

# A Fence at the Top of the Cliff or an Ambulance at the Bottom: 'The Cranbourne East Sustainable Living Hub'

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## ABSTRACT

The delay or 'gap' in infrastructure and services in growth area communities has for decades been the subject of much debate. Governments and the private sector have continued to argue about the amount of contribution and level of infrastructure to be provided, while in the middle, the people enticed to these areas by slick marketing promising their own version of the 'Australian Dream' are left wondering when the schools, train stations, roads, buses, and jobs will arrive.

This Scenario is becoming even more poignant as Australia is affected by the global financial crisis and stumbles into what some believe may be a long and deep recession.

Fringe areas such as Cranbourne, 42 kilometres from the Melbourne CBD, well known for its traditionally cheap housing that attracts a disadvantaged demographic, have become home to a new generation of homeowners neck-deep in debt. A year ago, with high interest rates and petrol prices, these homeowners were struggling to keep up, and they are now faced with an economy sliding into recession and future job uncertainty.

The impending combination of record household debt and a shrinking job market means Local Government faces considerable challenges in navigating a prosperous way forward for its established and new communities.

Intervention is one way to catch those who are ready to fall. Casey is pioneering a unique facility in one of its new communities that uses the goodwill and co-operation of the development industry, local education institutes, government agencies, and its own community development and service programs to provide early access to key knowledge and services for its new communities.

**KEYWORDS:** Infrastructure Gaps, Growing Communities, Household Debt, Unemployment, Sustainable Living.

## **1. INTRODUCTION**

A continuing problem in growth areas on the edge of Australian cities is the gap of several years between the first residents moving into the area and the provision of essential infrastructure. It would be fair to say that the main reason for this is an ongoing disconnect in all tiers of government between planning and timely investment in infrastructure. The infrastructure ‘gaps’ we observe across many of our major cities indicates that everyone is finding that this ongoing disconnect is a tough nut to crack.

This ‘gap’ in infrastructure effects growth area communities in two ways. It restricts the ability of residents to access jobs and services and limits the opportunity to establish social connectedness within these new communities. These problems are compounded when new communities are ‘tacked’ onto existing communities that are already suffering from infrastructure deficits and socio-economic disadvantage. Cranbourne, in the City of Casey is one such place.

A key objective of any Council in growth areas is to develop and nurture the early establishment of community connectedness. This is not only achieved through the services provided by government, but also by facilitating the early formation of a strong and resilient community. It was in response to this need that planners from the City of Casey conceived the Cranbourne East Sustainable Living Hub (SLH).

Officers in the growth area planning team have been working on a proposal to develop a community hub, in partnership with government agencies and the private sector that will provide a flexible multi-purpose community facility from the dawn of a new community.

This paper will begin with an introduction to the City of Casey and some of the existing and emerging problems that have led Council planners to look at new ways of providing a bridge to services for its new growth area community. Following that will be an explanation of the partnerships formed in the setting up of the Sustainable Living Hub (SLH).

## **2. Background**

### **2.1 The City of Casey – A planner’s diagnostic**

In understanding the thinking behind the SLH it is important to understand the underlying structural socio-economic characteristics and imbalance that prevail in growth areas such as Casey. The City of Casey has been one of Victoria’s fastest growing municipalities for the last 15 years, and is now Victoria’s most populous municipality with about 240,000 people. By 2026, the population is predicted to rise to 370,000, an increase of 54 per cent. 8,500 new residents are expected each year, which is an ever greater rate of growth than has been experienced in the last 10 years. All this is in the context that 80% of Casey’s housing has been built in the last 30 years.

Unfortunately and not uncommonly, infrastructure and service provision has not kept up with this growth. Job growth has also lagged behind population growth, requiring a large resident workforce to up and leave the city every day to get to their place of work. Casey has the largest resident workforce in Melbourne of approximately 100,000 people. 75,000 of these workers travel to work by private vehicles, making Casey the largest ‘car force’ in the roads

of Melbourne. Only 6,200 workers of the 100,000 took the train or bus to work.

This trend is reinforced by the lack of public transport infrastructure. A benchmark analysis has revealed that Casey has one train station to 70,000 people, when compared to a similar land area and population size of the inner south east of Melbourne, which has one train station to 10,000 people. Bus services are of a poor standard and serve only those who have no other transport choice, rather than being a viable transport option.

It comes as no surprise then when planners in Casey shudder at the additional population of 130,000 people kindly allocated for our city by the State Government, with only one tentative train station planned and no additional bus services committed to cater for this growth.

The population of Casey and Cranbourne in particular, has a high proportion of disadvantaged people according to the widely used SEIFA Index. The SEIFA (Socio-economic Indexes for Areas) index is produced by the Australian Bureau of Statistics every census year, and is based on a range of statistics such as income, education, and unemployment. According to the 2006 SEIFA Index, the majority of the Cranbourne Area is in the 'most disadvantaged' category.

To further highlight Cranbourne's problems, two recent studies (Dodson and Sipe 2006, Baum & Mitchell 2009) demonstrate that residents of growth areas such as Casey are particularly vulnerable. They undertook a study of housing debt and oil reliance in different urban locations around Australia to highlight household vulnerability to increases in oil prices and increases in interest rates. They created a VAMPIRE (Vulnerability assessment for mortgage, petrol, and inflation risks) index to compare the vulnerability of different locations. Much of Casey, including Cranbourne ranks in the most vulnerable category under this index.

Cranbourne is 42 kilometres from the Melbourne CBD and most workers in the area travel a significant distance to work. Partly due to a lack of public transport options in outer suburbs, the vast majority of trips are taken by private car, making residents particularly vulnerable to rising oil prices.

Being a growth area, a significant proportion of the people moving to Casey are first home buyers, which naturally correspond to high household debt levels. The consumer magazine *Choice* recently estimated that Australians owe \$160 to every \$100 dollars they earn after tax. Throughout the mortgage belts of Australia, we would expect that this average is likely to be higher.

Baum & Mitchell's 2009 study assessed suburbs' vulnerability to job losses. They developed an Employment Vulnerability Index (EVI) ranking Australian suburbs according to vulnerability to job losses. The index takes into account the proportion of people employed in recession vulnerable industries (such as construction and retail), the proportion of people without post school qualifications, and the proportion of people working part time.

Since the study was released earlier this year the government has implemented its stimulus package which included the first home owner boost on top of record low interest rates. It had the desired effect by resulting in a mini housing boom. However it has also enticed 'would-be' homeowners into the market. Whilst our much lauded lending standards will prevent some of these people from getting into trouble others have managed to qualify for loans and now swell the ranks of the mortgaged stressed. Various comments in the media have recently been

made on this issue, highlighting it as a potential downside to the stimulus if a subsequent significant recession ensued in the near term.

The Baum & Mitchell study may have already foreshadowed this risk as they describe a new wave of disadvantage joining existing disadvantaged areas broadly associated with declining 'old economy' industries such as manufacturing. Many of these new households are dependent on two incomes, one of which is often part time, and increasingly under-employed.

Council has seen the early signs of this 'new wave' of disadvantage over the last two years. The Cranbourne Information and Support Service (CISS), is a community based information and referral service staffed by trained volunteers. Services include information and referral, crisis intervention and budget counseling. They have seen a 23% increase in people seeking financial aid and counseling over the last year and note that the demographic of people presenting, usually dominated by lower income earners, have become more mixed with people from middle income brackets now also presenting.

At the 2006 census Casey had a resident workforce of 100,000 people 80% of which is dominated by workers in the goods and services sector. Approximately 50,000 of these were employed in industries such as manufacturing, retail and construction. Therefore it holds true that the Baum & Mitchell index shows that Casey has many suburbs in the EVI category of 'most vulnerable'.

All of these indexes point toward a disturbing picture of widespread vulnerability in Casey's growth areas. Whilst we have appeared to have miraculously avoided any substantial recession compared to the rest of the world, the underlying warning signs for a social and economic calamity are still very real.

Many analysts' still believe Australia's housing market is 20-30% over priced and this view was prior to the introduction of the first homeowner boost that has resulted in further inflating house prices. If a housing correction and/or real recession were to occur in Casey, it is fair to say that there are some similarities to that which existed in the US prior to its housing collapse. It would involve those people who bought in at the 'peak' of the market taking on substantial household debt and those from the 'sub-prime' market whom were never able to pay the debt back. Either way both found themselves in mortgage stress, with reduced job opportunities and a declining housing market where the value of their homes become less than their mortgage, on their home, resulting in a 'negative equity' situation. In short, instead of their homes being a nest egg or piggy bank they became a trap.

On the job front Professor Sue Richardson from the National Institute of Labour Studies at Flinders University in South Australia, when speaking about the Global Financial Crisis (largely the result of the US housing market collapse) in a recent forum in Melbourne, noted that the Small to Medium Sized Businesses in the demand/supply economy tend to suffer the greatest in economic down turns, while demand will increase for public services such as health, social services and education.

Both these issues raised above have a close correlation to circumstances and realities that currently prevail in Cranbourne with the majority of residents in mortgage stress and who are employed in the demand/supply (or good services) economy.

## **2.2 Lack of Infrastructure and Services**

The lack of services and infrastructure will only compound the problems that would ensue if a significant recession event did occur. For example, inadequate public transport forces residents to rely on private vehicles, which increases household expenditure. Lack of transport options reduces residents' ability to reach a range of jobs. It may also discourage potential new employers locating themselves in Casey. The key observation here from Social Planners is that the extra time you spend in your car getting to work and back will be to the detriment of the wellbeing of the family unit.

A lack of community facilities, youth services, and social services can also result in widespread social isolation. There is a strong push by the City of Casey in partnership with the Department of Planning and Community Development (DPCD) to develop and strengthen growing communities by applying intervention and enabling mechanisms.

Providing services and addressing disadvantage in problem areas also makes economic sense. Currie (2006) found that the long-term benefits of early intervention programs to counteract social disadvantage in most cases offset public investment. For example, supporting young children to get a quality education is more effective and economic than re-training unemployed low-skilled adult workers. Although calculating the economic benefits to society is difficult, logic would tell you that this is a wise investment.

In 2007, The City of Casey commissioned the Hornery Institute to investigate the expectations and patterns of people moving in and out of 7 new suburban estates, including Lynbrook, which is in close proximity to Cranbourne. The report found that Cranbourne is already critically short of sufficient and appropriate infrastructure and that a feeling of despondency can set in quickly due to the isolation and other problems associated with 'infrastructure lag'. Residents surveyed expressed frustration at the lack of services and their rudimentary nature when they were provided.

Unfortunately the business imperative of any local government like Casey that has been experiencing rapid growth means it is always in a state of catch-up. Trying to provide state infrastructure to existing communities while preparing for the future communities quickly soaks up resources and getting developers to open up their wallets is always a constant struggle.

The challenge for the governments is that when these huge areas of land on the fringe of Melbourne are prepared for future suburban development, it is vital that infrastructure and mechanisms to delivery it are planned and implemented early to avoid the 'catch-up' game. This would avoid exacerbating problems in existing communities, and consigning a growing number of new residents to the same predicament.

## 2.3 The Sustainable Living Hub

### *Introduction*

The Cranbourne East Sustainable Living Hub (SLH) was conceived as a solution to the problem of how to provide services to newly established communities that will meet their short-term needs that is also financially viable for Council. The SLH will be located at the first stage of a new estates development.

The SLH will function as an interim community facility providing space for community services such as playgroups and maternal child health consultations. It will also function as interim community centre for meetings, education classes and informal gatherings. The hub will operate for several years until a permanent activity centre with the associated community services are established.

### *Partnerships*

#### The Western Port Greenhouse Alliance (the WPGA)

The Western Port Greenhouse Alliance (WPGA) is a climate change awareness organisation that works with local governments in southeast Melbourne. They run behaviour change programs to educate people on how to adapt to climate change and become more environmentally sustainable. They have decided to base their southeast operations at the SLH and run education programmes with new homeowners on sustainable living practices. They consider this as an important initiative because housing is a major source of carbon emissions, and one's housing choice will be a significant factor in homebuyer's future carbon footprints.

#### Stockland

After considering possible locations for the Hub, Council proposed the concept to the developers Stockland who are developing an estate in Cranbourne East known as 'East Village'. The estate will provide for approximately 3,000 people and comprises of mix of housing choices from first homebuyers to retirement living options.

Stockland have chosen to market 'East Village' with a strong emphasis on creating a 'place' for a community to take hold and grow. They have been supportive of the project from day one and enthusiastic about its potential to not only create a point of difference for their estate in a competitive local market, but also to demonstrate to the industry leading practice in the creation of new communities.

A modified version of a large suburban house design by Henley will be built and Stockland will sell the property to an investor, who will lease the building back to Stockland for 5 years. Stockland will then sub-lease to Casey and the WPGA. When permanent community facilities are delivered, the building will be refitted as a standard suburban dwelling and sold. This model minimises the cost and liability to Council and spreads rental costs between Casey and its government agency partners, WPGA, and Stockland. (Insert Diagram)

### *Casey and other partners*

There will be a presence in the SLH from day one in the form of the WPGA. It is also proposed, due to the strong support from State Government agencies such as the Department of Planning and Community Development (DPCD) and the Department of Human Services, that a community development officer will be appointed to the project. The officer will facilitate community engagement in the SLH encouraging for example, the formation and facilitation of mothers groups, community interest groups and home based business.

The SLH will also serve as a community information facility and Council customer service portal. The new community can be linked to services and useful information, such as water saving and waste recycling initiatives, community safety services, maternal and child health services, youth and language services, kid-safe promotional initiatives, volunteer participation, and local recreation facilities via Councils web based portal 'Casey Connect'.

The project has generated a lot of interest outside of the key partners. Involvement at the periphery includes Chisholm College of TAFE, who Council invited to provide trade students in the construction and landscaping fields. Henley homes will provide a '6 star' house (reconfigured to Council specifications) and oversee its construction in partnership with the TAFE. The Royal Botanic Gardens will also provide expertise in the construction of a model native garden, showcasing a drought proof and edible native garden.

### **3. CONCLUSIONS**

Residents of growth areas in Melbourne do not have access to the services and infrastructure available to residents of inner and middle ring suburbs. This contributes to the widening socio-economic gap between inner and outer areas. A growing trend of vulnerability in Casey points at an emerging threat to the wellbeing of its residents, who through the lack of infrastructure investment are becoming more disadvantaged in terms of employment, educational attainment, and resilience to economic factors such as rising petrol prices and interest rates.

To help militate against this vulnerability the City of Casey have been looking for ways to provide appropriate services to new communities in a more timely and effective manner. The Cranbourne East Sustainable Living Hub is one attempt to do this. If the project is successful, it will be replicated in future estates, with lessons learned applied to future developments.

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