

# PLANNING FOR RESILIENCE AND GROWTH: AN ANALYSIS OF METROPOLITAN PLANNING STRATEGIES IN AUSTRALIA

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## ABSTRACT

Metropolitan Planning Strategies (MPS) have tended to set long-term targets of creating particular spatial forms and then pursued them in a top down fashion. This modernist planning has largely failed to constrain the outward growth of cities and focus growth on identified activity centres due to the lasting effects of planning and investment decisions that have become embedded within bureaucracies and condition the choices of property development firms and consumers in a path dependent way. We propose that policy makers should focus on how to design institutional arrangements that engage communities in responding to urban problems and opportunities as they arise. The design of institutional arrangements to support metropolitan plans might include a greater focus on harnessing the capabilities of local communities in policy design and implementation. State governments could set the 'rules of the game' through high level metropolitan outcomes, with local governments and communities working together on local solutions within those rules. This oblique strategy would plan for resilience and growth in a flexible way.

## 1. INTRODUCTION

Patrick Troy has lamented that in recent decades 'government urban policy has been developed with seemingly little understanding of the origins of urban planning or why Australian cities take their present form and structure' (Troy 1996: 2). In the context of changes wrought by economic globalisation and the neoliberal response to it, governments are constrained in managing urban change by the effects of planning and investment decisions that have become embedded within bureaucracies and condition the choices of property development firms and consumers in a path dependent way. The most common approach to dealing with urban diseconomies – the development of MPS that have operated in a modernist way, pursuing long-term spatial goals in a top down fashion – has largely failed to constrain the outward growth of cities and focus growth on identified activity centres. The building of more resilient cities that can promote economic and social regeneration may require a more oblique approach that allows for experimentation and monitoring change, draws on the assets and capabilities communities and assists in connecting local institutions in ways that empowers them to address urban problems.

From the early 20<sup>th</sup> century, modernism – 'the hope that rational design by an omniscient planner could supersede practical knowledge derived from a process of adaptation and discovery' (Kay 2010: 4) – swept across many fields, including urban planning and architecture. Modernist planning is built on Enlightenment assumptions about the ability of people to understand and change the world. It involves the pursuit of one big idea through 'a wide-ranging subjugation of society to the functional and aesthetic inclinations of a single perspective' (Beauregard 1991: 191). This planning either transforms the city by extending the power of the state to prevent the owners of resources acting in ways that it against the public interest or it encounters diverse and uncoordinated resistance that allows society to maintain its integrity (Friedmann 1989). Within and beyond regions, organisations and interest groups may mobilise ideas and resources through interpersonal and social relationships to make changes that 'cut across' centrally prescribed policies and incentives (Hudson 2007; Allen and Cochrane 2007).

An increasing body of work now focuses on the economy as being made up of nonlinear dynamic systems that mix determinism and randomness in complex and unpredictable ways and are highly sensitive to initial conditions (Beinhocker 2007). This complexity makes the comprehensive description of problems and the specification of appropriate action that stresses design and intentionality at the outset difficult. Troy's critique of urban consolidation policies 'is that the solutions to problems, imagined or real, are *over determined*: they are too tight and allow little flexibility, freedom, or capacity to respond to changes in fashions, the transitions in the life courses of households and the way we accommodate to changes in our consideration of environmental factors' (Troy 1996: 165). In approaching complex social phenomena 'head on' by setting precise targets and rules we unwittingly forfeit the outcomes and insights we seek. 'Paradoxically, the more a specific management situation is directly and deliberately apprehended, the more likely it is that such actions

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generate adverse ripple effects that eventually work to undermine their own initial successes' (Chia 2011: 192). Problems may be solved more effectively in an *oblique* way that recognises the complexity of problems, the uncertainty of human responses, and the importance of chance and improvisation (Kay 2010).

In his survey of state-directed urban planning in Australia, Freestone observes that 'much planning is informal – bottom up as well as top down – and good planning outcomes have come from the contestation of official policies' (Freestone 2011: 3). A major theme in urban and planning history is the vulnerability of city-building outcomes to political distortions and speculative private investment (Butlin 1964; Sandercock 1975; Davison 1978; McLoughlin 1992; Frost and O'Hanlon 2009). In this paper we extend these arguments by examining the nature and impact of modernist planning in an Australia context. How has path-dependency and human interaction shaped planning outcomes? We suggest that social capital is a central component of the process of dealing with urban diseconomies. We use an overview of history of cities and planning to consider whether it is possible to use modernist planning to generate these outcomes, or whether a more based on experimentation and monitoring of change is likely to be effective. This modernist planning has largely failed to constrain the outward growth of cities and focus growth on identified activity centres due to the lasting effects of planning and investment decisions that have become embedded within bureaucracies and conditioned the choices of property development firms and consumers in a path dependent way. We propose that policy makers should focus on how to design institutional arrangements that build the capacity of communities to respond to urban problems and opportunities as they arise.

## **2. METHOD**

We analyse past research and contemporary metropolitan planning documents and studies to consider four research questions:

1. What were the initial conditions under which Melbourne, Sydney, and Adelaide developed, and how have processes of negative feedback (which creates diminishing returns) and positive feedback (which creates increasing returns) operated to shape the form and structure of these cities?
2. What diseconomies did these urban development processes create?
3. How have people living in these cities sought to influence these processes and address these problems?
4. How do contemporary metropolitan planning strategies seek to address these diseconomies and community responses to them, and what institutional arrangements have been put in place to deliver planning outcomes?

As part of this study we undertook an analysis of MPS that are currently in place for Melbourne, Sydney, and Adelaide focus on where settlement growth should occur over a 20 to 30 year outlook based on current trends. The MPS for Sydney, Melbourne and Adelaide were prepared by State Governments over the past decade and cover the contiguous urban area of these cities.

## **3. RESULTS**

### **3.1 Initial conditions and negative and positive feedback**

Before World War I, Australian capital cities were products of the financial, processing and transport industries that serviced areas of recent white settlement (McCarty 1970). The configuration of settler societies by a rhythm of explosive boom of resource exploitation, capital inflow and in-migration, followed by bust, then export-led recovery with settler economy focussed on narrow range of staples (Belich 2009) impacted on urban employment and incomes. Generally, incomes in Australian cities were high by overseas standards, and this provided immigrants with opportunities to build homes that were denied to them in their homelands (Davison 2000). A strong ambition to own one's own home for security, independence and respectability, preferably in a suburban setting, has been an enduring feature of Australian cities.

At any point in time, a city's spatial structure will be shaped by transportation technology. Households that incur higher commuting costs are rewarded by lower housing prices farther from the city centre and consume more housing space (Brueckner 1987). When land values rise as demand for urban space increases, the operation of land and housing market tends to generate pressure to build on the fringe of cities. Australian cities were favoured by an institutional framework that allowed public provision of infrastructure, especially public transport, creating positive feedback to suburban developers. This was particularly the case in Melbourne, Adelaide and Perth, where initial location and planning decisions reduced the costs of investing in publicly owned suburban railways and tramways. The key boosters who controlled the pace of railway investment and suburban development sat in parliament. The high fixed costs of public transport were thus met by taxpayers out of general revenue. The suburban railway network was so extravagantly built during

the 1880s that at the end of World War II Melbourne still had large areas of potential suburban land within reach of fast commuter railways. Sydney and Brisbane's suburbs developed more slowly – geography and planning made suburban development difficult, and the New South Wales parliament was dominated by rural members who were hostile to urban expansion – but by World War I both cities had begun transport improvements and were building suburbs that were similar to those in the other Australian capitals (Frost 1991). Electrification and extension of Sydney's railways and tramways and the building of a new central station, an underground rail loop and the Harbour accelerated suburban development, with new housing stock located close to public transport (Spearritt 2000). While the compact terrace, within walking distance of the city centre was the standard housing unit of nineteenth-century Sydney, the house of the interwar years was the quintessentially suburban California bungalow.

During the interwar period the Australian economy underwent structural change as manufacturing increased its share of output and employment at the expense of farming and mining. Technological change transformed the profitability of manufacturing, with new industries being founded on new production possibilities. Shifts in supply and demand sent price signals that altered the shape of the economy (Merrett and Ville 2011). Industries grew in clusters around the new technologies of electricity and the internal combustion engine that allowed for significant economies of scale (Fleming, Merrett and Ville 2004, pp. 85-8). Sydney and Melbourne were the big growers, attracting an increasing share of the overseas migrant intake. Between 1911 and 1947, the capital cities increased their total populations from 1.7 to 3.8 million, and their share of Australia's population from 38 per cent to 51 per cent. Australia's population rose by almost three million between 1947 and 1961, with the capital cities contributing 68 per cent of this increase (Merrett 1978: 172, 175, 190-3). Firms that needed 'greenfield' sites for large, single-storey buildings and easy access to main roads found it at Dandenong (Melbourne), Broadmeadows (Melbourne), Parramatta (Sydney), or Elizabeth (Adelaide). As people followed the factories out to the suburbs, investment in housing added further to economic growth. Rising incomes, low unemployment and cheaper cars fuelled a boom in automobile ownership. Cars and trucks freed factories and other workplaces from the need to locate close to railway lines, by eliminating the scale economies in older transport technologies and reducing the fixed costs of opening new employment centres (Glaeser and Kahn, 2004, p. 2497).

### **3.2 Urban diseconomies**

The growth and condition of cities loomed large on the nation's social and political agenda during the post-war period. Interruptions to house building during the Great Depression and World War II had left Australia with a housing shortage that some experts estimated was as high as 480,000 dwellings (based on the decline in rates of house building relative to rates of marriage compared to the pre-war period, or the number of heads of households that were sharing houses or flats with other families and the number of families living in old housing that was no longer fit for habitation) (Barnett, Burt and Heath 1944: 34). By 1954, more than 40 per cent of the houses constructed in Australia had been self-built by their owners (Dingle 2000: 68). Post-war material shortages engendered austere housing styles and compelled the ordinary person to pay 'the price of privacy' by building in suburbs 'beyond the reach of the pipes and wires which conveyed twentieth-century comfort, and ... so remote from his work that at least one-eighth of his waking hours would be taken in travel' (Boyd 1978: 129). The new suburbs were an 'unplanned mess' of poorly drained streets and mostly unsewered houses (Dingle and Rasmussen 1991: 217).

Once people began to use their cars for commuting and new suburbs began to develop away from public transport routes, a fresh set of urban problems emerged quickly. The growing volume of traffic throughout metropolitan areas increased both the private costs (by increasing commuting times) and the social costs of motoring (through increases in traffic jams, accidents, and pollution). By the mid-1960s, the ability of large cities to sustain growth by building more road space and creating new outer suburbs was being questioned. Economist Max Neutze argued that while location in a major city could provide firms with valuable economies of scale and agglomeration, rising congestion costs were imposed on society as a whole and were not taken into account in making location decisions. For Neutze, this justified the use of policies to divert growth 'from large, very congested to smaller and less concentrated cities ... either by location planning or by appropriate taxation or subsidy' (Neutze 1965: 60). Density externalities – the consumption of space at an inefficiently high level for households, and population densities that inefficiently low for social interaction – continued to affect cities as the market did not account for the costs of lost open space and the social costs of congestion, and failed to make developers pay for needed infrastructure costs (Brueckner and Largey 2008). The urban growth that has taken on the fringes of capital cities in past few decades epitomises these problems and raises the spectre of rising infrastructure costs, social exclusion and increasing distances between residence and workplace (Spearritt 2009).

### **3.3 Human responses and the role of social capital**

May (2009) suggests that historians and others should seek to understand the structure of our cities, not as an outcome of government policy or intangible economic forces, but in the desires and aspirations of millions of 'ordinary' people for the comfort and privacy that the detached home in the suburbs could bring. Revisiting some of the ideas first enunciated by Stretton in *Ideas for Australian Cities* (1970), May suggests that even after more than 200 years of colonisation historians are yet to fully comprehend the social and cultural meanings of suburbia to millions of Australians, past and present. Suburbia is a revealed preference for a lifestyle other than that found in the inner city. 'Much of the physical and institutional landscape of the post-war suburb is the legacy of the immediate post-war idealism, galvanised by the pursuit of common goals, inspired by dreams of privacy, home ownership, and a better environment to bring up a new generation' (May 2009: 75). Such communities involved themselves in complex processes of problem solving and economic and social regeneration. Such groups do not normally set out to create social capital, but they are aware that they can pursue their objectives more easily if they strengthen and then exploit social networks (Putnam & Feldstein 2003). In post-World War II Melbourne, people in new suburbs used community groups to lobby local and state governments to address the diseconomies that resulted from uncoordinated development. Social capital transformed feelings of powerlessness into feelings of empowerment. The Melbourne Metropolitan Transport Plan of 1969 – 'the high noon of the modernist dream in Australia' (Davison and Yelland 2004: 187) which proposed 491km of new freeways and razing of several inner city neighbourhoods and shopping strips, was halted by popular protests, supported by trade unions (Frost 2001). Resistance to change in the low-density status quo remains a feature of local urban communities, as evidenced by organised community responses to plans to intensify development within Melbourne's established suburbs (Lewis 1999).

Such communities are products of both larger contexts – the 'forces of history' that shape the world people have been handed – and of their own internal organisation. Because of their central place in capitalist political economies, communities can be vital areas for social change (Defilippis, Fisher and Schragge 2006). The influence of locally-specific institutions and frameworks of governance has resulted in a diversity of responses to increased reliance on privatisation and the establishment of market mechanisms in decision-making processes. A body of research and policy analysis, dubbed 'New Regionalism', identifies the empowerment of government, business and community actors to work in partnership as a necessary precondition for effective urban and regional development policies (Tomaney and Ward 2000; Wheeler 2002). Community participation allows members of the public, individually or in groups, to interact with representatives of a government agency, with the aim of giving citizens a direct voice in issues that affect them. Such a process is less likely to be effective if government agencies give precedence to expert 'scientific' knowledge over local, lay knowledge in the decision making process. A gap between academic inquiry and development practice – especially between those who form policy and those who are responsible for implementing it – continues in many contexts. In planning processes, public preferences and understandings may be reduced to data alongside similarly reduced expert preferences and understandings (Lahiri-Dutt 2004). While critics may see 'unplanned, unconstrained urban expansion' a threat to quality of life in the suburbs themselves, the challenge is to develop strategies and forms of governance that open new possibilities for more egalitarian and inclusive policies at the local level (Williamson 2002: 72; Defilippis, Fisher and Schragge 2006).

### **3.4 Metropolitan planning Strategies**

A metropolitan plan is 'a strategic plan for managing change in urban regions at a variety of scales up to and beyond the metropolitan level'. Planners use them in an attempt 'to influence the size, structure and shape of large urban areas – that is, their overall spatial form' (Freestone 2011). Metropolitan plans guide decisions about allocating land for public and private use, and connecting it with transport infrastructure so that households and businesses can access the resources and opportunities they need. These plans generally aim to address congestion costs and provide a way of achieving agreed economic, social, and environmental objectives for metropolitan regions (Gleeson and Darbas 2004, Bunker and Searle 2009). Policy levers include regulatory provisions about land use, and investment decisions about, and the regulation of, social and physical infrastructure.

Current MPS emphasise the magnitude of anticipated growth over the medium to long term (Dodson 2009; Bunker and Searle 2009), for example:

- expected population growth of 1.6 million people between 2006 and 2031 within an area that stretches from the Sunshine coast to the Gold Coast (Queensland Government 2005)
- requirement for 252,000 more dwellings and 282,000 jobs between 2010 and 2020 in Sydney (NSW Government 2010)
- projected transition of Melbourne from a city of 4 million to 5 million sometime before 2030.

The key challenge facing these high growth cities is how to accommodate this expected population growth in a way that maintains quality of life for people living in these cities and minimises urban diseconomies. In Adelaide, which is a lower growth city, the challenge is how to attract more people and investment in the context of an ageing population whilst maintaining quality of life (SA Government 2010). Over the past decade Metropolitan Planning in Australia has increasingly focused on proposing large infrastructure investments and reshaping urban form as a means of managing population growth pressures (Forster 2006, Bunker and Searle 2009, Dodson 2009). These plans were prepared in a context of higher population growth, concentration of jobs growth within inner cities, increasing population within established suburbs, and pressures on segments of the housing market. These strategies responded to these circumstances by proposing large scale infrastructure solutions alongside increased urban consolidation in suburban centres as a means of accommodating this growth (Forster 2006, Dodson 2009).

The policy documents examined as part of this paper are identified in Table 1.

Table 1: Policy documents examined

Jurisdiction	Policy document	Date	Purpose
New South Wales	City of Cities – A plan for Sydney's Future	2005	Long term land use plan for Sydney
	State Infrastructure Strategy (2008 – 2018) – reviewed every 2 years.	2008	10 year infrastructure pipeline for NSW
	Metropolitan Transport Plan – Connecting the City of Cities	2010	Long term transport plan for Sydney
Victoria	Melbourne 2030	2002	Long term land use plan for Melbourne
	Melbourne@ 5 million	2008	Update of Melbourne 2030
	Victorian Transport Plan	2008	Long term transport plan for Victoria
	Victorian Integrated Housing Strategy	2010	Policy statement of social housing and affordability
South Australia	The 30 Year Plan for Greater Adelaide	2010	Long term land use plan for Adelaide
	Strategic Infrastructure Plan for South Australia	2005	Long term infrastructure pipeline for South Australia

### 3.4.1 Policy objectives and targets

Metropolitan planning strategies in NSW, Victoria and SA are based on the proposition that urban form and structure affects levels of pollution, road and rail congestion, infrastructure costs, and social isolation. A low-density urban structure with a high proportion of employment and social activities located in the centre of the city causes higher demand for travel, a reliance on car use, and less opportunities for social interaction. This urban structure also requires investment in the infrastructure necessary to support this outward growth, which increases public infrastructure costs. In the metropolitan planning strategies over the past decade in NSW, Victoria and SA there is a shared focus across jurisdictions on managing these urban diseconomies by constraining the outward growth of cities and concentrating development in key suburban activity centres, and designated growth areas on the fringe of the capital cities, to be linked by public transport and road investment. Higher than anticipated population growth in this decade has necessitated adjustments in policy to bring forward land release and transport infrastructure investments.

The key direction for metropolitan planning in Sydney is enabling a greater proportion of growth to occur in established areas. Intensified urban development within the city will be concentrated within five 'regional cities' within Sydney (such as Parramatta, Liverpool and Penrith), 22 other strategic centres, and identified employment corridors that have good access to road and rail (NSW Government 2005). Greenfield development will be concentrated in designated corridors to Sydney's north-west and south-west. *City of Cities* and the *Metropolitan Transport Plan* also focus on shaping the location of employment (NSW Government 2005, 2010). These urban centres and employment areas will be linked by rail and strategic bus routes, and more effort will be put into integrating different modes of transport. This pattern of urban development is seen as important because it is a more economical and equitable way of providing infrastructure and services, and also because it reduces congestion costs (NSW Government 2005, 2010).

Over the past decade the Victorian Government has applied a similar approach. *Melbourne 2030* was intended to direct growth into suburban activity centres and five designated growth areas on the fringe of the

metropolitan area (State of Victoria 2002). The Urban Growth Boundary was set to limit Melbourne's outward growth and direct it into specific corridors that protected existing green wedges. In the period after the release of *Melbourne 2030* the city experienced higher rates of population growth, employment change, and travel behavioural shifts that were assumed in developing the strategy. Recognising that Melbourne was facing major issues related to managing the growth and distribution of travel patterns the Government in 2007 commissioned Sir Rod Eddington to examine east- west transport connections in Melbourne. This report recommended the construction of a metro rail link between Footscray and Caulfield, a rail connection through Melbourne's west between Werribee and Sunshine, and a road tunnel to link the Princes and Eastern Freeways (DOT 2008).

Based in part on the findings of the Eddington Review, the Victorian Government released the *Victorian Transport Plan (VTP)* in 2008. The VTP set out a pipeline of major transport infrastructure to improve traffic flows across the city, and better link Melbourne with its regional hinterland. This transport plan was developed in conjunction with *Melbourne @ 5 million*, which was an update of the *Melbourne 2030* strategy. *Melbourne@ 5 million* proposed a future urban structure characterised by six Central Activity Districts, intensified development along the corridors which link them, and an expansion of Melbourne's urban growth boundary. It is projected that greenfield development will accommodate 47 per cent of new dwellings with planning and development coordinated through precinct structure plans overseen by a Growth Areas Authority (GAA). The remaining 53 per cent of dwelling growth will be accommodated within the existing urban area. Some growth will occur within six Central Activity Districts (Footscray, Broadmeadows, Box Hill, Ringwood, Frankston and Dandenong), which will be in urban centres with CBD-like functions. Other urban intensification will occur within existing suburban areas and the Government worked with local councils to ascertain housing growth requirements.

Although Adelaide is a smaller and lower growth metropolitan region than Melbourne and Sydney the planning policy directions are similar. The *30 Year Plan for Greater Adelaide* was released in 2010 and identifies that new growth will be focussed on key activity centres close to transport connections and in designated growth areas within an urban growth boundary (Government of South Australia 2011). This development will be mixed use and accommodate a range of housing types that reflect the changing needs associated with an ageing population and higher numbers of single and couple households. The plan sets out a number of targets and key performance indicators to assess progress (Table 2).

Table 2: 30 Year Plan for Greater Adelaide: Key performance indicators (selection)

Key performance indicator	Plan Target	Monitoring indicators
Increase population growth for Adelaide and by region	560,000 people over 30 years	Net population growth by Adelaide and by region: <ul style="list-style-type: none"> <li>• Net interstate migration</li> <li>• Net overseas migration</li> <li>• Net natural increase</li> </ul>
Increase the share of Greater Adelaide's urban growth in the existing urban areas of the region	By the end of the Plan's 30 years, 70% of metropolitan Adelaide's new housing will be build in established areas	<ul style="list-style-type: none"> <li>• Number of infill structure plans prepared and approved</li> <li>• Number of new dwelling starts in infill areas as a total proportion of housing starts</li> </ul>
<ul style="list-style-type: none"> <li>• Increase the supply of affordable dwellings</li> <li>• Maintain and improve competitive house prices</li> </ul>	<ul style="list-style-type: none"> <li>• At least 15% of all new dwellings in significant new developments and growth areas are accessible to low to medium income households, and of this, 5% is specifically for high-needs people</li> <li>• At least 30% of new housing is at or below the median house price in its market</li> </ul>	<ul style="list-style-type: none"> <li>• Proportion of affordable housing products in significant new developments and growth areas</li> <li>• Proportion of new dwellings by region at or below the median house price for the region</li> </ul>
Protect and enhance environmental assets	No net loss of biodiversity over five-yearly intervals	<ul style="list-style-type: none"> <li>• Percentage of regional vegetation maintained and improved</li> <li>• Number of species lost</li> </ul>

The *Strategic Infrastructure Plan for South Australia* commits the government to a long term and integrated approach to infrastructure investment, which links closely to their land use planning objectives. A 10-year vision for capital investment in transport, innovation, health, energy and water is set out, with key strategies

and investments listed. To achieve the objectives of Adelaide's Land use plan this infrastructure plan includes investment in new fixed rail lines, tram routes and upgrades to bus corridors.

### 3.4.2 Institutional changes to achieve policy objectives

Recent changes to institutional arrangements that support the implementation of metropolitan planning strategies have led to State Governments taking an increased role in prescribing future land use outcomes, and aligning land use policy and regulation more closely with transport planning and investment to achieve these outcomes. New institutions have been established and refocussed to coordinate land use and infrastructure investment in priority locations. The cumulative result is the creation of institutional arrangements geared to achieving targeted land use and infrastructure outcomes in a top down fashion, which seems to diminish the role of local communities in developing innovative solutions to urban diseconomies.

Metropolitan governance reform in NSW has promoted integration of transport and land use planning to implement urban policy objectives. This approach recognises that multiple agencies within state government, and also across various local governments have the capacity to influence these outcomes and need to work in alignment to deliver them. In 2005 the state government established the *Growth Centres Commission* (GCC) to facilitate the supply of land, coordinate planning and infrastructure delivery and work with key stakeholders within identified greenfield sites (NSW Department of Planning and Infrastructure 2011). The GCC has split growth centres in north-west and south-west Sydney into precincts, each of which has a structure plan that will be progressively released for development over the next 25-30 years. The state government has implemented a voluntary approach to promoting coordination between the 43 local councils in the Sydney metropolitan area. Seven Regional Organisations of Councils (ROCs) were also established by State Government for each of the sub-regions (NSW Department of Premier and Cabinet 2011). These are intended to provide strong local government leadership and promote cooperation amongst councils to advocate effectively on agreed regional positions and priorities.

This state-local government collaboration has also been embedded in the statutory planning system. In 2008 the Government passed planning reform legislation that included the creation of *Joint Regional Planning Panels* to review projects of regional significance. These panels include members nominated by relevant State and Local Governments and have jurisdiction over specified areas within the Sydney metropolitan region. Their role is to 'provide independent, merit-based decision-making and advice to the Minister on regionally significant development proposals' (NSW Government 2011).

In 2009 and 2010 greater focus was placed on integration between relevant State Government departments and agencies. There are now two key State Government departments that oversee land use planning and transport infrastructure for Sydney: the Department of Transport and Infrastructure and the Department of Planning. These departments were created in 2009 through the merger of a number of different agencies that were responsible for planning and infrastructure in NSW. The new Transport Department brought together 13 separate transport agencies into a single entity. The Director General of this department is now responsible for all infrastructure delivery outcomes, accountability for which was hitherto fragmented. Under the recent Transport Plan all major transport infrastructure decisions will now be jointly approved by the Ministers for Planning and Transport.

As part of the *Metropolitan Transport Plan* (2010) the Government announced it will establish a *Sydney Metropolitan Development Authority* (SMDA), which will be accountable to the Ministers for Planning and Transport and Roads. The SMDA will be the key deliver mechanism for developing the regional city and activity centre policy goals set out in *City of Cities* and the *Metropolitan Transport Plan*. This is an important development in the governance of Sydney, which reflects the GCC that was established in 2005 and focuses on greenfield sites. The SMDA will:

- define and recommend areas that will benefit from urban renewal
- where appropriate, act as a development proponent on State-owned land (identified and vested in the SMDA) to expedite development and provide local economic benefits
- apply new transport oriented development and rapid rezoning tools recently approved by government to drive urban renewal, new residential housing, employment land and transport infrastructure
- consider options for funding, including value uplift and private sector investment, in urban renewal areas
- attract private sector investment in urban renewal areas (such as the Channel Seven relocation to Redfern).

Similar patterns of governance change are evident in Melbourne, where there is a focus on better integration at the state government level between land use and infrastructure planning. New organisational mechanisms led by the State will plan for growth and assess changes in priority locations. In 2006 the government established the GAA, which had broad responsibility for urban planning and development in Melbourne's growth areas on the edge of the city (GAA 2011). It undertakes this role by preparing structure plans with local governments and developers in these areas to guide development so that new suburbs have the services, infrastructure and jobs they need. This is similar to the GCC established in New South Wales.

The development of the *VTP* and *Melbourne@ 5 million* occurred at the same time as a review of the *Melbourne 2030* strategy. *Melbourne 2030* made provision for a regular review and assessment of the strategy. The Government appointed an expert panel in 2007 to provide advice on strategic and implementation priorities for *Melbourne 2030*. The review agreed with the directions of the plan but concluded the following institutional weaknesses needed to be addressed:

- lack of community ownership and understanding – and the perception it was a ‘top down’ solution
- fragmentation of political and bureaucratic leadership
- disconnection between the plan and resource allocation mechanisms.

This focus on improving whole-of-government coordination and community engagement was reflected in the machinery of government changes made when John Brumby became Premier in August 2008. The new Premier announced changes to State Government planning and infrastructure functions. Planning was combined with the former Department for Victorian Communities to create a new Department of Planning and Community Development (DPCD) (DPCD 2011). Major Events was moved from DOI which now had a sole focus on roads, freight and public transport and was renamed the Department of Transport (DOT) (DOT 2011).

There are 31 Councils within the Melbourne Metropolitan Area and formal integration between them is limited. There are some voluntary partnerships that have emerged between Councils across Melbourne including ‘Lead West’ (Lead West 2011) that have an economic development focus. Like Sydney, institutional changes to improve coordination at a sub-regional scale have been made through the establishment of Development Assessment Committees (DACs) to make planning permit decisions in relation to areas and matters of metropolitan significance (State of Victoria 2008). There will be an initial focus on planning with principal activity centres identified in *Melbourne 2030*. It is proposed that three to five sub-regional DACs will operate across metropolitan Melbourne covering a network of principal activity centres. Each DAC will have an independent chair jointly nominated by State and Local Government, two standing State government members and two local government members.

In 2010 the Victorian Government released the *Victorian Integrated Housing Strategy* (2010), which outlined measures to address housing issues for home buyers, private renters, residents of social housing and homeless people. The Government is focussed on facilitating this new housing in and around the activity centres identified in *Melbourne 2030* and *Melbourne @ 5 million*. This includes refocussing the work of the Government-owned developer Vic Urban to facilitate new housing supply within these areas. This policy change shifts Victoria closer to the New South Wales model announced through the establishment of the SMDA.

In SA there are two department of state that share responsibility for land use planning and infrastructure development: the Department of Planning and Local Government and the Department for Transport, Energy and Infrastructure. Here there is a similar focus on creating institutional arrangements that enable integration between State departments, and shared decision making between State and Local Governments for priority locations. The *30 Year Plan for Greater Adelaide* will be implemented through the following mechanisms:

- A Government *Planning and Coordination Committee* (made up of agency Chief Executives) will be established to ensure integration across government agencies
- *Regional implementation strategies* that identify how the targets in the plan will be delivered will be developed jointly by state and local governments
- New planning tools – *Structure Plans* and *Precinct Requirements* - will be developed to encourage denser and mixed use development within transport corridors, growth areas and activity centres
- The *State Government Infrastructure Plan*, the asset plans of individual agencies, and Council Plans will have to demonstrate how they are achieving the objectives of the *30 Year Plan for Greater Adelaide*.

In line with institutional changes in NSW and Victoria, the SA Government has established mechanisms to streamline decision-making with Adelaide's 19 local councils for priority locations and projects. The

Development Assessment Commission (DAC), established in 1993, is a statutory agency that reports to the Minister for Planning. The DAC has a role in development approval for large projects with regional impact.

#### 4. DISCUSSION

The ability of modernist urban planners to transform the Australian city – by reconfiguring the built environment to address housing shortages and the growth of suburbs that create *density externalities* (where space consumption creates inefficient resource use and population density is inefficiently low for social interaction) – has been restricted by the revealed preferences and organisational capacities of ordinary people. Institutional support for suburban development and the demand for high housing standards are enduring features of Australian urban history. In a sense, planners and policymakers have not engaged with this history, nor appreciated the power of the obstacles it has created.

Recent metropolitan planning strategies in New South Wales, Victoria and South Australia have sought to constrain the outward growth of capital cities by developing key activity centres within urban growth boundaries. New institutional arrangements have been established to ensure better coordination with local government to achieve these land use outcomes in a top-down fashion. A faith in modernist planning – ‘hierarchical, rational planning mechanisms linking mission statements, goals, objectives, programs and performance in straightforward chains of cause and effect’ (Adams & Wiseman 2003: 12) – has persisted. Institutional reforms that might deepen and broaden engagement with communities in addressing urban problems have not been a feature of contemporary metropolitan planning policy in Australia. Our key urban challenges – attracting people and investment, providing affordable housing, making commuting easier and adapting to climate change – remain.

Institutional reforms to engage communities in decision making and resource allocation have been a feature in other areas of public policy, notably in regional development and social policies (Smyth, Reddel and Jones 2004; Wiseman 2006; McDonald et al 2010). These strategies seek to build the capacity of communities, and make it easier for them to participate in decision making. Community strengthening approaches developed by Federal and State governments in the context of changes wrought by economic globalisation and the neoliberal response to it are also of relevance to metropolitan planning policies. In the late 1990s, governments internationally sought new policy frameworks that would integrate social and economic goals and meet the challenges of balancing freedom and security (Adams and Wiseman 2003). There was a pronounced move away from ‘top down’ policies and highly specialised bureaucratic cultures and operating systems towards new models characterised by complex networks of governmental, organisational and community collaboration (Blacher and Adams 2007). Public administration arrangements have been redesigned across a range of policy functions so governments can more effectively engage and link citizens, community organisations, and public and private sector organisations at local and regional levels. (Smyth et al. 2004, Blacher and Adams 2007, McDonald et al 2010). These institutional reforms help develop a shared capacity amongst public, private and community organisations to address complex public policy challenges (Cooke 2007, Considine 2008).

To tackle contemporary urban challenges, what is needed is a greater understanding of how the assets, capabilities and abilities of communities and local institutions may be harnessed as urban areas evolve and develop. Initiatives to build resilient and inclusive communities are crucial variables in the success of metropolitan planning. A set of moral resources and assets is inherent in relationships of trust and cooperation that may empower communities to become involved in complex processes of economic and social regeneration. Metropolitan planning policies should include a focus on harnessing these social resources by strengthening local institutions and creating opportunities for participation in decision making about planning and development. This would require new ways of working with local governments, business associations, community organisations in land use and infrastructure planning. Recent public administration reform in social and regional development policy provide important lessons for what this could look like. State governments could set the ‘rules of the game’ through setting high level metropolitan outcomes, and developing procedures, tools, and incentives for local governments and communities to work together on local solutions within those rules. This oblique strategy would require planners to move quickly across disciplinary and organisational boundaries, and spatial scales, rather than pursue one big idea.

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