



**SUBMISSION TO
STANDING COMMITTEE ON INFRASTRUCTURE, TRANSPORT,
REGIONAL DEVELOPMENT
AND LOCAL GOVERNMENT**

**INQUIRY INTO THE IMPACT OF THE GLOBAL FINANCIAL CRISIS
ON REGIONAL AUSTRALIA**

IMPACTS ON OUTER METROPOLITAN GROWTH AREAS

NATIONAL GROWTH AREAS ALLIANCE

APRIL 2009

SUMMARY

Profile

Outer metropolitan growth areas play multiple roles. They are urban and rural, encompass older disadvantaged areas as well as new estates and they serve surrounding regional areas.

These municipalities are characterized by a younger age profile than Australia, higher proportions of overseas born residents, a low skills profile, less economic output and jobs compared to population size and below average levels of community service provision. Manufacturing, construction and retail sectors are strongly represented here and employment opportunities in these sectors are predicted to diminish faster than in others.

Key Issues

- Pre-existing lower levels of employment and economic development opportunities are likely to worsen in accordance with Baum and Mitchell'sⁱ 'red alert' suburbs.
- Poorer transport further reduces the ability to access employment and services.
- If jobs are lost or hours reduced families may not be able to sustain mortgages despite lower interest rates.
- Children and young people will be affected by family stress and school retention, already lower in these areas than elsewhere, will likely decrease.

Key Opportunities

- The highest priority action and major opportunity to ameliorate the impact of the Global Financial Crisis in outer metropolitan growth areas is job creation. A greater mix of employment including attraction of 'knowledge economy' jobs into outer metropolitan areas is imperative for their economic and social health.
- The opportunity to have a positive environmental impact from development of local jobs and services, improvements to public transport and extension of support for 'greening new suburbs' is significant.
- Improving early access to local family support services, including more child care assistance will provide multiple benefits, environmentally and socially.
- A package of measures to keep young people engaged in school will be an important investment that will pay dividends.

CONTEXT

The National Growth Areas Alliance (NGAA) represents the one in four Australians who live on the outskirts of cities where major population growth is occurring.

These areas have multiple roles:

- they are urban and rural, with a diversity of land uses from highly urbanized to agricultural and industrial as well as having environmentally sensitive land,
- they are often attempting to address needs of communities in older, more established and disadvantaged areas,
- they have a major role in keeping up with the needs of fast growing populations and
- they play a role in serving communities beyond them, providing employment and services for surrounding regional areas.

Outer metropolitan growth areas tend to have a younger age profile than Australia as a whole; higher proportions of people born overseas; lower school retention rates; a lower skills profile and in some areas lower socio-economic status. These areas provide proportionately less economic output and jobs compared to population size and community service provision is below the national average (community service jobs per population)ⁱⁱ

NGAA currently has 25 member Councils across all states and the Northern Territory.

Member Councils have considerable experience in strategic planning, research and developing servicing models. We welcome the chance to work with Government to plan and invest now to ensure that outer metropolitan growth communities are sustainable and are able to withstand the Global Financial Crisis without becoming future areas of entrenched disadvantage. We are ready to assist in facilitating the implementation of the measures outlined in this paper in order to achieve that aim.

TERMS OF REFERENCE

The Committee is to inquire into the impact of the current global financial crisis on regional Australia and the role of the Commonwealth Government in ensuring that regional Australia is equipped to respond, with particular focus on:

the encouragement of economic development and employment;

and the development of sustainable essential services and social infrastructure designed to enhance the liveability of regional Australia.

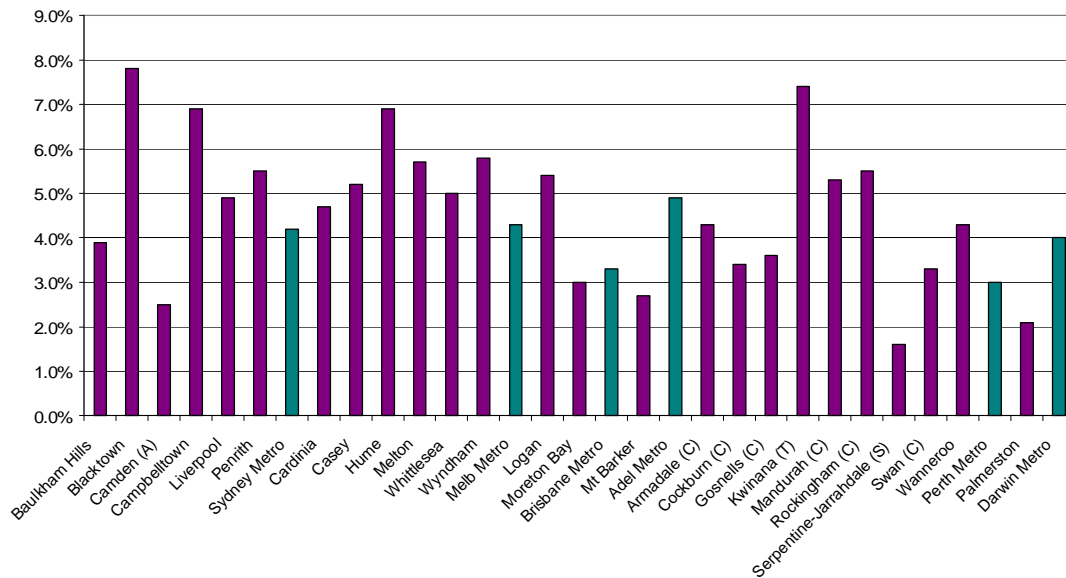
In responding to the Terms of Reference of the Committee, this submission addresses the two areas of particular focus, exploring first the known or likely impacts of the Global Financial Crisis on outer metropolitan growth areas and then outlining opportunities for the Commonwealth Government to work with local areas in dealing with those impacts.

1. ECONOMIC DEVELOPMENT AND EMPLOYMENT

Impacts

- In 2001, growth areas in Australia overall accommodated 21% of the population but only provided 13.6% of the nation's jobs and made a 13.9% contribution to economic output. Spiller Gibbins Swan (SGS) have calculated these areas need to accommodate 2.6 million jobs by 2022, an increase from 2007 of 1.05 million jobs. SGS conclude that *'This.... will require significant support from government at all levels including provision of strategic infrastructure.'*ⁱⁱⁱ
- The graph below shows that the unemployment rate for NGAA Councils is higher for the majority of municipalities than for their respective metropolitan areas. The Global Financial Crisis is likely to worsen this situation and be experienced disproportionately here given the industry sectors represented.

Unemployment Rate Sept 2008



Australian Government Department of Education, Employment and Workplace Relations, Small Area Labour Markets Australia, Sept Quarter 2008.^{iv}

⁴
Note: due to boundary issues with some statistical local areas, the data should be regarded as indicative only.

- Economic opportunity is highly unevenly distributed throughout Australian cities. The outer suburban and peri-urban zones of Australian cities have long been recognized as containing some of the most economically vulnerable communities in Australia. A considerable body of research attests to the ongoing problems of relatively higher levels of socio-economic disadvantage and employment deficits in these areas compared to inner and middle zones^v.
- In some instances these spatial deficits may be exacerbated by government policies. For example, the emphasis placed on the 'Global Arc' in Sydney – stretching from North Ryde through the CBD to Sydney Airport -- in which high-value globally integrated 'knowledge economy' activities are concentrated. The Global Arc and surrounding suburbs are favoured in the Sydney *City of Cities* metropolitan strategy as venues for such high value employment over more distant suburbs. This risks perpetuating the dependence of outer suburban zones on less economically valuable employment in sectors that are more vulnerable to economic stressors.

As Fagan and Dowling^{vi} have observed for western Sydney:

The focus on growing the regional stock of jobs has not addressed problems of labour market access faced by residents of particular localities and the goal of employment self-sufficiency has not delivered greater equity to outer suburban labour markets.

In a draft report prepared for Melbourne's northern region, the National Institute of Economic and Industry Research^{vii} says that analysis of regional economies shows that the most knowledge intensive regions – what the region contains in terms of resident skills, high tech and knowledge intensive businesses, services and educational opportunities, perform the best for their communities and mean greater resilience to change and economic downturns. They also offer greater opportunities for young people in creative and knowledge based jobs. The authors say that the knowledge economy has struggled to gain a foothold in non-core metropolitan regions and the diffusion of the knowledge economy to the metropolitan edge and beyond has generally been poor. The process of innovation, development of intellectual property and up skilling of the workforce is, they say, valid across all sectors from automotive manufacturing to medical research.

Such observations indicate an imperative to plan for a greater mix of higher-value employment in suburban areas whether through directive spatial management of employment activity at the metropolitan scale or via partnerships with development and industry groups. It is likely however that attracting a greater proportion of higher value 'knowledge economy' employment to outer suburban zones would have greater chance of success in conjunction with wider suburban re-development and revitalisation programs.

The failure to adequately address disparities in the quality and quantity of suburban employment is likely to be made worse by the Global Financial Crisis. Baum and Mitchell^{viii} have examined the problem of relatively poorer quality of employment within outer suburban and peri-urban zones in the context of the Global Financial Crisis. Baum and Mitchell anticipate that people in particular industry sectors including construction, manufacturing and retail trade, amongst others, will likely see employment opportunities diminish faster than others as a result of the Global Financial Crisis. Outer metropolitan areas tend to be more strongly represented in manufacturing and population driven sectors like retail

and construction^x and will therefore be adversely affected. In addition if companies are reducing their capital expenditures and delaying moves to, expansion in or establishment in outer areas, local economic activity and jobs will suffer.

Baum and Mitchell^x found that locations which have traditionally been disadvantaged will suffer further hardship and that new areas of socio-economic disadvantage will be the outer suburbs. This expectation reflects the experience of economic downturns, such as the 1991 recession and subsequent industrial restructuring in which extensive and persistent disadvantage became distributed across the outer suburbs of many Australian cities^{xi}.

Many NGAA municipalities contain both traditionally disadvantaged areas and newly at risk outer suburbs. Outer metropolitan growth areas are therefore strongly represented in the areas Baum and Mitchell have termed the “red alert suburbs”.

- Employment opportunity and vulnerability has wider implications for economic prosperity within suburban communities. Housing and transport costs are key components of household budgets and can compound socio-economic stress.
- Dodson and Sipe’s ^{xii} analysis of the distribution of household socio-economic exposure to oil and mortgage costs within Australian cities shows that household vulnerability generally increases with distance from the city centre. While oil prices and interest rates have come down in recent months outer metropolitan households will likely be disproportionately impacted if under employment or unemployment increase. Households in these zones are also likely to face long commutes to find employment, at higher cost. They will have fewer health and social support services to help them and some will also have less private rental and social housing options if mortgages are not able to be sustained. If people lose their houses, they are much less likely to be successful in obtaining employment. Access Economics has outlined the impacts on low income families of rising unemployment in a paper prepared for key non-Government agencies, highlighting the likelihood of increased social exclusion.^{xiii}

- High proportions of households with a mortgage are found in outer suburban growth zones, largely due to relatively lower housing prices and high levels of greenfield housing development undertaken in these areas compared to overall metropolitan areas. First home owners form a significant cohort among this group. Estimates by the Productivity Commission suggest that the proportions of first home owners locating in outer and fringe suburban areas of Sydney and Melbourne are 50 percent and 49 percent respectively^{xiv}. Given first home owners are typically younger and in less secure labour market positions than the overall home owner cohort their spatial concentration in outer and fringe areas suggests a need to monitor mortgage stress levels in these zones. Australian mortgagee repossession rates have remained relatively low in recent years and recent changes to official interest rates will likely have reduced the financial burden of housing debt for many first home owning households. Rising unemployment is anticipated by some commentators as likely to place strong upward pressure on levels of mortgage default and repossession^{xv}. Mortgage repossessions in recent years have been reportedly higher in some outer suburban locations, particularly western Sydney^{xvi}. In light of the Global Financial Crisis there is a clear need for close monitoring by government of the distribution of mortgage repossession rates in suburban growth areas to inform future policy concerning employment, housing and household socio-economic welfare in these zones.
- The main emphasis in outer growth areas is on residential growth with limited focus on employment creation and economic development stimulation. The stimulation of the first home buyer market will place further emphasis on residential development. A much more concerted effort to generate jobs and economic activity is also required.

Opportunities

- As these areas provide proportionately less economic output and jobs compared to population size and will be disproportionately affected by the Global Financial Crisis due to the factors discussed above, assistance to create additional jobs in these locations should be regarded as the highest of priorities. Creation of local jobs in these areas will lead to savings in transport costs, reduction in carbon emissions, improved contribution to the economy, less

mortgage defaults, less family breakdowns, less associated mental health problems, less anti social behaviour, more time available to spend with family and to contribute to the local community.. As the National Institute of Economic and Industry Research puts it in their draft report relating to Melbourne's north^{xvii},

For reasons of environmental and economic sustainability of the outer regions it is critically important to develop strong knowledge economy clusters away from the central core. This strategy will reduce the need for residents to travel long distances from the suburban edge to the city core to access knowledge economy jobs and will provide a stronger local economic base, capture more resident expenditures, encourage younger people to stay in situ and encourage the construction of more commercial space.

- Targeting a fair share of the Government's social housing investment into those outer metropolitan areas which have little such housing would assist in providing a safety net for families who default on their mortgages and for those who cannot access the housing market despite lower interest rates. This would significantly help people's chances to get or to keep a job. Importantly, associated support services are also needed.
- Assistance (resources and advice) to industries which are the major employers in outer areas (manufacturing, construction, retail) to restructure in ways which will be sustainable financially, will help local economic activity stimulation, will employ local workers and will contribute to other goals such as environmental sustainability.
- Comprehensive assistance programs for employees who lose their jobs in these industries to develop skills and confidence for alternative employment. This is not simply about retraining, but is also about support and assistance to people for the duration, to allow them to be confident enough to consider and secure other options.
- Incentives to companies to locate or expand in outer metropolitan areas would assist in stimulating local economies and provide jobs.
- Government taking a leadership role by locating the regional offices of government agencies into outer metropolitan growth areas would stimulate office accommodation provision and provide needed services closer to these families. Public servants in these government departments who live in outer metropolitan communities and travel to the city for work will be able to work locally, boosting their input into the local economy and reducing carbon emissions. A shortage of such office space is also keeping non-Government agencies from locating or expanding in these areas. If office accommodation

was commissioned by Government agencies and part of it let to non-Government agencies and for associated commercial and community uses such as cafes, gymnasiums, child care, this would stimulate the construction industry as well as provide a viable hub of activity that would help attract other uses, and would provide jobs.

- Outer metropolitan areas are often characterized by being part urban and part rural. The rural areas provide an opportunity for investment in agribusiness that could help diversify local economies, provide a stimulus for flagging economies, provide different types of work and address environmental sustainability goals. Food production is one such industry where there is an opportunity to add significant value through more sustainable practices “from the paddock to the plate.”^{xviii} Investment in this type of industry development would create a wide range of multipliers, including export potential. According to a study conducted by the Australian Industry Group and the Commonwealth Bank ^{xix}export intensity is particularly high in outer suburban areas and in regional Australia.
- By locating food processing industries in outer metropolitan areas, there is the opportunity to lower transport costs, given the proximity of outer areas to agricultural producing areas. The number of heavy freight vehicles on built up inner roads could be reduced and carbon emissions could be lowered. The labour force for such industries would be available locally, thereby providing more local employment and reducing the length of journeys to work.
- For more vulnerable groups – women, young people, indigenous people, non-English speaking people, many of whom live in outer metropolitan areas, micro-credit schemes would help them establish small businesses (eg Grameen Bank in India). Such schemes have been very successful elsewhere in providing an income to families, contributing to the social connectedness of communities and in helping families to stay together. These smaller scale opportunities should not be overlooked in focusing on major sectors of the economy.
- New suburbs provide a unique opportunity to contribute to environmental sustainability goals. An expansion of the types of programs the Government has already funded, would have multiple benefits. Incentives to households, developers and builders would assist in their using environmentally sustainable methods and would help to stimulate activity in that part of the economy, thus also bringing the price of such measures down.

2. SUSTAINABLE ESSENTIAL SERVICES AND SOCIAL INFRASTRUCTURE

2.1 Ability to Fund Services and Infrastructure

Impacts

- Population growth does not provide net revenue for local government. It is a net drain on resources.
- Councils' revenue to fund infrastructure and services is likely to be negatively affected by the impacts of the Global Financial Crisis. Rising rate defaults, constraints on Federal and State Budgets and the impact of reduced returns on investments, despite being partially offset by reduced cost of borrowings, will all have an impact on what Councils can fund. While this is a phenomenon which is not exclusive to Growth areas, it hits those areas hard as expenditure requirements are significant in order to keep up with new communities' needs for basic services.
- Because of their relatively lower property value base, developments in outer metropolitan locations are not as able to carry the cost of essential infrastructure when compared to inner-ring locations. Developers want the standards of infrastructure reduced and there isn't the ability to fund the gap. This has the effect that development stalls when we actually need to restart the economy, or Local Government is looked to for the gap funding. There is also an issue of inequity with inner-ring locations which still receive the infrastructure because the development there can better carry the cost.
- Some developers are reportedly finding it harder to obtain finance for major infrastructure, including the ability to pre-fund infrastructure to later be reimbursed.

Opportunities

- Packages such as Roads to Recovery (R2R) and Regional and Local Community Infrastructure Program, which explicitly recognises growth area infrastructure pressures, have been very welcome. These go a small way to assisting growth Councils to meet community infrastructure requirements. A continuation and further expansion of these programs would assist to reduce the funding gap for basic infrastructure.
- Sufficient lead time and resources should be allocated for partnerships/consortia who wish to provide (or who are tendering for) social

infrastructure to undertake the necessary planning to maximise community outcomes in terms of :

- Ø community engagement;
 - Ø the physical form of social infrastructure and how it addresses and interacts with the precinct in which it is placed;
 - Ø business planning and governance arrangements for cross agency integrated service delivery;
 - Ø environmental sustainability outcomes;
 - Ø social and cultural inclusion outcomes.
- Government's assistance in obtaining finance for major infrastructure to service growth would help keep the momentum with new development thereby helping to create employment and economic activity as well as seeing people into housing and able to access services.
 - Charging regimes for infrastructure to be considered with a view to assisting in the timely delivery of infrastructure to growth areas and keeping developments from stalling.

2.2 Transport

Impacts

- Access to public transport infrastructure in Australian cities is highly unevenly distributed. Outer suburban zones are typically poorly served by rail and bus services compared to middle and inner areas resulting in heavy reliance on private motor vehicles. This problem has been recognized in a succession of research and government reports^{xx} These deficits have increased over time as transport infrastructure and services have not been expanded to keep pace with the rate of outer suburban development. There is also evidence that institutional design and management of public transport can impact on the quality of outer suburban services. Good public transport access is critical to individual and household capacity to access employment opportunities. Such access to employment is going to be a major factor in keeping people in jobs and accessing services.

Opportunities

- There is a potential for Government to bring forward planned public transport infrastructure including rail extensions and new bus links in outer areas. Reducing the disparity in access to high quality public transport in Australian cities through new suburban public transport investment would meet a number of government objectives. First it would improve household access to employment opportunities within a wider regional context and at a lower cost than private motor vehicles and result in a more equitable distribution of urban infrastructure within Australian cities. Second, investment in public transport infrastructure and services would generate temporary and ongoing employment opportunities that could assist to offset some job losses due to the Global Financial Crisis. Third, public transport improvements would also contribute to wider public policy imperatives of improving the long-term sustainability of outer suburban growth and development, especially resolving problems of greenhouse gas emissions^{xxi} and declining energy security^{xxii} which have been recognized as key national challenges. Finally, improved public transport would also make outer suburban zones much more attractive to a wider range of land uses and development types, including companies looking to locate/expand their businesses and to a more diverse social mix of potential residents.
- There is also a considerable opportunity without major budgetary expenditure to improve the quality of outer suburban public transport and the efficiency and integration of operations by changing the institutional and governance arrangements in some jurisdictions. TransPerth and Translink (SEQ) where state agencies have greater coordination powers than in some other jurisdictions, demonstrate one way of approaching this.

2.3 Education

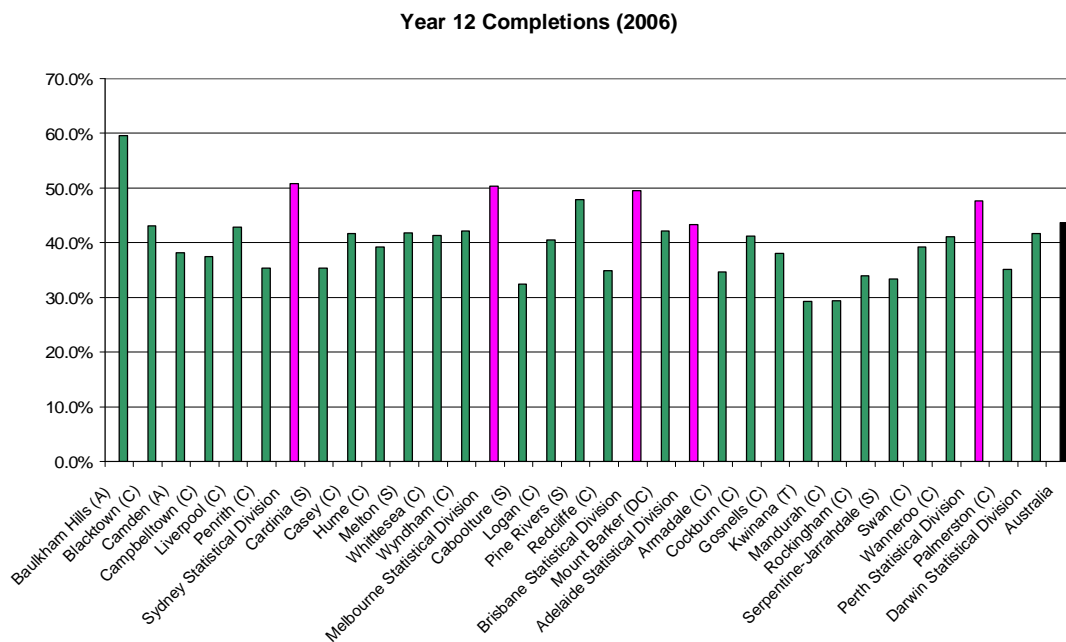
Impact

- In times of economic downturn, a focus on education is important for a number of reasons. Firstly, children and young people living in households where a parent loses a job, where the home may be lost and where the family unit may break down, are likely to find it harder to concentrate on studies, are more likely to drop out of school and to have poorer educational outcomes. Access to higher education and to employment in this scenario is also likely to be more

difficult. Supports to those families and students are therefore extremely important. Secondly, if jobs are less plentiful, retaining young people in meaningful education so they can have a greater chance of finding a job is increasingly important. Thirdly, attending school and higher education is a means of connecting with other people and with services and helps build resilience. Fourthly, education and training is important for those who have been retrenched and for those now needing to enter the labour market for the first time.

- It is in outer metropolitan growth areas where a large number of children and young people reside, where educational achievement is behind that of counterparts living closer to cities and where support services are more sparse.
- School retention is lower in most NGAA municipalities than it is in capital cities and Australia overall.

The graph below shows the proportion of people aged 15+ whose highest level of schooling completed was year 12 and who are not currently attending secondary school.



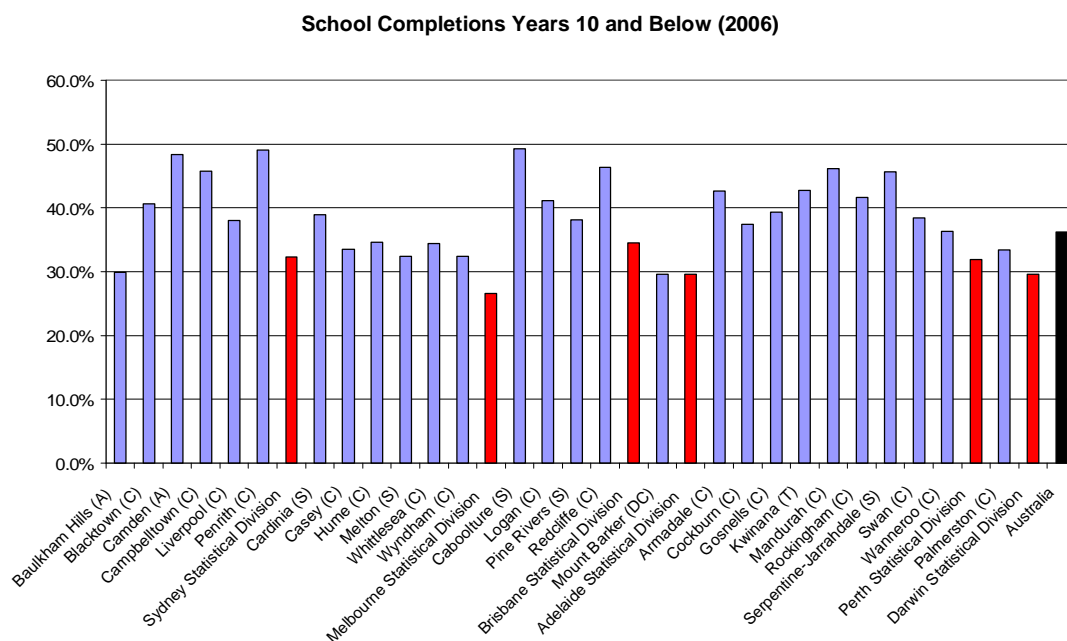
Graph based on data prepared by id (Informed Decisions) using data supplied by the Australian Bureau of Statistics, 2006 Census of Population and Housing.

Note: Aggregated data was not available for Moreton Bay Regional Council and is covered by the previous LGA's of Caboolture, Pine Rivers and Redcliffe.

The graph shows that when comparing Year 12 completion rates of NGAA municipalities with their respective Statistical Divisions and with Australia overall, the proportions of students in NGAA municipalities completing year 12 are, in nearly all

cases lower. In half the municipalities Year 12 completion is at least 10% lower than the relevant Statistical Division.^{xxiii}

The graph below shows the proportion of people aged 15+ whose highest level of schooling completed was Year 10 or below and who are not currently attending secondary school.



Prepared by id (Informed Decisions) using data supplied by the Australian Bureau of Statistics, 2006 Census of Population and Housing.

Note: Aggregated data was not available for Moreton Bay Regional Council and is covered by the previous LGA's of Caboolture, Pine Rivers and Redcliffe.

This graph shows that for students leaving school at Year 10 or lower, the rates for NGAAs municipalities are higher than for the relevant Statistical Divisions in all but two cases and higher than the rate for Australia in the majority of municipalities.

- Increasing retention rates requires more than a one dimensional response. The reasons for not staying in school are often complex and include family dynamics, self esteem, financial issues, intergenerational expectations, peer group pressure etc. With more family pressures anticipated, as outlined above, there will be an even greater challenge to keep young people positive and engaged.
- In terms of higher education, growth area communities generally have a higher proportion of people with no qualifications or certificate qualifications and a lower proportion with advanced qualifications such as degrees^{xxiv}.

- The Bradley Review ^{xxv} recommends (Rec 18) initiating a process to determine the needs of outer metropolitan and regional areas for higher education and the best ways to respond.

Opportunities

- A package of services to assist young people to stay in school is required in order to ameliorate the impacts of the Global Financial Crisis on young people and for them to be able to take up the opportunity provided by the Government, to open up access to tertiary institutions.
- Such a package should be multi faceted and include transition programs for children in schools in year 4 and in year 8, expansion of places in alternative education programs including trade training centres, certificate level courses, funding to non-Government agencies to provide support services to young people and their parents and to liaise closely with schools, financial assistance to families where this is a barrier to the young person continuing to attend school, parent education programs. Victorian Interface Councils have developed a proposal for such a package^{xxvi} and Access Economics has undertaken a cost benefit analysis of this, concluding that there is a positive cost benefit.^{xxvii}
- Acting on the Bradley Report's recommendation to consult about needs and responses regarding higher education in outer metropolitan and regional areas and following this with investment in outer metropolitan growth areas to lift the levels of tertiary/post-secondary attendance and completion.

2.3 Child Care

Impacts

- In an economic downturn families are likely to be less able to afford child care which in turn will affect their ability to stay in or to obtain work. If less people use child care centres, they will become less viable and new centres are less likely to establish. This means less child care places and less service jobs will be available locally.
- For the children who miss out on attending child care, they may also miss out on the brain development and socialization that child care and associated services can offer, including the opportunity to identify any problems and intervene early.

- Supporting the provision of and access to child care is an investment in families and children and has a multiplier effect in terms of their contribution to society and the economy.

Opportunities

- Not for profit child care operators are very keen to establish in outer metropolitan areas but find it difficult to afford the cost of the land as well as the infrastructure. Government can assist by providing grants for the land or building.
- These facilities would ideally be multi service sites, integrated with other early years services with a universal service such as child care, preschool or maternal and child health as the base. This will support accessibility for parents and assist centre sustainability as there is potential to be flexible according to community need.
- Encourage partnerships between childcare sector and other early years services eg maternal and child health, pre-school, community health, family support agencies and education providers by offering incentives to partner.
- Increased parental subsidies for child care would assist parents to access child care and would also assist child care operators to be viable. Conditions such as ensuring services are integrated with other early years providers would be appropriate.

2.4 Support Services

Impacts

- As identified by several of the major community services agencies^{xxviii} non-Government agencies are already struggling to keep up with demand and expect to face even greater calls on their services.
- Outer metropolitan growth areas are significantly below the Australian average in provision of community services^{xxx} which suggests that jobs in this sector in these areas, is exceeded by demand. This means families do not have the same levels of support as do families in inner metropolitan areas making them more vulnerable and less resilient than their inner metropolitan counterparts.
- The Global Financial Crisis is likely to have a more severe impact on families where support services are sparse.

Opportunities

- Expanded/new funding programs which provide sustainable resourcing for locally based non-Government agencies in outer metropolitan areas to provide support services to families and to expand jobs in this sector to meet demand.
- In times of hardship when universal and secondary services are pressured, and families' problems are escalating, the response is often to invest more heavily in tertiary level services i.e. once problems have escalated to a very serious level. This is usually at the expense of additional investment in preventative services. Taking a longer term view and investing in prevention, as well as other levels of the service system, will provide dividends in terms of the community's health and well being, their ability to support their families, to raise their children effectively, to undertake meaningful work, to contribute to society and the economy. It is also likely to reduce the rising cost of more tertiary level services which will be needed if problems are not addressed at an early stage.
- Locally based services which are easily accessible to families, which are attached to universal services, which participate in local service networks and which partner with other agencies to provide integrated service responses should be supported.

2.5 Liveability

Impacts

- As spending on cultural and recreation activities is likely to fall as households have less disposable income, individual and community health and well being will suffer and those businesses will be adversely affected. In difficult economic times, these activities become even more important for community well being. Because there are fewer locally available cultural and recreation opportunities in outer metropolitan areas than areas closer to capital cities and as unemployment is likely to be a significant issue in these areas, communities here will have less opportunity to participate.

Opportunities

- Grants for arts and recreation providers to run programs in outer metropolitan areas would assist in maintaining these services for people less able to afford to travel and to ensure attendance is affordable.
- Local community facilities including sports pavilions, leisure facilities, community meeting spaces, libraries, arts facilities, neighbourhood houses,

community learning centres etc are likely to be more in demand as people are careful with their spending. They are also an important means of supporting community cohesion in tough economic times. Some play a key role in providing support and courses for people seeking employment who would not access more formal training and they offer meaningful engagement for those who are out of a job.

- In addition to expanded capital funding for such infrastructure, funding for coordination of programs and community development and outreach is just as important to ensure the use of the facilities is maximized, multiple services are offered in an integrated way and they are addressing community needs and aspirations. Facilitation of community engagement in such activities can assist people to express the hardship they are experiencing and to have a positive outlet for their feelings.

2.6 Cultural Harmony

Impact

- A survey and subsequent report undertaken by VicHealth^{xxxi} has shown that in Victoria's outer suburbs there is an above average level of opposition to cultural diversity and multiculturalism and discomfort with cultural difference. Reported experience of discrimination is also above average. According to the report, prior research conducted in New South Wales and Queensland indicated that there were significant variations among geographic areas in experience and attitudes relating to these issues. The report found that there is a strong relationship between exposure to discrimination and poor mental health. The report suggests that communities in outer suburbs may not have the expertise, knowledge, networks and resources present in communities with long histories of supporting diversity. It concludes that given the growth that is occurring in these areas, there is a unique opportunity to develop a sound foundation for positive intercultural relations.
- Despite the continuing debate about the benefits of multiculturalism, the Global Financial Crisis is expected to exacerbate the negativity of some quarters of the community towards migrants. The multicultural communities in many outer metropolitan areas may experience increased levels of discrimination as people are concerned about their jobs and become less accepting of people they regard as taking the jobs of Australians.

- Recent arrivals move to outer areas for more affordable housing but often struggle to access housing, employment and support services. In an economic downturn this is likely to be exacerbated.

Opportunities

- Escalation of programs to promote the benefits of multiculturalism and which tackle discrimination are suggested. Examples of potential interventions are included in the VicHealth report cited above.
- Expanded support services for Culturally and Linguistically Diverse communities, and in particular new arrivals, to assist them to access housing and employment and support services they may need.

ⁱ Baum, S and Mitchell, W, Centre for Full Employment and Equity, University of Newcastle and Urban Research Program Griffith University, *Red Alert Suburbs: An Employment Vulnerability Index for Australia*, March 2009.

ⁱⁱ Spiller Gibbins Swan Economics and Planning for the National Growth Areas Alliance, *National Growth Areas Alliance Research Project Main Report*, July 2007

ⁱⁱⁱ Spiller Gibbins Swan Economics and Planning for the National Growth Areas Alliance, *National Growth Areas Alliance Research Project Main Report*, July 2007

^{iv} Australian Government Department of Education, Employment and Workplace Relations, *Small Area Labour Markets Australia September Quarter 2008*, Economic, Labour Market and Education Analysis Branch Research, Analysis and Evaluation Group.

^v O'Connor, K. and Healy, E. (2002). *The Links Between Labour Markets and Housing Markets in Melbourne*. Melbourne, Australian Housing and Urban Research Institute, Swinburne-Monash Research Centre.

^{vi} Fagan, B. and Dowling, R. (2005). "Neoliberalism and Suburban Employment: Western Sydney in the 1990s." *Geographical Research* 43(1): 71– 81.

^{vii} National Institute of Economic and Industry Research, *Growing Melbourne's North – Developing an Integrated Knowledge Economy*, Draft Report, January 2009.

^{viii} Baum, S and Mitchell, W, Centre for Full Employment and Equity, University of Newcastle and Urban Research Program Griffith University, *Red Alert Suburbs: An Employment Vulnerability Index for Australia*, March 2009.

^{ix} Spiller Gibbins Swan Economics and Planning for the National Growth Areas Alliance, *National Growth Areas Alliance Research Project Main Report*, July 2007

^x Baum, S and Mitchell, W, Centre for Full Employment and Equity, University of Newcastle and Urban Research Program Griffith University, *Red Alert Suburbs: AN Employment Vulnerability Index for Australia*, March 2009.

^{xi} Baum, S., O'Connor, K. and Stimson, R. (2005). *Faultlines Exposed: Advantage and Disadvantage across Australia's Settlement System*. Melbourne, Monash University ePress.

^{xii} Dodson, J and Sipe, N, Urban Research Program Griffith University, Research Paper 17, *Unsettling Suburbia: the New Landscape of Oil and Mortgage Vulnerability in Australian Cities*, August 2008

^{xiii} Access Economics for Anglicare Australia, Catholic Social Services Australia, The Salvation Army and UnitingCare Australia, *The Impact of the Global Financial Crisis on Social Services in Australia*, November 2008

^{xiv} Productivity Commission (2004) *First Home Ownership Inquiry – Final Report*, Canberra, Productivity Commission, p. 255.

^{xv} Fujitsu Consulting (2009) *Anatomy of Australian Mortgage Stress – February 2009 Update*, Sydney, Fujitsu.

^{xvi} Reserve Bank of Australia (2007) *Financial Stability Review – September*, Sydney, RBA. graph 61.

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- ^{xvii} National Institute of Economic and Industry Research, *Growing Melbourne's North – Developing an Integrated Knowledge Economy*, Draft Report, January 2009.
- ^{xviii} Andrew Campbell for Australian Conservation Foundation's Future Food and Farm Project, *Paddock to Plate, Food, Farming and Victoria's Progress to Sustainability*, A Background Paper, October 2008
- ^{xix} Australian Industry Group and Commonwealth Bank, as cited in an Austrade Media Release, *Exports Beckon 'Look at Moi, Look at Moi'*, 16 February 2005
- ^{xx} Parliament of Victoria (2004). *Inquiry into Sustainable Urban Design for New Communities in outer Suburban Areas*. Melbourne, Outer Suburban Interface Services Development Committee, Parliament of Victoria.; Mees, P. (2000). *A Very Public Solution: Transport in the Dispersed City*. Melbourne, Melbourne University Press.
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