

Better functioning towns and cities

The vast majority of Australians live in towns and cities and more than 80 per cent of Australia's GDP is produced in its cities, with 40 per cent products in Sydney and Melbourne alone.

Our towns and cities will continue to be home to the vast majority of Australians in the decades to come, with almost 11 million extra people expected to live in our capital cities by 2050.

The Productivity Commission estimates that better functioning towns and cities have the potential to deliver a \$29 billion increase to the size of our economy.

Australia's towns and cities continue to grow and we get a lot right

Our towns and cities lead the world in liveability, safety, health care, educational standards, and the environment. Australian cities frequently top global rankings of liveability.

By 2050, almost 11 million extra people will call our capital cities home.

About 80 per cent of Australia's economic activity occurs in cities. Capital cities represent over two thirds of total employment, and this share is growing.

The Productivity Commission estimates that better functioning towns and cities have the potential to deliver a \$29 billion long-term gain for our nation.

But there is room for improvement

The social costs of congestion in our capital cities alone will grow from \$18.7 billion in 2014-15 to \$31.4 billion by 2030.

A 10 per cent reduction in the cost of delivering infrastructure, including through improved planning processes to avoid cost overruns, would save \$2.9 billion a year.

The PC highlights that planning and building major infrastructure can boost our productivity, but only if we get it right and only if it improves the quality of people's lives.

Work is already underway

Many of the PC's recommendations on infrastructure are already at work as part of the Turnbull Government's strategy to delivering infrastructure.

The establishment of our new Infrastructure and Projects Financing Agency will ensure our record \$75 billion commitment to infrastructure will be spent wisely, with the Government actively involved as an investor.

Our Smart Cities Plan and new City Deals will deliver better functioning towns and cities by bringing together the three levels of government, the community and the private sector.

The Turnbull Government has also begun negotiations with the states and industry to evaluate the merits of reforming the current user charging model for heavy vehicles, to ensure funding for the upkeep and construction of our roads remains on a sustainable footing.

The Government's housing affordability plan and reforms to state housing agreements announced in this year's Budget, require the establishment of housing strategies that better match supply and demand, which could include reform of planning and zoning systems.

Find out more visit:
www.treasury.gov.au/pc-review