

Challenges for Australian cities today

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The Whitlam / Hamer Legacy: Challenges for
Australian Cities Conference

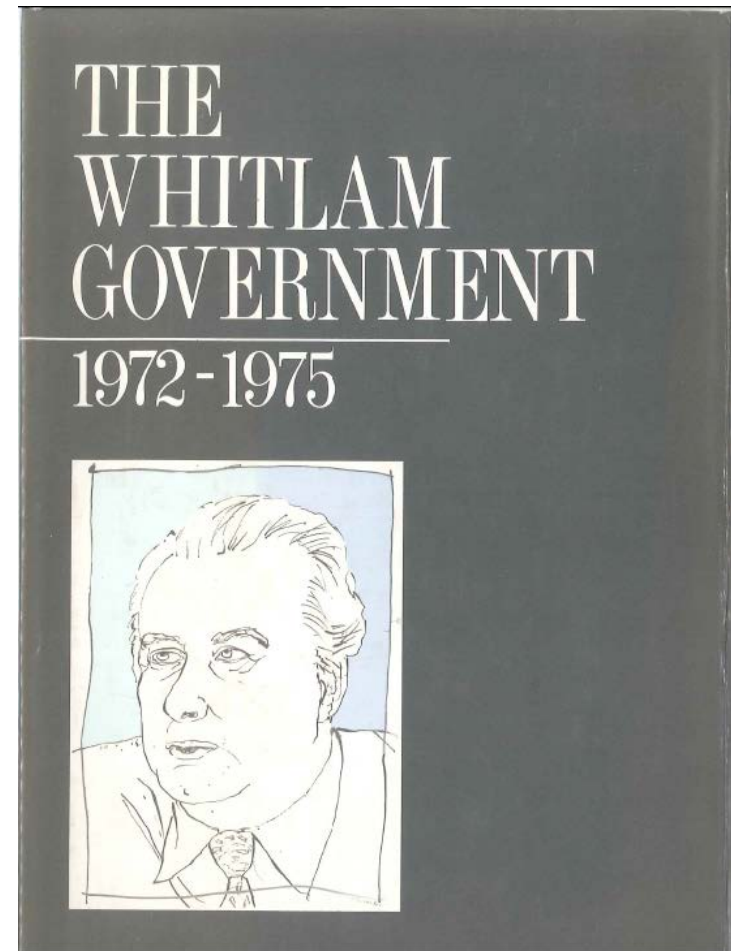
RMIT University, Melbourne, Nov 5th 2015

Introduction

- Then – challenges for Australian cities
- Now – new challenges for Australian cities
- The nature of policy responses
- Two significant challenges
 - Plan formulation and governance
 - Governing the production of the city
- Conclusion

Then – challenges for Australian cities

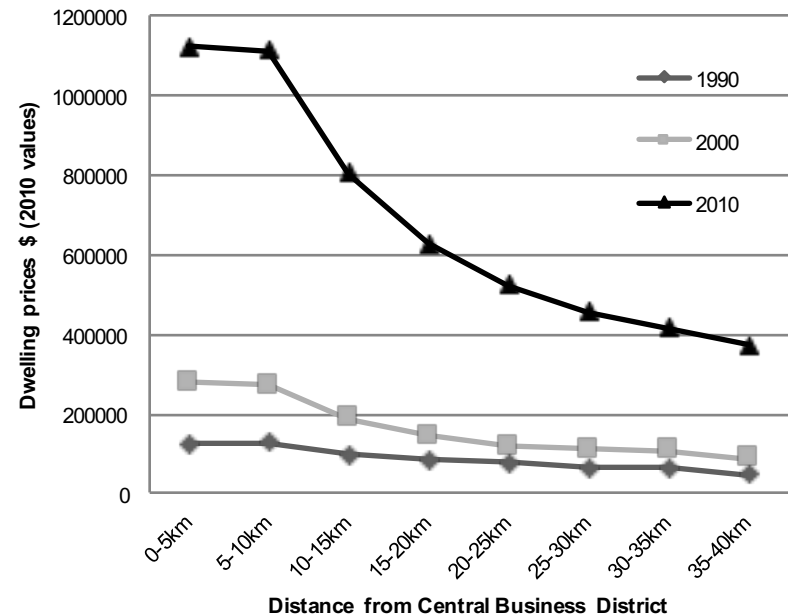
- Urban growth
- Urban land supply
- Suburban services backlogs
- Housing affordability
- Housing undersupply
- Urban public transport
- Governments and agencies unconnected



Now – challenges for Australian cities

- Headline challenges are similar
- Larger and more spatially divided
 - Housing affordability
 - Tertiary employment access
 - Women and men's access
 - Commuting time increases
- Encroaching on natural environment and food production

House price distance gradients 1990 - 2010, Melbourne

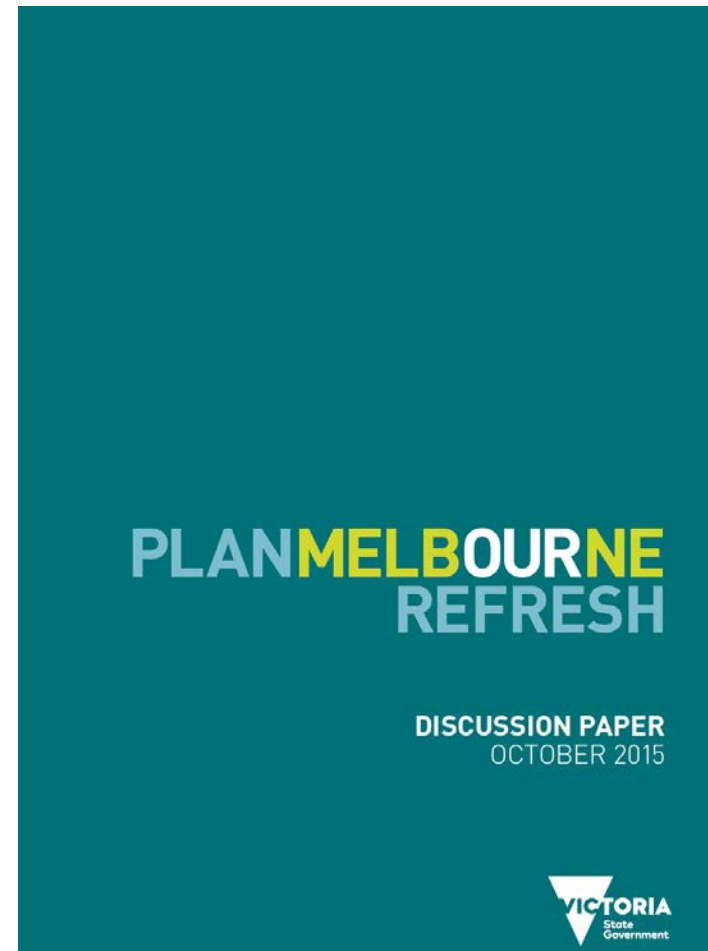


Challenges will intensify

- City growth and change in structure will continue
 - Investment in an open economy
 - Changing economic structure: goods down services up
 - Continuing immigration program and population growth
- Suburban growth will continue on the fringe
- Climate change: reducing GHG emissions and mitigating climate change effects
- Continuing income and wealth inequality reflected in housing markets and access

Plan and governance capacity challenge

- State governments metro plans from 1980s increasingly strategic policy documents
- Other governments
 - Australian government episodic involvement
 - Local government limited policy input and reactive
- *Plan Melbourne Refresh* latest Vic example that proposes
 - Ambitious policy directions
 - Spatial framework
 - Governance proposals
 - Budgeting and resources
 - Engagement



Reviews relating to Plan Melbourne

<p>Economic development</p>	<p>The Regional Economic Development and Services Review will identify the best approach to deliver services that support regional growth and job creation, including regional planning arrangements across government.</p> <p>Agricultural land and earth resources issues being addressed by the Department of Economic Development, Jobs, Transport and Resources (DEDJTR) include the changing nature of farm practices, competing land uses and increased export opportunities.</p> <p>The Extractives Industries Taskforce is addressing supply, demand, protection and facilitation issues confronting this important sector.</p> <p>The Trade and Investment Policy, Agriculture Strategy and Creative Industry Strategy will also be reviewed.</p> <p>Priority Sector Strategies under development include:</p> <ul style="list-style-type: none"> • Food and Fibre • International Education • New Energy Technologies • Medical Technology and Pharmaceuticals • Transport • Defence • Construction Technologies • Professional Services <p>Plan Melbourne 2016 will need to align with these policy development processes.</p>
<p>Housing</p>	<p>Housing-related policy development underway or foreshadowed expected to be complete by mid-2016 includes a Review of Housing Affordability in Victoria (led by the Department of Treasury and Finance), the development of a strategy to improve the response to Victorians in housing crisis (led by the Department of Health and Human Services) and the Review of the Residential Tenancies Act 1997 (led by Consumer Affairs Victoria).</p> <p>In addition, consultation relating to 'Better Apartments' is underway and there is a commitment to an independent review of the implementation of the Reformed Residential Zones.</p> <p>The Plan Melbourne refresh can contribute to these initiatives, particularly in relation to:</p> <ul style="list-style-type: none"> • Strategic goals for the location and type of housing to meet expected future needs – this should establish the strategic basis for the development, implementation and evaluation of planning provisions, including new residential zones and frameworks for renewal areas • Providing mechanisms that ensure development standards and approval processes are appropriate, deliver more affordable housing and facilitate social and community housing • Whether planning enables responses to housing needs for particular sectors, such as housing for older people, shared housing, housing for people with disabilities, crisis accommodation.
<p>Transport network</p>	<p>Various transport project and network recommendations from the MAC will be referred for consideration to transport planning under the Transport Integration Act in the context of advice from Infrastructure Victoria.</p> <p>The cycling strategy will be updated and a new action plan will be developed to reflect the Government's commitments and projects. Community and stakeholder feedback will be sought from late 2015 on the directions in the strategy. A draft strategy and action plan will be available for consultation in early 2016.</p> <p>It is noted discussions are continuing with the Commonwealth Government about the preferred corridor for a possible east coast High Speed Rail network linking Brisbane, Sydney, Canberra and Melbourne. This is a long-term proposal.</p> <p>Plan Melbourne 2014 establishes the strategic framework for land uses which the transport network will serve. The refresh will reflect the current Victorian Government's commitments. It will also clarify the status of elements of the network that are options for evaluation.</p>

- The Victorian Government will review other legislation and programs which reduce emissions to commit to an achievable emissions reduction target for Victoria.

MAC recommendations, refresh engagement and potential **Plan Melbourne 2016** responses will be considered in the development of the government's response to the review of the *Victorian Climate Change Act 2010*, in the development of an emissions reduction target and policies and the Climate Change Adaptation Plan.

Plan Melbourne 2016 will strengthen the focus on key areas where planning has a leading role in delivery of climate change outcomes. For example, how the city structure can reduce emissions, and regulatory and planning powers to adapt to climate change, as well as enable or facilitate implementation of **Plan Melbourne 2016** by others. Some important responses to climate change, such as emissions reduction targets, are beyond the scope of **Plan Melbourne 2016**, but are being addressed elsewhere by government.

<p>Water</p>	<p>The State Water Plan.</p> <p>Plan Melbourne 2016 will be updated to align with that Plan.</p>
<p>Biodiversity</p>	<p>Victorian Biodiversity Strategy, the Flora and Fauna Guarantee Act and Native Vegetation Regulations are being reviewed (see Chapter 6 of this Discussion Paper).</p>
<p>Health and wellbeing</p>	<p>The Victorian Public Health and Wellbeing Plan 2015–2019 was released in September 2015.</p> <p>Plan Melbourne 2016 will be updated to reflect the goals of this plan and reinforce support for an urban form and design that improves health and community wellbeing.</p>
<p>Central City Framework</p>	<p>Plan Melbourne 2014 includes a short-term action to prepare an Integrated Framework Plan for growth in the Central Sub-region (Initiative 1.4.2).</p> <p>The MPA will confirm the scope, timing, milestones and engagement program. Plan Melbourne 2016 will be updated accordingly.</p>
<p>Infrastructure Victoria (IV)</p>	<p>Infrastructure Victoria is a new agency to guide investment in the state's public infrastructure. It will:</p> <ul style="list-style-type: none"> • Develop a robust process to deliver independent and expert advice on Victoria's infrastructure needs and priorities • Prepare a 30-year Infrastructure Strategy for Victoria and assess progress on implementation of a 5-year Infrastructure Plan • Support strategic infrastructure planning by Victorian Government departments and agencies • Research infrastructure issues and opportunities, including barriers, improving how benefits are measured, financing and funding models, and policy and reform issues. <p>Plan Melbourne 2016 will establish the long-term strategy for city-shaping infrastructure, with Infrastructure Victoria establishing a robust process to advise</p>

Plan and governance capacity deficit

- State governments govern using functional portfolios, authorities and budgets throughout the state without spatial coordination requirements
- Central coordinating agencies (Premier and Cabinet, Treasury, Finance) do not advise using a spatial framework
- Agencies with the responsibility and capacity to encourage spatial coordination have been hollowed out
- Influence of large financialised players in the urban land and property economy has increased

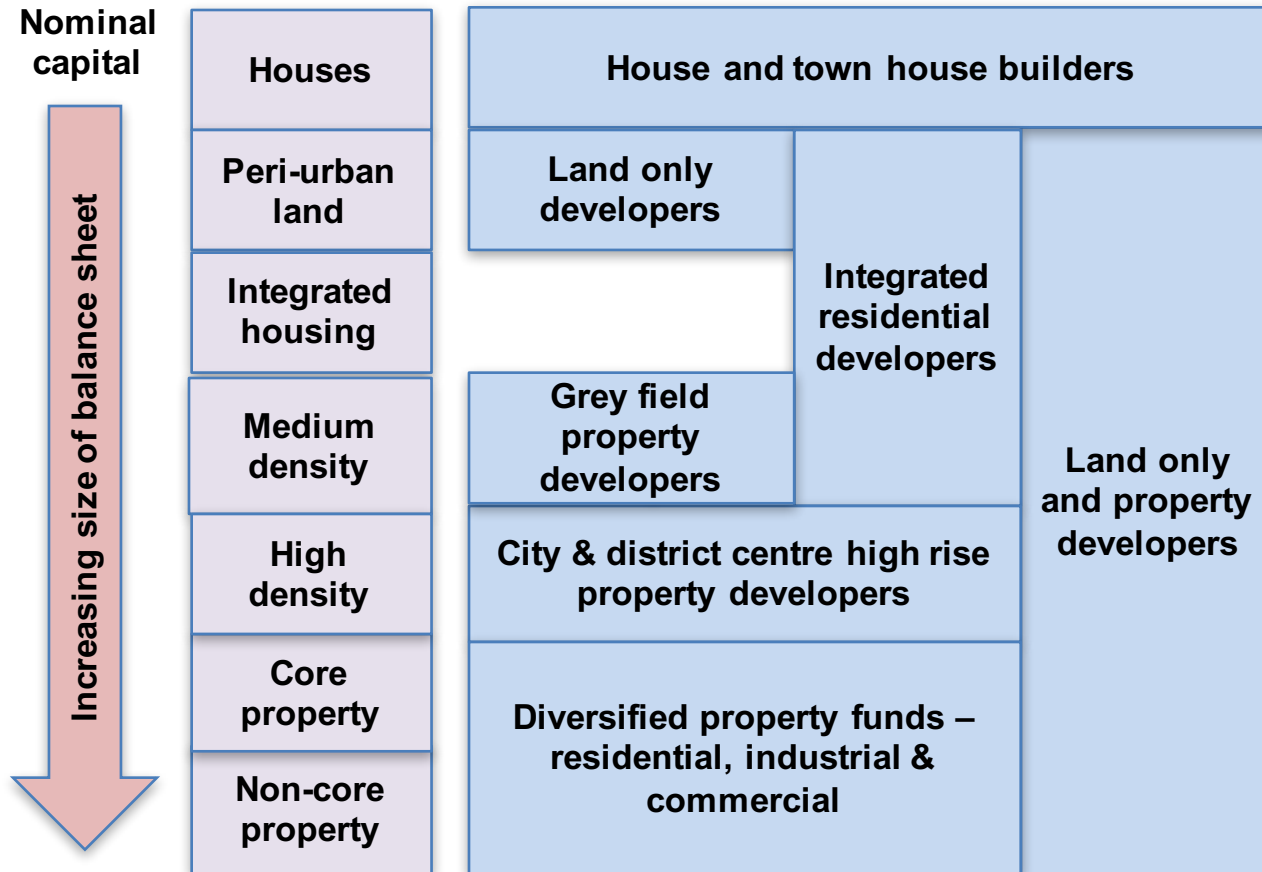
Whether the objectives of the main roads authority are consistent with those of the water and sewerage supply authority is a question which no-one in particular has a responsibility to examine. Whether their objectives are consistent with those of the local planning agency is, equally, a matter of chance. If there are inconsistencies it is the people who spend the money, not the planning agency, who prevail.

E.G. Whitlam, 1968, Walter Burley Griffin Memorial Lecture

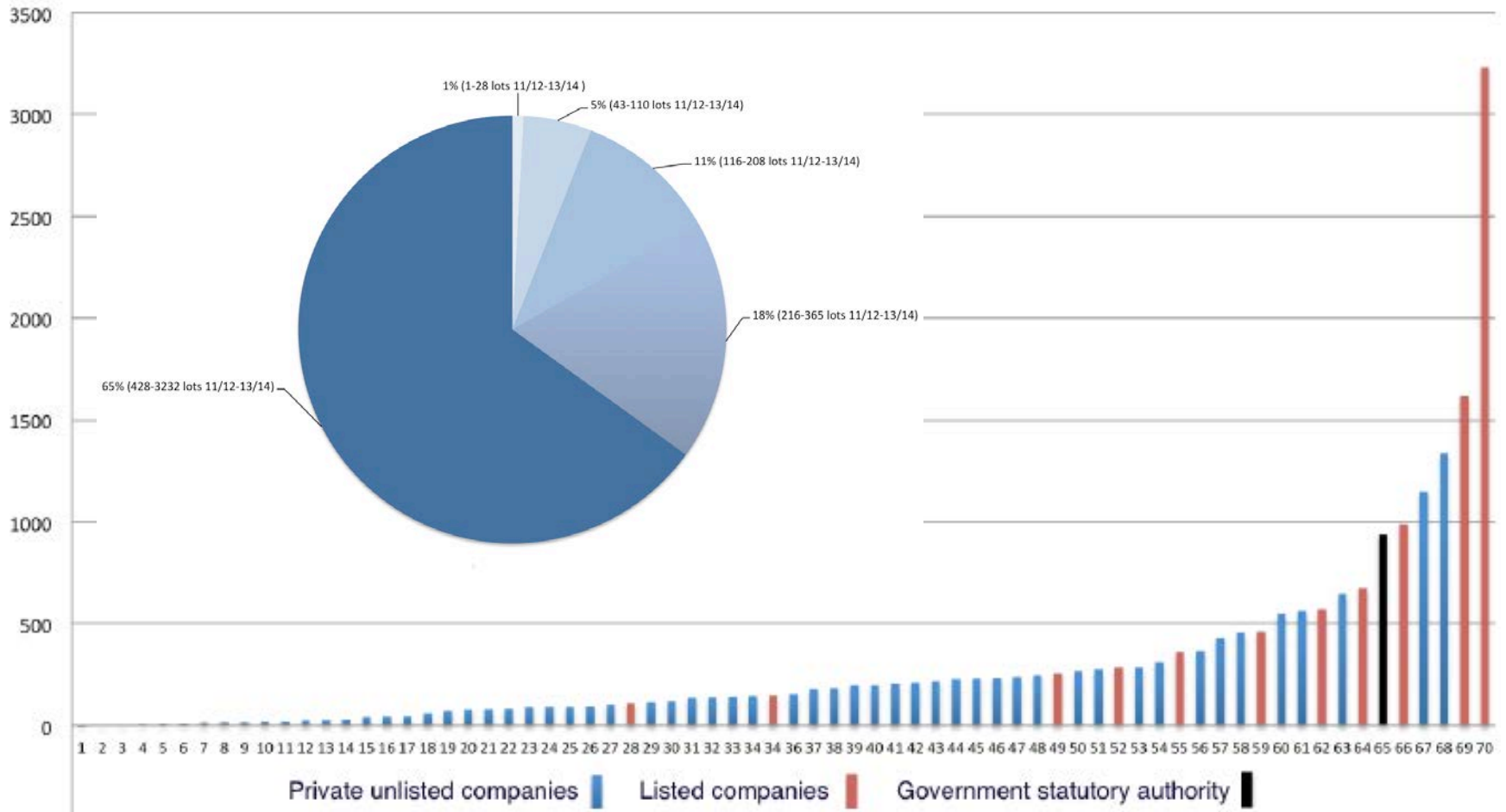
Governing the production of the city

- Residential land and housing
 - Policy largely about targets, lots, approvals, starts, completions, sales and loans
 - Plans and policy display lack of understanding of of land and residential housing development
 - Recognise specific arrangements in provision – ‘structures of provision’
 - Three broad categories: land development residential building; development finance

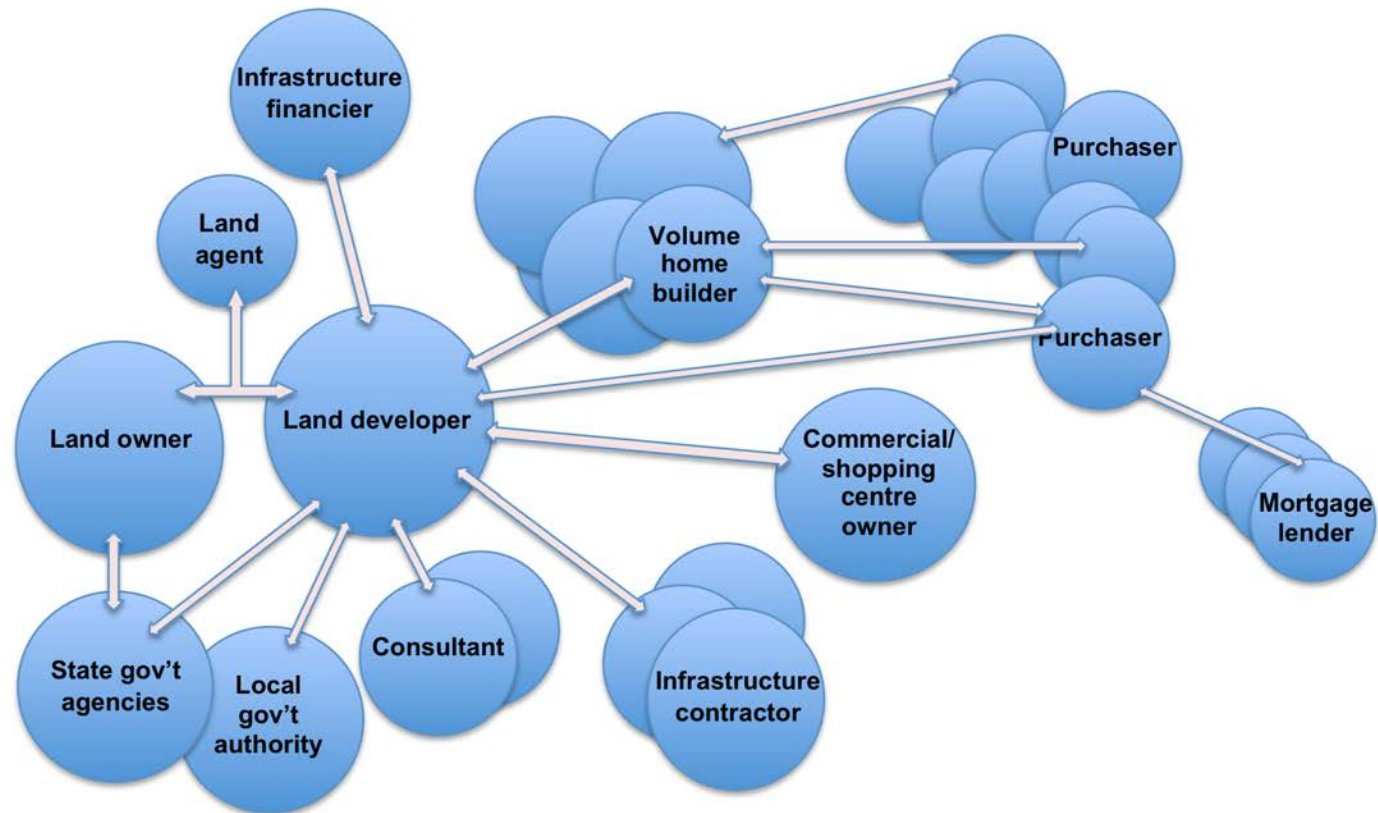
Housing developer and builder typology



Fringe land developers lots sold 2011-14



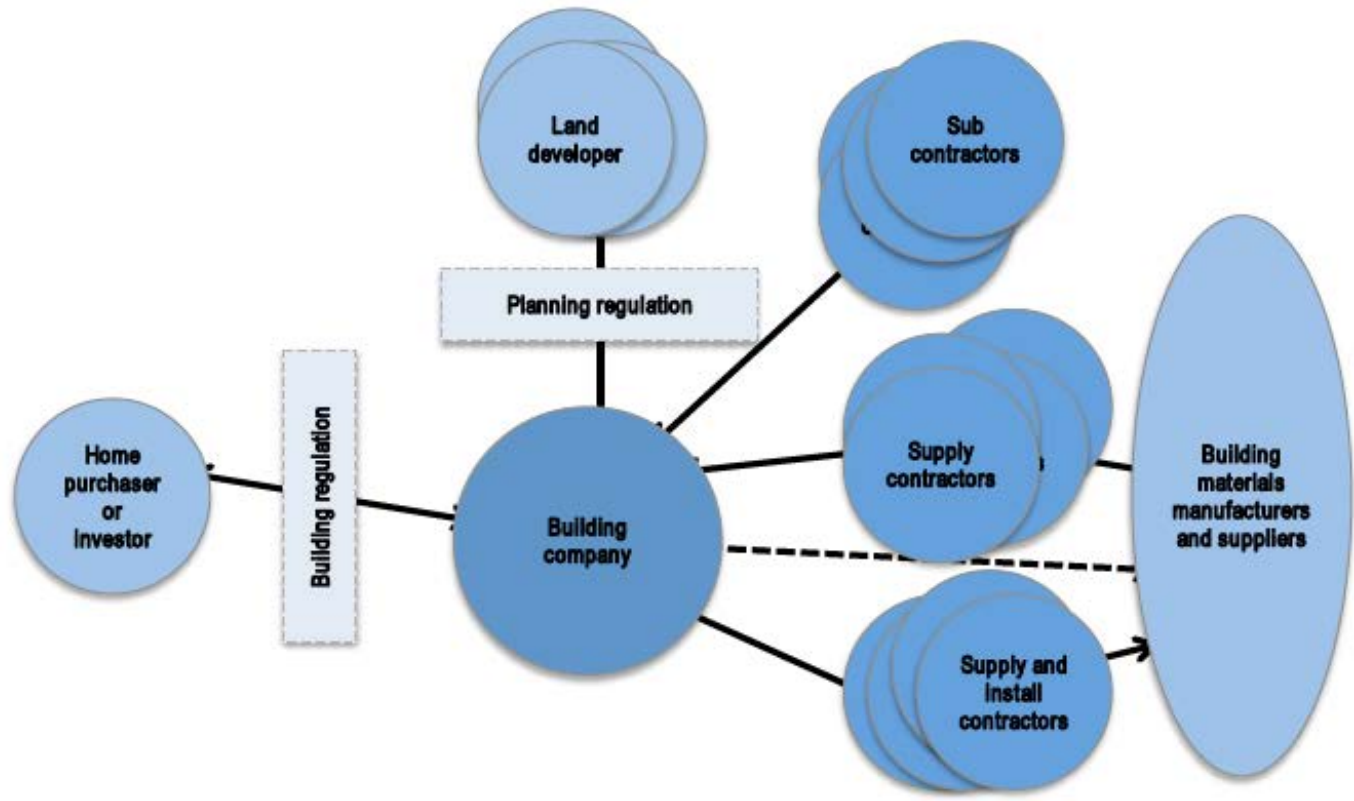
Fringe land developer industry relations



State and local government engaged in

- Planning and regulation
- Revenue raising through developer levies
- Funding social and economic infrastructure

House builder industry relations



Financing urban development

- Finance issues
 - Level of importance of finance to property developers
 - Sources of finance and criteria used by lenders to decide
 - Changing economic conditions and property finance
 - Innovation in property development and effect of finance
- Policy relevance
 - Recognise 'structures of provision' necessary for implementing plans
 - Scope for public provision partnerships and joint ventures
 - Understanding the impact of plans, regulations on risk and project feasibility
 - Effect of economic change in lending policies of institutions
 - Opportunities and means for industry innovation

Conclusion

- Make cities and their development a focus of Australian federalism
- Strengthen metropolitan planning capacity and policy development and implementation by
 - Increased capacity of state government planning agencies; or
 - Establishing metropolitan governments
- Recognise ‘structures of provision’ and reshape for increased sustainability and fairness