To Whom It May Concern

SUBMISSION: SMART CITIES PLAN

The Australian Sustainable Built Environment Council (ASBEC) welcomes the Australian Government’s prioritisation of a Smart Cities policy, to be delivered by the Prime Minister, the Assistant Minister for Cities and Digital Transformation and the Cities Unit within the Department of Prime Minister and Cabinet.

ASBEC is a body of peak organisations committed to a sustainable built environment in Australia, with membership consisting of industry and professional associations, non-government organisations and government observers who are involved in the planning, design, delivery and operation of our built environment. Collectively, ASBEC’s membership has direct reach to more 300,000 professionals in the built environment sector and represents an industry worth more than $700 billion in value.

Together with our members, ASBEC has advocated for leadership on cities since 2011. Our recent work includes Investing in Cities, a platform supporting the productivity, liveability, sustainability and resilience of our cities; and the Low Carbon, High Performance report which outlines the potential of the built environment to reduce Australia’s emissions.

ASBEC’s Investing in Cities platform highlights the economic, demographic, cultural and technological factors which together present a compelling case for a Commonwealth focus on cities and we are pleased that these are reflected in the Smart Cities Plan. We are also pleased to see bi-partisan support for this agenda, allowing for long-term planning which is critical to the success of this portfolio.

Our response to the Smart Cities Plan is provided below.

SMART INVESTMENT

1. Prioritising projects that meet broader economic objectives

The City Deals model provides an opportunity for governments to work collaboratively with each other and with the private-sector to release new funds for infrastructure investment based on independent, transparent advice supported by broad cost-benefit analysis.

Through our Infrastructure Working Group, ASBEC is currently supporting government understanding of the opportunities and challenges associated with broader business case development and cost benefit analysis. We encourage the Federal Government to work with ASBEC to progress this work.

2. Treating infrastructure funding as an investment wherever possible

ASBEC welcomes the establishment of the Infrastructure Financing Unit. In addition to working with the finance sector, it is vital that this Unit consults across industry, with all entities who have a stake in supporting the development of investment-ready business cases for infrastructure projects.

Good planning will ultimately only realise productivity benefits if it is supported by a long-term pipeline of funded infrastructure projects that realise a better vision for our cities.

We encourage innovative financing mechanisms, including those that will be supported by City Deals, and initiatives like the Northern Australian Infrastructure facility and the continuation of the Government’s Asset Recycling Initiative.
3. Getting involved early in project planning and business cases

ASBEC commends the early commitment of $50 million towards infrastructure planning as a good start. Much more will be required to deliver the necessary project planning and business cases that will support the delivery of the Smart City Plan, and we look forward to further expansion of this initial commitment.

4. Increasing investment

Value capture provides an important option for infrastructure finance, however it should be considered as part of the mix of options. Successful value capture will rely on effective community engagement and clear methodologies for broader business case and cost benefit development.

SMART POLICY

1. Delivering City Deals

ASBEC has been a long-standing supporter of a City Deals type mechanism and we very much welcome the Australian Government’s commitment to this model.

As part of the assessment of projects funded through City Deals, it will be important to integrate a role for independent expert infrastructure agencies including for example, Infrastructure Victoria, Building Queensland and Infrastructure Australia.

Community and industry engagement will also be vital to ensure that priorities are properly informed and that any processes gain the social license to deliver desired outcomes.

Case Study: Valuing better community engagement

The standard and nature of community engagement around infrastructure projects has the ability to determine the project’s success in terms of its acceptance and use by the public. Indeed, ‘community engagement’ is often identified by policy makers as an important component of good policy and program development and project delivery. However, too often, particularly when it comes to infrastructure, we see this referenced as an important ‘box to tick’, but with no real idea of (and sometimes no real interest in) how to meaningfully engage communities and other stakeholders effectively.

Ultimately engagement is the process by which organisations, communities and individuals connect in the development and implementation of decisions that affect them. Engagement is a tool to achieve outcomes, develop understanding, educate and/or agree on issues of concern. The process of seeking community feedback on a project is often challenging and frequently undervalued, but our understanding of how we can undertake better engagement and in turn achieving greater social licence is worthy of more attention.

In a more democratised modern society, it is more critical than ever before that the community consultation process is done right to ensure projects are not unduly delayed. To this end guidelines and resources can help to ensure that best practice community engagement occurs. Consult Australia recently launched a Guide to Procuring Engagement Services and with PwC an economic Framework for Valuing Better Engagement on projects. Both these tools provide essential resources to support the delivery of social licence as part of any City Deal created with effective public participation.

Creating Places for People: an urban design protocol for Australian cities (the Protocol) is a critical reference tool for use across governments in identifying best practice urban design. The Protocol was developed with contributions from key government agencies, business and community stakeholders and as such is very broadly accepted.

ASBEC is the custodian of the Protocol and we encourage the Federal Government to materially support this resource to ensure that it remains effective, up to date, and can be more widely promulgated across industry, government and the community.

In addition to investing in tools like the Urban Design Protocol, it will also be important to leverage existing industry best-practice and measure and deliver outcomes through support for third party verification and rating tools. Credible tools include Green Star, NABERS and the IS rating tool.
Case Study: Green Star – Communities

The Green Star – Communities rating tool is currently influencing the design and delivery of over 50 large-scale community developments around the country – from Barangaroo South in Sydney, which will house 23,000 workers each day, to Aura on the Sunshine Coast, which will be home to 50,000 people, to Brisbane Airport, Curtin University and Tonsley, in South Australia.

Green Star – Communities can provide a pathway to fundamentally assist government with the implementation of City Deals. The five overarching principles of Green Star – Communities can provide practical, high-level planning direction for City Deals in its pursuit of nationally and locally informed objectives such as increased economic growth, job creation, housing affordability and environmental outcomes.

Additionally, the credits in the rating tool provide guidance and best practice benchmarks that have been developed after extensive collaboration with industry, academia and government – including every government land organisation in the country as well as being benchmarked globally. The rating tool has been tested on a number of projects, and is now being applied to a number of iconic projects around Australia, including the Fisherman’s Bend urban renewal project in Victoria, which will deliver housing for 60,000 people.1

Alongside these tools, robust governance across spheres of government will be essential to deliver City Deals. City Deals must not become just a motherhood statement attached to the ad-hoc selection of major infrastructure projects. The delivery of City Deals needs to be indicative of a robust process that supports the delivery of a wide range of measurable benefits for a defined region.

We recommend a clearly defined whole-of-government framework and transparent process to support the delivery of City Deals. This process should help ensure independent, transparent and expert assessment of projects at every stage. An example of how governance might be delivered is provided below.

1. Local Government: Realising subsidiarity
   • Designated local regions identify and package infrastructure projects based on estimated improvements in local GDP for that region (encompassing broad cost-benefit analysis assessed in terms of growth in jobs, productivity and tax revenue, avoided social cost) and supported by best practice community engagement.

2. State Government: Independent, expert assessment
   • Project packages and infrastructure priorities are submitted for assessment to a state/territory agency provided with independent statutory authority to assess and advise state/territory ministers on the suitability of project packages for funding.

3. Australian Government: Independent, expert review
   • Successful projects are submitted by the state/territory Minister responsible to Infrastructure Australia for final assessment.

4. Whole of Government: Striking a deal
   • With supporting advice provided by Infrastructure Australia, the Federal Minister approves a Deal: struck between the designated local region and the state/territory treasury who accesses those funds provided by the Australian Government.

5. Whole of Government: Managing delivery
   • To support the delivery of projects across spheres of government, the Australian Government should establish an independent Australian Centre of Procurement Excellence to develop and implement best practice procurement and value for money outcomes.

   • Evaluation of project success is undertaken by the relevant state/territory agency and reviewed by Infrastructure Australia. All reports are made publicly available.

The Federal Government should also consider supporting pilots in this space, which could drive innovation and support continuous improvement as City Deals are implemented. We recognise that not every City Deal will necessarily deliver every benefit envisaged, but we must learn from these opportunities to improve the next Deal.

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1 For more information visit www.gbca.org.au
2. Resilient and Green Cities

The Smart Cities Plan does not currently address resilience, in terms of the capacity of cities and their communities to survive, adapt and grow in the context of the shocks and stresses and acute shocks that may be experienced, including through extreme weather events and the impacts of climate change. The ASBEC Built Environment Adaptation Framework is an important reference point in this context and outlines the roles and responsibilities of industry, academia, the community and all spheres of government in increasing the resilience of Australia’s built environment.

Case Study: Greening the West through collaboration

City West Water kicked off the ‘Greening the West’ strategy, a collaboration with 20 other stakeholders that aims to create more liveable and healthy suburbs in the West of Melbourne. These suburbs are currently some of the fastest growing suburbs, in one of the hottest and driest areas of the City. The population is less-well off economically, and in terms of their health. Through a collaborative effort, new opportunities will be created to increase quality and use of green space, and to advocate for better planning and funding. The community will be the main beneficiary here, with increased access to quality open space, and also increased economic activity in the region. Professionals and organisations involved in this project will expand their knowledge about cross-organisational issues, new funding models and business cases, thus potentially leading to a new generation of urban planners that think beyond traditional siloes.

City of Sydney and City of Melbourne, as participants in the Rockefeller Foundation’s 100 Resilient Cities program, have both undertaken significant work in mapping out resilience pathways. We encourage the Federal Government to work with these cities, in order to share learnings and embed resilience strategies in major cities across the country.

The Federal Government should be helping lead strategic development of greening Australia’s cities and leveraging funding to enable this. ASBEC recommends the development and delivery of a National Living Infrastructure Strategy. The term ‘living infrastructure’ or ‘green infrastructure’ describes the network of natural landscape assets which underpin the economic, socio-cultural and environmental functionality of our cities and towns—i.e. the green spaces and water systems which intersperse, connect and provide vital life support and biodiversity throughout our communities. A National Strategy for Living Infrastructure would support the valuation, funding and delivery of living and green infrastructure assets across all levels of government and ensure the Government’s goal of greener, more sustainable cities.

3. Leading regulatory reform

ASBEC agrees that regulatory reform is required, as identified in the Smart Cities Plan, to improve our cities.

ASBEC has led the public policy debate in a number of these areas supporting policy coordination and regulatory reform, in particular:

- **National Framework for Residential Ratings**, calling for a nationally consistent rating framework for housing sustainability, consisting of three key elements: minimum regulatory performance standards in new buildings; benchmarks for market comparison of best practice sustainability performance; and communication messages explaining the value of sustainability features to renovators and homebuyers.
- **Built Environment Adaptation Framework**, highlighting the important parts that industry, academia, the community and all spheres of government have to play in increasing the resilience of Australia’s built environment.
- **Low Carbon, High Performance**, which outlines the potential of the built environment to reduce Australia’s emissions through a suite of targeted policies. These policies include:
  1. A national plan towards 2050 zero carbon buildings, led by the Federal Government
  2. Strong mandatory minimum standards for energy performance of buildings and appliances
  3. Targeted incentives and programs, including accelerated depreciation to encourage the uptake of green plant and equipment, stamp duty discounts for the purchase of green homes and properties, and planning incentives
  4. Energy market reforms, to remove market distortions that undermine the business case for energy efficiency and distributed generation
  5. Enabling data, information, research and education measures
4. Measuring success

Ongoing data collection will be essential in informing decision-making and measure progress. The Australian Government’s *State of Australian Cities* report was an excellent compendium of indicators and we would welcome its reinstatement.

ASBEC recommends the adoption of transparent and consistent indicators by all State and Territory Governments applied across all our major cities. These may include but not necessarily be limited to measurement of:

- Economic prosperity
- Natural resources
- Greenhouse gas emissions
- Health and liveability
- Good governance
- Sustainable land-use and transport
- Green infrastructure and ecosystem health
- Resilience
- Social inclusiveness
- Housing diversity & supply

**SMART TECHNOLOGY**

1. Driving use of energy efficient technologies

The use of energy efficient technologies will essentially be driven by innovation, consumer awareness and an appropriately skilled workforce.

ASBEC’s *Low Carbon, High Performance* report calls on all spheres of government to work together implement the following measures which will enable informed consumer choice, and support innovation, commercialisation and deployment of new technologies and business models:

- Develop a national built environment energy data and information strategy in partnership with relevant industry and research organisations.
- Improve access to energy consumption data.
- Implement mandatory disclosure of energy performance for residential buildings, beginning with pilots in one or more jurisdictions.
- Develop a national built environment energy efficiency and emissions research agenda, and establish a permanent energy efficiency and distributed energy research institution.
- Develop a national built environment energy efficiency and emissions education and training agenda.

**CONCLUSION**

Effective collaboration with the private sector will be fundamental to the rapid progress of the Australian Government’s cities agenda.

ASBEC recommends establishing regular consultation for with key organisations to ensure policy reform reflects industry expertise and maximises opportunities early.

ASBEC’s membership consists of twenty-five industry and professional associations, along with government and academic observers, involved in planning, design, delivery and operation of our built environment. As such, we are uniquely placed to facilitate this type of consultation.

I would be pleased to meet with you to discuss further all those recommendations developed by ASBEC, as summarised above that will help support the delivery of the Government’s agenda, and to discuss how best ASBEC and our member organisations can assist the Government in its ongoing consultation on these important issues.

We look forward to working with the Government in the months ahead to deliver more productive, sustainable, liveable and smarter cities in Australia.

Yours Sincerely

Suzanne Toumbourou
Executive Director