

MEDIA RELEASE

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The economy and the fair go both need our cities to work better, says new report

Building more homes in established areas of cities and improving urban transport could substantially boost national prosperity and economic growth, according to a new Grattan Institute report.

[*Productive cities: opportunity in a changing economy*](#) shows that a new divide is opening in Australian cities, with growing gaps between the incomes, qualifications, house prices and access to jobs of residents in inner and outer areas.

The report analyses housing, income and transport data in Australia's four largest cities to show that while highly paid and qualified workers are living close to city centres, workers with trade skills and low skills, and people on low incomes, are living further from the centre.

"If the trend continues unchecked, then many people risk being locked out of the parts of the city that offer the richest access to jobs," says Grattan Institute Cities Program Director, Jane-Frances Kelly.

"Our cities have served our economy well for a long time, but there are growing signs that our housing and transport systems are not keeping pace with the needs of an ever more knowledge-intensive and skilled economy."

The report recommends increasing the supply and diversity of dwellings in existing suburbs, in line with previous Grattan research showing that the greater housing choice that Australians want can be achieved if residents are engaged in decisions about their neighbourhoods and the disincentives developers face are addressed.

It also recommends consideration of road-user charging to ensure that road space is preserved for the most productive uses and as a way to raise funds for public transport.

The report finds that while inner city residents have rich access to a range of jobs, in large outer areas of Australia's biggest cities, less than 10 per cent of all jobs in the city can be reached within a 45-minute drive.

"People in these suburbs have access to so few of the jobs available in our cities that they are extremely vulnerable in a downturn," Ms Kelly says. "In this case, what's good for the economy is good for the fair go."

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