INQUIRY INTO GROWING THE OUTER SUBURBS:
INFRASTRUCTURE AND BUSINESS DEVELOPMENT
IN OUTER SUBURBAN MELBOURNE

SUBMISSION

REGIONAL DEVELOPMENT AUSTRALIA –
SOUTHERN MELBOURNE REGION

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EXECUTIVE SUMMARY

The Casey Cardinia region, 50-70 kms south east of the Melbourne CBD, is one of Melbourne’s urban growth areas. Rapid increases in population have been experienced and will continue for at least 20 years. The release of large tracts of residential land has not been accompanied by action to attract jobs to the region. The transport infrastructure necessary to provide access to employment opportunities outside the region has not been strategically developed.

The investment lag into roads, public transport upgrades and other infrastructure has resulted in creation of new dormitory suburbs with limited local services and few local employment opportunities. Travel to work times and costs are onerous for residents and reliance on work outside the region results in increased congestion on all roads and passenger rail services. Planning for the expansion of outer suburbs on the urban fringe should be comprehensive, not confined to release of land for residential housing. Investment in infrastructure needs to occur at the time of land release if the problems experienced by Casey Cardinia are to be avoided. Dedicated action to attract employers to new regions is essential.

In the longer term further development of the Port of Hastings will attract new industry and employment opportunities to Casey Cardinia. Acceleration of development of the Port, associated land access and inter-modal port services is strongly advocated by the Southern Melbourne Regional Development Australia Committee (RDA).

REGIONAL DEVELOPMENT AUSTRALIA – SOUTHERN MELBOURNE REGION

The Southern Melbourne RDA region covers ten municipalities, extending from the inner urban cities of Port Phillip, Bayside, Stonnington and Glen Eira to centre ring councils (Kingston, Frankston and Greater Dandenong) and three outer Melbourne council areas – Casey, Cardinia and Mornington Peninsula. The focus of this submission is on the recent experience of the outer suburbs of Casey and Cardinia as urban growth areas.

The data quoted in this submission was compiled in a report completed for the RDA during 2011 and as such is current and comprehensive. The study – Attracting Employment and Investment to the Casey-Cardinia Region - was commissioned from AEC Group in response to concerns expressed by the two municipalities about the social and economic costs of rapid urban growth and systemic failures in planning for urban growth areas. It concentrates on issues of employment in the growth areas, in particular the lack of local jobs and resultant financial and social costs for residents of long periods spent travelling to work.

The Southern Melbourne RDA approved the report at its meeting in November 2011. Both councils participated in the project in partnership with the RDA. They have accepted the report and plan to develop actions to implement the recommendations. All three bodies will communicate the report’s findings to state and federal governments in the coming months.

The report is presented in five parts including an executive summary. A separate summary prepared by the RDA as a basis for discussion with government is appended. Copies of all sections of the reports and summaries are included as part of this submission.
CASEY CARDINIA REGION – A SNAPSHOT

Casey Cardinia is the third fastest growing region in Australia. The population at June 2010 was 328,977. Projected population in 2031 is 575,507.

This represents:

- 246 people (approx 85 families) move into the area on average every week
- a 10 year average growth rate of 4.1% (Melbourne’s average – 1.6%)
- the population is expected to increase a further 75% - by 246,530 people by 2031

The local economy is growing faster than for surrounding areas. Nevertheless the unemployment rate at 6% is higher than for Melbourne (4.9%) and the state (5.1%).

In 2006 70% of workers – over 87,000 - left the region every day to work.

TERMS OF REFERENCE - OSISDC

The RDA report on Casey Cardinia provides an analysis and a quantitative measurement of many aspects of outer suburban growth which is of concern to the Committee. A summary of the RDA report’s findings as they relate to the Terms of Reference follows.

ToR (a) – identify public and private infrastructure provision, including schools, hospitals, commercial and shopping precincts, transport and roads, telecommunications, water and power.

The RDA report found that there is a pressing need for improved local infrastructure in Casey Cardinia in order to realize the strategic advantage of their relative proximity to major arterial roads connecting the new growth areas with the Melbourne CBD, and employment precincts outside the Casey Cardinia region. As a result of the failure to implement additional road infrastructure or provide new and improved public transport (buses, stations on the Cranbourne rail line) residents must drive for an average of three hours per day to employment outside the region. East – west road connections are inadequate and the extension of Thompson Road is urgent. The RDA report also refers to the availability of Class A treated water which will benefit agriculture and high value horticultural industry within the Bunyip Food Belt, and to the lack of natural gas and broadband to support local business. It should be noted that further extension of the urban growth boundary into the Bunyip Food Belt is opposed by local councils. The RDA report highlights the benefits that will flow from further development of the Port of Hastings.

Active intervention to attract employment opportunities and accelerated development of transport infrastructure, in particular east-west roads and upgrade of the Port of Hastings, is needed if the region is to become a more self sufficient economy and to reduce the costs for residents and the state of journey to work travel.
ToR (b) – assess the capacity of existing infrastructure to accommodate increased population growth.

As has already been mentioned, existing infrastructure is currently inadequate to support increased population growth. Travel-to-work times are already onerous with a resultant adverse effect on financial, social and environmental welfare.

As referenced (ToR (a) above few residents are able to find local employment, with most travelling to work outside the region. The 2006 census shows that 90,000 residents travelled outside the region for work on a regular basis. Many travel to centres within the wider south east region and a high proportion are travelling to the Melbourne CBD. As a result, transport infrastructure, particularly during peak times, experiences heavy congestion, and travel times and costs are high. Public transport within the region is either inadequate or inaccessible which means that car travel is the primary form of transport for most residents.

It is estimated that on average the Casey Cardinia resident drives 80 km per day to go to work and an average return trip takes more than one hour without consideration for peak time delays. The cost of travel to work for individuals is estimated on the basis of data from RACV (see AEC Impact Assessment Report). In 2011 journey to work costs are estimated on average to be $3,777 per person per annum. Projected costs are $5,490 in 2021 and $8,149 in 2031.

ToR (c) – investigate options, based on intrastate, interstate and international evidence, which reduce pressures on infrastructure and essential services.

Options for improvement to road infrastructure are detailed in the report. Roads are named and the recommendations refer specifically to the inadequacy of east-west roads. The urgent extension and upgrade of Thompson Road is highlighted. In the medium to longer term further development of the Port of Hastings is critical to the attraction of employment opportunities to the area.

ToR (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.

The population of the Casey Cardinia region is relatively young with an average age demographic of 33.5 years, compared with the Melbourne average 37.5 years. This is due to a high proportion of persons under the age of 24. Unemployment levels are higher than the state or Melbourne averages. The unemployment rate has been increasing during recent years as the population of the area increased and was 6.0% in 2010, an increase of 2.2% in five years.

The skills mix is profiled in AEC Background Report. There is a high proportion of blue collar workers compared with Melbourne’s south east generally and in comparison with Victoria as a whole. ABS statistics indicate that in 2006 18.2% of workers were classified as technicians and trade workers and a further 16.2% as clerical and administrative workers. The percentage of professionals in the region was 12.4%, almost half that of Melbourne’s south east.

Nevertheless it is stressed that for Casey Cardinia the problem is lack of job opportunities rather than lack of skills.
ToR (e) – examine the role of small businesses, local councils and community groups in developing local expertise.

The RDA report is concerned with the roles of local, state and federal governments in improving wellbeing by generating opportunities for employment within the region. In addition to marketing the advantages of Casey Cardinia, which is primarily a local government responsibility, incentives could be offered to industry and business to relocate to the region (state and local government) and government could consider relocating offices to the new areas.

There is no doubt that Casey Cardinia will benefit greatly from expansion of the Port of Hastings. Federal and state government are urged to resource the necessary infrastructure development as a matter of urgency.

ToR (g) – identify local manufacturing capacity and highlight export development opportunities available for businesses operating in the outer suburbs.

The Southern Melbourne RDA has also undertaken a study of manufacturing in southern Melbourne. The cities of Greater Dandenong, Kingston and Frankston are important manufacturing centres in Melbourne and residents in the growth areas seek jobs in these centres. The report recommends actions to support the manufacturing industry, in particular support for improved management skills and succession planning for family and small businesses.

An important recommendation of the report on Casey Cardinia is the benefit to the region of expansion of the Port of Hastings. This has the potential to support local export industries and attract new industry to the region and the state. Reference is made to the Bunyip Food Belt which offers opportunity for high quality export trade in horticulture and agriculture. High quality agricultural land within the food belt is threatened by further expansion of the urban growth boundaries.

EXTENSION OF CASEY CARDINIA URBAN GROWTH BOUNDARY

The City of Casey has made a submission to government opposing further expansion of urban growth boundary. The submission points out that the expansion of the boundary will encompass high quality agricultural land know as the Bunyip Food Belt. This land is at least equivalent to the Werribee Food Belt in quality for agricultural and horticultural production. It is understood that a copy of the submission has been made to the Committee.

PLANNING FOR OUTER URBAN EXPANSION

Review of the experience of Casey Cardinia to date identifies fundamental flaws in the methodology adopted by government in planning for the urban growth areas.

Large tracts of land are released for subdivision and sale for residential development. The scale of land release reflects high demand from Melbourne’s rapidly increasing population for relatively low priced land and housing, a demand that the development industry is not surprisingly pleased to meet. It is evident that residents who settle in the growth area are attracted by comparatively cheap housing and developers resist attempts to increase costs by provision of infrastructure prior to release of new land. In Casey Cardinia on average 85 new families move into the newly developed suburbs each week. Councils respond with local infrastructure and services as far as they are able but there is a lag in provision of major infrastructure – road and rail upgrades – which requires state and sometimes federal funding.
The role of the Growth Areas Authority in this process is interesting. GAA clearly recognizes that local jobs are important to new residential areas. This is despite some public statements to the effect that the new suburbs are “dormitories” of Melbourne, implying that residents will seek employment in the CBD. The Melbourne city centre is 70 kms from Cardinia and 50-6- kms from Casey and city-bound freeways are already very busy during peak times. It is likely that most residents will generally continue to seek employment locally and in surrounding regions, a fact that is recognized implicitly in GAA employment targets.

GAA employment targets are as follows:

- one new job per household
- aspirational target of 100% self-sufficiency (in employment)
- 50% of new residents taking up jobs within the surrounding region
- attraction of a higher ration of white to blue-collar employment (75:25)
- attraction of a higher proportion of occupations.

When reviewed in the light of experience of Casey Cardinia it is clear that the targets are unrealistic. The region will not meet any of the targets by 2021 and only the first by 2031 without intervention to attract new employment opportunities. Targets 1 and 3 may be met by 2031 if action is taken to stimulate the local economy. (Refer – AEC report – Impact Assessment Paper.)

The targets recognize that employment will be found in the surrounding municipalities of the region. Nevertheless, planning for the urban growth area does not include resourcing of transport upgrades needed to support travel to work outside the new suburbs. In the case of Casey Cardinia improvements to east-west roads are critical to provide access to arterial freeways and surrounding employment centres. These planning requirements are well understood at local government, and at state level.

This situation should have been recognized by planners when decisions were made to release new residential land. Some jobs follow population – retail, education and health services, personal services and construction activity during the housing development period. Inevitably there is not sufficient employment in these sectors to support all new residents – in Casey Cardinia only 30% of people are able to work locally. When the initial development period concludes construction jobs largely disappear, exacerbating the problem if new opportunities have not emerged.

As the RDA report concludes, industry will not automatically flow to new precincts. Active marketing of the region is necessary and incentives will probably be needed. Power, broadband and transport infrastructure are essential requirements of business in locational decisions. Casey Cardinia has available employment land, but further investment is necessary if the region is to compete successfully for new businesses.

**RDA Melbourne South contends that actions to attract local employment and infrastructure to provide easy access to surrounding employment centres should be undertaken at the time of release and development of urban growth residential areas.**

In the longer term the development of the Port of Hastings will validate selection of the Casey Cardinia region for accelerated residential growth and new industry is
expected to be attracted to the region and to Victoria. Confirmation of resource allocation to the port and associated land infrastructure is critical to the long-term success of the region as a place for people to live and work.
APPENDICES

AEC Group reports:

1. Summary
2. Background Report
3. Impact Assessment Paper
4. Investment Attraction Framework
5. Policy and Infrastructure Recommendations