



ANZAC House
Level 4,4 Collins Street
Melbourne VIC 3000
melbourne.org.au
T +61 (3) 9650 8800
E cfm@melbourne.org.au
ABN 39 603 559 744

Jo Hutchinson
A/g Assistant Secretary
Cities and Suburbs Unit
Department of Infrastructure, Transport, Regional Development, Communications and the Arts
Australian Government

12 July 2024

By email: Jo.Hutchinson@infrastructure.gov.au

Dear Ms Hutchinson,

REF: Draft National Urban Policy

Thank you for the opportunity to provide feedback on the Australian Government's Draft National Urban Policy.

Committee for Melbourne (the Committee) is an apolitical, not-for-profit, member-based organisation that brings together around 120 organisations from Melbourne's business, academic and civic sectors whose common purpose is to shape a better future for Melbourne. As an independent organisation, we represent no single interest group but seek to develop innovative ideas to continue to enhance Melbourne's position as an economically prosperous and highly liveable global city.

The Committee commends the Australian Government for its active approach to shaping Australia's urban environments. Through the re-activation of the National Urban Policy (NUP), the government is demonstrating a clear commitment to ensuring Australia's cities are liveable, equitable, productive, sustainable and resilient. With Australia's capital cities home to two in three people, responsible for 70% of GDP, and the engines of future economic growth and prosperity, optimising their development and functionality is crucial. Attached is a media release from the Committees for Capital Cities outlining its collective voice on crucial matters impacting our cities, which supplements this submission.

The development of the NUP comes at an important time for Melbourne. The city is experiencing rapid population growth and a steady rise in its freight task and visitor arrivals. With Melbourne's low-density development model, this growth is contributing to congestion, insufficient housing stock and unequal access to public transport, jobs, amenities and services. The Committee's independent [Benchmarking Melbourne 2024](#) report highlights that Melbourne is sprawling faster than its peer cities, making its urban footprint the fourth largest among that group. This underscores the need for a strategic approach to urban planning and development to ensure sustainable growth and equitable access to resources.

These growth-related challenges coincide with a period of significant change, characterised by digital transformation, evolving social dynamics and greater emphasis on environmental sustainability, against the backdrop of a challenging economic period, marked by rising state debt, interest rates, inflation and a skills shortage. The Committee welcomes greater Australian Government involvement in helping Melbourne navigate these challenges.

This submission is divided into four sections. The first section presents four general observations of the NUP for consideration. The subsequent three sections focus on critical issues facing Melbourne that the NUP could help address: supporting integrated transport planning, re-orienting Melbourne's growth model, and emphasising economic development.

List of Recommendations

Priority	Recommendation
1. General observations	<p>1: Clearly articulate the policy areas where the Australian Government will shape our urban environments, while also identifying the roles of State, Territory and local governments, the private sector and the community.</p> <p>2: State that the Australian Government will create a long-term population policy.</p> <p>3: State that the Australian Government will create a settlement strategy for Australia.</p> <p>4: Ensure that each 'action' in the NUP is achievable and has the necessary detail to guide its implementation.</p>
2. Integrated planning	<p>5: Emphasise the need for Australia's capital cities to have integrated transport plans, which incorporate land use and economic development planning.</p> <p>6: Help shape the creation of governance models in each capital city that can support the delivery of an integrated transport plan.</p> <p>7: Ensure that prospective major infrastructure projects have appropriate business cases verified by Infrastructure Australia and/or Infrastructure Victoria, and are aligned with long-term urban plans.</p>
3. Growth model	<p>8: Include criteria in the NUP that evaluate the productivity outcomes of policy implementation and investments, which may support a more compact city development model.</p>
4. Economic development	<p>9: Support the development of an economic vision for each Australian capital city.</p> <p>10: Foster environments that support the development of innovation precincts.</p>

Summary

1. General observations

The Committee supports the goals, objectives and principles outlined in the draft NUP, which are thoughtfully crafted and create a positive, aspirational vision for Australia's urban environments. The document addresses a broad range of important issues and themes that are crucial for fostering liveable, equitable, productive, sustainable and resilient towns and cities. The Committee proposes that the draft NUP could be enhanced by considering four crucial issues: role accountability, population policy, settlement strategy and implementation.

a. Role accountability

The draft NUP addresses numerous critical issues impacting Australia's urban environments. From matters relating to First Nations communities to the urgent matter of housing affordability, to transport, sporting and community infrastructure, and more, the draft policy encompasses a broad range of concerns.

By covering these diverse areas, the draft NUP clearly aims to enhance the quality of life in urban Australia. However, many of these issues come under the purview of state and local governments. The policy could therefore be enhanced by focusing on the strategic, nationally significant issues that the Australian Government is uniquely positioned to influence, with an articulation of how it will allocate the resources and tools needed to address these issues.

The NUP should clearly articulate the role that each level of government, as well as the private sector and community, has in addressing the issues contained within the NUP. It should also clearly outline the nationally significant matters that it will address to support the evolution of Australia's urban environments, which will guide and support the actions and activities of the other key stakeholders.

[Recommendation 1: Clearly articulate the policy areas where the Australian Government will shape our urban environments, while also identifying the roles of State, Territory and local governments, the private sector and the community.](#)

b. Population policy

Australia's population recently surpassed 27 million and is forecast to reach nearly 38 million by mid-century.¹ The population is growing at an historically high rate, having risen by 624,100 people in the 12 months to June 2023 – a 2.3% increase.² Such growth will continue to place pressure on our urban centres, particularly on infrastructure, including housing, as well as the provision of essential services.

As part of its commitment to supporting Australia's urban environments, the NUP should state that the Australian Government will create a comprehensive, long-term population policy, which would consider issues relating to migration, housing and urban development, infrastructure and services, and crucially, mechanisms for coordinating the policy among the three tiers of government.

A comprehensive population policy would help state and local government planners and policymakers make more informed decisions on infrastructure provision, including transport, healthcare, education and utilities, to meet the needs of the growing population.

[Recommendation 2: State that the Australian Government will create a long-term population policy.](#)

c. Settlement strategy

Australia is one of the most urbanised countries in the world with over 85% of its population residing in urban areas.³ While this level of urbanisation helps foster innovation and economic growth, it is also straining the country's infrastructure and capacity to deliver much-needed services.

Despite Australia's high urbanisation rate, there is no overarching plan that sets out the aspirations and objectives for how Australia's major cities and towns should evolve. With no national settlement strategy, a 'business as usual' approach to the way in which our urban environments are planned will likely incur losses in national productivity, exacerbate congestion and housing unaffordability, and see a deterioration in employment choices.

A national settlement strategy could enable a spatial approach to problem-solving, including in relation to industry and employment precinct locations, and infrastructure planning, that addresses the population growth that will occur in the coming decades. It would sharpen the

¹ Australian Bureau of Statistics, revised 2024, [Population](#). Viewed 11 July 2024.

² D. Holmes, "27 million milestone stirs 'population panic'", The Mandarin, 25 January 2024, viewed 11 July 2024.

³ [Coasts: 2021 Australia State of the Environment Fact Sheet](#), Department of the Environment and Energy, 2021, viewed 11 July 2024.

focus on how Australia's urban centres will grow, including the jobs and housing mix required for economic prosperity and social wellbeing, and allow authorities to plan beyond political and budgetary cycles.

[Recommendation 3: State that the Australian Government will create a settlement strategy for Australia.](#)

d. Implementation

In Melbourne, various plans and frameworks have been developed to provide a roadmap for how the city should grow, including 'Plan Melbourne,' 'The Victorian Infrastructure Plan' and 'Network Development Plan – Metropolitan Rail,' while 'Plan Victoria' and an updated 'Freight Plan' are currently being developed. While all these policy documents have merit, they could be improved with additional detail and better alignment to deliver on key priorities and actions, including specific project timelines and clearly defined ownership responsibilities.

The Committee recommends similar considerations be had with the draft NUP. Alignment and clarity around how government plans work together would be welcome, including across freight, infrastructure, housing and industry policy. This will enable the measurement of progress, ensure accountability and facilitate the coordination of efforts across different departments and levels of government to implement the NUP effectively.

The Australian Government should ensure that the NUP's determined 'actions' (currently labelled 'Possible actions' in the draft NUP) are achievable and have the depth and clarity needed for successful implementation. The NUP needs to be clear and effective in its objectives, which will give greater confidence to state and local governments, the private sector and the community.

[Recommendation 4: Ensure that each 'action' in the NUP is achievable and has the necessary detail to guide its implementation.](#)

2. Integrated planning

The Committee has advocated over many years for the Victorian Government to publish a comprehensive, integrated transport plan for Greater Melbourne that considers land use and economic development. The Committee's [Transporting Melbourne](#) report highlights that the city needs a strategic plan that maps out how it will grow, including where the expanding population will reside, the locations of industry and knowledge-intensive sectors, the timeline for transport project delivery, the functioning of the freight network and other key considerations.

Melbourne's growth has led to ongoing suburban expansion, which could have been more effectively managed with a clear infrastructure investment strategy. Congestion, insufficient housing stock and affordable housing, and unequal access to public transport, jobs, services, open space and social events, is now a feature of urban life for many residents in Melbourne. Designing, publishing and adhering to an integrated transport plan, which includes land-use and economic development, could help address these challenges through coordinated delivery of policies, programs and investments.

One factor inhibiting the design and implementation of a sophisticated integrated transport plan for Melbourne, is the governance structure. Multiple levels of government, including 31 metropolitan Melbourne councils, all influence how Melbourne grows. It is crucial for all governments to coordinate and plan for issues that transcend organisational remits and municipal boundaries, including on matters relating to transport, housing, green spaces, amenities and economic development. This requires a governance structure that outlines implementation responsibilities of plans and policies,

developed in collaboration with key stakeholders, including all levels of government, the community and the private sector.

[Recommendation 5: Emphasise the need for Australia's capital cities to have integrated transport plans, which incorporate land use and economic development planning.](#)

[Recommendation 6: Help shape the creation of governance models in each capital city that can support the delivery of an integrated transport plan.](#)

[Recommendation 7: Ensure that prospective major infrastructure projects have appropriate business cases verified by Infrastructure Australia and/or Infrastructure Victoria, and are aligned with long-term urban plans.](#)

3. Growth model

Melbourne is a hub of business, education, culture, sport and innovation. However, its low-density urban development has led to continued expansion of the city's boundaries. While this growth model has served the resident population well by allowing people to live in detached or semi-detached dwellings with the car as their primary transport mode, the challenges brought upon by rapid growth mean that the low-density growth model is no longer suitable.

Managing Melbourne's growth is neither simple nor straightforward, but it can be made easier by pursuing a more compact growth model. As outlined in Infrastructure Victoria's [Choosing Victoria's future](#) report, a compact city scenario would deliver substantial benefits, including infrastructure cost savings, less cars and congestion, more public transport use, less emissions, more land saved and substantial economic gains.

Should a more compact city growth model be pursued with support and guidance by the NUP, implementing an integrated transport plan that supports this model will be crucial.

[Recommendation 8: Include criteria in the NUP that evaluate the productivity outcomes of policy implementation and investments, which may support a more compact city development model.](#)

4. Economic development

Melbourne's economy is now powered by knowledge-intensive industries, including advanced manufacturing, financial and insurance services, healthcare, and professional, scientific and technical services. This has heightened the importance of innovation, with economic growth, job creation, wealth generation, competitiveness and a better standard of living now increasingly dependent on the ability of local firms to produce and export innovative products and services.

Melbourne has the foundations for innovation to flourish. With multiple universities and research bodies in Greater Melbourne making groundbreaking discoveries every year across diverse research areas, the city is uniquely positioned to leverage these assets to compete in global markets. However, despite these research strengths, Melbourne is not converting enough of its research into marketable products. This was highlighted in the Committee's '[Benchmarking Melbourne 2024](#)' report, which ranks Melbourne 3rd among 19 peer cities for the number of scientific articles produced but ranks the city joint last among 13 peers for the number and quality of patents generated.

As the foundation of the knowledge economy, Melbourne's precincts should be optimised to foster innovation and drive research commercialisation. The NUP could play an important role by helping foster environments that encourage the co-location and collaboration of research institutes,

universities, accelerators, incubators, venture capital firms, start-ups, spin-offs and industry players. This could be achieved by supporting integrated infrastructure development, the encouragement of zoning and planning reforms, as well as strategic funding and incentives.

Recommendation 9: Support the development of an economic vision for each Australian capital city.

Recommendation 10: Foster environments that support the development of innovation precincts.

* * *

The Committee commends the Australian Government for its draft National Urban Policy and its commitment to help ensure that Australia's urban centres are liveable, equitable, productive, sustainable and resilient. We appreciate the Department of Infrastructure, Transport, Regional Development, Communications and the Arts for the opportunity to provide feedback on the draft policy and extend our best wishes as it is finalised.

For any information related to this submission, please contact our Senior Policy and Advocacy Officer, Brett Van Duppen, at bvanduppen@melbourne.org.au

Yours sincerely,



Mark Melvin
CEO



Leanne Edwards
Director, Policy & Advocacy