Australian Government’s role in the development of cities


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Australian Government’s role in the development of cities

TOWNSVILLE

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Foreword

This Paper is a reproduction of BIC’s submission to the Federal Government’s Inquiry into the Australian Government’s role in the development of cities (2017). The Paper draws extensively on a number of BIC Policy Papers that are relevant to the Terms of Reference of this Inquiry. The full list of BIC’s Policy Papers (Moving People – Solutions for Policy Thinkers) are listed in the References section of this Paper and are available for download at OzeBus.com.au.

This Paper has also been partially developed from BIC’s Policy Paper 10 – The Value of Getting There: Mobility for Stronger Australian Regions and refers to case studies undertaken by the BIC and research from other sources in relation to social inclusion and transport disadvantages as referenced in Policy Paper 10.
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Executive Summary

Australia’s cities are the envy of many internationally for their liveability. However, we could be doing better in terms of long term goal achievement related to population growth and land use transport system performance: for example, urban productivity increase is low and there are large productivity gaps between inner and outer urban areas; congestion on roads and public transport is increasing; housing affordability is a growing concern for large numbers; our urban greenhouse gas emissions are high in international terms; and social exclusion due to poor mobility options remains common. Sitting behind such concerns is the lack of sustained commitment to particular long term land use transport policy directions at both State and Federal levels, partly because of a lack of bipartisan political support.

Cities are becoming more complex and this poses challenges for policy and planning. Links between land use, transport, economic productivity, housing markets and social exclusion illustrate this complexity. Integrated governance is central to tackling such cross-cutting issues. Awareness of the importance and urgency of taking more integrated approaches to city strategic land use transport policy and planning is widespread and practice is generally improving. However, the rate of improvement in land use transport planning capability in Australia, and more broadly, is running ahead of improvements in governance (and funding arrangements).

This Paper in addressing “Sustainability transitions in existing cities” Section 1) and “Growing new and transitioning regional cities and towns, Section 2 looks at:

- governance, with a particular focus on integrated governance in land use transport policy and planning and how it might be improved in Australian cities, to enable them to deliver better economic, social and environmental outcomes and

- regional connectivity and accessibility with a particular focus on agglomeration economies from mobility improvements in Australian regions to better connect communities between regions and to both national and international economy and building bridging social capital to reduce the risk of social exclusion.

Key Recommendations

Sustainability transitions in existing cities

Recommendation 1
Pilots or case studies be undertaken to understand how a “Total Transport” approach can be implemented in Australia to engage local communities in local land use transport and policy planning to identify best practice.

Recommendation 2
Establish Metropolitan Planning Authorities for cities that increases local government involvement in strategic land use planning processes and elects a “mayor” to speak on behalf of the city.

Recommendation 3
The Federal Government to channell transport funding through Metropolitan Planning Authorities and have board level involvement in the Metropolitan Planning Authorities.

Recommendation 4
Strategic land use transport policy and planning to require all cities to have long term (25-40 years) land use plans, leading a long term strategic transport plan together with rolling shorter term ( ~10 years) transport Implementation plans which includes funding plans

Recommendation 5
Federal Government infrastructure funding and project identification be contingent on Recommendation 4.

Recommendation 6
A Federal Ministry for Cities is a permanently agreed portfolio recognising the national significance and importance of cities.
Recommendation 7
The Federal Government develop a solid cities research and information base, including performance indicators to spur better national performance outcomes for cities.

Recommendation 8
City performance indicators be a factor in determining Federal funding.

Recommendation 9
Intergovernmental funding reform be undertaken that includes better aligning city revenue capacities with expenditure responsibilities.

Recommendation 10
Formal Agreements between levels of Government be established to effect changed governance and government arrangements based on agreed principles to deliver "trusting partnerships" to deliver better cities.

Recommendation 11
Land use development direction to pursue more compact settlement patterns supported by strategic transport directions that takes into account local nuance.

Key Recommendations

Growing new and transitioning existing sustainable regional cities and towns

Recommendation 1
A National Transitional Regional Cities and Towns Strategy for population of less than 85,000 be developed with a focus on population demographics and transport connectivity and accessibility.

Recommendation 2
Export expansion be a key focus of Recommendation 1 with intra and inter-regional connectivity as a key contributory mechanism for regional development.

Recommendation 3
Research be undertaken through case studies of key regional centres and surrounding towns and villages to better understand the productivity benefits of "networked centres" within a polycentric regional development setting.

Recommendation 4
The Federal Government invest in programs and infrastructure that stimulates integration of near by places to strengthen regional urban systems.

Recommendation 5
All levels of government invest in improved public transport infrastructure and services to generate wider economic labour market benefits in regional areas.

Recommendation 6
Government decision making in relation to Regional Development take into account the benefits regional areas provide as an alternative to the external costs of cites (congestion, crime, air pollution etc).

Recommendation 7
Establish a series of demonstration studies of Regional Accessibility Committees in each State and Territory that includes indentifying the intra and inter-regional public transport service standards required for different sized regional populations to deliver productivity and social inclusion benefits.
1. Integrated Governance

Governance generally refers to processes for making and implementing decisions. The larger, more diverse and more widespread the consequences of a community issue of concern, and of the associated impact of policy/program interventions to respond to this concern, the greater the case for integrated governance in dealing with that issue. The concept of integrated urban governance is relatively recent, arising out of recognition that many of the problems confronting cities are particularly complex (cross-cutting) and will not be adequately resolved by sector-based approaches.

Compared to more traditional approaches, it encompasses a wider span of interests, an increased level of stakeholder engagement, across a wider and more diverse range of stakeholders, these components essentially defining the scope of integration.

1.1 Horizontal and vertical integration

If the likely origins and consequences of a policy concern, and of the impacts of interventions to respond to this concern, cross jurisdictional boundaries between levels of government (perhaps better imagined as communities of interest represented by these levels of government), then effective institutional arrangements need to facilitate and manage this cross governmental involvement, to maximize the prospects for achieving intended goals. This is the case even if service delivery responsibilities lie largely (or entirely) at one particular level of government, as is common.

Horizontal integration is often used to describe integration across institutions/stakeholders at a particular level of government (e.g., as between a number of local authorities or across state government entities). Vertical integration describes integration across levels of government (e.g., Local, State, Federal). With increasing interest in the role of neighbourhoods as bases of strong communities, reflected in ideas like the 20 minute city, the concept of vertical integration needs to extend beyond local authority level to encompass neighbourhoods. Strategic land use transport policy and planning for cities usually requires integration across both the vertical and horizontal dimensions, because of the scale and nature of impacts involved.

The key ‘in-scope’ issues for current strategic land use transport policy and planning in Australia are (at least) productivity/jobs, greenhouse gas emissions, affordable housing, social inclusion, health/safety and biodiversity, together with the influences on outcomes in these areas, such as population growth and changing demographic composition of the population. Governance arrangements and funding are themselves also important in-scope considerations, as is the role of public participation or community engagement in policy and planning contexts.

1.2 Strategic and tactical layering

A helpful way to think about the various stages in land use transport policy and planning is to separate the Strategic (or policy), Tactical (or system design) and Operational (or delivery) elements.

The strategic level is where the city visioning process takes place, long term outcome and process goals are set and key directions for goal achievement are embedded. Strategic land use transport policy and planning should generally include a long term (25-40 year) land use plan, leading a long term strategic transport plan, together with rolling shorter term (~10 year) transport implementation plans, which include funding plans. Similar supporting implementation plans should be included for other critical related issues, such as city productivity growth (beyond matters included in the transport plan), affordable housing and social/community infrastructure. All Australian capital cities should have such detailed sets of nested integrated plans but most do not.

Federal government involvement is important, particularly because of the national economic significance of cities, their contribution to national greenhouse gas emissions (GHG) and to national settlement policy futures, areas which are of obvious significance for Canberra. Federal government involvement is also desirable because of its dominant revenue raising capacity, implying a need for some form of financial transfers from senior to lower levels of government to deliver urban policies and programs. Better aligning city revenue raising capacities with expenditure responsibilities should be an important focus for intergovernmental funding reform in Australia.

Land use transport impacts primarily arise within a city and that is where primary responsibility and accountability for the urban policy/planning process should sit. If a single local authority has responsibility for the entire city, such as in Freiburg in Germany or Malmö in Sweden (both discussed later in this Paper) assigning governmental responsibility is generally straightforward. This should mean that horizontal integration is relatively easily achieved. It is clear and unambiguous in this case ‘who speaks for the city’.

If a city contains a number of local authorities, the allocation of responsibility and accountability is less clear cut. A common response internationally in this situation is for this role to be devolved to the multiple local authorities within the city region, acting regionally for strategic land use transport purposes. The capacity to think and act regionally is a key requirement for this approach to be successful. Alternatively, in a multiple local authority context, a higher level of government, such as a state or provincial government, may take responsibility for the city, rather than devolve this to a form of aggregated local authorities. This is the practice in Australia and also in cities like Toronto (Ontario). It is less than ideal in terms of ‘speaking for the city’, because the responsible entity has wider interests, which may compete with those of the city.
Sustainability transitions in existing cities

The tactical or system design level is where systemic planning responses are formulated across various entities, to pursue the vision, goals and directions set at the Strategic level. The rolling ten (or so) year implementation plan is where tactical level thinking needs to come together. All Australian capital cities should have such detailed implementation plans, including funding plans but not all do. This weakens the quality of our ‘integrated’ land use transport planning.

In a situation of scarce skilled resources, the Australian bus industry experience of ‘trusting partnerships’ between government and service providers is a useful illustration of a way to significantly improve the quality of tactical planning. This experience is relevant to public-private partnerships in other sectors, across levels of government and in government-civic society interactions.

An effective trusting partnership, such as one between an authority and service provider, should be grounded in:

- common core objectives, in the land use transport case tied to public policy purposes
- trust
- confidence in a partner’s capacity to deliver
- demonstrated commitment to good faith in making and keeping arrangements
- shared governance arrangements that are accountable and transparent, to guard against risks of regulatory capture. These arrangements provide the glue to tie the principles together.

More widespread adoption of this approach would help deliver better land use transport outcomes in our cities.

Neighbourhood level

International discussion about integrated governance for land use transport policy and planning is primarily about:

- the roles of the various levels of government and how these might best come together
- how particular levels of government can replace siloed or fragmented approaches with more joined-up, integrated approaches and
- how various forms of stakeholder engagement can best support these endeavours (including issues such as the role of PPPs).

At the same time internationally, a related set of discussions is taking place about strengthening communities and devolving greater levels of influence over decision-making to the local level, where ‘local’ essentially aligns with what we might understand by neighbourhood. The idea of the 20 minute city, which was the subject of the BIC’s Policy Paper 5, is relevant here.

The neighbourhood level in Australia, per se, is not part of formal governmental structures, neighbourhoods usually existing at sub-municipal level and/or crossing municipal boundaries. Also, linked with this status, neighbourhoods have no legislated revenue raising powers. Integrated land use transport policy and planning needs to find ways to give neighbourhoods greater decision-making influence over matters that affect their wellbeing. This is likely to require greater neighbourhood influence over local funding allocation decisions, which in turn will usually require some flow of funds from a level of government to the neighbourhood.

The BIC’s Policy Paper 5 discussed the opportunity in rural/regional areas, and on the urban fringe, to give communities greater influence over local public/community transport services, including a direct say over funding flows, through development of what is becoming known in the UK as a “total transport” approach. The absence of much Australian experience of participatory budgeting where the empowerment associated therewith extends to direct local control over funding flows suggests that case studies are needed as a matter of high priority. The total transport approach suggested in BIC Policy Paper 5 is an ideal opportunity in this regard. Case studies should set out to determine:

- how local communities/neighbourhoods can best be involved in local land use transport policy and planning
- the levels of financial empowerment that are needed for successful implementation
- governance arrangements that are best suited to this purpose and
- how this devolution can be most closely aligned with regional strategic directions (vertical integration).
1.3 Who speaks for the city?

The difficulties Australian cities have in establishing and pursuing integrated strategic land use transport policy directions over time is partly a function of our adversarial political environment. The international examples included in this Paper suggest that high levels of community engagement in setting a vision and goals for a city and in determining long term strategic development directions provide buy-in to support long term bipartisan approaches. They also suggest that local government can play a useful role in achieving community buy-in, if it can think regionally (beyond its own patch). This is easiest when there is a single municipality for the city but various ways of aggregating multiple local governments to regional level are being tried, as is the city mayoral model. Increasing the role of local government in strategic land use transport planning processes for Australia’s cities seems likely to support better achievement of long term commitment to vision, goals and strategic directions, while leaving space for adjustment as circumstances change. It should help to de-politicize the planning process. Greater levels of community engagement are also important in this regard.

Establishment of Metropolitan Planning Authorities for each of our capital cities, with responsibility for developing strategic land use, transport and related policy and planning directions, where board membership is split equally between representatives of the State government and local government, should be supportive of better planning and deliver better outcomes. The municipal representatives would generally need to be selected from sub-regions of Local government, to keep numbers manageable. A Federal government representative should also be considered (discussed below). This would require the state to give up an element of its current power but is likely to deliver better community outcomes, which is what should be important. The Board Chair would speak for the capital city on land use transport (and related) matters when a regional voice is required. Some States already have entities that could be re-shaped to perform this role, to avoid adding a new layer of bureaucracy.

An approach being taken by some cities that include multiple local authorities is to elect a mayor who speaks for the city. It is time Australian capital cities discussed the merits of directly electing a Mayor for the Metropolitan area, with particular responsibilities for (at least) regional land use and transport, and consider how such a governance model might operate. The London experience provides a useful example. Such an arrangement could accompany the Metropolitan Planning Authority model, where the elected Mayor would chair the Authority, rather than a state or municipal representative. London’s experience suggests that this would support innovation, through the involvement of a Mayor, while the professional support from the Planning Authority should provide the necessary strategic and tactical level underpinnings.

The federal role

Economic productivity, greenhouse gas emissions and the growing importance of national settlement policy are key issues that indicate the Australian Federal government should be actively engaged in policy and planning deliberations about Australian cities. The BIC’s Policy Paper 5 highlighted the importance of our cities to economic productivity. The UK government understands this. The US Government has understood it for decades, such as through its requirement for the establishment of metropolitan planning organisations, through which federal transportation funding is channelled. In Australian cities, federal involvement might take the form of setting out its expectations of what long term strategic land use transport plans and shorter term implementation plans should contain if federal financial assistance is being sought for city projects/deals, as currently happens to some extent with respect to Infrastructure Australia processes. Any such requirements should be grounded in long term strategic land use transport plans and associated shorter term implementation plans. This level of federal involvement would not warrant Federal government involvement at board level in the proposed Metropolitan Planning Authorities.

Alternatively, and preferably the BIC believes that the Federal government could take a more hands-on approach, which goes further than simply setting out its expectations and includes more active engagement around the best ways to use land use transport (and related) policies and programs in particular cities to meet national goals. In this approach, board level involvement in the MPA would be appropriate.

The stronger and more active level of federal involvement in this approach should facilitate more informed federal decision making and much easier processing of the outputs of the planning processes, including when it comes to funding issues. It seems likely to be a more efficient planning and decision-making process.

The appointment of a Federal Minister for Cities was an important way of acknowledging the national significance of our cities. The increased focus such a role brings on our cities, supported by a solid research and information base will help spur the search for better national performance outcomes in a way that does not flow from processes that are predominantly functionally based. The Cities Minister needs to work closely with relevant functional Ministers, to achieve horizontal integration at federal level in relation to matters that are important for cities.
Neighbourhood governance

Land use transport planning has traditionally been a top down process. This Section argues for devolution of more decision-making power and associated funding to neighbourhood level, to progress development of the 20 minute city. This adds a bottom-up dimension to thinking about our cities and how they might be assisted to deliver better outcomes for residents and visitors. This is an evolving area and case studies are needed to demonstrate best practice. In the land use transport area, local case studies to explore the best way to roll out the ‘total transport’ model should be an early priority. This promises to deliver better mobility outcomes for no additional costs, by re-thinking about how local mobility needs are understood and how they are met. It is about local integration for better outcomes and more efficient service.

Trusting partnerships

The changes to horizontal and vertical governance arrangements that are proposed in this Section shake up the current power balance in land use transport policy and planning. Such disruption recognises that the world is becoming more complex and old solutions are no longer necessarily the best way to deal with challenges and realise opportunities. Coping with, and benefiting from, disruptive change is likely to be more easily accomplished if the stakeholders engaged in the process are able to operate from a position of trust. This Paper has identified some of the requirements in this regard. In both horizontal and vertical relationships, including engagement with the community, trust will support better relationships and better outcomes. Formal agreements will work more effectively when trust is a foundation from which they are developed and operate.

1.4 Setting – BIC Policy Papers

The BIC’s Policy Papers series have been progressively developing strategic land use transport policy directions for Australia’s major cities, to help improve their long term sustainability.

As summarised in Paper 5, these Papers start from the position that a city whose land use transport systems support the following outcomes (or goals) is likely to become more sustainable over time.

- Increases economic productivity
- Reduces ecological footprint
- Increases social inclusion and reduces inequality
- Improves health and safety outcomes
- Promotes intergenerational equity – this goal is likely to be achieved if the preceding goals are met
- Engages its communities widely
- Pursues integrated land use transport plans.

The main land use implication of BIC Policy Papers 2, 4 and 5 is that the most desirable strategic land use development direction for our largest cities will be to pursue more compact settlement patterns, anchored by:

- the CBD and close surrounds
- a small number of high tech/knowledge-based clusters (which should form the basis for a polycentric city and focal points for inner/middle urban area growth – a tentative suggestion in Paper 5 was that one such cluster outside the CBD, per million population, might be viable)
- major transport (particularly transit) corridors that link these core nodes to the central city, to each other and to outer areas
- a series of constituent 20 minute cities (see the BIC’s Policy Paper 4. Increasing densities and improved accessibility of such areas was a theme of that Paper).

BIC Policy Paper 5 argued that this land use development direction should be embedded in integrated strategic long term land use transport plans for our major cities, recognising the need for local nuance. Supportive strategic transport directions are an essential part of delivering on these land use directions and Paper 5 summarised relevant strategic transport development directions:

- ensuring strong radial public transport to the central area of our cities
- good arterial roads across the entire city
- fast and frequent trunk public transport services supporting inner/middle urban nodes, particularly for circumferential movement, linked to the cluster (node)/transit corridor development focus
- better public transport connections from outer suburbs to areas of employment/activity concentration, particularly the high tech/knowledge-based clusters
- supportive local public transport access, through delivery of the 20 minute city
- high priority to walking and cycling throughout the whole of our cities.

The extent to which particular elements within these strategic directions receive priority in any particular city will reflect local circumstances and priorities but wide differences in general policy directions should not be expected as between our major cities.
The effectiveness of the strategic land use transport policies and programs being implemented in our cities can be assessed by looking at goal achievement against the five outcome goals set out above and two process goals and, at a finer level, against the extent to which the identified strategic policy/program directions for land use and transport are being pursued, because of the causal links between these policy/program directions and the identified outcomes.

Our cities are the envy of many internationally for their highly rated liveability. However, we could be doing better in terms of long term goal achievement related to land use transport performance. For example: the BIC’s Policy Paper 5 has shown that urban productivity levels could be improved by more closely framing land use transport policy towards this end; urban congestion levels continue to worsen, with no sign of pricing reform being implemented to tackle this problem in a sustained way; our greenhouse gas emissions from urban transport are very high in per capita terms, internationally; fringe urban population growth is occurring in most cities at a higher rate than is consistent with goal achievement, with increasing problems of poor access to jobs and risks of social exclusion; housing affordability is a major and growing concern. Sitting behind such concerns is the lack of sustained commitment to particular long term land use transport policy directions at both state and federal levels, partly because of a lack of bipartisan political support. This often results in substantial changes in policy direction as governments change. Efforts to increase bipartisan support for long term strategic land use transport policy directions should pay handsome dividends. Also, cities are severely constrained in their independent capacity to pursue their chosen policy directions by vertical fiscal imbalance.

Awareness of the importance of taking integrated approaches to strategic land use transport policy and planning in cities is now widespread and practice is generally improving in terms of planning capabilities. However, there is still much room for improvement, particularly in terms of broadening the scope of the matters that are included within the integrated approach, particularly to better integrate matters related to productivity growth, housing affordability and social and community infrastructure provision. The rate of improvement in land use transport planning capabilities in Australia, and more widely, is running ahead of improvements in governance and funding arrangements. These two areas are perhaps the two biggest challenges to developing and implementing integrated land use transport plans that embed the strategic directions summarised above. Both are critical to more effective delivery. A number of aspects of funding were considered in the BIC’s Policy Papers 1 and 3. This Paper and BIC Policy Paper 6 looks at governance, with a particular focus on integrated governance.
2. The role of Governance in urban land use transport

2.1 What do we mean by governance in an urban land use transport setting?

Governance generally refers to processes for making and implementing decisions. The Good Governance Guide, prepared for Local government, defines good governance as follows:1

Good governance is about the processes for making and implementing decisions. It’s not about making ‘correct’ decisions, but about the best possible process for making those decisions.

That website points to some key qualities of good governance: that it is accountable, transparent, follows the rule of law, is responsive, equitable, inclusive, effective, efficient and participatory.

The Secretariat General of the World Association of the Major Metropolises, which includes Sydney and Melbourne among its participants, notes that the concept of integrated urban governance is relatively recent, arising out of recognition that many of the problems confronting cities globally are complex and will not be adequately resolved by sector-based approaches (Senate Department for Urban Development, Berlin, 2011). The 2011 Berlin Mayor and Senator for Urban Development, Ingeborg Junge-Reyer, points out that (Senate Department for Urban Development p.6):

... new forms of urban governance have gained importance by involving civil society (NGOs, business, the ‘people’), in decision making and in implementing those decisions ... Integrated Urban Governance implies going beyond mere coordination between policies, and thus encompasses joint work among sectors and disciplines. It refers to both horizontal integration between policy sectors (different departments) and vertical integration (between different tiers of government), as well as beyond administrative boundaries (in the double sense: city administration – regional/national administration and administration – civil society).

This more comprehensive and integrated approach is sometimes thought of as moving ‘from government to governance’ (Bellamy and Palumbo 2009). Sundström and Jacobsson (2007, p. 5) note that:

The shift from ‘government’ to ‘governance’ ... marks a transition from hierarchical to more network based forms for decision-making, and a diffusion of boundaries between private and public actors.

Integration is the strongest form of management in policy/program development and delivery, going beyond cooperation and coordination (Senate Department for Urban Development, Berlin, 2011, p. 12):

> cooperation: at the lowest level simply implies dialogue and information

> coordination: policy coherence and consistency imply cooperation and transparency and an attempt to avoid policy conflicts

> policy integration: joined-up policy and decision-making; includes dialogue, information, transparency and avoidance of policy conflicts (as in coordination) but also embraces joint working, creating synergies and using common policy goals.

Integration generally connotes a top down approach, whereas cooperation and coordination are more permissive of bottom-up ways. Most aspects of the extended land use transport policy and planning process should be better accomplished within an integrated strategic approach but there are situations where cooperation or coordination may be sufficient and/or more suitable.

Institutional arrangements for planning and delivering land use and transport systems have historically been based on functional specialisation, flowing from the expectation that this would deliver effective organisational performance. It is increasingly recognised, however, that such administratively-based functional separation often leads to concerns about agencies operating in ‘silos’, with diminished overall effectiveness.

In terms of local experience, the complexity of urban development, and associated need for more integrated approaches, has been well illustrated by the work of Dr. Peter Brain and colleagues at the National Institute of Economic and Industry Research (NIEIR), who have demonstrated that there are strong connections between underinvestment in transport infrastructure in the outer suburbs of our cities and poor housing supply responses in those areas (National Economics 2010). Similarly, experience both locally and in many overseas cities is showing that pursuit of transit oriented development (TOD), a development pattern included within the summary land use transport directions set out above, is frequently associated with gentrification, exacerbating housing affordability problems for many groups.

Changes in the way infrastructure and services are provided is another source of complexity in our cities and reason for an increased focus on integrated approaches to governance.

For example, the growing trends towards contracting out of the provision of public transport services and of many welfare services, the growth of tollways and the evolution of ‘unsolicited bids’ for major infrastructure development blur somewhat the boundaries between the public and private sectors and extends the range of stakeholders with a direct impact on the nature and quality of outcomes in our cities. Some of these developments pose risks of loss of network control, underlining the importance of a clear integrated vision and appropriate governance arrangements.

A third example of why integration is increasingly important for urban land use transport policy and planning is the way structural economic changes are leading to growth in knowledge-intensive activities. Accessibility or connectivity is a key driver of growth in such activities, as is the provision of social and community infrastructure to attract the talented people who work in knowledge intensive sectors. The BIC’s Policy Paper 5 argued that a polycentric urban development model, supported by transport, social and community policies and programs, is likely to enhance urban and national productivity growth and enable a better sharing of the benefits of this productivity growth.

These various examples demonstrate how the effects of cross-cutting issues on the performance of our cities are increasing the importance of thinking in more integrated ways about the best policy and program directions to support pursuit of the multiple outcome goals summarised above. Integrated governance is central to this broader approach where cross-cutting issues are involved, generally encompassing a wider span of interests and an increased level of stakeholder engagement, across a wider and more diverse range of stakeholders. These components essentially define the scope of integrated governance.

### 2.2 Integrated strategic land use transport policy and planning

A helpful way to think about the various stages in land use transport policy and planning is to separate the Strategic (or policy), Tactical (or system design) and Operational (or delivery) elements (van de Velde 1999), as illustrated in Figure 2.1.

The strategic level is where the city visioning process takes place, long term outcome and process goals are set and key directions for goal achievement are embedded, along the lines illustrated earlier in this Paper. Both vertical and horizontal integration issues arise within this broad framework.

Broad governance arrangements that might be best suited to strategic land use transport policy and planning were considered at the Thredbo 12 International Conference on Competition and Regulation in Public Transport in Durban, South Africa, Stanley and Smith (2013) reporting on the findings from that workshop. Figure 2.2 sets out the proposed integration framework that emerged from that Workshop. It includes both vertical and horizontal integration. The framework proposes a set of anchoring nested plans to guide policy and planning: a long term (e.g., 25-40 year) land use plan leading a long term strategic transport plan, together with shorter term rolling (~10 year) transport implementation plans, which include funding plans. Similar supporting implementation plans should be included for other critical issues, such as city productivity growth (beyond matters included in the transport plan), affordable housing and social/community infrastructure. State-based Infrastructure agencies can play an integrating role in the infrastructure component of such plans.

Federal government involvement shown across the top of Figure 2.2 reflects, in particular, recognition of the economic significance of cities and also their contribution to greenhouse gas emissions (GHG) and to national settlement policy, areas of obvious significance for the national government. For example, the BIC’s Policy Paper 5 highlighted the national economic productivity benefits associated with urban knowledge agglomerations and proposed shaping land use to better capture such benefits and enable them to be more widely shared by residents across the city. The land use transport (and related matters) strategy to respond to these policy goals is a matter for the responsible state government in Australia. The national productivity benefits associated therewith, however, support Federal government involvement in strategic planning of our major cities (vertical integration). The fact that major urban public transport network capacity serving the CBDs and other knowledge clusters in our cities is crucial for realising such agglomeration benefits makes the Federal Government’s decision to stay out of public transport funding difficult to comprehend – roads are not the best way to capture urban agglomeration economies in the clustered knowledge economy.

Federal government involvement is also important because of its dominant revenue raising capacity, implying a need for some form of financial transfers from senior to lower levels of government to deliver urban policies and programs. Better aligning city revenue raising capacities with expenditure responsibilities should be an important focus for intergovernmental funding reform in Australia. All such considerations suggest the federal government should most definitely have ‘skin in the game’, on behalf of a country’s citizens, in terms of the performance of major cities and should, therefore, have a seat at the table in strategic urban policy and program planning.

While there are very strong arguments for the federal government to be actively engaged in strategic policy and planning thinking and funding for our major cities, service impacts primarily arise within a city and that is where primary responsibility and accountability for the urban policy/planning process should sit.
Figure 2.2 suggests that the primary responsibility for city strategic (extended) land use transport policy and planning should sit at local authority level, with local authorities acting regionally if there are multiple authorities within a city, which is the usual international practice. The main argument for this alignment is for responsibility to sit at the jurisdictional level with which democratic accountability is most closely aligned. Acuere Consulting et al. (2013), for example, in a useful governance review for Greater Vancouver Mayors Council, point out regions often thought of as ‘best practice’ in urban land use transport typically have direct political accountability at the Strategic or Policy level.

If a single local authority has responsibility for the entire city, as in poster cities for urban land use transport development, such as Freiburg in Germany or Malmö in Sweden (both discussed later in this Paper), this provides a clear alignment for city long term strategic land use transport planning (and planning of closely related matters) and should mean that horizontal integration is relatively easily achieved. It is clear and unambiguous in this case who speaks for the city.

If a city contains a number of local authorities the allocation of responsibility and accountability is less clear cut. A common response internationally is for this role to be devolved to the multiple local authorities within the city region, acting regionally for strategic land use transport purposes. The capacity to think and act regionally is a key ingredient for this approach to be successful. Vancouver is an example of this situation, of local authorities acting regionally through Metro Vancouver under legislated authority from the Province of British Columbia. London is another such example, but with a different solution: the Mayor of London and lead entities (the Greater London Authority and Transport for London) play the key integrating roles in that city, under national legislative authority. The UK Cities Deal process is pushing core city regions in this direction.

Figure 2.1: The STO of land use transport policy, planning and delivery.

Figure 2.2: A Framework for Land Use/Transport Integration
Alternatively, in a multiple local authority context a higher level of government, such as a State or Provincial government, may take responsibility for the city, rather than devolve this to a form of aggregated local authorities. This is the practice in Australia and also in cities like Toronto, Ontario, but it is less common than some arrangement of local authorities having responsibility. It is less than ideal in terms of ‘speaking for the city’, because the responsible entity has wider interests, which may compete with those of the city. Berlin Bundesland is an unusual example in a federation, where a state (Land) aligns with the city and has responsibility for that city. A number of international case studies follow to see if there are lessons for land use transport governance arrangements for Australian cities, at both strategic and tactical levels.

Once the decision is made about the levels of government that should be involved in tackling strategic land use transport policy and planning, mechanisms are required to achieve this involvement. For example, should individual municipalities within an urban area be obliged by legislation to ensure that their municipal land use plans are consistent with an adopted regional plan? This legislative requirement exists, for example, in Toronto for constituent Municipal Official Community Plans relative to the 2006 Growth Plan for the Greater Golden Horseshoe Region, and in Vancouver, as between that city’s Regional Growth Strategy (RGS) and Official Community Plans of the municipalities. If legislation is not used, should grant funding (for example) be used to encourage integration or co-ordination between jurisdictions that need to work together?

### 2.3 Who speaks for the city?

The Paper earlier pointed to a number of different ways in which the primary formal roles and responsibilities for city land use transport planning might be allocated, particularly as between a single local government entity that covers the entire city, a regional (city) level arrangement that includes a number of local authorities acting in some joint way or a higher level of government (usually a state/provincial government) exercising responsibility for a city that forms a part of its area. It also emphasised the importance of vertical integration, particularly involving the Federal government in both strategic and tactical level engagement around land use transport (and closely related) matters. It also highlighted the increasing interest in localisation, with implications for developing appropriate governance arrangements at sub-municipal level (another part of vertical integration).

In the absence of a single representative jurisdiction aligned with an entire city, no single approach to city governance is necessarily better than any other. A key requirement in a democracy, however, is that the designated elected representatives are enabled to speak for the city and are recognised as having the authority and accountability to do so. Factors such as history, the capacity for stakeholder cooperation, the scale of problems and opportunities being confronted, extent of financial dependency between levels of government, political and agency skills and the nature and extent of engagement of the private sector and wider community will influence the best outcome in any particular situation. This Paper explores some of the ways in which these roles and responsibilities are exercised in cities that are regarded as leaders in strategic land use transport planning, to see if their experience provides useful lessons for Australia.

#### 2.3.1 A single local authority

There are a number of good examples of integrated land use transport policy and planning at city wide level where a single local municipal body covers the whole city, or a very large part of the contiguous urban area. These jurisdictional arrangements simplify the urban governance problem by reducing the complexity of horizontal integration. This Paper draws on Stockholm and Malmö in Sweden and Freiburg in Germany to illustrate what is good practice in such situations.

**Stockholm**

The City of Stockholm in Sweden has a population of 920,000, within a broader urban area of 1.2 million people and County population of 2.2 million. The County is compact, most being well within 40 kilometres of central City of Stockholm. Over the 5 years to 31st December 2014, the City population increased by 9.96 per cent (> 1.9 per cent per annum), which was more than double the Swedish national rate of increase of 4.35 per cent over that five year period.

This fast growth rate is an indicator of urban success, albeit that it puts pressure on services, including transport systems, and infrastructure. The County population also grew very quickly over this period (by 8.9 per cent over the five years) and a number of the other municipalities within the County, very close to the City, grew at almost the same rate as the City.

The City integrates its urban planning (land use), transport planning and infrastructure planning, the strong connections between urban land use and transport captured by the description of the City (urban) Plan as the walkable city. The focus in the plan is on increasing densities and delivering mixed use development, building where there is spare capacity on the public transport (PT) network and increasing PT frequencies where densities are increased, if required.

This development direction dates back to the late 80s. Density increases are being pursued in a crescent shaped corridor from the inner south to north-west of the centre, and in a series of nodes located on trunk PT corridors. Hammarby Sjöstad eco-district is an internationally recognised urban renewal project, developed in the last two decades on an old industrial site close to the city centre. It is being developed for ~11,000 residential
apartments, with a density target of 150 dwellings per hectare and focus on low environmental impact. The development includes comprehensive provision of new public transport links, leisure facilities and green public spaces and is proving popular with young families.

Building heights are typically about 6 storeys. However, housing affordability remains a challenge for the City and wider County Region (Englén et al., 2015).

The City’s compact mixed-use plus PT focus has resulted in the following mode shares: PT 44 per cent of trips, private vehicles 34 per cent and walking/cycling 22 per cent, which is very impressive.

There are two particular Stockholm governance ideas that are of interest for Australian cities: the Stockholm Agreement and related new Metro Agreement; and the concept of Vice-Mayors.

**Stockholm Agreement**

The Stockholm Agreement, which began in 2007, provides SEK100b (~$A16b), a quarter from congestion charge revenues, to expand the coverage and capacity of the city’s public transport network and to remove heavy road traffic from surface streets (mainly by building a new Stockholm bypass tunnel). The new Metro Agreement provides SEK27b (~$A4b), with a third coming from the congestion tax. All (national government approved) congestion tax revenue goes to these Agreements, which provides a clear line of sight in policy and program terms between the charge and system improvements (even if it is not locally termed hypothecation!).

The Agreements had their origins in concerns across all levels of government about how underinvestment in transport infrastructure was leading to congestion, holding back growth (e.g., through adverse impacts on labour markets) and adversely impacting the environment in the nation’s capital city. Englén et al. (2015) highlight the declining transport investment share of GDP in Sweden from the 1960s and the relatively low proportion of this declining share going to the Stockholm Region, seen as contributing significantly to the region’s transport infrastructure problems. A negotiated process through 2007, across all levels of government (including all seven parliamentary parties) and including other key stakeholders, identified a set of priority initiatives to deal with the concerns that had been identified. The national government, county administration and all regional municipalities then all signed up to the 2007 Agreement, which included key urban/regional transport and related environmental priorities, including the congestion tax, and set out details of the particular projects to which the various entities would provide financial support over designated future time periods. The focus is on projects of cross- jurisdictional significance. The subsequent 2013 Agreement extends the earlier Agreement in relation to the Metro rail project.

These agreements are, in effect, partnership Agreements that commit the partners to a set of priorities they jointly agree, with funding commitments and provisions for flexibility where this might be required. The congestion tax revenue required national agreement for implementation but is used for projects in the area. This is a good example of scale application of the trusting partnership approach outlined earlier, encompassing both the strategic and tactical stages. It should support significant improvement in Stockholm’s transport system. The range of stakeholders signing up to the Agreement enables a regional focus to be embedded, beyond just City of Stockholm, which is appropriate given the compact nature of the County of Stockholm and rapid growth that is taking place in many municipalities across the County (but with the City having the strongest growth).

Englén et al. (2015) have proposed that the multi-government (national government, County, municipalities within the County) negotiation group delegation process, which led to the Stockholm Agreement, should become a permanent governance arrangement, to help lock-in the partnership- based vertical integration that it encourages.

**Mayor and Vice-mayors**

The City of Stockholm has about 100 councillors, a Mayor and 11 Vice-Mayors, seven from the majority party and 4 from the minority side. Vice-Mayors have portfolio responsibilities but decision-making power sits with council. This is the result of an understanding between the parties, who see value in having a continuous representation from all the parties in City Hall in the policy process, reflecting values embedded above in negotiation of the 2007 Stockholm Agreement. The split does not equal party shares of seats on council. The Mayors do not have any formal decision power, since all decisions are taken at council level or by its underlying boards, but the Mayors are influential, on matters such as deciding what questions to bring to the boards. This approach is likely to promote shared ownership of directions in areas such as strategic land use transport policy and planning. The City believes that it has built a clear pedagogy as a base for its integration in these areas and the Vice-Mayoral arrangements are one part of the success of this process.
Section I

Malmö

Sweden’s third largest city, Malmö (population 320,000) is located in South-west Sweden, about a half hour train trip from Copenhagen in Denmark, across the Øresund Bridge, which opened in 2000. In many ways Malmö now functions like a suburb of Copenhagen, developing in the direction of the bridge, whereas it had been growing towards Lund previously. The City’s population grew by 8.2 per cent over the five years to 2014, a little slower than Stockholm but much faster than Sweden as a whole. Affordable housing is a problem in Malmö, as it is in Stockholm.

Over the last 30 years, Malmö has transformed itself from an industrial town to a city of knowledge and culture, partly in response to loss of the world’s largest ship building yard (Kockums). Leadership provided by Mayor Ilmar Reepula, from 1994, has been noted as a significant driver of the change process (Anderson 2014). There has been a strong focus on high quality architecture, sustainability projects and innovation in the knowledge economy, including the development of a new university as part of the Western Harbour redevelopment, on part of the old ship yard site. This area is a model of sustainable urban renewal, with very high frequency bus services connecting to the town centre (10 minute frequencies most of the day and 20 minutes late at night). The initial development project, Bo01, which opened in 2001, was the first carbon neutral neighbourhood in Europe. It includes a mix of dwelling opportunities and retail/food services and has provided a case study to improve outcomes on subsequent development stages at Western Harbour. The area hosts numerous international visitor groups each year.

Malmö has taken the opportunity provided by the Øresund Bridge to initiate a major redevelopment of its central station area, which links through to Western Harbour, and of its regional and international rail networks, including development of major new urban nodes on the rail line towards Copenhagen (Triangeln and Hyllie).

Bus services have also been improved within the City, including to Bo01. Future land use transport planning includes working with Copenhagen and with other centres within the wider region (e.g., the university town of Lund) on regional development and public transport network development, together with big picture thinking about transport connections to Western Europe, via a possible Denmark-German link. Rapid population growth is creating pressures that demand a continued response, with housing affordability problems being notable, but the various jurisdictions involved seem well placed to respond, including joint initiatives with Copenhagen (where, for example, Copenhagen and Malmö are making master plans together for areas of common interest).

In terms of governance, lessons from Malmö for Australian cities are about ways of making and taking opportunities when they appear, across (in this case) both countries and jurisdictions, not being afraid to think transformation in the process, and a commitment to wide stakeholder engagement/partnerships in planning and delivery. The City and its leadership have driven these processes, the simplicity of a single voice for the city being supportive but not sufficient. Wider national and regional support has also been essential to such major initiatives, the City working with the national government and Skåne region, and sharing funding of some key initiatives. For example, the City rail tunnel project was 80 per cent national funded, 12 per cent city funded and 8 per cent region funded.

Malmö and Copenhagen on the transit route between Sweden and the other parts of Europe

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2 Anderson (2014) points to problems of ethnic segregation, linked to a high immigration rate, including refugee intake. In 1961, only 5 per cent of the city’s population were foreign born, this proportion increasing to nearly 1 in 3 in 2012.
Freiburg

Freiburg, a university town in south-west Germany (population about 230,000) is well-known internationally for its environmental focus (being often called Germany’s green capital). The city population increased by 9.3 per cent between 2000 and 2010 and continues to grow strongly.

In land use transport terms, it is perhaps best known for its Vauban (1993-2006) and Rieselfeld (1994-2010) urban renewal projects, which are benchmark developments in environmental, transport and community engagement terms, and for its sustained transport focus on active and public transport over the past four decades.

The City’s 2008 land use plan focuses on high density development along transport routes, sustainable neighbourhood centres and mixed use development, mirroring the directions set out earlier in this Paper. This plan was closely linked to the transport plan of the same year (updated in 2011). The transport plan focuses on shifting trips to active and public transport, making necessary/unavoidable trips more sustainable and promoting local accessibility with short distances (Buehler and Pucher 2011). This has seen a significant decline in the mode share of car and a large increase in cycling, in particular. Cars account for about one in three trips, walking and cycling meeting half the total trip needs. This focus is encapsulated in Freiburg’s great description of itself as a city of short distances, urban land use transport planning consciously pursuing this outcome. This idea is very similar to that of the 20 minute city.

The Freiburg example in land use transport terms is one of a community vision stretching back nearly 50 years, beginning with opposition to possible nuclear power plant development, and evolving to a comprehensive green agenda, with wide community buy-in and capable leadership, at both political and bureaucratic levels. Buehler and Pucher (2011, p. 53) note the city’s strong tradition of cooperation, negotiation, and consensus among city administration, citizen groups, and local businesses. This is a story of great horizontal integration within a city across a range of stakeholders (both broad public participation and engagement with particular key stakeholders), and with its regional neighbours, showing what local government is capable of achieving across a wide agenda with a clear and sustained vision, comprehensive and integrated programs and good leadership. A supportive federal policy environment has also been helpful (e.g., high petrol prices encourage active transport and public transport; matching support for funding public transport capital investments, if plans are part of comprehensive local transport plans. (Buehler and Pucher 2011).

2.3.2 Multiple local authorities

London

We move now to considering governance arrangements in settings where there are a number of local councils within a metropolitan area, using London, Leeds and Vancouver as examples.

London is much larger than the three cities already reviewed, currently being home to 8.6 million people, growing at a little over 1.1 per cent annually. Population is expected to reach 10m by 2030. London’s productivity level, per hour worked, is about a quarter higher than that of the next most productive UK region (City Growth Commission 2014), showing how significant the capital is to UK economic performance.

The city’s economic growth strategy is firmly focused on driving job growth in the centre and very close thereto, the core of global London, but also supported by pursuing growth in a number of suburban hubs for mixed use purposes (not primarily for office jobs, where the centre is the focus). Improving accessibility to central jobs is a key transport direction, particularly from disadvantaged areas, outer areas within the London ‘hard’ boundary and along key corridors from outside that boundary. There is also a current focus on outer suburbs re-inventing themselves, a direction that is relevant to Australian cities, given difficulties of creating jobs in such areas beyond those that are population-serving. Brownfield ‘opportunity areas’ are a particular focus for redevelopment (e.g., Battersea Power Station, considered briefly below).

Crossrail (Stages 1 and 2), Europe’s biggest infrastructure project, is London’s major land transport initiative, firmly grounded in the city’s economic development/land use strategy and also serving many areas of significant disadvantage, with value capture an important source of funding. The BIC’s Policy Paper 3 outlined some details of how these arrangements operate. Improving circumferential movement through the suburbs, to support growth of nodes in these areas and accessibility more generally, is also a land use transport priority. This radial/circumferential focus is generally in line with the strategic priorities proposed earlier in this Paper for Australian capital cities.4

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3 The inner development direction is described locally as ‘Mickey Mouse ears’, the ears being new development areas to the north-east and south-east of the core.

4 However, the Australian land use directions suggested there place greater emphasis on seeking to encourage growth in a small number of knowledge-based clusters outside the CBD, a strategic direction London has rejected in favour of strong central growth. It was argued in the BIC’s Policy Paper 5 that this difference is probably linked to different locations of disadvantage between Australian cities (where the edges are of major
An interesting land use transport idea being implemented in London is the mandated linkage of development densities to public transport accessibility levels (using a PTAL indicator).

Urban redevelopment projects may need to contribute to improved public transport services/infrastructure if their density requirements mean that the density/PTAL benchmarks are not met. The Battersea Power Station development (25,000 homes and 16,000 jobs) involved a developer contribution of £250m plus Business Rate Supplement (BRS) and Community Infrastructure Levy (CIL), to help fund the London Northern Line extension.

In terms of governance, unlike the three preceding examples, London includes 32 boroughs plus the City of London Corporation. It has an elected Mayor of London and Greater London Authority (the top tier legislative body for Greater London), created under national legislation. The Mayor has particular responsibilities for economic development, land use planning and transport. The land use strategy is The London Plan, the mayor delivering a plan in July 2011 and an updated plan has been available since March 2015 (Mayor of London 2011, 2015). The breadth of the integration embedded in the 2015 Plan is illustrated by the chapter headings, which include: Places; People (which includes housing); Economy; Climate Change; Transport; Living Spaces and Places; Implementation, Monitoring and Review. Boroughs need to operate in accord with the London Plan and are engaged in its preparation (as is business).

The Mayor’s Transport Strategy was released in 2010 (Mayor of London 2010), prepared in concert with the economic development strategy and land use strategy, the Transport Strategy being delivered by Transport for London (TfL). The goals of that Strategy are very similar to those summarised earlier in this Paper. The Transport Strategy is a 20 year strategy, linked to 8 year implementation plans prepared by TfL. The breadth and depth of integration has increased over the past few years, as illustrated by the scope of the 2015 London Plan. As one indicator of transport success, London has achieved a substantial (10 per cent) reduction in its car mode share over the last ten years, through implementation of initiatives such as the congestion charge (20 per cent traffic reduction in the charge zone), OysterCard and investment in improved bus and rail services. However, car use is forecast to grow in coming years because of population growth. Land use transport policies are seeking, inter alia, to contain such growth in car use.

There are 25 members of the Greater London Authority (GLA) Assembly, fourteen being members for Assembly constituencies (boroughs) and eleven members for the whole of Greater London. The role of the GLA is seen by many as to control the Mayor - a matter of checks and balances! For transport, TfL undertakes the Tactical level role, including for freight, and manages much of the Operational function. Having the Mayor as Chair of TfL, and the Deputy Mayor for Transport as Deputy Chair of TfL, supports integration.

Two main lessons Australian cities might learn from London’s integrated land use transport policy and planning, in relation to governance, are:

1. the importance of a strong research evidence base for policy and planning directions, high quality staff and wide engagement around policy matters, to build credibility and an integrated offer. London does the evidence side for integrated land use transport policy and planning very well, although some others are as good (e.g., Vancouver). TfL, for example, produces very high quality policy and planning research and directions, with a solid, tested evidence base

2. the role of the Mayor as an integrating point, to provide strong leadership for the Greater London area, drawing on the foundations provided in point 1. Both mayors to date, Ken Livingstone and Boris Johnson, though from different political backgrounds, have provided strong and innovative policy leadership that reflects their own particular perspectives but has been consistent in terms of broad strategic directions.

In terms of ideas for land use transport planning, linking development densities to public transport accessibility levels (PTAL) is a good idea, since it provides a clear framework for thinking about development opportunities and expectations within a sustainability context and with direct links to funding. In terms of funding, London’s use of value capture is important in terms of major project development, although some would like to see a higher proportion of value uplift captured as contributions to relevant funding streams.

Leeds

The economic productivity and pull of London, and relative underperformance of many other UK regions/cities, has led to an increased focus in recent years on stimulating growth in regional cities. Overman and Rice (2008), for example, talked about the role resurgent cities could play in increasing economic growth and narrowing the gap between the richest and poorest regions in the UK. They proposed regional spatial and economic growth strategies, signed off by a leaders’ forum representing local authorities in the region, to set growth directions and embed agreed priorities.

This general approach is now reflected in the UK Cities Deal program, a national government led framework for strengthening regional economies, badged as ‘Unlocking Growth in Cities’ (HM Government 2011), with scope to also...
Sustainability transitions in existing cities

meet other regional objectives. It includes some devolution of national powers and funding and new governance arrangements to city regions. A central focus is to use infrastructure investment to increase regional economic growth (regional GDP), based on regional priorities agreed across local municipalities (through new regional municipally-based decision-making institutions) and local businesses (through the business-led Local Enterprise Partnerships) and funding negotiated regionally with the national government.

City Deal partners receive an agreed base funding level from the national government and there is an incentive component, based on performance against agreed benchmarks, which usually means local GDP growth (with the associated tax gain that can fund the incentive). A national government Minister oversees the Cities Deal program.

Leeds is the third largest metropolitan district in the UK. It had 750,000 people at the time of the 2011 census and experienced strong employment growth over the decade to 2008 (>14 per cent for jobs in the City, well above the 10 per cent national job growth rate). The City’s particularly strong growth in finance and business services, education, health and life sciences and creative/digital sectors indicates an increasingly important foundation in knowledge-based employment, a marked change from its manufacturing past (which remains significant in some advanced manufacturing sectors, such as food, medical-related manufacturing and specialist engineering).

Leeds City Region, which included ten other municipalities and a population of 3 million, was formed in 2007. The City Region is the basis for the business-led Local Enterprise Partnership and the LEP has to approve the Region’s Strategic Economic Plan. Leeds City Region produced a Strategic Economic Plan (SEP) in 2014 and, associated with this, a Single Transport Plan (STP). The SEP has four pillars:

1. Supporting growing business
2. Developing a skilled and flexible workforce
3. Building a resource smart City region
4. Developing the infrastructure for growth.

The fourth pillar highlights transport connectivity, which is seen as the lynchpin of the SEP. The main elements of the STP are based on delivering better accessibility at several levels:

- Local – home to district hub in 20 minutes, which has some resonance with the idea of the 20 minute city but includes car in the modes that are included
- Regional/IntraCity – hub to High Speed 2/High Speed 3 rail station within 30 minutes plus Pan-Northern Connectivity - all district hubs within 60 minutes of Manchester/Sheffield or 90 minutes of Newcastle
- National – maximum journey time of 2 hours from district hub to London (mainly by high speed rail, with local connections)
- International.

The focus is on one integrated system and includes a place-making focus. There is also a focus on delivering ‘value for money’, which includes considering new local delivery models for transport planning and service provision. The STP is framed within existing budgets but there is also a high level aspirational program, as noted above.

The Leeds’ City Deal for the region was agreed in 2012. The primary goal is to increase regional GDP but this is complemented by two constraining distributional goals: the most deprived areas need to achieve a better than average improvement in accessibility and all areas need to achieve at least half the average rate of improvement in accessibility.

Land use remains with the local authorities, which limits somewhat the extent to which integrated land use transport planning can be achieved.

A requirement for the Leeds’ City Deal was the establishment of a Combined Authority. The West Yorkshire Combined Authority, which includes five LGAs (3 having 2 seats each on the board), City of York and a representative of the Leeds City Region Local Enterprise Partnership (LEP), was formed in 2014. It is a strategic authority with powers over transport, economic development and regeneration. The WYCA is an alliance of the district councils that made up the old West Yorkshire. They are all predominantly urban and predominantly Labour authorities. It comprises councillors appointed from the elected local authorities. They have responsibility for transport. Leeds City Region Local Enterprise Partnership is an authority appointed by central government with a mix of local business people and elected councillors from the local authorities, but the government requires that the unelected business representatives have overall control. It includes the rural commuter hinterland local authorities which are predominantly Conservative.

It has particular responsibilities for promoting economic growth by administering the ‘growth fund’ grants from central government. It makes grants or loans direct to businesses but also most transport money from central government is now distributed this way, to ensure it is spent on promoting economic growth (e.g. new roads to business parks) rather than meeting social need (e.g. by subsidising buses).

8 The WYCA incorporates the activities of the previous West Yorkshire Passenger Transport Executive. National agencies remain the key decision makers and delivery agents on the biggest transport infrastructure projects (e.g., National Rail; motorways and low number ‘A’ roads). Boundaries are not the same as the Leeds City Region, which is curious. The need for better integration of land use with transport is recognised by the West Yorkshire Combined Authority, which sees a need for integrated long term spatial planning to evolve across a broad domain if issues, as it has in London.
The UK process brings together LEPS, which are very pro-business, pro-economic development bodies, with the urban elected local authorities. Some local critics see this as deeply undemocratic but acknowledge that it doesn’t seem to be working badly, partly because the LEPS recognize that they depend on the local authorities and their staff for expertise. However, the program is seeing a major shift of funding towards road building and improving rail services for commuters, particularly longer distance services, and away from subsidising buses, which are primarily locally/city oriented. This is likely to increase social exclusion.

Perhaps the main governance lesson for Australian strategic land use transport policy and planning from Leeds relates to the national government’s recognition of the national importance of cities and the associated need to devolve greater autonomy and financial powers to cities if they are to maximise their contribution to the nation’s prosperity and wellbeing. This requires the national (federal) government to:

- have a clear idea on what it expects from this devolution (national government’s priorities)
- provide performance incentives to cities to meet or exceed these expectations
- be prepared to negotiate agreements with cities that reflect these expectations while also recognizing the importance of including local priorities in these agreements (which included elements with a distributional dimension in the Leeds’ case) and to agree associated performance benchmarks and monitoring processes with cities that will ensure regions are rewarded for achievement (or not, as appropriate).

It is early days in terms of outcomes from the Leeds Deal and its unusual arrangement of stakeholders and will be interesting to see how the somewhat strange bedfellows work together to deliver desired outcomes. Following the London experience, having high quality staff in WYCA to drive the programs provides a supportive base for success.

Vancouver

Vancouver is a metropolitan area of 2.4 million people, in south-west British Columbia. Like the other cities discussed in this chapter, it is experiencing strong population growth (>1.5 per cent p.a. from 2001 to 2011). The city is a regular top rater in lists of the world’s most liveable cities. Vancouver’s Regional Growth Strategy (RGS) has a particularly compelling vision statement (Metro Vancouver 2011, p. 4):

*The highest quality of life embracing cultural vitality, economic prosperity, social justice and compassion, all nurtured in and by a beautiful and healthy natural environment. Achieved by an unshakeable commitment to the well-being of current and future generations and the health of our planet, in everything we do.*

The Vancouver metropolitan area includes 21 municipalities, the largest of which is the City of Vancouver, accounting for about a quarter of the total metropolitan area population.

Metro Vancouver is a regional district established under Provincial legislation, whose Regional Growth Strategy (RGS) provides the framework for local planning within the region. The Province lists fourteen policy matters that the RGS should consider, setting these out in the Local Government Act. Regional Context Statements link municipal Official Community Plans to the RGS, being approved by the regional district. In effect, the province devolves responsibility for strategic land use planning to Metro Vancouver, which is primarily a partnership of local governments at the metropolitan level, within broad parameters that are set in Provincial legislation.

The metro area has pursued a largely consistent land use planning direction for the past four decades, firmly based in community values expressed in a range of consultative processes, updated on a regular basis throughout this period. The level of community buy-in has been an important element in sustaining the land use transport direction over many decades. The commitment shown to such community engagement is a key lesson for Australian cities from the Vancouver example: this is worth doing both as a matter of people’s rights and also for the very practical reason that it can provide a source of sustained direction, founded in the values of the city’s residents.

TransLink is the regional transport entity responsible for public transport and major roads, with a requirement to support the RGS. TransLink has produced a number of high quality transport plans for the region and is well regarded internationally for its professionalism. However, it illustrates some of the governance concerns that can arise in a city where there are multiple local authorities charged with performing a regional land use function, supported by a primarily skill-based transport authority board.

The TransLink Board was initially comprised of municipal representatives but Ministerial intervention subsequently changed this to a more skill-based board, under oversight of the region’s Council of Mayors. A couple of years ago, in response to a decision by the provincial Premier that any new revenue tools would be subject to a plebiscite, the Mayors’ Council produced its own 10 year Transportation Vision for Metro Vancouver. The major funding source was to be a 0.5 per cent sales tax, levied as part of the existing provincial sales tax within the metro Vancouver area. This was the first time in Canadian history that a transport funding measure was put to a vote, and it was defeated following an acrimonious campaign aimed at discrediting TransLink as a credible steward of the new funds. This delayed progress in
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tackling the Vancouver transport challenges, which impacted back on economic productivity, land use and on traffic conditions. The city’s transport funding arrangements need to be resolved between the three levels of government.

Since the Province removed elected officials from the TransLink board in 2007, many municipal councils have felt disenfranchised, in spite of the establishment of the Mayors’ Council’s and its ability to appoint Board members. This was partly addressed by legislative changes in 2014 with the addition of the Chair and Vice-Chair of the Mayors’ Council to the TransLink Board, plus two people appointed by the Province and seven appointed by the Mayors’ Council under the Act, from a list of candidates identified by a screening process. Under these legislative changes, TransLink is required to produce a long term regional transport strategy (30 years or more) and Ten Year Investment Plan for approval by the Mayors’ Council. These oversight provisions increase the long term municipal accountability of the process.

Mayors now have more say over the transport directions that support the land use plan that is their direct responsibility, but continue to appear dissatisfied with their level of control, especially in the absence of adequate funding provisions that facilitate implementation. In short, Vancouver is impressive on a line-of-sight basis across jurisdictions for a sustained long term approach to land use, transport and closely related policy and planning matters, reflecting highly skilled staff and high quality engagement processes. However, current stressors show there can be difficulties of creating a clear voice for the city in a process where local government is exercising a regional role. Such tensions are inherent to a system where multiple jurisdictions must work together in a complementary yet competitive fashion to achieve goals that are simultaneously beneficial to local municipalities and the metropolitan area.

The example raises the question of separation of strategic/tactical and operational level responsibilities. TransLink has had responsibilities across all three levels. It is common for strategic roles to be performed by government departments. Tactical roles may be performed by a department or a specialist authority like TransLink. Operational roles are usually a function of a specialist delivery agency. Perhaps the strategic and tactical roles for Vancouver’s transport should be performed by Metro Vancouver, which has responsibility for the land use plan, an area that has been a strong integrating force in the city for many years. This has some similarities to the arrangements that operated in the mid-80s, prior to the creation of TransLink, when a provincial agency was responsible for strategy and funding, Metro Vancouver’s predecessor (the Greater Vancouver Regional District) was responsible for planning and the Metro Transit Operating Company was responsible for operations. A return to this arrangement appears unlikely, although further changes will be required to overcome the funding gap created by the defeat of the plebiscite. The Vancouver example demonstrates that being very good at strategic land use transport planning is not sufficient for good land use transport integration: the governance and funding arrangements also need to align.

The other important governance point to note about Vancouver, in terms of lessons for Australia, concerns the issue of federal government involvement in urban land use transport matters, particularly through its support for capital funding for public transport in Canada. This accounted for almost a quarter of the capital funding requirement in 2012 of PT systems in cities with over 2 million population, cities such as Vancouver being significant beneficiaries. The Canadian funding model involves all levels of government in some fashion (although not in all provinces), with a sharing arrangement that has evolved over the past 15 years.

The Canadian and US federal governments are both strongly supportive of transit, each allocating roughly $1b annually to transit, per ~30 million population (in 2012), and each looks to fuel tax (the gas tax) as a major source of this funding. The major difference between the US and Canadian approaches to federal transit funding is that the US approach essentially specifies the types of programs that will be supported by the Federal government, allocating funds against these programs, whereas the Canadian approach depends largely on proposals put forward by those responsible for infrastructure, the Provinces/Territories and municipalities. Canada provides a good example of the use of fuel taxes to fund public transport. The Canadian Federal Government’s New Building Canada Plan includes ‘Gas Tax Funding’, to be passed through the Provinces to municipal authorities. As noted in the BIC’s Policy Paper 3, this money is often used for transit.9

9 Canadian Provinces/Territories can also levy gas taxes, which can vary by region
3. Conclusions Section 1

3.1 Horizontal integration - Who speaks for the city?

Policy and planning for urban land use transport is taking place against a background of cities becoming increasingly important to national economies and to resident wellbeing, while also becoming increasingly complex. This is leading to a greater focus on integrated approaches to governance, against a background where most cities have low levels of autonomy\(^{10}\) and fragmented governance, posing difficulties in planning for the future.

Australia is relatively unusual in having state governments responsible for (speaking for) capital cities. This role is more commonly associated with local government in some format. The difficulties Australian cities have in establishing and pursuing integrated strategic land use transport policy directions over time is partly a function of our adversarial political environment. The international examples included in this Paper suggest that high levels of community engagement in setting a vision and goals for a city, and in determining long term strategic development directions, provides buy-in to support long term bipartisan approaches. They also suggest that local government can play a useful role in achieving community buy-in, if it can think regionally (beyond its own patch). This is easiest when there is a single municipality for the city but various ways of aggregating multiple local governments to regional level are being tried, as is the city mayoral model. Metro Vancouver is an example of the former and London an example of the latter in this Paper. Increasing the role of local government in strategic land use transport planning processes for Australia’s cities seems likely to support better achievement of long term commitment to vision, goals and strategic directions, while leaving space for adjustment as circumstances change. It should help to de-politicize the planning process. Greater levels of community engagement are also important in this regard.

Establishment of Metropolitan Planning Authorities (MPA) for each of our capital cities, with responsibility for developing strategic land use, transport and related policy and planning directions, where board membership is split equally between representatives of the state government and local government, should be supportive of better planning and deliver better outcomes. The municipal representatives would generally need to be selected from sub-regions of local government, to keep numbers manageable.\(^{11}\) This sub-regional focus would encourage less parochial thinking from local government. A federal government representative should also be considered (discussed below). The role of board chair could rotate between a state representative and local authority representative, with the Deputy Chair position held by someone from the other group. This would require the state to give up an element of its current power but is likely to deliver better community outcomes, which is what should be important. The Board Chair would speak for the capital city on land use transport (and related) matters when a regional voice is required. Some states already have entities that could be easily re-shaped to perform this role, to avoid adding a new layer of bureaucracy.

An approach being taken by some cities that include multiple local authorities is to elect a mayor who speaks for the city. Moonen, Moir and Clark (2014), for example, point to an increasing trend to devolution of powers to city level in many countries and an associated trend for directly elected and accountable city mayors. They cite European examples where the mayoral model has become a major driver of political devolution from central and provincial governments (in Germany, Italy, Poland, Austria, Belgium, Norway, Hungary, Portugal and the UK, particularly London as discussed earlier in this Paper). They note a similar trend emerging in the US but observe that Australia, however, has not seen this trend:

… mayors in many Australian … cities play an almost ceremonical role (Moonen et al, 2014, p. 15).

While the Lord Mayors of our CBD-based municipalities often exercise high profile roles and participate actively in international fora, their formal powers are very limited and they are not able to ‘speak for the city’ in the widest sense.

It is time Australian capital cities discussed the merits of directly electing a Mayor for the Metropolitan area, with particular responsibilities for (at least) regional land use and transport, and consider how such a governance model might operate. The London experience provides a useful example. Such an arrangement could accompany the Metropolitan Planning Authority model, where the elected Mayor would chair the Authority, rather than a State or Municipal representative. London’s experience suggests that this would support innovation, through the involvement of a Mayor, while the professional support from the Planning Authority should provide the necessary strategic and tactical level support, as in London with the GLA and TfL and is also happening now in some other UK regions under the Cities Deal. High levels of community engagement are an essential ingredient whatever solution is adopted to improve horizontal integration.

3.2 Vertical integration

Role of the federal government

The BIC’s Policy Paper 5 highlighted the importance of our cities to economic productivity. Their importance in relation to greenhouse gas emissions and national emission abatement is also fundamental. With the large growth in population expected in Australia in coming years and the

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10 Most cities are ‘supervised’ through national or state-based systems and rely on higher levels of government for much of their funding.
11 Local government reform is itself a matter for debate.
Federal government concerned about northern development, the wider issue of national settlement policy and the role of existing and future cities should also be a critical policy concern for Canberra. These issues, in particular, are of such national significance that the Federal government must be involved in strategic and tactical level deliberations about city development. The benefits/costs of right or wrong decisions are so significant, and extend so broadly, that federal involvement is a must. The UK government understands this. The US Government has understood it for decades, such as through its requirement for the establishment of metropolitan planning organisations, through which federal transportation funding is channelled. In Australian cities, federal involvement might take the form of setting out its expectations of what long term strategic land use transport plans and shorter term implementation plans should contain if federal financial assistance is being sought for city deals and infrastructure investment.

Any such requirements should be grounded in long term strategic land use transport plans and associated shorter term implementation plans. This level of federal involvement would not warrant involvement at board level in the proposed Metropolitan Planning Authorities.

Alternatively, the Federal government could take a more hands-on approach, which goes further than simply setting out its expectations and includes more active engagement around the best ways to use land use transport (and related) policies and programs in particular cities to meet national goals, such as boost productivity and cut greenhouse gas emissions. In this approach, board level involvement in the MPA would be appropriate. The outputs from strategic planning processes and implementation plans need not change from those considered in the preceding paragraph but the stronger and more active level of federal involvement during the preparation stage should facilitate more informed federal decision making and much easier processing of the outputs of the planning processes, including when it comes to funding issues. It seems likely to be a more efficient planning and decision-making process.

Australia’s cities matter! Most Australians live in cities and this is where most of our national wealth is created. Land use transport (and related) issues that play out in our cities are crucial to national performance on several fronts. This importance suggests that a Federal Minister for Cities is the right approach taken by the current and this is where most of our national wealth is created. Land use transport planning has traditionally been a top down process. This Paper argues for devolution of more decision-making power and associated funding to neighbourhood level, to progress development of the 20 minute city. This adds a bottom-up dimension to thinking about our cities and how they might be assisted to deliver better outcomes for residents and visitors. The Paper also recognises that this is an evolving area and that case studies are needed to demonstrate best practice. There is a vast array of experience both in Australia and internationally that can be drawn on to identify the most useful opportunities in this regard. In the land use transport area, local case studies to explore the best way to roll out the ‘total transport’ model should be an early priority. This promises to deliver better mobility outcomes for no additional costs, by re-thinking about how local mobility needs are understood and how they are met. It is about local integration for better outcomes and more efficient service.

The changes to horizontal and vertical governance arrangements that are proposed above shake up the current power balance in land use transport policy and planning.

Such disruption recognises that the world is getting more complex and old solutions are no longer necessarily the best way to deal with challenges and realise opportunities. Coping with, and benefitting from, disruptive change is likely to be more easily accomplished if the stakeholders engaged in the process are able to operate from a position of trust. This Paper identifies some of the requirements in this regard. In both horizontal and vertical relationships, including engagement with the community, trust will support better relationships and better outcomes. Formal agreements, which would form part of the devolution of greater decision making powers to cities and a stronger role for local government, and any associated contracts, will work more effectively when trust is a foundation from which they are developed and operate.
4. Context

This Section focusses on the importance of regional connectivity between villages, towns and cities and the importance of accessibility for transport disadvantaged living in regional areas. Intra-regional and Inter-regional connectivity are both important contributory mechanisms for the development of regional centres, investment in regional centres and regional infrastructure and the promotion of the competitive advantage of regional locations for business as well as supporting social inclusion.

About 20 per cent of the Australian population live in cities and towns of between 30,000 and 85,000, or in smaller rural towns and remote settlements (DIRD 2015). Mobility/accessibility as it relates to these smaller towns/cities and their hinterlands, is the main focus of this Paper.

This Section looks at regional mobility/accessibility through two main lenses. First, it looks at the potential for wider economic benefits, such as regional agglomeration (productivity) economies, resulting from improved regional mobility levels. If such opportunities exist, as research indicates they do in larger cities, they might form a significant new economic benefit from improving regional mobility, additional to traditional user benefits, and would further support efforts to deliver such mobility improvements. In this regard, the main themes in the Paper are concerned with how mobility/accessibility improvements might help to strengthen regional integration, such as through expanding regional labour market catchments. Second, it builds on extensive Bus Industry Confederation work on the connections between mobility and social inclusion. Mobility improvements support social and economic participation, thereby helping to foster strong regional communities.

4.1 Population trends

Australia’s population growth rate has been high over the past decade, with 3.7 million people added, a compound growth rate through this period of 1.65 per cent per annum. Looking at the location of this growth, Table 4.1 shows that growth rates tended to decrease with increased regional remoteness, with the major cities becoming increasingly dominant. Between 1996 and 2006, Major Cities accounted for 86.5% of population growth and this share was only slightly lower at 80.2% from 2006 to 2016 (preliminary estimate for 2016). The population growth rate over this latter period for Major Cities exceeded the national growth rate, confirming increasing concentration in these locations. The growth in population numbers in Inner Regional locations between 2006 and 2016 shows the draw of the hinterland of Major Cities.

Outer Regional and Remote/Very Remote Areas are losing population share, as reflected in their population growth rates compared to the national rate, but still growing in absolute population numbers (over the 2006-16 decade). However, hidden within the numbers shown in Table 4.1 for the 2006-16 period is a decline in population numbers in Remote + Very Remote Australia in the last few years of the decade, numbers falling by 10,000 between June 2013 and June 2016. The major part of this decline was in Very Remote Australia. Within regions, there has been a tendency for population growth in larger centres (RAI 2015a).

The Regional Australian Institute (RAI 2015a) reports that, in regional Australia. There is a clear pattern of growth in coastal areas, areas around major regional cities and in mining regions: conversely, areas that have seen population decline tend to be inland (RAI 2015a, p. 8). The mining effect would have reduced in recent years but the other trends remain important.

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12 The proportion of the population living in smaller rural towns and remote settlements, in particular, has declined continually over the past century but the proportion living in towns of 30,000-85,000, after a small increase, has remained stable (albeit small) over the last two decades.
More broadly, population ageing will be a major demographic challenge for Australian regions in coming years, with the numbers aged 65 years or older expected to double nationally (RAI 2015b). This will be a particular challenge for what RAI (2015b) calls Heartland Regions and Connected Lifestyle Regions, which have relatively high proportions of seniors, particularly those aged 65-74. RAI (2015a) notes that there is a strong pattern of migration of people in their 80s and 70s from regional to capital cities (RAI 2015a, p. 91). At the other end of the age scale, relatively high young dependency rates (young children under 15 years) also tend to characterise Australia’s regions, the regional rate of 31.9% exceeding that of 26.1% in metropolitan Australia. Outmigration of young adults is a further notable regional demographic trend, being adverse for regional development potential (and also tending to increase the share of the regional population that is aged over 50). RAI (2015b) suggests a good response strategy to loss of young adults is to seek to attract the slightly older 30-40 year old age groups at the early stage of family formation.

Discussion of the population groups most likely to be at risk of social exclusion due to relatively poor mobility opportunities, in both urban and regional settings, typically highlights older people, youth, people with a disability, people with language difficulties (e.g. recent arrivals), those on low incomes and those with little or no car access, with women and single parents also sometimes included (Clifton and Lucas 2004; Currie and Delbosc 2011). The higher proportions of older people and the young in regional areas suggests, ceteris paribus, relatively greater transport disadvantage challenges in the regions than in metropolitan areas. It is also suggested in this Paper that pre-school children and their carers should also be added to this list of potentially transport disadvantaged groups, particularly in regional areas, because of the demonstrated high lifetime costs for children experiencing disadvantage, which are associated with being unable to attend pre-school.

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Sources: Derived from RAI (2015a), Table 2.3 and ABS 2017, Table 1.
4.2 NIEIR work on access to services

The National Institute of Economic and Industry Research (NIEIR 2009) examined access to services in Australia. A summary of the mobility challenge of regional Australia is provided in Figure 4.1, derived from data assembled by NIEIR on representative distances a resident of metropolitan Australia, other urban Australia and rural/township Australia, would need to travel to access a core range of essential services. These are defined as:

- Education: From child care and pre-school through the various levels of schooling to TAFE and Universities.
- Health: the range of services from general practitioners through local hospitals to major hospitals, medical specialists and allied health services such as dentistry and optometry.
- Welfare and related services: including Centrelink (welfare payments), aged and other residential care, and police services.

Recreational services are not included in this list, an important and common omission in much transport work. NIEIR estimates that a typical rural resident in Australia would have to travel over 30 kilometres a day to access essential services which a typical metropolitan resident can reach by travelling an average of 1.4 kilometres a day. The tyranny of rural/regional distance is immediately apparent, with distances for residents of some regions obviously being much greater than the representative picture shown.

Essential services can be divided into ‘widespread services’, such as a pharmacy, GP services, child care; and ‘centralised services’, such as specialised medical treatment and a university, which need a larger urban centre. People living in country towns are likely to have access to widespread services but are likely to have poor accessibility to centralised services. People living in townships under 1,000 people are likely to have poor access to both types of services.

When services, such as doctors, schools, hospitals, or pharmacies move away from small towns, becoming centralised, cost shifting takes place. The cost of transport is moved from the supplier of the service to the user of the service. This cost shifting is happening across many rural and regional communities. It is not so much a problem for those with a higher income who have mobility options, except for time loss; however, it can be a considerable problem for those on lower incomes without good mobility options. What it does is ‘force’ car ownership on those who are able to drive, at times creating financial stress (Currie and Delbosc 2013). This financial stress is not always obvious, thus leading to less transparency about unmet transport needs. Those who are struggling to meet car costs tend to save on operational expenses by travelling less. Those who are ‘forced’ to buy a car tend to use it even when an alternative means of transport becomes available; while they may be struggling to pay for a car, they don’t wish to add additional transport costs through public transport.

Figure 4.1: Average Australian access distances for a core set of essential services

![Average accessibility to essential services (kms)]

Source: NIEIR (2009)

13 The annual cost of owning an average car that travels 15,000 kilometres in a year is $8,698 (AAA 2016).
5. Economic benefits of mobility for regional growth

Transport improvement initiatives are usually assessed, from the benefit side, in terms of expected benefits to current and future users (Stopher and Stanley 2014; Laird and Venables 2017). Thus, for example, regional road improvements may lower road freight costs and directly improve the productivity of the freight transport task. Faster inter-regional public transport services will benefit users, including both private and business travellers. It is acknowledged, however, that in circumstances of market failure, there may be additional benefits generated by transport improvements, beyond the traditional user benefits. The body of work on wider economic benefits has evolved in recent years to address this issue. Laird and Venables (2017) discuss this topic in terms of how transport might affect proximity and productivity due to agglomeration, induced investment and land use change and employment. They summarise the potential benefits as follows:

... transport can raise productivity by fostering intense economic interaction; this can occur in clusters within narrowly defined areas or more widely by linking areas transport shapes the level and location of private investment, unlocking development and triggering large scale redevelopment of urban and other areas; and transport impacts the labour market, potentially enabling more workers to access jobs. These impacts can yield real income gains, particularly where transport induced investments interact with market failures associated with increasing returns to scale, obstacles to efficient land use, and labour market imperfections (Laird and Venables 2012, pp. 9-10).

In similar vein, DfT (2012) categorises potential wider economic benefits as agglomeration benefits, output change in imperfectly competitive markets, labour supply impacts and move to more productive jobs. In an Australian regional setting, we focus here mainly on potential agglomeration economies, which typically add substantially to the benefits from major urban transport projects, and to a lesser extent on land use changes and employment impacts that might be associated with regional transport improvements, particularly public transport improvements. Potential benefit opportunities in any of these areas would strengthen the case for investing in improved regional transport services, beyond the traditional (and significant) user benefit argument.

5.1 Agglomeration economies

BIC Policy Paper 9 (Stanley et al. 2017) pointed out that an extensive body of research has emerged over the past three or so decades on cities and productivity growth, achieved via agglomeration economies, arising from economic density, and building on ideas that extend back to Marshall (1890) and even Adam Smith (1776). The origins of such productivity gains have been understood for some time, summarized by Puga (2010) as sharing, matching and learning. Sources of agglomeration economies include improved access to inter-industry information flows (information spill-overs), thick labour markets, better access to specialized services (for example, legal services, design and testing, financial services) and to locally transmitted ideas, together with improved access to public infrastructure. Economies of scale may also accrue to individual firms. Agglomeration economies are a case of market failure because the benefits from agglomeration arise through system interactions, being unable to be fully captured by the individual firms that might drive change.

In urban settings, productivity increases (agglomeration externalities) of 3-8 per cent from doubling city size14 (Rosenthal and Strange 2004) and 4-5.6 per cent from doubling employment density in a city (Ciccone and Hall 1996; Ciccone 2002) are widely cited. Ciccone and Hall (1996) suggest that density is more important than size for determining urban productivity advantages, which is important for thinking about the possible role of urban clusters. The meta-analysis by Melo et al. (2009), drawing on 729 elasticity estimates from 34 studies, suggests a mean elasticity value of 3 per cent across all its reviewed studies, with considerable variation between studies. More recent research has tended to strengthen support for the lower end of the elasticity range, as issues such as firm selection and sorting have been recognized (see, for example, Behrens et al. 2014). Relative output increases in service industries, particularly knowledge-intensive industries, many of which tend to concentrate in CBDs and other urban hubs, are typically at the high end of the elasticity range. Melo et al. (2009) for example, report an elasticity of urban agglomeration for service industries of about 8 per cent.

In terms of the subject matter of the current Paper, a key question in relation to productivity is how far the concept of urban agglomeration economies might extend to regional/rural areas, related (for example) to labour catchments that depend partly on mobility opportunities. A relevant research base in this regard concerns productivity growth in a polycentric (or multi-centred) regional development setting. This is a relatively small research base, with some of the research focused on the potential productivity benefits of networked centres within a polycentric regional setting, as distinct from agglomeration economies that arise in a single city. Meijs and Burger (2010) examined this question in a US setting and found that, other things being equal, polycentricity seems to be beneficial for productivity, particularly in smaller metropolitan areas, but a collection of cities does not provide a substitute for the urbanization externality of a single large city, even though the size of the population in both may be similar (Meijs and Burger 2010, p. 16).

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14 This elasticity range implies that the elasticity of productivity with respect to city size is in the range of 0.05 to 0.11.
Section 2

An important question is whether individual cities within a polycentric region might ‘borrow’ from each other’s sizes to capture some scale benefits, sometimes described as network economies or network externalities (Boix and Trullén 2007). Agglomeration economies are generally thought to decay with distance whereas network externalities are thought to be dependent on the strength of functional relationships and less distance dependent. At interest is whether network externalities might be a source of regional agglomeration economies. Meijers, Burger and Hoogerbrugge (2016) examined this question of borrowed size in a European setting, noting that over half of the EU 15 urban population live in small and medium-sized towns and cities of 5,000-100,000 population. Using metropolitan level functions as a proxy for agglomeration economies, the first three of their findings were that:

1. both size and connectivity in (inter)national networks positively contribute to the presence of metropolitan functions;
2. while cities borrow size through being well embedded in (inter)national networks, being well embedded in regional networks generally does not translate into a higher level of metropolitan functions;
3. the effect of local size on the presence of metropolitan functions is generally substantially larger (roughly 2.5 times) than the effect of network connectivity (Meijers et al. 2016, p. 195).

Meijers et al. (2016) also pointed out that competition between cities for some metropolitan functions may mean agglomeration losses in some places, not compensated by benefits from borrowed size. Importantly for an Australian context, they found that small cities gain metropolitan functions from an increase in size, whereas larger cities profit more from an increase in regional and (inter)national network connectivity (Meijers et al. 2016, p. 195).

Veneri and Burglassi (2011) examine how spatial structure affects labour productivity in Italian provinces. They found that larger regions perform better than smaller ones in productivity terms and regional agglomeration economies do not replace single-centre agglomeration effects: doubling the centralization of activities increased labour productivity by 2.7 per cent. They found no support for the idea that borrowed size was a source of agglomeration economies in Italian regions.

These studies are not encouraging in terms of the possibility of regional agglomeration economies being realizable in small (in population terms) Australian regions. However, the evidence base to support the existence of network/agglomeration economies, which might help to inform Australian regional development policy, is sparse.

As Burger and Meijers (2016) state, in reviewing this literature:

This discussion not only suggests that the embeddedness of cities in regional, national and international networks is important for their performance but also that small- and medium-sized cities could potentially internalize the benefits of larger cities by being well-positioned in urban networks. Unfortunately, relatively little is known about the relative importance of urban network economies vis-à-vis agglomeration externalities or which types of cities would benefit from urban network externalities (Burger and Meijers 2016 p. 6).

More broadly, the findings of Thissen et al. (2016) are important. They found that 80% of regional growth in European regions is explained by demand-led growth in export markets. If Australian regions are to play a larger role in coming years, as we believe they should, a focus on export expansion must remain central (as it has long been). Intra-regional and inter-regional connectivity are both important contributory mechanisms here, as well as being supportive of social inclusion.

5.2 Land use changes

The potential for major transport projects, both public transport and road, to substantially change land uses in the project vicinity is well recognized (e.g. Canary Wharf in London) and is integral to much of the current discussion of value capture opportunities associated with major transport improvements. Laird and Venables (2017) distinguish here between land use changes that increase the variety of retail and service choices available to consumers, which might be thought of as agglomeration economies in consumption, and changes that increase the presence of office type activities, which may be an example of agglomeration economies in production. The Paper focus here is on agglomeration economies in consumption, discussion in the preceding section having dealt with agglomeration economies in production.

Stopher and Stanley (2014) note that:

Agglomeration effects in consumption, an important element of liveability, are a relatively new area of quantitative research. However, recent German analysis (for example) indicates clear evidence of agglomeration externalities in consumption, with bigger cities (in population terms) showing benefits for residents from a larger range of service choices, across areas like restaurants and bars, concerts, dancing, theatres and museums (Stopher and Stanley 2014, p. 208).

The tendency for people to move from rural areas and smaller towns to larger Australian regional towns is a reflection, inter alia, of such influences.
In terms of generating potential external benefits in regional Australia, this issue is most likely to be clear cut in a policy context of deliberately seeking to promote stronger growth of regional centres, with initiating projects like high speed rail (HSR) and complementary networked trunk bus services as key ingredients. Hensher et al. (2012) have looked at HSR in Australia and query whether the substantial ‘social agglomeration’ benefits they identify are additional to the traditional user benefits attributable to generated traffic or are just another way of measuring those benefits. They do not answer this question. High end regional development initiatives like HSR, of course, involve much more than just transport improvements and need to be assessed accordingly, in the HSR case as a major alternative population settlement strategy (to continued heavy concentration of growth in the main capital cities). The potential for agglomeration economies in both production and consumption arising from a major regional re-development initiative, driven by high end public transport upgrades, should be acknowledged.

In terms of the more usual small road and public transport improvements that might be found in regional Australia, such as highway upgrades and trunk public transport service enhancements, what are the prospects for consumption benefits over and above traditional transport user benefits? If there are substantial transport bottlenecks acting as a barrier to regional development, then there may be an opportunity for land use change benefits. This would need to be identified on a case by case basis and the transport impact teased out from other structural factors influencing regional change. Part of the assessment involved needs to focus on whether land use changes are creating additional economic value or simply shifting development from one location to another.

More broadly on the topic of land use changes, the downside of large cities producing agglomeration economies is that they also generate diseconomies of size, such as congestion, crime and air pollution, an example of market failure. In terms of regional policy development, increasing population numbers in Australian regions of (say) 50,000 people, or more, would be one way to mitigate the growth in such diseconomies of large city size, with accelerated growth in the more medium sized non-metropolitan cities (e.g. 200,000 population) also providing some opportunities for agglomeration economies in production and consumption. For smaller cities, there may be opportunities for agglomeration economies in consumption. In line with this approach, and recognising the lack of empirical evidence supporting agglomeration /network externalities in small cities/regions, Burger and Meijers (2016) support stimulating integration between nearby places, as part of a no-regrets strategy to strengthen regional urban systems, which should be particularly beneficial for medium-sized cities but also supportive of smaller places and of reduced social exclusion risks across small to medium sized cities/regions.

5.3 Labour market impacts

In terms of the more usual day to day operation of public transport in most regional areas, and upgrading service standards thereof, perhaps the most interesting wider economic benefit opportunity might arise in the labour market space. Laird and Venables (2017) discuss this in terms of supply side and demand side perspectives. If a public transport service improvement, for example, encourages a person to enter the labour market, who would otherwise have been unemployed, or an underemployed person to extend their working hours, then there is a potential wider economic benefit from increased regional (and national) output and associated gain in government tax receipts. Laird and Venables (2017 p. 6) note that These effects are important in developing economies, as well as in regions of developed economies that have significant structural un- (or under-) employment.

To illustrate this point, market failures may entrench unemployment or underemployment in some regional locations, with current Australian housing markets relevant to the discussion. Case studies by BIC and research undertaken by the Australian Research Council and NIEIR report people moving to regional areas in search of cheaper housing. A lack of transport choice is one reason for cheaper regional housing, a circumstance that may discourage job seeking. Improved public transport opportunities, in this situation, encourage improved employment and lead to increased value of regional output, beyond traditional user benefit calculations. As with land use changes, this needs case by case consideration but the BIC case studies suggest there is likely to be a benefit opportunity here, in the current Australian economic setting.

The case studies and research identifies high monetary values from additional trip making by regional people at risk of social exclusion and high value from building bridging social capital, which is likely (inter alia) to promote employability. It is suspected that the high monetary values are partly picking up this potential regional employment support function flowing from good mobility. This is a very new and under-researched area but the BIC case studies support the idea that there may be regional wider economic labour market (employment) benefits from improved mobility opportunities.
Implications

The concept of polycentric regional development is particularly strong in Europe, where the European Spatial Development Perspective lists Strengthening a polycentric and more balanced system of metropolitan regions among its primary goals, recognizing the importance of international/national and regional/local transport networks in achievement (EC 1999). The practical relevance of this approach is reflected in regions like Skåne County Sweden (population 1.3m), where a polycentric regional development strategy is firmly in place. This links across the Øresund Bridge to neighbouring Copenhagen in Denmark, with the wider Øresund Region having a total population of about 4 million. Quality intra- and inter-regional connectivity, including public transport systems, provide a foundation for regional integration and the expectation of productivity growth, through (for example) expanded labour catchments. The UK is taking a similar approach to developing the north of England, with High Speed Rail playing an important role within a polycentric framework. Successful implementation of such a polycentric strategy seems likely to support wider economic benefits of all the types discussed herein in these regional settings.

Seeking to extend this regional thinking to Australian regional settings is complicated by the population size gap between our biggest cities and the next tier, and by the distances between most major Australian cities. Given population size and geography, Australia generally does not have the density and diversity of mid-sized cities, located close to large cities, which are common in US and Europe. South Australia, for example has Adelaide at 1.3m, with Mt Gambier the second largest town at only 25,000, some distance away. In terms of seeking productivity benefits through agglomeration economies, linking Mt Gambier and surrounding towns to each other (with about 50,000 people in the total regional catchment) and then linking the region to Adelaide and Melbourne would have much lower expectations of what is possible from networking/agglomeration than from linking (say) Malmö (320,000) and Lund (120,000) to the wider Øresund Region, including Copenhagen, in a commutable polycentric region of 4 million people.

Notwithstanding these concerns about scale and population dispersion, the idea that a networked region is likely to have higher productivity than the same region without networking seems plausible, provided there is a reasonable base size. Just what that reasonable base size might be, however, lacks a solid empirical foundation, since there has been little analysis of the geographical scale of agglomeration externalities and urban network externalities. Most studies on agglomeration economies and network economies focus on large and medium sized cities, rather than small cities, and studies of network economies often have a global network focus.

The Regional Australia Institute (2016) observes that, beyond the 5 major capital cities, there are 31 regional cities in Australia, each with over 50,000 people. Adding labour catchment populations might increase this number, such as by bringing in Mount Gambier (which is not one of the 31 cities listed by RAI). RAI (2016) reports that output levels of the 31 small Australian cities grew faster than for the five major metropolitan areas between 2002 and 2010, even if absolute productivity levels are less than in the major capitals (reported as being at 88% of metropolitan city productivity by RAI 2016). This is a positive regional growth story. However, there is no solid evidence to suggest a
city/region of 50,000 will be of sufficient size to generate agglomeration economies in production.\textsuperscript{15} For larger Australian cities/regions, such as Newcastle, Geelong and the Gold Coast, the concept of agglomeration/network economies in production is much more likely to be relevant, given size and proximity/connectivity to a major capital city. Industry mix and scale, however, suggests that such agglomeration economies will tend to be smaller than for the main metropolitan capitals, since the relative employment intensity in high-tech knowledge-based sectors, which typically have the highest agglomeration elasticities, is usually lower in these smaller to medium sized cities than in the large mainland capitals and the evidence from Meijers and Burger (2010) is that networking will not make up the difference.

More optimistically, the fact that many small to medium sized Australian regional towns are growing in size supports the idea that there are agglomeration benefits in consumption available in such locations, which probably extends down to towns of perhaps 15-20,000 population, large enough to support a range of services and activities. Transport improvements to support such centres can potentially enhance these consumption agglomeration benefits but at a possible risk of further de-population of smaller centres. However, improving trunk public transport services between smaller towns and regional centres may enable people to remain in the smaller location, while accessing services in the regional centre. This is a win-win situation, which may promote agglomeration economies in consumption in the regional centre, while improving life opportunities for those in smaller centres.

Conclusions

This short review on regional economic development suggests that medium to large sized cities/regions might realistically pursue agglomeration benefits in production and consumption and smaller towns/regions might be a source of agglomeration economies in consumption. In more disadvantaged regions, opportunities for net employment gains are a further potential wider economic benefit opportunity as identified in the BIC case studies. Improving intra-regional mobility choices can support these wider economic benefit opportunities, while providing the more traditional benefits to users. Improvements in regional social participation are likely to support stronger regional economic participation. The connections between mobility, social inclusion and wellbeing are important here, having both social and economic benefits for regions.

More generally, as a market failure argument to support stronger Australian regional development, regions need to highlight the benefits they provide as an alternative to the external costs of large metropolitan city size (e.g. congestion, crime, air pollution, etc). These external costs are large and growing. They should be accounted in regional policy decision-making.

\textsuperscript{15} The 50,000 threshold size in RAI (2016) seems to be based on the minimum city size designated by Uchida and Nelson (2010) in the development of an agglomeration index. That index was developed more as a way to measure city size across countries than as a way to imply threshold population numbers for agglomeration economies to be relevant.
6. Regional mobility and social inclusion

6.1 Some concepts and definitions

This part of Section 2 examines how mobility/accessibility impacts a person's risk of social exclusion in a regional Australian setting. The broad literature base on which this builds is characterised by a host of concepts that may readily confuse or even mislead a reader. These concepts include: mobility, accessibility, social capital, community, transport disadvantage, social exclusion and wellbeing. Refer to Table 6.1 for definitions of these concepts.

6.2 Literature on regional transport and social inclusion

Most of the literature on connections between mobility and social exclusion is primarily urban-based. The following summary explores research that has been reported on rural mobility and where it draws from major urban research.

The concept of social exclusion arose during the 1970s in France, to describe people who were excluded from the social insurance scheme, evolving to encompass a broader understanding during the 1990s (Lenoir 1974, Levitas 2000). In policy terms, the focus on connections between transport and social exclusion, and responses thereto, probably began in earnest with the work of the UK Social Exclusion Unit (SEU 2003). Links were drawn between the exclusion of people who do not have access to a car, and their needs for education, employment, access to health and other services and to food shops, as well as to sporting, leisure and cultural activities. Findings from the SEU’s transport study were organized into five groups of barriers which need to be addressed in order to improve transport-based accessibility to key services considered by the SEU authors to be central to social inclusion. These are:

1. the availability and physical accessibility of transport
2. the cost of transport
3. services are located in inaccessible places
4. safety and security – fear of crime
5. travel horizons – people on low incomes were found to be less willing to travel to access work than those on higher incomes.

The SEU argued that to remove these barriers, and reduce social exclusion through transport improvements, there is a need to understand how people access key activities and link this with planning to improve such accessibility (accessibility planning), as well as undertaking key strategic policy initiatives, such as:

- reviewing regulations governing the provision of bus services. This point is especially relevant in the UK context, where de-regulation of bus service provision outside London took place in 1985-86, with major adverse impacts on mobility opportunities for many people. Bus patronage outside London was 37% lower in 2015-16 than it had been in 1985-86, whereas it increased by 105% in London, where there was no deregulation (DfT 2015)
- integration of transport planning into planning for services provision (e.g. education), to enhance accessibility
- a range of initiatives to make transport more accessible, such as reducing cost and addressing the fear of crime associated with public transport
- the formation of partnerships between transport providers, local authorities and local service providers, such as education and health, to work on transport solutions.

More recently, and in similar vein, the UK Passenger Transport Executive Group, which represents the regional passenger transport entities outside London, summarized public transport service qualities that are required to respond to social exclusion as availability, accessibility, affordability and acceptability (PTEG 2010).
Table 6.1: Shorthand Definitions [common terms used in understanding how mobility/accessibility impacts a person’s risk of social exclusion]

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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<tbody>
<tr>
<td>MOBILITY</td>
<td>The capacity to move around by any means, including walking, cycling, private vehicles, public transport and other mobility devices. Mobility is a pre-requisite for being able to undertake activities anywhere other than where a person is currently located.</td>
</tr>
<tr>
<td>ACCESSIBILITY</td>
<td>The ability to get to activities or opportunities, such as work, education, playing sport, visiting friends, etc.</td>
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<tr>
<td>SOCIAL CAPITAL</td>
<td>‘Social capital consists of networks of social relations which are characterised by norms of trust and reciprocity’ (Stone 2001 p.4). Stone et al. (2003) identify three types of social capital:</td>
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<tr>
<td></td>
<td>- Bonding social capital describes closed networks, such as the family and perhaps work. Bonding generates closer, denser ties.</td>
</tr>
<tr>
<td></td>
<td>- Bridging social capital spreads resources between networks, allowing people to access multiple networks and therefore resources and opportunities.</td>
</tr>
<tr>
<td></td>
<td>- Linking SC is created through networks with those in authority or who have power and who are useful for obtaining resources. They are commonly institutional connections.</td>
</tr>
<tr>
<td></td>
<td>Commonly, bridging and linking social capital are considered together.</td>
</tr>
<tr>
<td>COMMUNITY STRENGTHENING</td>
<td>Community Strengthening occurs where a sense of neighbourhood develops between individuals, families and organisations. It happens when people become actively engaged in the community. They feel socially connected, may become volunteers or leaders, and a sense of community pride is established (Vinson 2004).</td>
</tr>
<tr>
<td>TRANSPORT DISADVANTAGE</td>
<td>This is perhaps the most confused concept of this group, with different researchers having different conceptions of transport disadvantage (TD). As Currie and Delbosc (2011) point out, some analysts talk of TD in terms of (for example) characteristics of the transport system and urban form which make it difficult for people to undertake transport for the purpose of engaging in activities, while others focus instead on the characteristics of the groups of people who are considered most likely to have difficulties with transport (groups such as older people, youth, etc, as listed above). In their own research, Currie and Delbosc (2011) add another way of looking at transport disadvantage, based on self-reported sub-scales of perceived difficulty people have in undertaking transport. Our definition is simple: transport disadvantage occurs where people experience a shortage of transport options which restricts their mobility and hence their access to goods, services and relationships.</td>
</tr>
<tr>
<td>SOCIAL EXCLUSION</td>
<td>Refers to individuals or groups of individuals at risk of not being able to participate in mainstream society as a result of policy failures.</td>
</tr>
<tr>
<td>WELLBEING</td>
<td>This term commonly refers to notions of happiness, life satisfaction, fulfillment and human flourishing (Sen 2000, Vella-Brodrick and Stanley 2013).</td>
</tr>
</tbody>
</table>
Hine and colleagues undertook research on transport and social exclusion in regional areas in the UK from the 2000s, finding considerable accessibility difficulties for the groups of people at risk of social exclusion, compounded by an absence of, or poor quality, public transport (for example, Mackey and Hine 2004; Kamruzzaman and Hine 2012). The results indicate that individuals from rural areas with a higher level of accessibility are more integrated within their local community and, as a result, are potentially less at risk of being excluded from society due to immobility. Differences, however, were also found between different groups within an area (e.g. non-car owning individuals who were more reliant on walking, and low-income individuals who made trips of a shorter distance). Reliance of older people on lifts from family/friends was found in a Canadian study of rural transport, but 34% of study participants had to forgo a desired trip due to lack of transport (Hanson and Hildebrand 2011).

To a large degree, the work on transport and social exclusion at that time was a conversation about accessibility in a narrow sense, about the need for people to obtain goods and services and get to work, school, recreation, etc. There was no systematic attempt to go further and examine how reducing transport disadvantage, and social exclusion related thereto, can impact on the wellbeing of those who benefit from transport improvements, nor to the subsequent benefits to society. The European Mobilate project changed this by examining connections between transport, the built environment and a number of personal characteristics and beliefs on the quality of life (wellbeing) of older people (Mollenkopf et al. 2005). The research found rural older people in the five European countries examined were particularly disadvantaged in relation to mobility, a situation requiring ‘immediate intervention’ (p.293).

Much early Australian research on mobility and social exclusion is set out or summarized in Currie, Stanley and Stanley (2007). Many of the chapters in that book discuss how transport can affect the life chances of particular groups, such as youth, older people, indigenous people, people with a disability, people living in disadvantaged areas and young single mothers with children. Currie et al (2007), for example, draws attention to the reliance on car travel in rural and regional areas and the associated dependence of young people on others for many transport needs, in conflict with their increasing desire for independence as they grow to adulthood. He also notes the reduced trip making of young rural people, compared to those in larger regional towns, also found by Stanley and Stanley (2004, 2007). Stanley and Stanley (2004) suggested that, in Warrnambool region, young people coming from families with low incomes and living on farms were perhaps the single most transport disadvantaged population cohort in that region. Currie (2007) notes particular concerns about access to education and employment opportunities for young people, with Stanley and Stanley (2007) agreeing and adding the importance of access to entertainment and recreational opportunities.

Hensher (2007) looks at the important role of the car in meeting travel needs of older Australians, particularly in areas with low public transport availability, such as rural and regional areas. Browning and Sims (2007) also recognize the importance of the car in providing mobility and accessibility for older Australians and point to the growing significance of the over 85 cohort, whose numbers are increasing, with a requirement for suitable travel opportunities. Betts (2007) sees the growing importance of providing travel opportunities for older Australians in rural/regional settings, a need that is being accentuated by declining populations and services in many communities, with an associated requirement for longer trips. He argues that this means inter-regional public transport service levels need to improve.

The language of social exclusion has not been part of US transport conversations, but as Rosenbloom (2007) points out, US legislation about Civil Rights (1964), Environmental Justice and Americans with Disabilities (1990) all bear social inclusion footprints, with transport elements. She argues that:

... social exclusion in transportation, as in many governmental services, can arise because some groups do not benefit from a range of publicly provided programs, pay an unfair price for the services they do receive, are unintentionally harmed by otherwise appropriate public or private actions, and/or are excluded from the planning processes in which important transportation decisions are made. In addition, social exclusion can arise in the planning, financing, delivery, and operation of transportation services... (Rosenbloom 2007, pp 3.6-3.7)

Social exclusion has also not traditionally been part of the conversation in the developing world, except that there is a recent interest by international aid related organisations, the World Bank and the United Nations Sustainable Development Goals in the concept of social exclusion (see for example SDSN (Sustainable Development Solutions Network) 2016). However, transport is not mentioned in this context.

Much of the small amount of research on rural transport and social exclusion has concentrated on older people. For example, an overview of rural transport in the UK found that 37% of older people living in rural areas in the Republic of Ireland have a need for transport that is not being met by public or private means, while in Northern Ireland, 71% of people regard lack of access to public transport as a key disadvantage for older people living in a rural community (Centre for Aging Research and Development in Ireland 2010). Mobility for older people in Japan living in more rural areas and new towns (newly established townships) was recently explored (Chikaraishi et al. 2018). As with the studies in Ireland, it was found that an absence of access to a car reduced the range of accessible options and number of trips...
Implications

The links between social exclusion and transport in rural/regional settings has been neglected, the small amount of research undertaken having mainly focused on older people, although a little Australian research has drawn attention to mobility challenges facing young people. Overlooking younger age groups experiencing social exclusion is an issue that has strong social justice implications, as well as a more profound regional economic impact and, longer term, on the wider society. Examining ways in which young people can be provided with improved regional mobility choices is one important way in which regional economic and social participation can be supported.

6.4 Societal cost of social exclusion

McDonald et al. (2013) undertook analysis of NIEIR data to examine regional towns in Victoria that were enjoying higher and lower rates of economic growth. They found four broad categories of growth-supportive factors (p. 6):

- Industry and employment (industry mix, employment and innovation)
- Human capital (education and skills)
- Infrastructure and connectivity and connectivity (transport, communications technology, agglomeration)
- Liveability (amenity and housing).

A couple of points have particular relevance to this Paper. Those regional cities with higher growth had fewer youth (aged 15 to 19 years) not engaged in work or further education (6.8% versus 8.2%), more people living near public transport (73% versus 64%) and a lower share of the population who experienced transport limitations (22% versus 27%). This Paper concludes that improved transport infrastructure supports regional economic growth through improving accessibility to social opportunities and services and opportunities for social participation, and access to clients and suppliers for business.

The reduction of risk of social exclusion through the improvement of the provision of public transport is important on the grounds of social justice and equity, but it also has been shown to improve the wellbeing of other members of the community. Mobility enables individuals to explore the world, accumulating social resources and obtaining skills, thus gaining a sense of satisfaction and positive emotions. This creates an upward spiral of positive affect that promotes more sustained wellbeing and mobility is a means of improving mental health (Vella-Brodrick and Stanley 2013). Having a community with good health and wellbeing also increases the region’s economic and business opportunities. This point was confirmed by the OECD (2006), who found that the growth of regional cities is constrained by social costs of unemployment and poor human capital. Vella-Brodrick and Stanley note that ‘more attention needs to be devoted to these less direct pathways, particularly those that are amenable to change through policy, as is the case with transport mobility’ (2013, p. 241).

Thus the personal costs of social exclusion are reinforced by broad societal costs of failing to reduce severe disadvantage. This can also result in a lack of social cohesion. For example, when the barriers to work become frequent and high, such as when there is a lack of transport to get to work, a learned helplessness evolves and people stop trying (Seligman 1975). Evidence for this association between mobility and positive affect has been empirically shown, the influence being mediated by the role of mobility in forming social capital and connections with the community (Vella-Brodrick and Stanley 2013).
Section 2

7. Conclusions Section 2

A strong case is building in this field of transport research. Poor regional mobility options and accessibility is resulting in increased risk of social exclusion and diminished personal wellbeing, right through the age groups. Importantly, barriers around mobility contribute to a lack of personal opportunities from a very early age. Children who are not able to get the benefit of early socialisation in a pre-school setting, especially those children from families experiencing a range of disadvantages, are more likely to struggle with keeping up with their education and therefore leave school or disengage from school and on-going educational options and thus employment options, with substantial societal costs resulting. While those who have poor mobility may maintain contact with their immediate family and/or peer group, their greater opportunities for a more fulfilling life may be limited. At the other end of the age scale, the aged in an institution can often only socialise with a narrow group of people if they lack transport, evidence suggesting some experience loneliness and a narrowing down of experience and enjoyment. Older people living independently also need mobility choices that sustain their social networks and wellbeing.

ARC research has shown that poor mental health is linked with social exclusion, within its urban sample. A further examination of the special needs group who live outside a major urban area showed that youth, while mixing with their peers, may lose self-esteem and also experience a lack of purpose in life. While they are mobile, their activities more commonly involve interaction with peers, the bridging activities that connect them with societal opportunities (education, work, a broader network of contacts) being less available to them. Work in the US by Perry has shown that one of the greatest benefits from an enriched early childhood education (preschool program and weekly home visit) is a criminal pathway foregone, encompassing both personal and societal benefits (Heckman et al. 2010).

The NSW Western Regional Transport Plan (TfNSW 2013) provides a neat framework within which to examine regional mobility/accessibility challenges and responses thereto, focussing on supporting travel to and from a region, travel within a region and on supporting communities within the region. The Plan then frames its policy directions and actions in terms of providing better transport services, ensuring effective regulation and improving transport infrastructure. This general approach is very much in line with the approach taken in the BIC’s Policy Paper 10 although some of the conclusions that we draw differ from those in the NSW Western Regional Plan or involve matters that received little attention in that Plan, particularly regional governance arrangements and, associated with that, the pursuit of what the UK has come to call ‘total transport’. The BIC Policy Paper 10 is also more specific about setting targets for regional public transport service standards. In general, however, the Policy Paper 10 aligns quite closely with what the NSW Western Regional Transport Plan proposes, even though remoteness is an important theme of that report.

TfNSW (2013) highlights how the NSW Long Term Transport Master Plan identified a number of main transport challenges facing regional NSW:

- Delivering better transport links to and within cities
- Improving accessibility through a better mix of transport options across regional NSW
- Providing convenient, reliable and safe travel in regional areas by modernising and making best use of our transport networks – especially our bus, rail and taxi services
- Making sure our state roads in the regions support the needs of customers, communities and regional industries
- Finding workable transport solutions that will preserve the vitality, amenity and character of country towns
- Making walking and cycling easier and safer and giving customers choice when travelling within their towns
- Facilitating access to vital services for an ageing regional NSW population and people with disabilities
- Identifying and preserving key transport corridors (TfNSW 2013, p. 10).

This Paper endorses these directions but adds the following, in relation to regional person movement:

- Recognising and acting on the place of intra-regional transport in improving social inclusion and strengthening capacities for individuals and the region.
- Enabling regional communities to have more control over planning and delivering regional transport improvement priorities that affect their wellbeing and that of their communities, through the mechanism of Regional Accessibility Committees
- Using a ‘total transport approach’ to planning and delivering regional mobility services, with wider access to school bus services a key part of this direction in situations where these services are currently reserved for school children but have spare capacity
- Within this total transport approach, establishing public transport service standards that provide a decent social safety net for mobility/accessibility
- Giving high priority to the mobility needs of regional young people, including a much greater focus on the needs of pre-schoolers.
7.1 Regional Accessibility Committees and a ‘Total Transport’ approach

Instead of thinking about individual modes, a more effective regional transport system needs to start with users needs and look at how to best combine the resources that are already used, frequently ineffectively, to meet such needs, adding additional resources when needs demand. The present disaggregated system leads to service overlap and gaps. By bringing together existing transport providers and their resources, together with others who understand community mobility priorities, a ‘total transport’ approach can be pursued. Key components are that:

1. the current perverse administrative and governance barriers between transport modes (route buses, school buses, community transport, etc), which encourage siloed thinking and behavior, are removed
2. the needs of the travelling public are made the central focus
3. existing assets are worked harder and funding for additional service provision is needs based at regional level.

Regional Accessibility Committees (RACs) can play an important regional role here, engaging local people and stakeholder representatives in needs identification, identification of resource availabilities (e.g. people, vehicles and money) that might help better meet outstanding needs and/or advising governments on implementation priorities and/or implementing some such priorities themselves. The two major barriers preventing successful implementation of such an approach are typically the incapacity of authorities to step outside siloed thinking and the parochial attitude of many current mobility service providers to ‘their assets’, which have often been provided by government money or by donation with government tax support. Disrupting funding flows within a regionally integrated approach is a way to deal with these barriers, with RACs playing the regional integration role.

The aim should be to encourage independent mobility, drawing on a full range of offers from special purpose transport to mainstream transport options, wherever possible. While the route bus system is the back-bone of local public transport, it needs to be part of a regionally integrated system that offers transport information, education and assistance and co-ordinates all forms of local transport (route buses, spare seats on school buses, community transport, taxis, walking and cycling, share cars, uber, mobility scooters, wheelchairs, etc), to better meet regional mobility needs. This will also involve related accessibility-oriented activities such as education on bus use and encouraging the movement of hospital outpatient appointments to coordinate with route bus timetables. Over time, and with the emergence of new transport technologies, vertical integration of regional service provision is likely to evolve, which should help realize much of the potential for improving regional service offerings.

This idea of an integrated approach to service provision in low transport demand settings is consistent with conclusions reached by the UK House of Commons Transport Committee in its report on Passenger transport in isolated communities. That Committee concluded:

*Total transport* involves pooling transport resources to deliver a range of services. For example, it might involve combining hospital transport with local bus services. That new approach could revolutionise transport provision in isolated communities by making more efficient use of existing resources. We recommend that the DfT initiates a large-scale pilot to test the concept in practice. (UK House of Commons Transport Committee 2014, p. 3).

A similar approach has been proposed by the Ontario Ministry of Transport:

All public transportation services within a community should be coordinated to expand or provide more efficient transit service. This can include coordination between conventional or specialised agencies; long term care agencies; social service agencies; hospitals, ambulance and patient transfer operators; school boards and school bus companies; intercity bus companies; taxi operators; and volunteer groups. (MOT Ontario 2012, p. 105).

The UK PTEG (2014) report recommends the establishment of a ‘Connectivity Fund’, with contributions from a range of government departments, such as health and education, thus recognising the importance of transport in achieving the desired outcomes of these departments. It would be reasonable to ask other organisations to share transport costs to better enable their passengers to access their services, in recognition of the value that transport offers to these services and their client populations, as detailed earlier. However, the Auditor General of Scotland and the Accounts Commission (2011) notes the difficulties that can be associated with convincing agencies to release some control and to work at breaking down silos of responsibility for the greater good, as there are long established practices and boundaries between different policy areas.

The regional mobility integration function, working under a RAC, should be performed by the entity best placed to do this in any regional context. In many cases it will be the main regional route/school bus operator, who will most likely be the largest service provider and should be well placed to provide a cost-effective coordinating service. In some regional SA settings, the integration function might be performed by an expanded Community Passenger Network agency. These are matters for regional resolution, recognising the way that evolving technology is likely to support regional vertical integration of mobility service delivery.
This Paper proposes the roll-out of a number of demonstration studies of Regional Accessibility Committees in each State, with significant real decision-making authority for identifying and tackling regional mobility needs devolved from the State Government to regional level, with associated financial capacity to ensure quality planning and service delivery. Back office functions, such as trip scheduling, should be capable of being replicated across entities, to reduce costs. A major focus should be on breaking down the silos that hinder services meeting needs and opening up school bus services for wider access, an issue of major symbolic importance in the push for better integration. Successful delivery should lead to a comprehensive roll-out, adding strength to regions in terms of mobility/accessibility delivery and associated social and economic participation.

7.2 Public transport service standards

Provision of improved regional and urban trunk public transport systems will provide such benefits as:

- expanding the regional labour catchment, a source of increased job opportunities
- increasing access to educational opportunities, at post-secondary level but also at secondary level, where it can assist (for example) in improving access between secondary schools, to support a broadening of senior years subject choices between schools/campuses
- improving access to medical, health and other services, including community services and pre-school
- improving access to friends, recreational and other opportunities, to help build vital bridging social capital.

These benefits are mainly about increasing social inclusion, both individual and community scale, but they are also about better regional integration.

The Australian regional case studies discussed herein suggest that towns of under about 5,000 to 6,000 population do not tend to have a normal town route bus service, the smallest Victorian regional town identified with a town route bus service, for example, having a 2011 UCL population of about 5,700. Where regional town route bus services do exist (i.e. larger towns), this study has found variable service levels, with (for example) SA service levels broadly similar to those in WA regional towns but both being at a lower PT service density (kms/per capita) than Victorian regional towns.

The case studies identified some interesting service ideas, such as:

- using a school bus to market test a possible route bus service and using school buses to provide town route bus services (at marginal cost) between school peaks and after the pm school peak in small towns (<~5,000 population)
- concentrating service more highly in key trunk corridors to improve effective frequencies in parts of the service area (common in larger towns and cities)
use of open access route/school services into a town, running from areas that might have otherwise been school only, showing how service scoping can evolve into a wider purpose

using a mail service to provide a (low frequency) route bus service in an area without any such service.

Ideas such as these will emerge if regional stakeholders are given a greater opportunity to influence planning and delivery of regional mobility services. They can help in providing higher town and intra-regional PT service levels than might otherwise be achievable.

The town route bus services considered in the case study areas suggest that target or benchmark PT route bus service levels in regional towns might be something like the following:

1. Town population 3,000—6,000: Hourly ‘public transport’ type service: Monday to Friday 8.00am to 5.00pm start of last run; Saturday morning 8am to 12pm. Use school buses (including spare seats thereon) or community buses as far as possible, vehicle sizing depending on load expectations, and using volunteer drivers would help to contain costs. This may create issues with disability access, so availability of a vehicle with wheelchair access is important. These services should be timetabled but with a dial-up (on-demand) opportunity, if this only requires a small route deviation (implying a little slack in the timetable).

2. Town population ~6,000—15,000: Hourly regular PT route service: Monday to Friday 7am to 7pm start of last run; 8am to 4pm Saturday; 9am to 2pm Sunday. Use low floor route buses complemented by school buses and community transport vehicles, including volunteer drivers, for some runs, if needed and feasible, with all vehicles accessible.

3. Town population ~20,000+: Hourly PT service, with 2 or so additional services in both the am and pm peaks; Monday to Friday 7am to 9pm, or later, start of last run; Saturday hourly headway 8am to 6pm; Sunday 9am to 4pm. All services operated by low floor route buses. The additional peak services could perhaps be provided by community transport or school buses in the pm peak.

These indicative target service levels are higher than what Australian towns usually provide but are warranted by the high value of services that support social inclusion (Stanley and Hensher 2011). More creative means of service provision, involving a total transport approach, should make achievement more feasible.

Intra-regional public transport service frequency will depend on the spatial distribution of population and jobs in a region. However, towns of more than 2,000 population should have multiple return services to the largest regional town on a daily basis, probably at around a two- or three hourly frequency, to support regional integration, social inclusion and economic opportunity, provided this does not involve a one-way trip of more than about an hour. As town size increases, so should service frequency, towns of perhaps 5,000 having a one to two hourly service to the regional centre. Spare seats on school buses, or other existing community transport services, may be able to provide some of these travel opportunities, provided this is done in an integrated way. The demonstration studies proposed above for RACs provide an opportunity to test out such intra-regional service standards, which can be little more than suggestive at this time, given the variability in regional scale and demographies, and to explore innovative ways to provide such service.
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