SUBMISSION TO THE OUTER SUBURBAN/INTERFACE SERVICES AND 
DEVELOPMENT COMMITTEE (OSISDC)

Inquiry into Growing the Suburbs: Infrastructure and Business 
Development in Outer Suburban Melbourne

Deakin University

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INTRODUCTION

Deakin University welcomes the opportunity to make a submission to the Outer Suburban/Interface
Services and Development Committee (OSISDC) regarding the Inquiry into Growing the Suburbs:
Infrastructure and Business Development in Outer Suburban Melbourne.

Universities have a critical role to play in future suburban development, not only in the education
and development of the workforce and assisting in strategic planning but also as important anchor
points for communities and leaders of cultural change and business innovation.

Deakin University is keen to continue to work with the Victorian Government to maximise its
capacity to influence and support infrastructure and business development in outer suburban
Melbourne through particular association with its Melbourne Burwood Campus but also via
important linkages with its Geelong campuses.

This submission continues on from and reiterates views put in the submission made by Deakin to the
OSISDC Inquiry into Liveability Options in Outer Suburban Melbourne: Growing the Suburbs:
Infrastructure and Business Development in Outer Suburban Melbourne.

TERMS OF REFERENCE

a) Identify existing public and private infrastructure provision, including schools, hospitals,
commercial and shopping precincts, transport and roads, telecommunications, water and
power.

b) Assess the capacity of existing infrastructure to accommodate increased population
growth.

c) Investigate options, based on intrastate, interstate and international evidence, which
reduce pressures on infrastructure and essential services.

It is our view from our experience of operating a very large and successful campus in Burwood that
the adequate supply of public and private infrastructure provision - and student accommodation,
transport and roads in particular - with expected population growth, will escalate as a key issue for
future infrastructure and business development across all metropolitan areas, including the outer
suburbs.

Student accommodation

Provision of affordable student accommodation must be a component of infrastructure strategy and
development. Studies indicate that there is unmet demand for student accommodation in close
proximity to Victoria’s university campuses of at least 30,000 beds. Statistics provided by the
Victorian Department of Treasury and Finance also indicate that about 70,000 university students
compete with low income Victorians for about 19,000 accommodation beds; clearly not a good
situation for students but also for the general community and particularly lower income earners
seeking rental accommodation.

While the accommodation shortage is having a serious impact on Australia’s capacity to attract
international students, thousands of Australian students are also struggling to find affordable
accommodation, especially those from lower socioeconomic groups and from rural and regional
areas. The 2009 Victorian Parliamentary inquiry into geographical differences in the rate in which
Victorian students participate in higher education found that the impact of the difficulty in meeting
the cost of living was the strongest theme to emerge during the inquiry. The inquiry identified that
the cost of relocating and living away from home to study is in the vicinity of $20,000 per year.

The accommodation shortage impacts on the capacity of universities to contribute to the national
attainment of equity growth targets set by the Australian Government for Australian higher
education and to enhance productivity. Student accommodation must be addressed as part of an overall strategy for the future provision of infrastructure in Melbourne.

It is estimated that some 2,800 students must find rental accommodation in Burwood and surrounding areas each year. There are around 650 beds available in student accommodation developments surrounding suburbs, with only one further development slated to be available from 2011. These figures do not take into account demand for student accommodation generated by other institutions including Box Hill Institute. Deakin University student support staff report difficulty in maintaining an adequate number of listings of affordable, convenient and generally suitable off-campus accommodation.

To help alleviate some pressure in this area, Deakin is investing $45 million of its own capital in the development of an additional student accommodation complex at the Melbourne Campus at Burwood. This project will deliver an additional 401 beds within a multi-storey apartment complex, together with landscaping and associated site works, and has a target occupancy date of February 2012.

**Transport and roads**

Increasing accessibility within and between areas is a priority for the future with a fundamental connection to productivity. The deficiencies and detrimental effects of ‘car centric’ planning processes, that have dominated the development of transport systems, land use and community development for more than half a century, are now becoming visible. A recent Federal Government report, *Population Growth, Jobs Growth and Commuting Flows in Melbourne*, stated that congestion costs in Melbourne have been projected to double between 2005 and 2020, and that Melbourne is a "car dependent city" with the outer suburbs being the most car dependent with 85 per cent travelling to work by car. A key challenge will be to reduce car dependency without compromising access.

A multi-faceted and integrated approach is required to develop solutions for transport. Appropriate investment in public transport via rail in particular and also bus services is of the utmost importance and the Victorian Government must be strongly encouraged to increase its support for the expansion and use of these modes as a fundamental component of liveability and business development in Melbourne outer suburban areas.

Patronage on public transport in Melbourne has increased in recent years. Supply has not kept pace with demand. Trains in particular are severely overcrowded in peak periods with major issues associated with reliability, frequency and passenger comfort. Safety on trains and at stations also remains a significant concern and a substantial deterrent for many people to use this mode.

As a consequence the volume of transport vehicles on our roads is a major environmental and safety issue impacting on outer suburban areas and increased endeavour is required to increase the use of rail services as an alternative.

This is not to say that there should not be future development of road networks in Melbourne’s outer suburban areas. Development though, must be incorporated within a broader transport and land use plan for outer Melbourne. Provision for cycling, effective bus transit and light rail options must also be considered to maximise the use of space and create efficiencies.

The recently released *Growth Corridor Plans – Managing Melbourne’s Growth*, the Growth Areas Authorities’ draft plan for the strategic and considered management of Victoria’s four Melbourne metropolitan growth corridors has been welcomed by Deakin (and will be the subject of a separate submission to the Growth Areas Authority). These high level integrated land use and transport plans will support the growth of infrastructure and business development in all metropolitan areas, including outer suburban Melbourne.
Active transport

Active travel is gaining momentum in Australia and globally as a valuable component of efficient transport systems.

Walking is often referred to as the glue that binds transport systems and cities together given that almost every trip starts and finishes with a walk. The recent development of the Victorian Pedestrian access Strategy produced by the Department of Transport, is helping to elevate the status and value of walking as an integral part of urban development. The creation of pedestrian-friendly built environments, streets and public spaces as well as consideration of consideration of safety issues and integration with public transport through improved access, are all important factors involved in increasing levels of walking to improve transport efficiency as well as health and social interaction. Promoting public awareness of the value and role of walking and attitudinal change are also critical.

The level of cycling for transport has increased significantly in recent years with greater promotion and further development of bike paths and dedicated lanes on roadways. Further work is also needed to expand participation levels with road safety issues and particularly vehicle speed, remaining a major deterrent.

Transport to universities

The Department of Infrastructure and Transport’s State of Australian Cities 2011 report found that frequent and convenient public transport services to universities can help to enable people, especially those on low incomes, to gain skills and qualifications. More recently established universities tend to be further afield where students, staff and employees are more likely to need a car for travel. The cost of travel in time and fuel can be a barrier to access to higher education and training for people on low incomes, especially students.

In the case of accessing higher education, the report found that the distribution of travel mode to universities across inner, middle and outer regions in Melbourne show there is a substantial cluster of these institutions in the inner and middle rings where access by public transport is higher than in the outer areas. More than three quarters of trips by people in the outer suburban areas to tertiary education are by private vehicle whereas the majority of trips to educational institutions by people living in the inner area are made by public transport. There is a potential risk of experiencing transport related social exclusion from higher education for people living in these outer areas if fuel prices rise substantially.

Deakin University has experienced unprecedented growth as its Melbourne Campus at Burwood in recent years which, whilst positive for the economy, the community and the University, is creating significant issues in relation to access and parking. Some improvement has been made to public transport services around the University, however further support is needed to ensure that reliance on car travel is reduced and environmental and social benefits are maximized. Increased capacity and frequency of tram and bus services are paramount along with improved access for cycling and walking. Further consideration is also required of the cost to students, both domestic and international, for use of public transport. Public transport access to educational institutions must be an integral part of future transport strategy development in the outer suburbs.

Further transport innovation

Innovative solutions will also be required to reduce the pressure on transport systems during peak periods. The introduction of flexible working hours and working conditions has potential as one of the strategies and can help to reduce congestion as well as improve the wellbeing of families.

Reducing the distance and the need to travel will also be important for future transport strategy and business development. Greater use of technology in the future to reduce the amount of travel required in and through the outer suburbs will also be an important adjunct strategy to transport
system development. The rollout of the National Broadband Network and further development of intelligent transport systems will also be particularly valuable in outer areas.

**Population growth**

Life expectancy continues to increase with the number of people over 65 years of age due to double in the next 25 years. However it is important to recognise that a quarter of Australia’s population is still under 25 years of age and over the next few decades this group will be critical for driving development. Melbourne and Victoria must achieve an appropriate balance between the provision of resources for an ageing population whilst still investing in support for the young and generating productivity.

The role of universities is central to the generation of productivity and the development of the workforce through direct engagement in the creation of highly educated, adaptable and creative workers as well as fostering business innovation. New national targets to increase the proportion of the population with vocational and university qualifications and the allocation of student funding based on demand, help to set the directions for achieving this. Appropriate investment in the infrastructure of universities is needed though, to ensure that capacity is appropriate to meet these future demands.

The City of Melbourne, in particular, is expected to experience high absolute growth and become comparable to Sydney in population size. Melbourne’s outer suburban areas potentially have some capacity to help absorb some of this population growth; however they may be restricted by lack of infrastructure and services as outer metropolitan areas tend to have significantly lower levels of these resources than metropolitan averages. Melbourne’s Growth Areas Authority recently announced new plans to house 744,000 people and create 290,000 jobs on the outskirts of the city in areas such as Beveridge in the north, Clyde in the south-east and Toolern in the west. The provision of foundational infrastructure and services, including community centres, educational institutions and public transport are therefore fundamental to continuing to build the capacity of Melbourne’s outer suburbs to accommodate this future growth.

It is thought, however, that even with additional investment in infrastructure and policies that produce higher density in cities, that this will still be insufficient to accommodate future growth. Whilst not directly in the brief for this Inquiry, it will also be important to consider articulation with development in regional areas and particularly Geelong as an important strategy for reducing pressure on Melbourne and building overall capacity.

**Population, participation, productivity**

Structural drivers of economic growth include population, participation and productivity. Working age population is slowng and as such participation and productivity will be vital to Australia’s economic future. Productivity growth has slowed and then declined since 1998. The major cities account for 80 per cent of the nation’s economic activity.

There has been concern that there may be limited scope to further increase productivity by increasing labour force participation, given the ageing population. While this may be broadly true at the national level, the variation in participation rates between cities would suggest that there is still scope to improve rates by better aligning labour demand with this underutilised human capital.

Agglomeration (the concentration of certain activities within one area) is a key driver of productivity in the larger capital cities and is strongly associated with employment density. While there has been an increased concentration of jobs in urban cores, the Department of Infrastructure and Transport’s *State of Australia Cities 2011* report shows that a trend to a polycentric structure is also evident with a large proportion (50 to 70 per cent) of new jobs located in the outer suburban suburbs in Sydney, Melbourne and Perth.
A challenge for outer suburban areas will be to address spatial concentration of under-utilised labour by improving access to better education, training and employment opportunities and transport to link people to these opportunities. The related challenges of aligning labour demand and skills mix with human capital, and agglomeration are discussed below.

d) Catalogue the skills mix of outer suburban residents to identify those areas with a skills shortage and provide options for skills training and retention, especially as it relates to both younger and semi retired people.

Amongst other data collection and analysis methods, fine-grained GIS mapping of the spatial concentrations and socio-demographic characteristics of the outer suburban Melbourne workforce would be one prerequisite to cataloguing the skills mix of residents in these areas.

A recent PhillipsKPA report for the Growth Areas Authority cited Skills Australia’s Workforce Futures - a National Workforce Development Strategy as providing an attempt to estimate future skills needs for the workforce. Central to the estimates for future skills needs is an expectation that the skills deepening required by each industry will continue to increase over time.

In terms of the outer suburban areas where participation in education tends to be lower than in inner and middle city suburbs, the following groups are listed in the Skills Australia report as the initial targets:

- **school leavers** who need to be persuaded to continue with education and training. This group is the major pool to meet targets for expansion. Broadly put they require additional support to engage effectively with education and training and often a series of achievable steps through lower level qualifications;

- **older students** seeking their first post school qualification, a declining group as significantly more people complete higher level tertiary qualifications immediately post school.

The report outlines the expectation that the following groups will grow as the outer suburbs mature and a need for the latter two to develop if institutions and campuses based in those suburbs are to be comparable to others across Australia:

- **school leavers** who want education and training, predominantly similar to students who now progress smoothly from school to tertiary education and training;

- **older people** seeking renewal or upgrading of skills to change or retain employment, a growing group with substantially more people acquiring multiple tertiary qualifications from one or both sectors.

The PhillipsKPA research found that the needs for tertiary education are likely to grow in outer suburban growth areas at a faster rate than elsewhere in Melbourne over the coming decades as a result of population growth alone. With increases in participation reflecting the changing nature of the regions and broader requirements for higher levels of skills, the demand will grow substantially.

e) Examine the role of small businesses, local councils and community groups (such as Rotary and Lions clubs) in developing local expertise.

In terms of infrastructure provision and business development support, tertiary education and training also includes a wide array of community and smaller private sector providers which operate from community, office and employment sites. For this reason, allowance for smaller multipurpose facilities provided by a mix of private and public education and training providers should be included when calculating the areas required for commercial and community centres in outer suburban areas. The development of the outer suburban areas should support such providers - which include small
businesses, local councils and community groups - as part of encouraging local economic and skills development, and social cohesion.

f) Identify local manufacturing capacity and highlight export development opportunities available for businesses operating in the outer suburbs.

Traditional industries such as manufacturing have declined in recent decades as a proportion of GDP. Manufacturing experienced the most significant change with its share of GDP nearly halving in a 19 year period to 2011 (from 13 per cent in 1990 to about 8.2 per cent in 2011). Despite this decline, these industries are still major employers in cities and continue to make up a significant proportion of the gross value added of Australia’s economy.

Whilst not directly addressing the outer suburban Melbourne brief for this Inquiry, it is worth noting the example of the Victorian Government which is assisting a range of businesses in the Geelong region to capitalise on export opportunities by supporting product innovation and technology development and through strengthening grassroots business partnerships. A new $800,000 industry partnership program was recently launched which is designed to boost manufacturing jobs in the Geelong region and support long-term growth in local manufacturing. This new Industry Innovation Program, led by the Geelong Manufacturing Council in partnership with Deakin University, will grow Geelong’s export competitiveness by supporting local businesses to innovate and promote skills development in the manufacturing sector.

The core objective of this program is to bring benefit to the Geelong Manufacturing Council member-base by strengthening the relationship of Deakin University and manufacturing businesses in the Geelong region to build and develop research and development activity in the sector and raise awareness and use of innovation and its practical application to the manufacturing industry. Deakin encourages the Inquiry to consider the development of a similar program to support manufacturing businesses operating in outer suburbs of Melbourne.

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