

24 June 2016

Cities Division

Department of the Prime Minister and Cabinet

1 National Circuit

BARTON, ACT 2600

E: cities@pmc.gov.au

Attention: Prime Minister of Australia, The Hon. Malcolm Turnbull and Assistant Minister for Cities and Digital Transformation, The Hon. Angus Taylor.

Re: Draft Smart Cities Plan

The Draft Smart Cities Plan (the Plan) and the increased federal government interest in cities is welcomed by the Urban Taskforce. The Smart Cities Plan shows significant promise with regards to enhancing collaboration between federal, state and local governments and prioritising key infrastructure projects. We also applaud the Coalition's commitment to secure a 'City Deal' for Western Sydney, with a focus on the Badgerys Creek Airport. Further comments are provided below for consideration.

Value capture mechanisms must be carefully considered

The Plan mentions 'value capture' as a finance mechanism to fund infrastructure. However, the definition of value capture in the Smart Cities Plan is vague and unclear. Forms of value capture are already widely used throughout NSW by the state and local governments, particularly the Sydney Metropolitan Area. The cumulative impact of these different forms of value capture could deter investment in property development and drive up the price of housing. The Urban Taskforce has provided a submission to the Standing Committee on Infrastructure, Transport and Cities – *Inquiry into the role of transport connectivity on stimulating development and economics activity both in major urban areas and regional Australia (Tag A)* dated 29 February 2016.

Key points include:

- There are many approaches to value capture and the Federal Government must clearly define which approaches they are considering before informed feedback can be provided from the property industry;
- A blanket, one-size-fits-all approach to value capture is inappropriate as each state, local government area and individual site or precinct has unique characteristics
- Successful forms of value capture include the Gold Coast Light Rail levy and funding for the London Crossrail.

Further details are provided in **Tag A** for the Department's consideration.

Urban Taskforce initiatives on Smart Cities

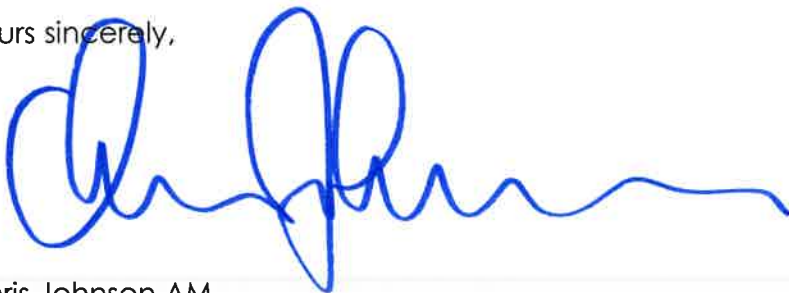
The Urban Taskforce has taken a proactive role in how smart cities should grow and develop. We have produced a number of publications that highlight key issues in the development of cities with a particular focus on Sydney. Our key position is that low density suburban cities

which reach a population of 4-5 million people are not 'smart. There must be an increase in density and a cultural change in the population towards a more cosmopolitan, apartment-based lifestyle, in order to accommodate future population growth in a environmentally and economically sustainable manner. Supporting increased urban density with modern metro rail systems and facilitating smart technology hubs ensures the city becomes 'smarter' as it becomes bigger. The Urban Taskforce is concerned that many existing residents living in suburban areas are not supportive of this change in lifestyle. There is therefore an important advocacy role to be undertaken by the federal government in favour of cosmopolitan apartment living. I have included some of our publications that take on this advocacy role:

- Urban Taskforce Australia (September 2014) *Urban Ideas : Towers & Transport*, which looks at linking high rise living to the rail network (**Tag B**)
- Urban Taskforce Australia (March 2015) *Urban Ideas: Density & Infrastructure*, examines transport infrastructure within Sydney and the growth that can follow (**Tag C**)
- Urban Taskforce Australia (May 2015) *Urban Ideas: Who Lives in Apartments?* – a detailed survey of apartment dwellers (**Tag D**)
- Urban Taskforce Australia (December 2015) *Urban Ideas: Sydney Urban Living Index – An index of the 'liveability' of suburbs in the Sydney Metropolitan area, based on data from the Australian Bureau of Statistics* (**Tag E**).

The Urban Taskforce would be interested in working with the federal government on further research on smart city issues. With our membership of financiers, developers, planners and architects we are in a good position to contribute to policy discussions. If you want to follow up please feel free to contact me on telephone number 9238 3955 to discuss this further.

Yours sincerely,



Chris Johnson AM

Chief Executive Officer

Urban Taskforce Australia