Benchmark to make our cities slicker

Garry Bowditch

In the Asian century the engine of growth for the world economy will be driven by consequences of migration from agricultural to urban living across the Asia-Pacific region. Hyper-dense cities exceeding 10 million people will be the norm for countries throughout Asia. Australia’s experience with a metropolis is likely to only Sydney and Melbourne in the next 100 years, although the Brisbane-Gold Coast and Perth-Fremantle conurbations may surprise, supported by the growth in the mining sector. As our cities are much smaller we will not have much of a track record in selling urban management services. If we utilise our global cities as incubators for innovation, productivity growth and public policy entrepreneurialism this will help accelerate development of new skills and capabilities in the private sector. Australia will then be better equipped to seize opportunities arising from international urbanism.

Success in this could underwrite exports of high-value Australian goods and services. Without radical change, however, talented people and capital will go offshore to better opportunities and urban amenity. Australia’s 18 major cities (more than 100,000 residents) account for more than 80 per cent of gross domestic product, yet we have no strategy or even rudimentary understanding of what and how they function individually or together as mega economic regions.

Our level of knowledge on Australian cities is unacceptable, although some recent work by the federal government’s Major Cities Unit is important, albeit modest, first step in this direction. Australia has been highly innovative with converting public policy reform like competition policy, financial services regulation and infrastructure public-private partnerships into an art form. This has taken Australian institutions and their talented staff to the four corners of the globe, generating income, intellectual property and new industries.

We can do the same with urban design and smart city management based on data and analytics that inform citizens and policy makers. Benchmarking the performance of cities, and ensuring we have the data and performance criteria in place to drive our cities in the right direction and at the right pace, is imperative. There is deep institutional scepticism, if not outright opposition, to benchmarking of cities, but, as any senior executive knows, organisational performance cannot be achieved any other way. The recently released draft NSW Long Term Transport Master Plan must also go the next step and benchmark future performance of Sydney’s transport system against the world’s great cities. Once these goals are set, it will then be easier to decide where best to prioritise scarce taxpayer funds to expand the network and where to target greater efficiency (rather than increase investment) on the existing network.

Without performance benchmarks no government agency or minister is ever effectively held to account for declining public transport service quality and increased congestion on our roads — more promises are made and the day of reckoning is postponed.

Connecting long-term planning with the hopes and aspirations of citizens on the practical things in people’s lives is key; like liveability, where childcare and jobs are no more than 10 minutes from home. Australia’s institutional structures are generally anti-urban and their sophistication does not in any way match the importance that cities and regional centres contribute to the economy. The machinery of government needs to be recalibrated to be city-focused and shaping mega-regional areas to ensure the right policy effort and reform programs are put in place that are not hobbled by traditional boundaries.

That means changing the way we understand cities, and opening up the potential for crowd sourcing and social media as a game changer for city governance. The key to the future of cities is the quality of interaction with communities and policy makers that benefit from feedback and knowledge that exists in the population. Constitutionally, the states are in the driving seat when it comes to cities, but the money to make change is with the Commonwealth. Sounds familiar, but the most constructive first move by the Commonwealth would be to remove anti-urban bias in the calculations of the Commonwealth Grants Commission in its distribution of GST payments. Accurately calculating disadvantage in public service delivery from increased population density and congestion in complex urban settings is very important. This will go some way to helping states with large cities gain a more reasonable share of GST payments to better plan and manage them.

Most of the above arguments come back to the need to establish performance benchmarks for Australian cities and compare them with our international peers. How are Sydney and Melbourne performing against New York, Hong Kong, Tokyo and Geneva in terms of travel times to work, public transport efficiency or green space available for recreation? We must assume, until the evidence demonstrates otherwise, that each year Australian cities gradually are becoming less productive and liveable. We need to measure cities and identify targeted and purposeful remedies for improving their overall position otherwise capital and labour will vote with their feet.

If our largest urban centres operate efficiently and provide world-class amenity, they have potential to provide the economic growth equivalent of the resources boom. But Australia’s place in the Asian century is not assured. We need to borrow from past achievements in policy, business and sport and apply it to the next big opportunity — Australian cities.

Garry Bowditch is CEO, SMART Infrastructure Facility at University of Wollongong and former senior Federal Treasury official.