Regional Development Australia brings together people and information to promote collaborative decision making for the sustainable and just economic development of Sydney, with a focus on employment growth.
Regional Development Australia Sydney (RDA Sydney) welcomes this opportunity to comment on the *Sustainable Population Strategy for Australia Issues Paper*.

RDA Sydney is a partnership between the Australian, State and Local Governments created to strengthen regional communities. RDA Sydney is part of a national network of 55 RDA committees made up of local leaders. The aim of RDA Sydney is to work with government, business, community groups and key regional stakeholders to provide strategic and targeted responses to economic, environmental and social issues affecting Sydney.

This response underpins the objective of RDA particularly to consult and engage with the community on economic, social and environmental issues, solutions and priorities and support informed regional planning.

Last year RDA Sydney completed a Regional Plan for Sydney that describes Sydney’s attributes, industries, employment base and key advantages. It sets out the economic, environmental and social vision for the region, articulating the drivers of change, identifying strengths, weaknesses and opportunities and listing priorities for action.

The Plan includes inputs from stakeholder consultations and draws information from 66 other existing plans and reports published by the Australian, NSW and Local Governments and other key agencies.

In the last six months, RDA Sydney has consulted with key stakeholders from 65 organisations representing:

- peak bodies,
- State Government departments and agencies,
- local councils,
- regional organisations of councils,
- industry associations including chambers of commerce
- urban research centres,
- Australian Government department and agencies
- Consulting firms
- Business development organisations
- Private companies
- Think tanks
- Training organisations.

This response provides comments from a Sydney metropolitan perspective. While RDA is not an expert on population policy, we are able to provide some input based on what we learned through the broad range of consultations conducted in the process of developing the Regional Plan for Sydney and through our own expertise and past experience.
1. What issues do you think a Sustainable Population Strategy for Australia should address?

RDA Sydney believes that a population strategy should contribute to the social and economic wellbeing of all Australians and to the preservation of the natural environment. Currently the population debate appears to be polarized between a desire for population growth for the purpose of economic development and a concern for the preservation of the environment. RDA argues that these challenges are not mutually exclusive.

We believe population policies should not be seen purely as part of an economic policy, environmental sustainability, social inclusion, and livability considerations also need to be included and integrated in the development of the Strategy.

The Population Strategy should certainly contribute to economic growth. For these to occur, a number of issues need to be addressed. Most importantly, RDA Sydney argues that what we need is a shared, long-term 40-50 year whole-of-Sydney vision, which will result in a more balanced city capable of absorbing and sustaining a growing population.

The current lack of an integrated perspective across all government agencies in the governance and planning processes continues to have a negative impact on infrastructure, a key component for a successful economy that needs to be planned, costed and funded well in advance. RDA Sydney believes in:

- **A city of cities**
  RDA Sydney believes in the concept of planning for a city of cities, as outlined in the *Sydney Metropolitan Strategy*, where each region plays a well-defined role in the economy and provides a diversity of housing, employment, education, health, welfare services, open spaces and social amenity for its population. These are regions that are self-contained and sustainable, where people live, work, shop and play locally and enjoy a good quality of life.

- **Urban renewal and the revitalization of existing centres**
  It will need to be part of the integrated planning process. More streamlined Federal and State interagency processes and collaboration are vital to achieve this balanced, ecologically sustainable city that will enable us to absorb and distribute the growing population equitably and effectively, avoiding the current high levels of centralization and congestion.

- **Investment in infrastructure**
  There is a need to match growth and rectify shortfalls, especially where it is constraining capacity. According to the *2020 Report*, in Australia the proportion of GDP devoted to infrastructure investment has fallen from around 8 per cent in the 1970s and 80s to around 4 per cent today, leading to massive shortfalls in areas like road, rail, gas, water and electricity, totally an estimated $25 billion. Inadequate port capacity is leading to export bottlenecks. Such problems will only be made worse by projected increases in traffic congestion, electricity demand and freight haulage.

- **Transport infrastructure Investment**
  Transport management strategies such as reducing peak time flows through congestion charging and staggered working hours need to be implemented. RDA Sydney argues that additional freight
rail will alleviate road congestion and increase liveability in many parts of Sydney. The cost of congestion was already $9.4 billion in 2005 and projections show that it will increase by $20.4 billion by 2020 nationally. In Sydney along the cost of is $6 billion a year and will increase by $9 billion. Innovative funding models to build the hard and soft infrastructure are needed and decision-making processes must be transparent, objective and independent from any political agenda.

- **Housing**
  Issues need to be addressed if we are to accommodate a growing population. According to the *Sydney Metropolitan Strategy Review* housing supply has dropped from 32,000 in 1999-2000 to under 15,000 dwellings in 2007-08. By 2036 however Sydney will need to build 770,000 additional homes or an extra 25,000 homes per year to accommodate growth.

  This disequilibrium in the housing market and shortages of affordable housing are threatening the viability of the economy. There is a desperate need to increase the stock of affordable, environmentally sensitive, well-placed, innovative and mixed housing that houses a diverse population and takes into consideration the changing demography, e.g. smaller households and ageing of the population.

  RDA recommends transit oriented developments in urban renewal, and, mixed housing, well connected to services, transport and amenity in greenfield sites. A percentage of affordable housing should be mandatory in all development projects to prevent displacement of the local population.

- **Land use**
  A sufficient supply of land to supply housing is essential for maintaining housing affordability. However this remains a significant challenge for policy makers across all levels of government. The *2011 UDIA State of the Land Report* found that the supply of land is in fact declining in most capital cities and has been since 2005 and highlights the growing gap between land supply and demand throughout Australia.

  The report says significant delays in the planning approval and rezoning processes; time, costs and complexity of meeting the web of regulation have contributed to an artificially scant supply of land. Another common obstacle is the rising infrastructure charges initiated by local councils and utility companies. These have the ability to make projects unviable as they contribute significantly to the cost structure of development and increase barriers to market entry.

  A balanced, timely planned land releases, zoning and less obstructive development is needed to supply the amount of housing needed to accommodate a growing population, as well as reforming aspects of the tax system that affect housing investment.

- **Investment in education and training**
  It remains vital for national productivity and should be an integral part of the Population Strategy. RDA believes that the annual skilled migration quotas need to be kept in line in order to fill current and anticipated skills and labour shortages. However, RDA Sydney argues that newly arrived skilled migrants could be a lot more productive with a small investment in retraining and language skills provided upon arrival. Research conducted by the University of Western Sydney showed that a waste of skills exists among newly arrived skilled migrants who find it difficult to find jobs in their own professional fields due to a lack of information and in some cases Recognition of Prior Learning.
RDA Sydney argues that improvements in secondary and tertiary education, and more whole of life training and skills development by governments and businesses, is also needed, if we are to lift the productivity and participation rates to the desired levels. According to the *Review of Australian Higher Education (Bradley Review)* there is a strong link between productivity and the proportion of the population with high level skills. But according to the *Review* only 29 per cent of 25-34 year old Australians have a degree. The *Review* recommends a target of 40 per cent by 2020, if we are to maintain or increase Australia’s competitiveness.

Further reforms in the VET system are crucial if we are to meet the skills and labour needs in the future. Skills Australia has estimated that participation rates in VET need to grow by 3 per cent per annum over the next 15 years.

On the other hand, in some trades, large numbers of students cannot obtain an apprenticeship and non completion rates of up to 50 per cent exist due to participants’ unrealistic expectations, low salaries and unsupported work environments.

- **Migration Policy:**
  Targeted migration must be seen as a supplementary method of increasing stock of human capital. RDA Sydney argues that Skilled Migration needs to be better targeted. Professional orientation and support should be available for those skilled migrants that need it, to facilitate pathways into employment. Australia should continue to welcome refugees in order to be in line with our ethical and humanitarian obligations. With more than 20 million refugees in the world, the 13,000 special humanitarian entrants the refugee quota per annum should be maintained and expanded with time.

- **Social Inclusion**
  A social inclusion dimension is an important ingredient in the population strategy ensuring that strategies so that management of economic growth do not exacerbate disadvantage.

**2. What do you think are the key indicators of an environmentally sustainable community?**

RDA Sydney believes a set of well defined and harmonized set of indicators is the way to make sustainability tangible; as they can measure the effectiveness of actions and technologies aimed at achieving a more sustainable nation.

The indicators should measure air quality, water efficiency, climate change, waste, enhanced housing affordability and substantive reduction in urban encroachment. RDA Sydney recommends indicators such as those outlined in the Major Cities Unit *State of Australian Cities 2010* report. Indicators of an environmentally sustainable community should also measure human wellbeing. This could be measured through health indicators, social inclusion, employment and education participation rates, housing affordability, quality of life indicators and distribution of wealth indicators.

A consistent centralised data collection system needs to be designed, established, and monitored in order to gather information that will be used to analyse the indicators of an environmentally sustainable community.
3. **How have changes in the population impacted on your local environment?**

Due to lack of timely and integrated planning, increases in population have contributed to disjointed and patchy fringe development and a decrease of agricultural lands. Fringe development, lack of riparian and future transport corridor identification and consolidation has also caused social problems due to lack of local services, inadequate infrastructure, a lack of public transport, amenity and sources of employment.

Currently, large numbers of people are obliged to travel long distances to work, creating high levels of traffic, congestion, an increase in greenhouse emissions, low quality of life and lack of liveability. This has been exacerbated by delays in infrastructure projects and neglect in freight rail. As a result, many people living in the fringes of cities tend to be exposed to poorer quality of life, through lack of amenity, vulnerability to petrol price increases and poor public transport.

Currently half of the agricultural lands are located in the proposed growth centres in North West and South West areas of Sydney. The loss of agricultural land is likely to have an impact on the economy. According to the Department of Primary Industries, Sydney’s agricultural value is worth $1 billion per annum and represents 12 per cent of the NSW’s agricultural production. The primary agricultural industry in Sydney employs around 9,000 people. Fringe development has also contributed to biodiversity decline.

4. **How might technological or governance improvements mitigate the environmental impacts of population growth?**

Having 41 councils in place in Sydney makes it difficult to coordinate the mitigation of environmental impacts of population growth. RDA Sydney believes an overarching government body, with decision making powers for the whole of Sydney, should be entrusted with the responsibility of economic, social planning, infrastructure and transport and the mitigation of environmental impacts. RDA Sydney agrees with the Sustainable Development Panel in that a sustainability commission be established to produce research using sustainability indicators as a basis of policy formation, including the use of sustainability impact statements to inform policy. This panel should feed input into the above government body.

RDA Sydney also believes that the effects of environmental impacts of population growth can also be modified by modern technology. In other words, practicing sustainable development will require a combination of wise public investment, effective sustainable development management, and cleaner agricultural and industrial technologies.

Investment in modern agricultural techniques to enhance agricultural productivity and reduce the demand for agricultural land needs to continue, as is sanitation and waste water treatment technology to improve pollution. According to a Siemens report, water technologies can bridge the gap by increasing the available supply of usable water and reducing demand. In particular the following approaches can be used: salt water desalination, municipal waste water factories, metering and monitoring for precision farming and smart water grid. Balancing environmental losses with renewable resources and regeneration must be a priority for government.
Australia remains one of the highest consumers of energy per capita in the world (International Energy Agency 2009a). As demand for energy continues to grow, Government should encourage less greenhouse gas emitting sources. The study Towards NSW Clean Energy Future shows that new base load coal fired power could be replaced with a mix of supply side initiatives in gas, wind and bioelectricity. Compared to the option to construct 1,000-1,500 MW of coal fired generation, the clean energy option would reduce carbon dioxide emissions by 78 per cent. The report argues that higher prices for clean energy supply would offset through demand savings measures.

A most important part of the strategy is to minimise encroachment, limit urban expansion and ensure green standards in house designs to minimise the use of air conditioners.

Maintenance of food security is a key part of maintaining and enhancing liveability and is also closely related to efforts to move towards environmental sustainability. If Australia is to absorb a growing population, food security is crucial. RDA Sydney believes it is imperative to maintain the urban agricultural rim of Sydney.

Community education is a most important tool if we are to mitigate the impacts of the environment, education on the use of water and energy particularly. Households account for 30 per cent of total electricity in the state. Improvements in Sydney’s household energy-efficiency are critical to reducing greenhouse gas emissions, e.g. better house design to mitigate air conditioners.

Growing consumption demands have led to ever increasing pressures on natural resources, both as sources of materials and for dumping of wastes. Attitudes to consumption must be curbed through community education campaigns. In 2006-07 Australians generated nearly 4.4 million tonnes in solid waste, or 2,080 kg of waste per person. Just over half of solid waste generated in NSW is recycled. According to a 2007 ABS Report, Australia reported to be the third highest generator of waste in the OECD countries. A policy is needed to reduce, recycle and reuse consumer goods or even implement user fees in order to control unsustainable consumption patterns.

5. How does population driven changes in your local economy affect your environment?
RDA Sydney agrees with the Productivity and Prosperity Panel in that population changes constitute a relatively small proportion of the total population. Therefore it will have little impact on how the current or future economy will affect the environment.

RDA Sydney agrees with the Panel in that economic growth needs to be decoupled from carbon emissions. The major sources of greenhouse gas emissions are generated by industry and household energy consumption and transport. Reducing unsustainable practices in all sectors of the economy should be driven by improvements in productivity, energy conversion efficiencies and by adopting green technologies, policies and practices in all industry sectors. In other words, sustainability, productivity and innovation must be integrated.

Much environmental damage is caused by greenhouse gas emissions produced by road transport and by inefficient and inadequate roads that contribute to congestion. Sydney has been characterised by car dependence, low density suburban development and an increasing share of large houses with high energy consumption.
As the Productivity and Prosperity Panel indicate these problems already exist and will not be exacerbated by a growing population.

Lack of investment in public transport infrastructure has caused significant increases in greenhouse emissions from vehicles increasing at almost twice the rate of population and household growth over the past decade (TDC, 2007 Household Travel Survey, Transport and Infrastructure, 2009).

Increased public transport availability is crucial to environmental sustainability. It will contribute to connect regional employment centres and dispersed locations with each other. However we need to ensure that these strategic centres are well distributed particularly in the developing areas. On the other hand changing work practices or school hour operation might be necessary, telecommuting will be enhanced with the development of the NBN.

RDA Sydney recommends the building of additional intermodal terminal and dedicated rail freight lines to take trucks off the roads and the improvement of public transport to take cars off the road. On the other hand, creating a more balanced city of cities which are interrelated and interconnected will attract more employment to these regional centres. This is the most economic, environmental and socially sustainable strategy for a city heading towards a population of six million. A high speed rail Newcastle-Sydney (with a second airport) or more effective transport corridor Central Coast/Wollongong would significantly expand economic interactions with the Sydney Metropolitan Area.

6. **What lessons have we learnt that will help us to better manage the impacts of population change on the environment?**

The main lessons we have learnt is to go back to a 40 year long term whole of Sydney vision, as in the days of Bradfield in the 1930s, if we are to avoid an even more fragmented, unbalanced and disconnected city. Achieving balance involves long-term planning, a whole of government approach, adequate investment on infrastructure, a strong regional centres policy, and most importantly, the importance of depoliticising all decisions about infrastructure investment.

We have learnt the need to preserve current and future transport corridors and the timely release of adequate employment lands with planned and certain infrastructure. The creation of long-term housing options in well-connected regions and the need for government to work with industry on sustainability practices and educate community on the use of resources.

7. **What do you see as the defining characteristics of a flourishing and sustainable economy?**

It is an economy where resources are consumed effectively and efficiently and are not used up faster than nature renews them, where businesses balance environmental, social and economic needs. It is an economy that meets the needs of the present generations without compromising the ability of future generations to meet their own needs. Sustainable development requires us to take a long-term view of the economy, rather than adopting short-term fixes.

It is an economy that favours human wellbeing built in a sustainable way meeting the consumptive and material needs without compromising future generations’ access to the same, and one that recognises the substantial contributions of natural assets. We need to create a new model of the economy and development that acknowledges this goal, recognising that real biophysical limits exist to the expansion
of the market economy and placing better value on our natural resources as well as maximising benefit of public resources.

RDA Sydney believes sustainability and innovation go hand in hand and that all businesses can thrive by integrating environmental stewardship as standard practice into their operations. But the reality is that most businesses have yet to adopt the concept of sustainability and integrate it into their operations. Government needs to promote comprehensive sustainability policies that encourage the early adoption of more sustainable business practices to address emissions, while laying the ground work for a new clean energy economy with new products and services generating the need for ‘green skills’ within the workplace.

Government incentives are needed to encourage the creation of new industries and jobs which in the longer term have less impact on the environment. This could be achieved through effective partnerships at all levels.

RDA Sydney believes environmental values need to be reflected in all policies, procedures, practices and even market prices and public decisions affecting the allocation of public resources.

A flourishing and sustainable economy involves the equitable distribution of public hard and soft infrastructure and with easy access to amenities, and education. It is an economy where there is diversity of ownership.

8. Is your community, business or industry facing skills shortages or other immediate economic pressures and how are these best managed?
Currently workforce participation rates average in the 60-65 per cent range for most areas of Sydney. But according to Skills Australia, it should be lifted to 69 per cent by 2025, in order to provide the required workforce, mitigate the impact of the ageing population and improve social inclusion.

In some sectors such health care, transport, VET and higher education ,workers are ageing and skills shortages are starting to occur. In some occupations the rate of new workers entering the market is inadequate and there is likely to be a severe shortage once current employees retire. According to the NSW DET Performance Audit Report Ageing Workforce – Teachers, the NSW Auditor General indicated that by 2012, 33 per cent of permanent teachers were eligible for retirement.

According to the ABS, 9.3 million jobs will be opening in Australia in the next 15 years. One in 10 businesses are already reporting skills shortages which could lead to market failure because the skills needed take a long time to develop. According to the National Resources Sector Task Force Final Report, it has been estimated that the resources sector could be 36,000 tradespersons short by 2015 and possibly 1,700 mining engineers and 3,000 geo scientists as well. Thirty per cent of employers surveyed by AIG have indicated they fully expect a risk of skills shortages.

Over the last three census periods there has been consistent improvement in the proportion of 25 to 34 year olds who hold tertiary qualifications. The Sydney region overall shows an increase from 21 per cent in 1996 to 32 per cent in 2006. If we are to achieve growth Skills Australia estimates that we will need an average annual increase in enrolment in tertiary studies in the order to 3 per cent for at least the next 10 years.

RDA Sydney’s response to A Sustainable Population Strategy Issues Paper
A whole of government approach to skills development is needed. RDA Sydney believes TAFE NSW should be more aligned towards greater industry focus in terms of curriculum development and on campus and on the job delivery methods. There is a need to retrain older workers as a result of changing industry demands and the utilisation of older workers/retirees as mentors and trainers to assist in the intergenerational transfer of skills and knowledge. The lower secondary education system needs to be more connected to a VET educational pathway. Continued expansion of a very flexible VET system of on-site training is needed where experienced workers could be trained and accredited to deliver training to new workers on site. The constant unmet demand for trade base skills will need to be complemented by skills migration and so will the professions.

9. In the decades to come, what challenges and opportunities will our economy face, and how will they interact with changes in our population?

The reality of ongoing economic change and international competition, the ageing of the population, climate change and the continued project expansion of China and India, Brazil and Indonesia are some of the challenges.

However there are many opportunities. Australia is intrinsically linked to the development of the Asia Pacific economy. We are geographically positioned to become a major potential resource and technology provider for the development of these economies. This will require we adapt and shape ourselves by readjusting our systems and policies to meet the political and economic challenges that will help us become active participants in these emerging economies and other new superpowers. Major trade partnerships could emerge from this. Australia could become a major provider of food since this is where the major population growth will take place in years to come. This will create new challenges for Australia as a provider of food for massive populations.

On the other hand Australia is a multicultural society, made up of a wealth of cultures, with the expertise and resources to foster trades links and international relations in a large number of countries. This potential needs to be harnessed and maximised. We need to make our economy flexible, productive, and participative, in the process we may need to harness new talents to meet future challenges and invest in new technologies and innovation. We also need to increase Australia’s human capital and keep workforce participation rates. Ideas are needed to direct investment into infrastructure, especially where it is constraining capacity.

10. How should we measure the sustainability of our local, regional and national economies?

Much information is needed on developing trends and pressure points, information on the impacts and effects of current policies already in place. Feedback is needed on which adjustments to make to speed up or slow down the effect of their interventions, as well as information on the milestones achieves and failures that frustrate progress. The main indicators that link economic activity to its long term effects on the environment:

- Air quality in terms of ground level ozone
- Fresh water quality
- Greenhouse gas emissions
- Human capital measured by education
We recommend the use of the Compendium of Sustainable Development Indicator Initiatives.

11. What are the things that make your community a good place to live?
Liveability. Access to amenity, feeling a sense of community, having good access to public transport, local employment, local services, as well as having opportunities to participate in decision making processes to resolve local issues.

12. What sustainability issues need to be addressed in order for your community to accommodate a changing Australian population?
Please refer to question 2

13. What are some useful indicators to help measure the livability and sustainability of our communities?
- A strong economy: If a community doesn’t have a strong economy then it cannot be healthy and sustainable over the long term.
- Jobs closer to home
- Access to good public transport and transport interchanges
- Access to clean water and air quality
- Access to open spaces and amenity
- Compact forms of residential development (mixed land use, housing affordability, jobs, shopping in close proximity. movements on foot and bicycle transit)
- Waste recycle collection facilities
- A sense of community: Another critical dimension to creating a sustainable community is fostering a sense of community.
- A good quality of life.