to play within them.

In world terms, our beautiful cities are but young – just over 200 years old. However, beneath their bustle as modern world cities lies a rich, complex cultural heritage that stretches back further than most of us can imagine. Hence what has been termed the **'Footprints in the Stone'**.

Aboriginal people are estimated to have lived throughout the Australian continent for more than 50,000 years. Many of our cities were built on land and waterways extensively occupied by Aborigines. Despite the massive redevelopment of the past two centuries, much evidence of Aboriginal occupation remains. Some of it has been integrated into cities' contemporary landscape – through the names of suburbs, street names, parks and other landmarks. Some major roads are believed to have been constructed on what were originally Aboriginal walking tracks. And throughout our cities, artefacts and rock engravings continue to be uncovered.

However, the most enduring and relevant legacy of the cultural heritage lies in the Aboriginal understanding of the significance of the land and the local and deep commitment to 'place'. A sense of place encompasses a feeling of connection to a place, a lived engagement with people and land, and an understanding of processes in time and space.

"Along a labyrinth of invisible pathways, known to us as Songlines, the Aborigines travelled in order to perform all those activities which are distinctly human – song, dance, marriage, exchange of ideas, and arrangements of territorial boundaries by agreement rather than by force. The Songlines, in Aboriginal culture, are what sustain life. The task of a new planning imagination is to search for the city songlines, for that is life sustaining..."

Leonie Sandercock

'Practicing Utopia: Sustaining Cities', paper given to the annual meeting of the International Network of Urban Research and Action (INURA) in Florence, September 2001

capital cities at a glance

		% of Australian total
Population	Total	64
	Growth (2005–06)	61
Businesses	Total	63
	SME Businesses (<200 employees)	62
	Large Businesses (>200 employees)	78
Economic activity	Gross Domestic Product (GDP)	70
	GDP Growth (2001–06)	78
Employment	Total jobs	66
	Advanced services sector	75
	Finance and insurance	81
	Business services	74
	Communication	73
	Culture and recreation	68
	Specific industries	Services to finance
	Insurance and superannuation	83
	Air transport	82
	Printing and publishing	80
	Machinery and equipment	76
	Motion picture and TV services	75
Occupations	Professionals	72
	Managers (non-farm)	74
	Advanced clerical and sales workers	70
	Associate professionals	65
Specific occupations	Computing professionals	88
	Social professionals	82
	Sales and marketing professionals	81
	Business and information professionals	81
	Accountants	80
	Printing tradespersons	78
	General managers	77
	Keyboard operators	76
	International visitors	Our capital cities are Australia's gateways to the world with over 6 million international visitors in 2005, staying over 96 million visitor nights. Of these, 7.5 million were for business purposes and 30.5 million for educational purposes. These represented:
	Total visitor nights	70
	Visitor nights for business	78
	Visitor nights for education	83
	International visitor expenditure	71
Finance	Australian cities manage more than \$1 trillion in managed funds, the fourth largest in the world and biggest in the Asian region.	

Source: Australian Bureau of Statistics

partners in prosperity

Australia's national economic well-being is driven by its capital cities.

Australia's continued economic prosperity depends on maintaining and enhancing its international competitiveness. Moreover, Australia's ability to be more competitive, innovative and productive is increasingly dependent on the success of its cities.

Our cities are centres of opportunity that attract people, business and investment from around the world. They are Australia's international gateways to our nation.

Australia's national economic well-being is driven by its capital cities – 61% of Australia's economic activity in 2006 took place in Sydney, Melbourne, Brisbane and Perth and these cities contributed 78% of Australia's economic growth during the last five years, up from 66% in 2001.

From 2001 to 2006, these cities provided economic growth worth more than \$200 billion, generating a total value-add of \$2,500 billion in that period. If Sydney and Melbourne were independent nations, they would rank in the top 50 national economies of the world, similar to the economies of Malaysia, Israel, Chile, Pakistan, the Philippines and Egypt, and close to Thailand, Argentina and Portugal.

To remain prosperous, there is an urgent need to recapitalise our capital cities, to invest in world-class infrastructure and sustainable practices.

There is now a broad understanding that the issues facing capital cities are neither purely local nor domestic; they are central to our national and international competitiveness, sustainability and national cohesion.

drivers of economic success

Capital cities are best equipped to promote cluster development and innovation within their cities.

The quality of place and the liveability of capital cities are key drivers in the ability to attract the talent and investment needed for cities to grow and prosper.

Cities combine the most important elements for generating productivity and innovation: industry clusters, creativity, specialisation, diversity and connectivity. Productivity and innovation depend on training, retaining and attracting scarce skilled labour capable of operating in a multi-cultural global environment. A significant component of this attraction is the liveability and amenity of a city.

Liveable cities with high quality infrastructure, green spaces, excellence in urban design and safe and inviting environments contribute to economic success; attracting foreign investors, highly qualified professionals, international students and tourists. The safety and security of our capital cities underpins their liveability and our councils collect and utilise accurate data relating to asset management, planning and operational management of city assets to inform emergency management and counter terrorism planning.

In recognition of the importance of place and quality of urban life, capital city councils have shifted their role over time to one of 'place shaper', reforming their service provider origins and regulatory past. While these are still important functions, capital city councils have significantly focused their role to one of city management and are delivering world best practice programs and services.

Capital cities collectively invest \$3 billion per annum on the management of their cities.

Capital cities have implemented multi-million dollar destination and marketing campaigns and a spectacular calendar of sporting and cultural events. Most capital cities have in place detailed plans for the strategic and competitive positioning of their cities on a 10- to 20-year planning horizon and have implemented urban design strategies to continue the renaissance in these cities.

From a business and trade standpoint, capital cities have developed partnerships with business, research and educational institutions to promote and market industry clusters in areas such as tourism, finance, multimedia, biotechnology, petroleum, marine, information industries, aerospace, advanced manufacturing, film, television, new media, design and higher education.

Capital cities are best equipped to promote cluster development and innovation. It is their infrastructure, services and quality of place features which are important considerations when businesses choose to locate in cities.

Capital cities have developed initiatives, partnerships and programs to support local businesses, develop economic clusters and attract new investment.

The Council of Capital City Lord Mayors (CCCLM) is working on the transformation of capital cities to establish:

- A creative environment which encourages innovation and financial mechanisms to sustain research and development and opportunities
- Infrastructure, particularly related to connectivity (transport and communications) to enable industry to compete to world-class best practice
- Social infrastructure which provides social cohesion, security and safety and enables all citizens to benefit from the development path
- A sustainable environment which addresses climate change, water and air quality challenges.

Australia's capital cities are attracting significant international interest for their achievements in many fields including standards of liveability, public space planning, major event planning, urban design and green buildings.

challenges – can we compete?

Australia cannot afford
to lag behind.

Despite good fundamentals, individually Australian capital cities face a number of threats and challenges. Other cities around the world are:

- investing in world-class infrastructure plans
- expanding into areas where Australian cities have had a competitive advantage.

Nations elsewhere have embraced the need for cities and governments to work in partnership to stimulate the potential of their cities and Australia cannot afford to lag behind these developments.

The global competition between cities and the importance of urban quality of life to the economic productivity of a nation is currently the subject of a national inquiry in the United Kingdom. Earlier this year, the Organisation for Economic Cooperation and Development (OECD) released a report on Competitive Cities in the Global Economy. Elsewhere, the European Commission, the United States of America and Canada are engaged in national urban policy development.

The common theme emerging in these reports is that national and capital city leadership are critical to grasping the opportunities that the global economy offers.

Cities around the world have major plans under way for transport upgrades and expansion, since transport is a critical factor in the overall efficiency of a city. Shanghai has the world's fastest rail and is building a metro system which will be twice the size of London's by 2021.

Singapore is already undertaking an ambitious \$10 billion plan to better connect its metro rail system with an additional circle line and 30 new rail stations (which incorporate other commercial activities) and to extend its downtown light rail system with an additional five destinations, all by 2012.

Under its \$30 billion information and communication strategy, Singapore is committed to giving all businesses and residents access to free wireless connection. This will provide the basis for an expanded skill base and forge Singapore as a finance and business services centre, particularly for private wealth management – the 'Switzerland of Asia'.

Hong Kong now has one of the largest, most efficient transit operations in the world. In Beijing, an entire new central business district (CBD) is being constructed some five times the size of Sydney's, with state-of-the-art transport and communications connections, including 52 metro rail stations.

There can be no doubt that Australia would benefit from more effective and efficient co-operation between the federal, state and territory governments and our capital cities

The CCCLM joins the Business Council of Australia, the Committee for Economic Development of Australia, the Property Council of Australia, the Planning Institute of Australia and the House of Representatives Standing Committee on Environment and Heritage in the call for better collaboration and co-ordinated action. In particular, we would point to the importance of investing for growth; not just ameliorative investment needed to get cities up to scratch but investment that generates additional growth and thereby pays for itself several times over.

commitment and investment

The CCCLM believes there is a clear imperative for capital city growth and development to be placed at the forefront of government agenda.

The national and international interest in cities is clear and compelling. Australia's capital cities face new challenges and opportunities that demand a response from the federal government. There is a need to recapitalise our cities to improve competitiveness, social cohesion and environmental sustainability and this can only be achieved through better governance involving all levels of government, business and the community.

There is certainly a leading role to be played by the federal government in relation to capital cities' policy.

The CCCLM has identified five policy priorities which align with elements of the Council of Australian Governments' agenda. It has developed policies in the following areas which are at the heart of greater national prosperity:

- Sustainable cities
- Transport and infrastructure
- Social infrastructure
- Global engagement and tourism
- City safety and security.

CCCLM national policy committees have highlighted a range of policy issues.

Sustainable cities

- Sustainability must be the key object of all urban planning and management
- Capital cities have a leading role in city and metropolitan reductions in greenhouse gas emissions and planning for effects of climate change
- Capital cities are instrumental in delivering practical urban water strategies that will improve Australia's water efficiency and environmental outcomes
- Energy efficiency and the growth of renewable energy sources and distributed energy generation in urban centres must be supported
- Capital cities are leaders in urban waste reduction and resource recovery on waste streams, for example, green events, food, office and construction waste
- Concentrating jobs and population in activity centres, particularly inner cities, makes a substantial contribution to metropolitan sustainability
- Central cities provide unique opportunities to build green and smart, delivering productivity and liveability gains
- The collective purchasing power of capital cities can be harnessed to foster innovative technologies and products
- The environmental management sector should be supported to grow as an international competitive industry.

Transport and infrastructure

- Transport and land use planning and implementation must be co-ordinated
- Metropolitan structures based on consolidation, containment and transport-linked multi-centres, with the central area as the primary gateway, are needed to optimise urban efficiency
- Substantial growth in inner cities for living, working, visiting and studying is necessary to underpin the productivity and competitiveness of metropolitan areas, regions, states and the nation
- A high degree of accessibility to and within inner cities is critical to the productivity of metropolitan regions, states and the nation – particularly access to skills
- High quality public transport is critical to the success of inner cities
- Long-term planning and investment in metropolitan public transport, using the most effective modes in each city, is required
- Priority road and rail access to airports, ports and interstate rail lines is required to support trade productivity
- Priority to short-term parking to minimise commuter parking in central areas should be implemented through local policy
- Walking and cycling are part of the transport system and should be the main mode for circulation in inner city areas.

Social infrastructure

- A greater focus is needed on preventive health partnerships that draw on land-use planning, activity programs and public awareness promotion to increase physical activity by residents and city workers to combat conditions such as diabetes and obesity
- To meet the specific needs of Indigenous Australians living in our cities, strategies developed with the Urban Indigenous Co-ordination Centres are a priority
- Capital cities have a pre-eminent role in the development, production, consumption and export of arts and cultural services, which benefit all Australians. With their global profile, capital cities are well placed to partner the federal government to promote Australian art and culture domestically and internationally
- Government, non-profit organisations and private corporations have complementary roles to ensure diverse opportunities for people to take part in sport and recreation
- Better co-operation is needed across government, industry and the community to ensure cities are child friendly, providing an array of services responding to the needs of children and their parents, and ensuring the urban environment allows for play and social interaction
- Australia's capital cities are among the most ethnically and culturally diverse in the world. It is critical that governments at all levels focus on, and co-operate in, building social cohesion and celebration of our rich heritage
- Commitment, co-operation and investment are required from each level of government to ensure an adequate supply of affordable housing and a mix of housing types in our capital cities. Councils' land use planning responsibilities and detailed knowledge of the urban environment equip them to play a central role
- Capital cities seek to collaborate with other levels of government and industry to promote housing development which:
 - offers the best possible quality of life and environment for all residents
 - achieves and maintains best practice in urban design provides appropriate protection and enhancement of heritage character and local and cultural identity
 - is socially and ecologically sustainable
 - encourages affordable housing.

Global engagement and tourism

- Greater recognition and knowledge of the role of capital city councils in Australia's public diplomacy is needed to optimise and streamline outcomes
- Capital cities have developed relations with 50 international cities of strategic interest, the considerable benefits of which would be strengthened by a whole-of-government approach
- Federal, state and territory funding needs to be directed towards supporting and developing the activities of capital city councils in facilitating public diplomacy
- Further investigation of opportunities for collaborative public diplomacy activity between capital city councils is required to promote the attributes of our cities internationally
- Recognition of the cities' role as gateways to Australia needs to be co-ordinated with federal, state and territory government tourist policy initiatives.

City safety and security

- A holistic approach to major event management through national event planning guidelines is needed to enhance the nation's ability to stage events
- An engaged and integrated planning approach between emergency agencies and councils is required for the conduct of mass gatherings to maintain our democratic right for local communities to voice their concerns
- Public safety and crime prevention will be enhanced by a consistent and co-ordinated approach to the use of Closed Circuit Television (CCTV), appropriate urban design and effective place management principles
- Our capability to recover local communities from emergencies and natural disasters will be enhanced by a regional approach of councils that is complemented by federal, state and territory governments' resource planning
- A national approach for preparing our community for emergencies can be implemented holistically through councils' interactions with their communities
- Requirements for exercises mandated by Council of Australian Governments (COAG) and other Acts should be integrated with existing city planning to optimise response and recovery of the community
- Sustainability of critical infrastructure and significant activity centres is supported by councils' inherent up-to-date knowledge of their community bases, perceived community risks and economic dependencies.

a capital cities' and federal government partnership

There is significant potential for joint venture partnerships with the federal government on projects of national significance.

A formal partnership

The critical challenges and opportunities facing Australia mean collaboration and co-operation between the federal government, state and territory governments and the CCCLM is essential to future prosperity. For co-operation to work however, it must be based on a common purpose.

The CCCLM believes the institutional arrangements should be built around:

- A vision for capital cities which is shared by all levels of government in the national interest
- Investment in the economic, social, physical and environmental development of capital cities where these directly affect their competitive advantage
- Government and business collaboration to maximise opportunities to meet key strategic requirements
- A shift in attitude to optimise business, investment, development, use, enjoyment and value of capital cities.

Capital city councils have significant resources and assets which could be used in joint venture partnerships with the federal government to maximise opportunities, growth and competitive advantage of capital cities.

The CCCLM collectively administers more than \$25 billion in assets. Therefore, there is significant potential for joint venture partnerships with the federal government on projects of national significance.

A national policy for capital cities

A national policy for cities is needed to maximise their urban potential.

The CCCLM considers that the infrastructure needed to support Australia's current growth has not been forthcoming because there is no strategic national capital cities' policy.

A national policy is crucial to addressing inadequacies in the current approach to assessment, co-ordination and planning of economic and social infrastructure. Australia's future prosperity depends on a complementary and co-ordinated approach.

As more of the opportunities and challenges facing Australia require collective responses, there is a commensurate need to anticipate emerging issues, identify and analyse potential policy responses, test policy responses with the community and to monitor their implementation.

A national policy requires national leadership and should be developed in concert with the capital cities at federal government level.

The CCCLM is committed to:

- Investing with federal government in projects of national significance in capital cities
- Providing advice to the federal government on national policy and program development and delivery
- Supplying technical expertise and current on-the-ground local knowledge of our cities
- Supporting COAG on matters relating to capital city core business
- Meeting regularly in Canberra with federal government departments and agencies
- Participating in departmental and agency working party initiatives which affect capital cities.

A national Capital Cities' Unit

The CCCLM is strongly committed to the establishment of a Capital Cities' Unit within the Department of Prime Minister and Cabinet and is prepared to contribute resources to this as a first step in the development of this partnership.

A Capital Cities' Unit would be responsible for establishing effective mechanisms for co-ordination, i.e. strategic investments in capital cities with a view to positioning Australia as a global centre in the Asia-Pacific region.

The Unit would, as a starting point, consider the policies developed by the capital cities in their five areas of core business which are:

- Sustainable cities
- Transport and infrastructure
- Social infrastructure
- Global engagement and tourism
- City safety and security.

Importantly the Unit would act as a conduit between capital cities and federal departments and agencies to drive projects of national significance and optimise the investment in those projects.

The Unit could also, in the absence of a metropolitan level of administration, work with the Australian Bureau of Statistics (ABS) regional statistics program in order to provide vital information on the performance and contribution of our cities. This is particularly important in the economic and trade areas, such as National Accounts. The collection of data relevant to capital cities by the ABS is an urgent need.

Capital city projects

Australia's eight capital cities have identified 24 major projects that, undertaken in partnership with the federal government, would make a significant difference to national prosperity. The projects – part of a package of 80 earmarked as important by the main population centres – range across the capital cities' five areas of core business.

The capital cities believe a collaborative program would enable the 24 projects to be realised faster for a net benefit to the nation in the areas of:

- Lower traffic congestion
- More efficient public transport systems
- Improved opportunities for infrastructure growth
- New world class cultural facilities
- Reduced greenhouse gas emissions
- Greater social cohesion
- Smarter water usage.

These particular projects are representative of a necessary recapitalising of our cities to improve the nation's competitiveness, social cohesion and environmental sustainability.

Bringing them to fruition through a disciplined, visionary and well-resourced partnership with the federal government will enhance Australia's ability to be more competitive, innovative and productive.

recommendations

Recommendation 1

It is recommended that the federal government and Council of Capital City Lord Mayors establish a mechanism, in the form of a formal partnership, to work together on the five capital cities' priorities:

- Sustainable cities
- Transport and infrastructure
- Social infrastructure
- Global engagement and tourism
- City safety and security.

Recommendation 2

It is recommended that the federal government:

- Develop the national capital cities' policy
- Establish a Capital Cities' Unit within the Department of Prime Minister and Cabinet
- Co-ordinate and integrate federal and capital cities' policies and programs where appropriate
- Act as a conduit between capital cities and federal government departments and agencies to optimise the investment in projects of national significance
- Strengthen economic partnerships to deliver outcomes at local, national and international levels.

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