

MELBOURNE'S ACTIVITY CENTRE POLICY: A POST MORTEM

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INTRODUCTION

Almost a decade ago in October 2002, the state government of Victoria introduced *Melbourne 2030 – Planning for Sustainable Growth*, a new metropolitan planning strategy for Melbourne (Department of Infrastructure, 2002a). The strategy, which was to guide the city's development for the next 30 years, was to bring about a more sustainable urban form, encourage consolidation and provide for substantial population growth. *Melbourne 2030* became the model for a number of other state government planning strategies in metropolitan areas around Australia as they were experiencing similar growth pressures. Central to the strategy was a focus on activity centres, which were identified and categorised hierarchically from the CBD down to an unnamed plethora of neighbourhood centres. They were to be the sites of new growth, specifically the recipients of greater proportions of new housing, as fringe development was to be slowed and outward expansion limited by the imposition of an urban growth boundary. However they had other roles as well. Following international trends Melbourne had experienced the dispersing tendency of retail developments, as new and larger forms or retail stores and malls sought less expensive sites away from city and suburban centres. The activity centres policy aimed to curb this dispersing trend and to cluster future retail and other commercial uses together around public transport nodes. In this the policy was similar to many others around the world which have sought to protect the viability of existing town and suburban centres and provide facilities, jobs and services to residents with a variety of transport modes (McNabb & University of Melbourne Research Team, 2001; Evers, 2002; Goodman & Moloney, 2004; Schwanen et al., 2004; Office of the Deputy Prime Minister, 2005). The activity centre policy was therefore an essential part of a strategy aimed broadly at supporting a more sustainable urban form. It could be argued, that along with the imposition of an urban growth boundary, it held central importance to the implementation of the strategy as a whole.

There have been many critiques since the strategy was launched (Mees, 2003; Goodman & Moloney, 2004; Birrell et al., 2005; Dodson, 2009). Additionally, as time moved on it has become apparent that many aspects of the strategy have been ineffectual and often the cause of considerable community conflict. There is a growing body of empirical evidence to attest to the fact that the strategy as a whole, including the crucial activity centre policy, has been ineffective (Audit Expert Group, 2008; Goodman et al., 2010). It was therefore no surprise that shortly after the election of a new state government in Victoria in November 2010 it announced that the strategy would be abandoned and a new plan drawn up. So although it is only nine years into a 30 year plan, it is timely to evaluate the policies contained in *Melbourne 2030* and to examine what they achieved, and the reasons for successes and failures.

AIMS AND CHARACTERISTICS OF THE POLICY

Melbourne 2030 was released after a two year process of investigations, consultations and deliberations led by the Victorian state government's Department of Infrastructure. It was unveiled in a series of public presentations by its development team as: an audiovisual presentation; a colourful book of nearly 200 pages illustrated with over 450 photographs (also available on CD); a shorter summary document and a series of colour coordinated implementation reports, which included one (*Implementation Plan 4*) specifically on the activity centre policy (Department of Infrastructure, 2002b).

The form of *Melbourne 2030* made the identification of its component parts a little difficult at first. The strategy contained nine key directions each of which was supported by a number of policies, which in turn had a number of 'initiatives' associated with it. The nine directions were very general goals which, apart from the first one 'a more compact city', were uncontroversial aspirations that could be almost universally considered appropriate. Who could argue with the aspirations of 'better management of metropolitan growth', 'a more prosperous city', 'a fairer city' and even 'a great place to be'? The sections of the strategy which relate to activity centres are to be found in a range of policies under a number of different key directions, set out for clarity in Table 1. What this demonstrates clearly is the integrated nature of the strategy as a whole. To isolate the aims of one section are difficult.

Direction

Policy

1. A More Compact City	1.1 Build up activity centres as a focus for high-quality development, activity and living for the whole community 1.2 Broaden the base of activity in centres that are currently dominated by shopping to include a wider range of services over longer hours, and restrict out-of-centre development 1.3 Locate a substantial proportion of new housing in or close to activity centres and other strategic redevelopment sites that offer good access to services and transport
2. Better Management of Urban Growth	2.2 Concentrate urban expansion into growth areas that are served by high-capacity public transport
4. A More Prosperous City	4.2 Strengthen Central Melbourne's capital city functions and its role as the primary business, retail, sport and entertainment hub for the metropolitan area 4.4 Create opportunities for innovation and the knowledge economy within existing and emerging industries, research and education
5. A Great Place To Be	5.5 Promote excellent neighbourhood design to create attractive, walkable and diverse communities
6. A Fairer City	6.1 Increase the supply of well-located affordable Housing 6.4 Develop a strong cultural environment and increase access to arts, recreation and other cultural facilities
7. Better Transport Links	8.1 Upgrade and develop the Principal Public Transport Network and local public transport services to connect activity centres and link Melbourne to the regional cities 8.3 Plan urban development to make jobs and community services more accessible 8.8 Promote the use of sustainable personal transport options

Table 1 Source: (DoI 2002a p. 185)

However, the aims of the activity centre policy within *Melbourne 2030* were expressed more clearly in *Implementation Plan 4*. They were to cluster “uses and activities to derive social, environmental and economic benefits for the community and business generally” (Department of Infrastructure, 2002b p. 3). The policy as outlined in this document identified its key objectives for activity centres as:

- reducing the number of private motorised vehicle trips to and from activity centres by concentrating activities that generate high numbers of (non-freight) trips in highly accessible locations
- encouraging economic activity and business synergies
- broadening the mix of uses appropriate to the type of centre and needs of the population served
- providing focal points for the community at different geographic scales
- improving access by walking, cycling and public transport to services and facilities for local and regional populations
- supporting the development of the Principal Public Transport Network (PPTN) (Department of Infrastructure, 2002b p. 5).

The activity centres were named and classified into the following categories: 25 principal, 79 major and 10 specialised – 114 in all (Department of Infrastructure 2002b p. 31), and more were added over time in later iterations of the policy. It was also claimed that Melbourne had over 900 neighbourhood scale centres, but thankfully there was no attempt to name them. It seemed to a number of commentators, including the authors of this paper, that this was more a description of the current structure of Melbourne's commercial and community centres, rather than a prescription of which centres were suitable for future development (Goodman and Moloney 2004). If the point of identifying centres was to indicate where large new developments should go, a list of 114 did not seem to provide very specific guidance, to either the public or private sectors.

Controversially, while the policy claimed that “stand-alone single uses do not constitute activity centres” (Department of Infrastructure 2002b p. 3), in fact most of the major shopping malls were identified as principal centres. The point of including these centres was presumably to focus attention on trying to improve them by increasing the range of uses and improving their public transport provisions. The differences between the roles and future development of the different categories of centre were outlined in *Implementation Plan 4*, however they are mainly a matter of degree and scale.

In order to fulfil the aim of concentrating trip-generating uses in and around the nominated centres, the way in which the planning system deals with proposals to locate such uses away from centres is crucial. *Melbourne 2030* acknowledged this by stating that

“Melbourne 2030 discourages out-of-centre development by giving preference to in-centre and edge-of-centre locations for new development. Such out-of-centre proposals will only be considered where it can be convincingly demonstrated that the proposed use or development is of net benefit to the community in the region served by the proposal” (Department of Infrastructure 2002b p. 10).

A similar statement as this was eventually inserted within the State Planning Policy Framework (SPPF) section of all Victorian planning schemes. This indicated the government’s intention, which gave guidance in discretionary decisions such as those taken by local councils dealing with applications and also by the Victorian Civil and Administrative appeals tribunal (VCAT). However the language used of ‘discourage’ and ‘give preference to’ did not rule out the approval of out-of-centre developments, and gave a clear indication to proponents of developments outside of activity centres that they needed just to argue that “the proposed use or development is of net benefit to the community in the region served by the proposal” (SPPF Clause 12.01-2).

The main means of implementing the policy on activity centres was intending to be through structure plans developed for each centre by local government. These were to specify strategic aims for each centre, as well as more detailed indications of the centres boundaries and sites for suitable development. Over time it was thought that these structure plans, once incorporated into planning schemes, would guide the future development of the centres.

POLICY DEVELOPMENT OVER TIME

Melbourne 2030 was released as a draft strategy with draft implementation plans and many key aspects of its implementation undeveloped. It has not been clear at what point the full strategy stopped being draft, however, the draft implementation plans were combined and launched as the official implementation plan one year after the first launch in November 2003. This initial draft status was probably meant to signal an intention to remain open to feedback. The overall direction of the strategy was determined, but submissions and lobbying on the particular details, such as the exact location of the urban growth boundary, were welcomed. There were no guidelines to deal with out of centre proposals, and nothing in the SPPF to give regulatory guidance. This left open the potential for broad interpretations around what the policy intended, which centres should be developed and what types of development were appropriate. With little time or adequate funding to develop structure plans for their activity centres, local councils were ill equipped to cope with the tide of applications citing the objectives of *Melbourne 2030*. This often left VCAT to elaborate and tease out policy intentions on a case by case basis.

Additional work aimed at clarifying the policy has continued to the present time. A guidance note on structure planning was released in 2003, and this was updated by a revised version in 2010, and the *Activity Centre Tool Kit: Making it Happen* (Department of Planning and Community Development, 2010a; 2010b). Guidelines for new centres were included in the initial *Implementation Report* and these were later supplemented by *Activity Centre Design Guidelines* released in 2005 (Department of Infrastructure, 2002b; Department of Sustainability and Environment, 2005). Additionally there was a report commissioned from planning consultants on criteria for out of centre development (Ratio Consultants Pty Ltd and David Lock and Associates, 2005) and on the performance criteria for centres (ACIL Tasman and Tract, 2005) and work done on measuring the performance of the nominated centres so as to have a baseline against which future improvements could be measured.

In 2007 an Expert Group was set up to conduct a review of *Melbourne 2030* as the strategy contained a commitment to conduct a review of the strategy with public participation every five years. It consisted of an analysis of the 2006 census (Department of Planning and Community Development, 2007) and of a report from the expert group that conducted the audit, which drew on comments from a public submission process (Audit Expert Group, 2008). The report noted that although supporting policies had been slowly put in place over the last 5 years, such as amendments to the SPPF, too much of the implementation depended on the structure

plans for each centre. Not all of these had been completed after 5 years (89 principle and major centres were completed or in progress) and many had insufficient detail. The report also acknowledged that there had been a lack of clarity about the means to integrate the structure plans into the statutory approval system. Most significantly the Audit report called for concentration on a few centres, considering that far too many were originally selected. It suggested that a single entity, an Activity Centres Authority, be responsible for implementation, and that it should select a limited number of centres for attention, set the boundaries of these and be actively involved in promotion and coordination and “identify potential redevelopment sites or locations where site assembly is feasible” (Audit Expert Group, 2008, p.38).

The government’s initial response was a document called *Planning for All of Melbourne* (Victorian Government, 2008) which established an implementation unit within the Department of Planning and Community Development and a range of other administrative procedures including the establishment of Development Assessment Committees (DACs) for the 3-5 ‘market ready’ transit cities and principle activity centres. It also suggested that priority would now be given to principal activity centres, and a new Activity Centre Zone would be applied. However a more significant response to the Audit came with the release of *Melbourne @ 5 Million*, in December 2008 which was officially considered an update to the original strategy, and the two documents were meant to be considered together. Its most significant contribution was to add another category of activity centres on to the already crowded typology. This latest addition advocated a ‘polycentric’ city with six ‘new’ Central Activity Districts (CADs) in addition to the central CBD now called a CAD. Box Hill, Broadmeadows, Dandenong, Footscray, Frankston and Ringwood which were all District Centres in the 1980s, and Transit Cities in the program which had commenced just prior to *Melbourne 2030*, were announced as ‘new’ CADs. Amazingly this nomenclature has very recently, in 2011, been altered again. With the addition of Geelong, these centres, described as “mini-CBDs in the suburbs” are now known as CAAs, Central Activities Areas.



Figure 1: Map of Activity Centres with Cads

Source: <http://www.dpcd.vic.gov.au/planning/plansandpolicies/activitiesareas/overview>

“Six new Central Activities Districts will provide: similar services and functions to central Melbourne, such as commercial, retail, highly specialised personal services, entertainment, education, government and tourism; significant employment concentrations; high quality, well designed, living and working urban environments” (Department of Planning and Community Development, 2008 p. 11).

It might be appropriate at this point to consider the effect that the activity centre policy of *Melbourne 2030* has had, before returning briefly to *Melbourne @ 5 Million* to discuss its likely impact.

IMPACT

The most immediate impact of *Melbourne 2030* was to signal where new development was no longer allowed to occur – outside the urban growth boundary – and where it would be encouraged – in and around the named activity centres. However, this was generally housing development, rather than new retail or commercial development which might have been considered the main focus for a traditional clustering policy. The development industry picked up the general direction – to increase the proportion of new construction and residential densities within existing built up areas – and began to submit proposals based on it, before the government had worked through the details of implementation or had developed guidelines. Early controversial proposals for medium or higher density developments in residential areas, including the colourfully named developments like the ‘Cheese Grater’ in Fitzroy (Dovey et al., 2009) and the ‘Mitcham Monster’, fuelled community anxiety about the effect that *Melbourne 2030* might have.

In the Fitzroy decision taken five months after the adoption of the strategy, differing views were offered about the strategy’s legal status. The Victorian Minister for Planning indicated the strategy should have the status of a “seriously entertained plan”, while the local councils believed that as the strategy had yet to enter into the regulatory framework and appear in planning schemes then “little if no weight should be given to it at the present time” (Barber et al., 2003 p. 16). However the strategy continued to be cited in support of development, such as in the 2004 case of a VCAT decision which overrode both Council and community objections to allow two high rise apartment towers proposed for a neighbourhood centre in Mitcham (Pallisco, 2009). The guideline decision acknowledged that a level of interpretation was required when dealing with a still unclear policy. It stated that “while the classification of activity centres provides a level of guidance for development options, the hierarchy should not be treated as a definitive guide as this would ignore the objective of the hierarchy which is multi-purpose in nature”. It went on to say that the absence of a structure plan “is not of itself a sufficient reason to refuse a permit” (VCAT, 2004).

As previously noted, *Melbourne 2030* covered a wide range of topics, with no indication of prioritisation or importance. It also frequently used language which was imprecise and aspirational rather than directive. As the Audit Expert Group pointed out in its report, planning strategies will mean different things to different people when they are written in an ambiguous manner (Audit Expert Group, 2008 p. 17). The early planning approval decisions were undertaken with different understandings of the strategy. The lack of clarity meant that many development decisions had to be decided on appeal to VCAT which was required to interpret the unclear and sometimes conflicting aims. An early example of this occurred with the Fitzroy ‘cheese grater’ development. There the Tribunal noted that “there is nothing in Melbourne 2030 to suggest that priority should be given to the population/housing related objectives over and above other objectives”, and noted that as a consequence “it remains necessary in each case to strike a balance between competing policy objectives including those relating to neighbourhood character and heritage significance” (VCAT87 decision quoted in Barber et al., 2003, p.16).

There have been a few assessments of the impact of the activity centre policy. The affect of the policy and the associate documents such as the design guidelines on the creation of 17 new activity centres were considered in a 2007 study which assessed new centres developed since the launch of *Melbourne 2030* (Goodman & Coote, 2007). This study demonstrated that the strategy was having little impact on the location, design and transport provision for new centres. The findings suggested that while the vision of a more sustainable urban form was clear in the policy documents, there were obvious problems in translating these into real outcomes. The problem appeared to lie in a lack of regulatory strength, leaving outcomes to be determined through negotiation between local government planners and developers resulting in variable and inconsistent decision making.

A more recent investigation specifically into the location of new housing also found the *Melbourne 2030* appeared to have had very little impact in directing new housing construction towards nominated activity centres (Goodman et al., 2010). On average the amount of housing located within one kilometre of a principle or major activity centre had declined to less than 20% by 2007. The study showed that only a few activity

centres located close to the CBD had experienced a growth in new housing, particularly apartment, construction. The report's findings suggested that this was most likely attributed to market forces and gentrification process rather than government planning policy (Goodman et al., 2010).

While it is far too early to assess the likely impact of *Melbourne @ 5 Million*, it does not take much detailed examination to conclude that the aim of creating a second tier of urban centres which fulfil the same role by providing "similar services and functions to central Melbourne, such as commercial, retail, highly specialised personal services, entertainment, education, government and tourism; significant employment concentrations in employment" (Department of Planning and Community Development, 2008 p. 11) as the CBD is unlikely to succeed. Melbourne's CBD is so dominant as a centre for employment, retailing and civic and recreational functions that it is inevitable that the CADs will remain second order centres with significantly different functions. Employment in the City of Melbourne, to take just one aspect, has increased by 10.6% in just two years between 2004-2006 and 14%, or over 50,000 employees, from 2006-2008 in the CBD, as compared to 5.2% for metropolitan Melbourne (MCC, 2008). The profile of employment in Footscray, to take the example of one designated CAD, is very different to that of the CBD where the business, finance and public administration dominate. The largest single proportion, 20% of Footscray's workforce, are in education, 14% in community services and only 2% in the finance and insurance industries (Centre for Strategic Economic Studies, 2010 p. 46). A report into Melbourne's western suburbs recently concluded that its "analysis of the current Footscray CAD identified a multitude of challenges to be overcome to create a centre with CBD-like functions", (Centre for Strategic Economic Studies, 2010 p. xi).

The implication of the policy is that a significant number of jobs ought to be moved from the city to the nominated CADs in suburban locations. "Moving from one CBD to a number of CBD-like centres will reduce congestion and enable people to spend less time commuting to and from work and more time with their family....." (Department of Planning and Community Development, 2008 p. 9). There is no indication what levers could be utilised to make this occur. It would be quite difficult to convince a large proportion of workplaces to relocate without significant incentives. It is well recognised that much of the tertiary sector, the higher order jobs in finance, law and business services for example, wish to be located in the CBD or a select few of the surrounding inner suburbs, such as Kew (Brain, 1999). The idea that a government strategy might make this occur without significant market intervention through both incentives and disincentives is fanciful.

However, it is also worth questioning whether it would actually be beneficial to reduce the job concentration in the CBD. It has by far the best public transport access and the highest commuting rates by public transport of any centre. The move of jobs to suburban locations would almost inevitably result in higher car dependence because of the radial nature of our transport system. In addition to this, the strong and economically robust CBD offers many other attributes which are the envy of cities around the world. It has vitality, expansive shopping, increasing bar and restaurant culture, and civic assets such as the state library, parliament, Federation square etc. which cannot be replicated. Many aspects of public policy from both the state government and the City of Melbourne have been aimed at strengthening the CBD and increasing its share of residents, over the last few decades. The large amount of public and private investment which has gone into the Arts precinct, Docklands, the Museum, the revitalisation of the small streets and lanes are all testament to this. *Melbourne @5Million* appears to fly in the face of all of this concentrated effort, and it is surprising that this has attracted so little public comment. However while trying to reduce the CBD may not seem like a good idea, concentrating new development which would otherwise be dispersed into a much more limited number of centres makes a lot of sense.

The seven CAAs will be subject to a 'six step delivery model' aimed "to provide a flexible and holistic approach to CAA development" (DPCD, 2011). The steps are:

1. Achieve an agreed shared vision - amongst the major stakeholders for development of the CAA.
2. Provide planning clarity and certainty - for the development and investment industry, the community and whole-of-government.
3. Provide necessary supportive infrastructure – coordinate delivery of roads, public transport, health, education, public spaces and social and civic infrastructure.
4. Facilitate land assembly for infrastructure and catalyst development - to ensure that a supply of development sites is provided and maintained.
5. Undertake seed/catalyst projects – for example, new public services and institutions, government-tenanted buildings and affordable housing.
6. Undertake proactive marketing and development facilitation of private and public land – to facilitate Local Government and community support, and desired investment and development.

Broadly defined these steps appear to reflect many of the key features of the 1980s District Centres Policy (Goodman and Moloney 2004). While the future of an activity centres policy is uncertain given that the next metropolitan strategy may not be announced until 2013, work is continuing around the CAAs. Much of this however, is investment which began as part of the Transit Cities program from the start of the millennium. For example the Central Dandenong project which has a 15 to 20 year time frame is being supported by \$290 million worth of investment from the State Government, the relocation of government offices and the development of apartments (Minister for Planning 2011a). The aim is to attract over \$1billion from the private sector over the coming years. Despite these continuing efforts, there is evidence that past trends around ongoing out-of-centre development is continuing to occur. Two large home improvement developments have been approved on two sites not far from the Dandenong activity centre, on vacant industrial land with very little public transport (Minister for Planning, 2011 July 28; 2011 May 19).

REVIVING AN ACTIVITY CENTRES PLANNING

In reviewing recent iterations of Melbourne's activity centres policy we have highlighted a number of key issues around a lack of clarity in defining activity centres, weak regulatory instruments for restricting out-of-centre developments as well as problems around co-ordination and delivery. The following briefly addresses these concerns and suggest ways in which the current government may do better.

From Aspirational to Directional

The broadly stated directions within *Melbourne 2030* of achieving a more compact, fairer and prosperous city are certainly laudable and should continue to guide future planning. The articulated objectives outlined in *Implementation Plan 4* provide more clarity around what those broad directions mean in terms of planning for activity centres. Difficulties emerge however in not providing enough detail so that those objectives can give clear and unambiguous direction for decision making. The breadth and interrelatedness of issues made *Melbourne 2030* complicated and difficult to interpret. The document demonstrated an admirable understanding of the interconnectedness of urban issues but failed as a policy document to succinctly indicate what was intended to be done, and what the policy was going to allow or disallow. In order to shift from being an aspirational to directional policy what is needed is clarity around objectives *and* developing the means to deliver on them This requires firm commitment from government to provide certainty for all decision makers. Without the strength of clearly defined objectives and institutional and regulatory arrangements, planning as a whole will remain aspirational not directional.

From Descriptive to Prescriptive

One of the central problems with *Melbourne 2030's* Activity Centre policy was the inclusion of far too many centres from the small neighbourhood scale centre to stand-alone shopping centres. This indicated a lack of clarity around what the policy was really aiming to do and lack of commitment towards directing and attracting activity towards a selection of clearly defined centres based on sound criteria, most importantly well serviced public transport. With so many activity centres identified the policy reads more like a description of the metropolitan area which effectively highlighted to developers where they could locate their next housing development. What should have remained an analysis of activity centre types across the metropolitan area became a list in a policy document. While the government at the time may have been afraid to 'pick winners', the outcome has been not only ineffectual in terms of concentrating activity and reducing car trips, it has added to community apprehension of insensitive or intrusive urban development in the community as almost every shopping and community centre can potentially be earmarked for higher density development. To ensure that clearly defined objectives are achieved, and that the years of analysis and effort invested in developing metropolitan policies are not wasted, more strategic and regulatory clarity is needed to designate where future development should and should not be directed.

From Confusion to Clarity

The requirement for co-ordination and integration across a range of policy domains is essential for the delivery of a metropolitan strategy. Confusion over which policy was driving which emerged when alongside *Melbourne 2030*, other strategies were developed around the Transit Cities Program, which was working on the same centres, and transport infrastructure provision. Without the support of transport policies the central objective of the activity centre policy to reduce car trips and increase use of public transport, will not be achieved. The major focus on *Melbourne 2030* has been on the location of new housing and this may have blurred the objectives for activity centres. Many other international policy examples separate goals for housing provision from the broader objective of clustering major trip-generating uses, such as employment and retailing, into well serviced central locations. The important aim of locating new housing, particularly medium and higher density developments, close to activity centres seems to have obscured the goal of locating new office and retail developments within centres around major public transport nodes. This point was made in

comments on the effect of the activity centre policy on retail in a report into retail floorspace in 2007. The authors of this report interviewed both retail industry representatives and council planning staff and a number of them expressed doubts as to whether the goals of the activity centre policy would be achieved. The confusion of aims was acknowledged by one interviewee who said that the policy 'has too much to do with achieving transport and residential goals in Melbourne 2030, and not enough focus on retail' (Essential Economics, 2007 p. 35).

From A Weak to Strong Regulatory Framework

A draft of *Melbourne 2030* was released before the details around implementation were worked out, as previously discussed. The statutory tools for implementing the policy have had to be developed over time but remain weak in many instances, such as in the treatment of proposals for out of centre development. The strength of activity centres planning is not only the degree to which activities can be directed to locate in particular centres, but the degree to which activities are restricted from locating outside centres. In *Melbourne 2030* the lack of real regulatory clarity around development of dispersed retailing and the recognition of many of the stand-alone centres as activity centres has meant that dispersed and car based retailing has continued. In the English policy now known as Planning Policy Statement 4 (Department for Communities and Local Government, 2009) it is incumbent upon the proponent of a development to argue for why they *cannot* locate within a centre, while in Melbourne the onus of proof is reversed with developers only needing to argue why locating outside a centre "is of net benefit to the community in the region served by the proposal" (SPPF Clause 12.01-2).

From A Weak to Strong Capacity to Deliver

In talking about governance instruments, Healey refers to three 'critical structuring linkages' around the mobilisation of ideas, the exercise of authority and those related to the allocation of resources. She argues the need for a 'package of instruments' in "deliberate place management and development work" (Healey, 2010 p. 71). "Regulating who can build where needs to be linked to what infrastructure provision will be available to support development. This in turn can be related to how much government is prepared to invest and how much can be provided by landowners and developers" (Healey, 2010 p. 71). While she argues that there is not one model or approach to effective place management and development policies, a combination of supportive and integrated tools and instruments will be required building on the specific context in which planning takes place. In considering the future of an activity centres policy in Melbourne it is critical to develop the necessary package of instruments so that there is a strong capacity to deliver on objectives. Activity centre policies sit within a broader strategic planning agenda and as such must be integrated with other planning policies and across a range of other policy domains and infrastructure provision agencies. *Melbourne 2030* for example also included an Urban Growth Boundary strategy which aimed to contain Melbourne's growth within a fixed boundary. Unfortunately over the years as the boundary was shifted, containment was undermined allowing low density urban sprawl to continue. This policy of containment supports and strengthens a clustering policy around activity centres.

The capacity to deliver on planning policies is fundamentally related to how the role of planning, as a function of the state, is defined. During the 1990s under the Kennett neo-liberal government, the primary role of planning was to facilitate market-led development to drive up economic growth. The exercise of developing the *Melbourne 2030* strategy was an attempt at stipulating a broader long-term vision for an environmentally sustainable and equitable city. Unfortunately this attempt at expanding the role of planning did not go far enough in developing the political, institutional and regulatory capacity of the state to deliver on them.

Achieving the objectives set out in *Melbourne 2030* requires a 'whole of government' approach to planning for the future of Melbourne, an exercise that requires strong leadership and support from all government departments and between state and local authorities. Unfortunately *Melbourne 2030* was not a co-ordinated strategy with political and institutional support. It was underfunded and not supported by public transport policy and investment which was crucial to its success. The institutional strength and capacity of the planning department to co-ordinate all other departments so that policies were aligned was (and is) inadequate with the central agencies inevitably controlling major decisions. Without strong alignment of priorities across key government departments, strategic planning policies will continue to fight for legitimacy and viability.

CONCLUSION

The activity centre policy within *Melbourne 2030* sprang from aspirations to achieve a more sustainable urban form but unfortunately failed to deliver on its objectives. The policy suffered from a lack of clarity for decision makers, was poorly co-ordinated and had a limited capacity to deliver outcomes. Without the necessary clarity and regulatory framework development approval decisions continued to be made on an ad-hoc basis. The large number of named centres presented only a description of existing form rather than a recommendation of suitable sites for future growth. While it might be argued that the recent addition of an extra category of

centres in *Melbourne @5Million* indicates the six or seven centres which are most suitable for large new developments, there is still no regulatory means of directing such developments into them. While clarity around policy goals is essential, developing effective measures for implementation are critical. What a policy actual does, the effect it has in reality, is what is important, not whether it has good aspirations. Describing the way a city functions or the way we would like it to function does not make it happen. Using terms like encourage or discourage does not mean the right decisions will be made for the right places.

This analysis raises questions about the strength and sense of legitimacy and purpose of planning as an activity of the state in Victoria. While there was little doubt what role planning was assigned under the Kennett government, the subsequent Labor governments have done little beyond rhetoric to restore confidence in state-led planning. We await the development of the next state government planning strategy with some apprehension as a range of ad hoc decisions from the new Coalition Baillieu government give us little confidence of a new purpose or direction for planning. Meanwhile the underlying role of the market in determining urban development outcomes is left unchallenged.

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