

7 January 2004

Mr Ian Dundas
Committee Secretary
Standing Committee on Environment and Heritage
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr Dundas,

The Urban Development Institute of Australia (UDIA) is Australia's peak representative body for all segments of the urban development industry. UDIA's mission is to promote innovation and best practice for sustainable environments and communities.

The UDIA welcomes the Inquiry into Sustainable Cities 2025 and the Commonwealth Government's participation in urban affairs via the theme of sustainability. Sustainable development and environmental responsibility have long been important themes for UDIA and the development industry. These issues figure prominently in the conference and seminar programs of UDIA and related organisations, and are key criteria in judging UDIA's annual Awards for Excellence program. Leading firms in the development industry are distinguished by their commitment to these factors and many of their staff have formal qualifications in environmental and related fields.

A study undertaken three years ago showed that environmental and sustainability issues accounted for about 10 percent of the price of a residential lot. Translated to the urban fringe of Sydney at the time, this represented an expenditure of about \$120 million per year by the private sector, of which more than \$20 million reimbursed government for expenditure it undertook, for example, on regional drainage. By comparison, government expenditure on major environmental programs as well as regulation, management and policy was less than half the private sector outlay for the same area of the city. Indeed, the expenditure by developers on environmental studies exceeded the amount spent by local government on environmental regulation and resource management as recorded by the Australian Bureau of Statistics. The calculation was based on per capita expenditure by local government applied to the population added to the urban fringe.

UDIA recognises that there are complexities in interpretation of these figures and that they are only indicative, but they illustrate the relative level of expenditure undertaken by the private sector. Such expenditure means that substantial knowledge is acquired by the private sector in regard to environmental and sustainability issues. It cannot spend this money in ignorance of its purpose or without evaluation of its effectiveness.

The development industry has been required to meet environmental considerations for many years and has acquired experience in addressing ways to meet the requirements as well as first hand experience of their feasibility. The industry has contributed to knowledge in these areas by fostering organisations with specific areas of environmental concern, developing manuals and guidelines, conducting studies and supporting organisations concerned with environmental management. And it is active in collaborating with government over means to achieve sustainable outcomes.

The more recent area of attention by urban development interests is in social sustainability, the creation of sustainable community and social infrastructure in housing estates. The industry has responded to this need out of a commitment to good development and the inability of government to provide the level of community support required for sustainable communities.

Therefore, the UDIA is confident of being able to contribute constructively to the discussion about ways and means of achieving sustainability and is keen to do so. It welcomes the opportunity of providing this expression of interest.

Members of the UDIA have examined the Discussion Paper, *Sustainable Cities 2025*, and are working on a detailed document. In the meantime, there are some comments that might be mentioned to indicate the type of contribution the industry could make.

The Discussion Paper reflects popular views about the nature of urban development and the choices available, some of which do not stand up to close scrutiny or detailed study of the nature of urban development. At the same time, the paper at least flags some issues that expose policy conflicts, for example, aggregate densities, where gains from one policy may be offset by other policy outcomes.

Second, the Paper poses a number of solutions or offers interpretations with imperative language (must, undoubtedly exceed, need), when the evidence for these positions is neither conclusive nor necessarily well understood. Consequently, some of the solutions may not be appropriate.

Third, the Paper fails to recognise the problem arising from the limits to our current level of knowledge and the level of uncertainty that exists about many environmental issues, especially in ecology and water management. The consequence of this state of affairs in science is that best practice is changing and will continue to change in ways that are difficult to foresee. Nutrient wetlands are a case in point; some are being removed for good environmental reasons, while some traditional solutions may be resurrected for sound environmental reasons.

Fourth, in regard to the examples of good practice given at the end of the Discussion Paper, there is the tendency to view Canadian examples as superior to Australian with lack of recognition that cities in North America are not equated to metropolitan regions as they are in Australia. If like is compared with like, the rail system in Sydney, for all its faults, still moves proportionally more people than transport systems in North American metropolises and some European city regions. The Sydney system has also fostered medium density development in well-serviced locations since the 1920s. The recent pronounced re-urbanisation of Sydney was of similar or probably greater scale than the Vancouver metropolitan region, and the forces contributing to that included globalisation and the pressures to bring government onto a business footing that subsequently released publicly owned sites for redevelopment. In other words, the adoption of market forces by government encouraged urban consolidation - probably more than any other factor.

UDIA commends the Commonwealth Government, through the Standing Committee for Environment and Heritage, for its initiatives, and offers to assist in any deliberations. We also encourage this Commonwealth initiative because of the benefits it will bring in helping to unify the approach to sustainability across the Australia. Since the regulatory responsibility often resides in the planning (land use change management) arena, differences between the states can be significant and problematic. If water property rights and water resource management require a national perspective, which Deputy Prime Minister John Anderson was at pains to emphasise to the Australian Property Institute at their annual conference, then so too it would seem sustainability and the related issues of urban management at a regional level demand attention at the Commonwealth level.

I thank you for this opportunity to contribute to a debate of major long-term interest and significance and welcome any occasion to discuss the issues further. Our more comprehensive submission will be forwarded in the near future.

Yours sincerely,



Patricia Gilchrist

Executive Director

Urban Development Institute of Australia (NSW)