

Should Cities Rule the World?

Thank you, [MC]. Hello, everyone. I'd like firstly to acknowledge the traditional owners, and pay my respects to their Elders.

INTRODUCTION

Thank you for inviting me to give the 47th Walter Burley Griffin Memorial Lecture, in honour of Walter Burley Griffin's significant contribution to urban planning and architecture in Australia.

I also acknowledge his wife and creative partner Marion Lucy Mahony. They were both passionate about cities – not just their design, but how they functioned. I am sure they would be excited about the critical role of cities in the 21st century!

CITIES – AGENTS OF CHANGE

In 2007, Former US President Bill Clinton opened a C40 world cities conference in New York by saying "One of the things I love about Mayors is that they get up in the morning and do things!"

The City of Sydney is an active member of the C40 Cities Climate Leadership Group, established in 2005 to reduce greenhouse gas emissions and address climate risks and impacts. The C40 group is made up of 69 cities, contributes 18 per cent of the global GDP, represents 1 in 12 people worldwide and has taken 8,068 actions to combat climate change.

As part of the C40 and in recognition of our successful work with business to improve energy efficiency, the City was recently asked to co-lead with Tokyo a Buildings Energy Efficiency Network for 15 cities from Europe, North America, Latin America, Oceania and East Asia.

This action by cities is a key example of the difference between dynamic city leadership and the head-in-the-sand, business-as-usual politics of our state and federal governments in Australia.

So today I am proposing "Should Cities Should Rule the World?"

For the first time in history, over half the world's population live in cities and that proportion is growing. By 2050, it's estimated that it will rise to about 70 per cent.

Here in Australia, we are already highly urbanised, with two-thirds of our population living in our capital cities.

AUSTRALIAN CITIES

- Australia's capital cities account for 64 per cent of the nation's GDP;
- They house over two-thirds of Australia's workforce;
- They've supplied 1.5 million people with new jobs in the past decade;
- In the four years to 2010, they attracted 85 per cent of highly-skilled migrants;
- They educate 80 per cent of all tertiary students in the country; and

- They are forecast to house another 10 million Australians by 2056. *That's 72 per cent of all future population growth.*

Our Council of Capital City Lord Mayors — representing the cities of Adelaide, Brisbane, Canberra, Darwin, Hobart, Melbourne, Perth and Sydney— say: “*Get it right for the cities, and you'll get it right for the nation.*”

AUSTRALIA'S RECORD ON CITIES' POLICY

But the growing importance of Australian cities has not been reflected in the policies of the other levels of Government.

Some may remember when, for example, Tom Uren and Brian Howe showed what can be achieved when cities are made national priorities.

To address this, the Council of Capital City Lord Mayors established a secretariat in Canberra to advance the critical role of cities in national life. In 2007, we argued that:

“Australia's continued economic prosperity depends on its capital cities maintaining and enhancing their international standing. We need to build successful and sustainable cities if Australia is to become more competitive, innovative and productive.”

Hopes rose when the previous government established the Major Cities Unit, to provide the Commonwealth with advice on urban issues. The City of Sydney loaned our best urban policy researcher.

The unit established an annual State of Australian Cities report, published the national urban policy report “Our cities, Our future”, released an influential report on active travel and had a key role in preparing a protocol for urban design standards. This work led to a deeper understanding by other government agencies of the challenges and opportunities that cities offer, especially to the national economy.

Shamefully, the unit was abolished by the Abbott government, which is yet to articulate a cities' policy and instead is funding roads that cripple city life by congestion, rather than investing in public transport.

This lack of interest ignores the lifestyle choice of the majority of Australians and the realities of the information and knowledge revolutions taking place. It impacts on the economic performance of our cities.

So, in concert with other cities nationally and internationally, we go it alone...

I became Mayor of the City of Sydney in 2004 after an unplanned but ultimately productive turn of events.

The global City I lead today:

- is an economic powerhouse with \$100 billion worth of economic activity generated within our local government area – it's up there with the mining industry;
- we contribute 8 per cent of Australia's GDP and 22 per cent of the State's economy;
- it is the fastest growing residential area in NSW and in the past five years it has secured 40 per cent of all jobs growth in metropolitan Sydney;

- is responsible for a daily influx of about one million workers and tourists as well as increasing our population densities;
- is the world's most popular city to study in. After an investigation into the size of international student populations for its 2014 Global Cities Index, consulting firm AT Kearney put Sydney ahead of 83 other cities, including London and New York;

and

- *Unlike other levels of government who only seem to plan to the next election, I am most proud of our plan for the future called Sustainable Sydney 2030.*

I wanted a plan that could continue no matter who was in Town Hall, Macquarie St or Canberra. So we undertook the largest ever community consultation in the City's history with residents and businesses, government and statutory authorities, visitors, and educational and cultural institutions.

97 per cent of people told us they wanted us to take action on climate change. They also said they want a city with a strong economy, one that supports the arts and connects its people to each other and the world.

Sustainable Sydney 2030 sets out a clear path to reach carbon reduction targets by improving energy efficiency, installing renewable energy sources, recycling water, and establishing trigeneration, a decentralised energy network powered initially by gas and ultimately by converting waste to energy.

Sydney 2030 is the cornerstone of everything we do and has won wide support and worldwide acclaim.

The international Organisation for Economic Co-operation and Development (OECD) called the City of Sydney a global leader, saying "*through its Sustainable Sydney 2030 framework, the City has articulated a vision for a global, green and connected city*".

At the City we consult and research, we commit and then we do.

URBAN DENSITY

As many of you who here today have architectural and planning interests, you would probably agree that urbanisation is one of the most effective and responsible ways to address key challenges of the 21st century.

In the wonderful image used by Dr Liu Thai Ker, chairman of the Centre for Liveable Cities, the city is man's largest piece of industrial design and thus, like any good piece of design, it should fulfil three criteria: be user-friendly; function well; and look good.

The lessons are obvious and central to our work at the City of Sydney.

Since 2004, we've approved around \$25 billion worth of high-quality development and significant urban renewal is underway.

DESIGN EXCELLENCE

We actively encourage design excellence in private development and our own public projects. We are advised by our Design Advisory Panel, made up of eminent practitioners, and we have an innovative design excellence program that requires a competitive design process for all major buildings—a world first.

These are initiatives that I'm sure would have the approval of Walter Burley Griffin and Marion Lucy Mahony.

Through this program, over 100 projects have been awarded bonus floor space for design excellence, and a number have been recognised internationally. In the last ten years, our public infrastructure projects have won 50 national and international awards.

This remarkable track record has led to our growing reputation and international profile for city design and liveability.

Just last month (and for the second year in a row), we won the prestigious Sulman medal for public architecture for our redevelopment of Prince Alfred Park and Pool. It also won the Lloyd Rees Award for Urban Design. That same night, our Eternity Playhouse won the Greenway Award for Heritage and our Foley Park facilities won the Robert Woodward Award for 'Small Project Architecture'.

Urbanisation is important because we can't keep developing our food basin and we shouldn't sentence young people to a life in the outskirts of suburbia, cut off from effective transport and services. The facts that Australia has one of the biggest ecological footprints and highest rates of obesity in the OECD should also be of concern to government leaders.

But how to persuade a nation that has historically embraced suburbia, that life can work and thrive in cities?

We've seen how it works in other countries. Successful higher densities provide access to a wider job market, education and other essential services especially transport. But equally vital is a high-quality urban environment; one that is easy – and pleasant – to get around; one that provides opportunities for people to connect and has a diversity of cultural choices.

My husband Peter and I are products of suburbia and the quarter acre block. He grew up in Canberra and I built gunyahs in the bush at Gordon on Sydney's North Shore. After almost five years based in London, we settled in the then down-at-heel suburb of Redfern with our two very young children. We were bucking the trend of young parents who felt they had to leave the city and move to the suburbs.

But in the last ten years, we've seen that trend reversed and parents are now choosing to stay in the city.

And you might be surprised to learn that there is a thriving parents' club in Kings Cross who use the Wayside Chapel for their "junior jivers" mornings with their toddlers.

It's estimated that by 2031, the number of families in the City of Sydney will increase by 45 per cent.

To protect our historical villages, mostly made up of 19th century terrace housing, our policy for growth focuses medium to high density on former industrial sites.

The most significant of these is the 278 hectare, \$8 billion Green Square project, currently underway, which will provide homes for 54,000 new residents and jobs for 22,000 new workers, and is located between the global city and Australia's busiest airport.

In Asia and Europe, such a significant project would have transport, services and facilities provided prior to development. And in this era of climate change, there would be infrastructure for renewable power, water reuse, and conservation of other resources. But not in NSW!

Green Square should be a leading example of our three tiers of government working together for the economy and the community. But while the City has taken on much of the responsibility for the roads, essential services, open spaces and community facilities, for which we have allocated \$440 million over the next ten years, the State Government is yet to articulate how it will provide services and infrastructure such as education, public transport and health care.

It took years to get State funding for an essential trunk drainage system and we had to step in and purchase a vital public transport corridor in the hope of future light rail.

We planned to power the Green Square town centre (commercial and residential) with low-carbon trigeneration. We did extensive research with independent experts and secured a \$3.75 million grant from the former Federal Government, but then found that a new federal and state rule change plus restrictive electricity distribution rules killed the economic case for precinct-based trigeneration.

That position shows a continuing attachment to fossil fuels and state owned distribution monopolies.

Not to be deterred, we are providing infrastructure including a private wire network for city-owned properties, so that when the distribution regulation inevitably catches up with rest of the world, trigeneration can be installed!

HOUSING

Affordable housing is a critical part of balanced urbanisation, and a key principle of Sustainable Sydney 2030 is a city that is inclusive and accessible to all – key workers, the very young, the elderly and the disadvantaged.

The desirability of property in Sydney has made it, like London and Paris, one of the most expensive property markets in the world.

An innovative affordable housing levy program established by the City in Green Square has seen more than 100 affordable housing units built, with a target of 330 units. A similar program in Ultimo and Pyrmont has provided 450 affordable housing units with a target of 600.

It's a start, but not nearly enough. We want the State Government to allow us to extend the levy to other areas in the city – so far our request has been refused.

CULTURAL DIVERSITY

We encourage the cultural and artistic life of our city and promote vibrant day and night-time economies.

Each year the City invests more than \$34 million in the cultural life of our city through sponsorship of internationally-renowned festivals and events, and in public art that surprises and delights, including our Eora Journey, a cultural trail that recognises the Aboriginal presence in our city.

Hundreds of millions of people watch our New Year's Eve fireworks which generate an economic boost of about \$156 million for local businesses. We welcome 600,000 visitors locally and internationally for our Chinese New Year Festival – the biggest outside of Asia. And Sydney Festival, of which we are a founding partner, contributed around \$56.8 million to the local economy in 2012 and attracted over 35,600 visitors from interstate and overseas.

And in the next ten years we'll invest \$500 million on a range of cultural initiatives, including new facilities.

Our campaign to allow small bars in NSW is a classic example of city leadership succeeding in the face of atavistic government policy.

Despite vitriolic opposition from vested liquor interests which had held the major parties to ransom for decades, I gave notice of a private members bill in NSW Parliament to change the law and, along with a grass-roots movement Raise the Bar, shined a spotlight on the overwhelming community support for small bars in NSW. Despite former AHA President John Thorpe's insisting that, "*People in Sydney don't want to sit in a bar and drink chardonnay and read a book*", the Government was forced to change the law and we've seen a small bar revolution.

City governments are better placed to support growing creative industries than other levels of government because we understand that a rich cultural life is not peripheral, but vital to a strong, thriving and prosperous city.

We have provided in our own properties subsidised live-work spaces, creative hubs and showrooms for our young creatives and tech start-ups.

Cities are also better placed to negotiate innovative outcomes for the community with private developers.

In an Australian first, a \$25 million state-of-the-art creative hub featuring dance, theatre, music, film and visual arts facilities will soon be built in Sydney following an agreement negotiated by the City and Chinese-based developer, Greenland Australia.

The hub will span 2,000 square metres over five storeys and will be located in what is set to be Sydney's tallest residential tower, a \$440 million, 67-storey development. The deal included a 99 year lease with a peppercorn rent of \$1 a year for the City to manage the creative hub.

TRANSPORT

Sydney, does well in global rankings, but is constantly marked down for transport.

Congestion currently costs Sydney around \$5 billion each year and that is projected to double by 2021.

After 16 frustrating years of inaction by the previous State Government, we did our own research with the best minds in transport and city design, including renowned urbanist Jan Gehl, to develop a transport policy to address worsening congestion.

Over many years, together with city businesses, we lobbied the incoming Liberal/National NSW Government to support light rail and it is to the current Transport Minister's credit that the project is finally underway – and we're happy to contribute \$220 million to make sure it happens.

In fact, most of our transport policies are reflected in the current Government's transport strategy. It's hard for political game-playing to compete with common sense, research and best practise!

Within our own jurisdiction we initiated a separated, destination-based, bike network to provide a viable transport option for those who want to ride, and we are improving pedestrian links and battling for pedestrians to be given better priority over through traffic.

And here I want to emphasise the importance of leadership. Our introduction of cycleways caused a storm of protest and criticism in some sections of the press, including shock jocks and the tabloid media. They accused me of being anti-car, un-Australian and said I was wrecking the joint!

The Minister for Roads in the incoming State Government joined the fray. He campaigned on ripping them up. We stuck to our plans knowing they were backed by research and that they would benefit the city. Now our network has been included in the State's transport plan, and the Roads' authority is building some of them for us!

CLIMATE CHANGE

Climate change is the greatest challenge cities face because cities use over two thirds of the world's energy and emit more than 70 per cent of emissions. Action in cities provides the greatest opportunity for deep cuts.

When the Federal Government lost its nerve after Copenhagen, we recommitted to innovative, low-carbon solutions, to share our research and to build partnerships for a sustainable future.

Our Green Infrastructure Plan has been developed from world's best practice and identifies how we can boost renewable energy, improve energy efficiency, reduce waste, save water and convert waste to gas.

We were the first Australian local government to become carbon neutral in 2007 and our target is to reduce greenhouse gas emissions by 70 per cent by 2030. We've already reduced emissions by 20 per cent since 2006 and projects are under-way to achieve 29 per cent in coming years. Compare this to the pathetic five per cent Federal target!

In another Australian first, we trialled LED lights in our streets and parks and are completing a three year roll out which will save \$800,000 annually in energy bills and reduce emissions by 51 per cent. While the State Government initially refused to take part in the trial, it's been forced to act in the face of the stunning results and is pursuing similar installation across NSW.

We're making City-owned properties more sustainable. We are installing Australia's largest building-mounted solar panel project and have retrofitted 45 of our major buildings for energy and water savings, reducing emissions by 23 per cent and saving \$160,000 annually. Our City cars are electric and hybrid, and our trucks run on biofuel.

Partnerships are also essential to reach our goals. Our Better Buildings Partnership includes leading public, private and institutional landlords that collectively own 60 per cent of Sydney's CBD office space.

The group works collaboratively to improve the sustainability of their buildings, delivering a 31 per cent reduction in emissions since 2006 with a saving of \$25 million.

The CitySwitch program for commercial office tenants, co-founded by us in Sydney and now sponsored nationally by the Council of Capital City Lord Mayors, saved almost 33,000 tonnes of emissions and \$8.2 million in energy costs in 2013. Our Smart Green Business Program has assisted 366 businesses and our Smart Green Apartments Program is assisting residents.

We've made the simple and obvious changes, but to meet our emission reduction goal we need to change the way we power our city. That means shifting from coal-fired power and investing in clean and local energy, like trigeneration. Trigen is more than twice as efficient as coal-fired power and can reduce emissions by more than 50 per cent for connected buildings.

As I mentioned earlier, regulatory changes prevent precinct-wide trigeneration at this time, so we are working to install trigen at Town Hall as well as in our swimming pools and we're facilitating business to set up their own precincts.

Last year, the City, Eureka Funds Management and Frasers Property signed a historic \$26.5 million Environmental Upgrade Agreement to install a trigen plant in the Central Park development at Broadway. Four thousand residents and 65,000 square metres of retail and commercial space in 14 buildings in development will be supplied with low-carbon thermal energy.

It is depressing that, while our governments have not supported trigen, many European cities have been retrofitted with decentralised energy networks including Berlin, Hamburg, Paris, Moscow, Turin, Barcelona, London, Singapore and Seoul, while China is installing 50,000 megawatts of trigeneration – more than the entire electricity market of Australia.

We are hoping that again, like our 200 kilometre cycleway network, leadership and the action of other cities around the world, will influence our State and Federal Governments to take action.

LESSONS FROM CHINA

Finally for my proposition that cities should rule the world – I want to talk about lessons from China.

There is no doubt China has a lot of catching up to do, but Chinese cities are undergoing extraordinary urbanisation and sustainable development. I was encouraged during a recent visit to China to learn about some of their initiatives.

There are 10 million people living in Wuhan, which is experiencing substantial development and aims to become China's most liveable and sustainable city. Wuhan is building a 290 km metro system by 2017, with a new metro line opening every year.

In Guangzhou (a city of 15 million), Mayor Chen told me his priorities include improving transport, sustainably reducing waste and environmental protection.

Shenzhen recently introduced strict green building standards and is building a 2000km greenway for pedestrians and cyclists. The city government is building electric car charging stations across the city area.

The Mayor also told me that his city was one of seven cities and provinces piloting emissions trading schemes – the others are Beijing, Chongqing, Shanghai, Tianjin, Guangdong and Hubei. These cities and provinces represent around a fifth of the country's energy use and around 250 million people—more than ten times Australia's population. China plans to introduce a national emissions trading scheme by 2015.

Even a communist country like China acknowledges the role of this market method in driving down emissions.

In Beijing, Mayor Wang outlined plans to transform Beijing from an economic hub to a sustainable hub, fuelled by renewable energy to reduce reliance on coal.

And there are more lessons from around the world.

It is not only the Asian tiger economies that recognise the role of cities in a dynamic economy.

In Britain since 2011 there has been a renewed focus on cities.

Explicitly recognising their potential to drive growth and prosperity, the Conservative Government appointed a Minister for Cities, part of a high-level Ministerial Group created to develop new ideas for cities and to assess the impact of existing policies.

A decade ago, New Zealand gave local government a “power of general competence”, rather than a restrictive list of competencies. The approach acknowledges the role of local councils as the government of their local area. It is less prescriptive, more flexible and empowering city governments to innovate and respond to local communities.

Even Poland has recently developed a national urban strategy in order to become more economically competitive with greater Europe, while Brazil has created a City statute to give local governments increased power and finance.

This global trend is about getting things done, to improve the quality of people's lives; to allow business to operate more efficiently; and to attract and keep the skilled workers required in a competitive global market.

CONCLUSION

So cities are where it's happening! And there is a global trend of recognising and supporting their importance as crucibles of innovation, creativity and economic growth opportunities.

But in addition to their broader significance, cities as third tier or grass roots governments are closest to the people and play a vital role in encouraging and supporting community life, not just in the provision of services and facilities, but also by promoting a fairer society, with more equal opportunities, and the greater acceptance and celebration of diversity.

At each of our citizenship ceremonies, I read out the names of the countries of origin of the newly made Australians. At the most recent, it was 263 new citizens from 50 countries.

Cities are also responsible for the quality of urban environments, the amenity of residents, ease of access, including walking and cycling, and the excitement and pleasure of everyday living.

And I believe that cities where people want to live are places where people want to create, do business and innovate.

So, of course cities should rule the world!

(Word Count – 4,050)