

Exploring How Sydney's Population Growth Impacts Its Governance

Associate Professor Glen Searle

School of Architecture, Design and Planning
University of Sydney
Sydney, Australia

E: glen.searle@sydney.edu.au

In recent decades, the population of urban areas worldwide has been growing exponentially. This includes Sydney, where 5 million inhabitants currently reside.

Associate Professor Glen Searle at the University of Sydney recently explored how Sydney's population growth is encouraged by national and state governments, and how it also drives important government decisions.

In his study, he highlights that immigration and population growth are supported by Australian national and state governments. Growth in urban populations can create jobs, promote economic growth, prevent recession, reduce the average age of citizens, and increase taxation intakes.

While rising urban populations can be economically advantageous, it also means that new housing and infrastructure must be built to accommodate additional residents.

Sydney's continuous growth has led to two main policy imperatives – the generation of jobs for the expanding population, and the development of housing and infrastructure to meet the needs of citizens. Construction has become increasingly important, providing jobs as well as new housing and infrastructure.

So, the national and state governments have increased their funding for the development of urban infrastructure and housing through a series of measures, including Infrastructure Australia agency priority project grants, state taxes and loans. As these resources only cover some of the costs of development, the government also partners with the private sector.

With loans, for example, the state government has needed to limit the money it borrows from other parties to maintain its credit rating and reduce the risk of funding deficits. This has been a big reason why the government has funded a greater percentage of infrastructure projects in recent years using private sector finance.

To promote development projects, the government has also avoided making developers pay various charges that would be beneficial to citizens. These include 'value capture' – a charge that developers typically pay when changing a plot from rural to urban, or from an area of low population density to one with higher density, which automatically increases the value of land.

Associate Professor Searle explains that this has also led to the development of fewer 'people friendly' green areas and less state revenue for infrastructure to support development.

To quickly build new housing that can accommodate Sydney's rising population, the state government also started reducing or eliminating vital checks outlined by its original Environmental Planning and Assessment Act. As a result, many development projects may not be as environmentally friendly as they could be.

Finally, the government has made efforts to reduce citizen's opposition to development projects in Sydney, by emphasising the economic benefits of these projects, and limiting the legal avenues that citizens can use to oppose development.

Associate Professor Searle's paper raises important issues in Australia's current governance and urban planning. It points to the need for more community influence over urban governance decisions and more consideration of the non-financial aspects of urban development.

Summary of the paper '**Population growth and development: an outcome of Sydney's metropolitan governance**', in the Australian Planner. <https://doi.org/10.1080/07293682.2020.1739095>