

Australia's distinctive strategic planning arising from rapid national population growth and sub-national state competition for metropolitan development

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Statement of problem

Australia has the highest rate of population increase of all developed nations, driven by a high rate of immigration. It is also a federated nation, and one in which each state's population is heavily concentrated in a primate capital city and in which the state governments have constitutional control over urban planning and development (Searle and Bunker, 2011). This combination of factors has led to globally unique state responses to metropolitan planning and development in response to the challenges set by these factors. The planning problems arising from these factors are:

1. How to provide housing and employment for rapid population increases in the largest four cities, each with more than 1.5m people.
2. These increases are exacerbated by interstate competition in which the size of each state's largest (capital) city is seen as a marker of state success, leading to a reluctance by governments to consider slower growth rates.
3. How to provide adequate infrastructure to accommodate population growth in outer metro greenfield areas in line with traditional Australian preference for low density housing, in a context of state fiscal stringency; one consequence is high cost housing land as land supply is restricted and the state puts infrastructure charges on to developers.
4. In particular, how to provide adequate public transport to growing outer suburbs when public transport there will be loss-making because of low densities and therefore difficult to justify from the prevailing neoliberal viewpoint.

5. Policies of urban densification for accommodating population growth, to save on infrastructure costs and better support public transport, are restricted by local opposition to rezoning to higher densities, exacerbated by Australia's high home ownership rates which feeds into perceived loss of local amenity and property values; as a consequence, supply of land for high density housing is restricted.
6. The need for governments to focus on infrastructure and job provision because of high metropolitan population increases means that the big cities expand unsustainably into fertile farmland and some valuable ecological precincts.
7. Lack of state funds means state provision of affordable housing in a nation of globally high housing prices is almost absent, and there is a reluctance to ask developers for an affordable housing component because it might compromise overall housing supply targets.

This leads to a very different kind of strategic spatial metropolitan planning compared to developed countries where city growth is not as pronounced, such as Europe where the emphasis is on relationships between centre and periphery, for example (Salet et al, 2015).

Objectives

The paper's main objective is to explain how Australia's very high population growth, its federated system with very strong state government control over urban development, and its pattern of primate cities in each state, have generated a globally unique pattern of metropolitan planning and development. A sub-objective is to provide a significant national-scale case study of the problems and policy dilemmas in responding to rapid city growth in a neo-liberal climate, despite the existence of strong constitutional urban planning and development powers.

Methodology

The paper uses a combination of insights from existing academic publications on Australian metropolitan strategic planning and development over the last two decades (e.g. Searle, 1996; Searle, 2007; Searle and Bunker, 2010), and recent academic and non-academic publications (such as Kelly and Donegan, 2015) describing and critiquing Australian metropolitan development and policy responses to support the arguments in the paper.

Main results and contributions

The main results and conclusions are:

1. Australian state governments compete for population growth in their primate cities, generating high city population growth in a context of very high national population growth.
2. State fiscal constraints in a climate of neo-liberalism, including a reluctance to borrow, have caused infrastructure shortages, especially for infrastructure that is less attractive to the private sector such as public transport, resulting in a lack of public transport in new outer residential areas and also over-building of privately-funded motorways in Sydney and Brisbane.
3. The priority that needs to be given to transport infrastructure in a context of rapid population growth has helped to cause transport planning to become disconnected from land use planning.
4. Infrastructure shortages have caused state governments to restrict the supply of greenfield residential land and to pass on increased infrastructure charges to developers, both resulting in high housing prices.
5. High outer area house prices have caused increased demand for higher density housing closer to city centres, but the cost of apartments has been driven up by shortages of available sites due to home owner resistance to rezoning to higher densities.
6. The need for state governments to achieve high dwelling construction targets has caused some high densities to be zoned in areas with inadequate infrastructure.
7. Recent moves by the national government to provide funding for transport infrastructure have ameliorated state funding shortages.
8. Concerns about, and actions to promote, sustainable growth have been more evident at the local government level than at state level in the largest cities.
9. Interstate competition for metropolitan growth has also caused state governments to compete for jobs in an oligopolistic fashion, to drive city growth. This interstate competition shows several characteristics of oligopoly theory (Baumol, 1959), notably including copycat behaviour in terms of matching tax incentives and in

providing state-supported job generating facilities such as casinos and convention and exhibition centres.

10. These findings can be considered against New Economic Geography models that suggest concentration in large cities is nationally efficient (Martin, 2015), a policy direction supported by the OECD and World Bank (2009). The Australian case reported in this paper suggests that such metropolitan concentration can be problematic in a fiscally constrained environment, and where land supply for residential growth is limited by infrastructure constraints and resident opposition to upzoning.

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