

26 May 2016

Ruth Spielman
Executive Officer
National Growth Areas Alliance (NGAA)
Locked Bag 1
Bundoora MDC 3083

Dear Ms Spielman

Solving the Infrastructure Gap in Australia's Outer Suburban Growth Areas

Congratulations to you and the National Growth Areas Alliance (NGAA) on your report, *Dedicated Infrastructure Fund for Australia's Outer Suburban Growth Areas*, provided by PricewaterhouseCoopers.

The report puts the spotlight squarely on a vital community need: ensuring that our growing cities and suburbs get the infrastructure they need.

The Property Council of Australia supports the need for a robust infrastructure pipeline and funding which is capable of servicing the requirements of high-growth outer suburban areas.

With Australia's population set to double over the next 40 years, we need to ensure there are stable revenues to provide the services and infrastructure to maintain our living standards.

Long-term infrastructure planning and delivery are vital in linking where people live and work, and in boosting productivity and growth.

The report is important in highlighting the importance of our cities. They are the engine room of Australia's economic prosperity that generates more than 80 per cent of our Gross Domestic Product. Our cities are vital economic engines – but unless action is taken, growing congestion threatens to cost Australians \$53 billion by 2031 as the population increases to 30.5 million.

City Deals to Drive Productivity

The Property Council strongly supports the report's recommendation to establish a dedicated infrastructure fund, similar to the City Deals in the United Kingdom, to improve governance and drive long-term productivity.

City Deals bring together all tiers of government to deliver economic growth in our cities, with negotiation and commitment from all levels of government to work together. This includes strategic planning, infrastructure investment and local infrastructure delivery to progress community growth.

A City Deal is an incentive scheme that also shifts from a project-by-project investment approach to one which invests in a city's plan for growth. Regions are fiscally rewarded for exceeding their growth budget – with the central government returning a share of the windfall tax arising from additional economic growth.

Good Infrastructure Decisions

The Property Council supports the report's recommendation to have an independent statutory body to provide independent research and advice. This would be a body such as Infrastructure Australia.

The Property Council supports the existence and role of Infrastructure Australia as a depoliticised statutory authority with the license to develop a rolling plan of national and state level priorities needs to receive unanimous political support.

An important function for Infrastructure Australia should be to build capability across the states and territories to prepare first-rate feasibility studies and business cases. A discrete stream of funding from Infrastructure Australia would help. This would complement its own role in independently and rigorously analysing projects that should shape the priorities for investment from the Commonwealth. While Infrastructure Australia's recommendations are not binding, they should be given greater weight in the Cabinet decision making processes.

Matching Infrastructure Australia's capability with similar authorities in each jurisdiction would further improve collaboration between the Commonwealth and the States and Territories.

Again, the Property Council of Australia welcomes the report by PricewaterhouseCoopers Australia commissioned for the National Growth Areas Association.

Please contact me if you would like further information or comment.

Yours sincerely



Ken Morrison
Chief Executive