

# The Implementation and Performance of Melbourne 2030

## - A Critical Review

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June 2006

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## 1 INTRODUCTION

“Melbourne 2030 - Planning for Sustainable Growth” is a 30-year plan to manage change across metropolitan Melbourne, introduced in October 2002 after three years of extensive community consultation (DOI 2002). However, this feedback, along with some of the department’s own technical reports, was largely ignored in the final draft. Age columnist Kenneth Davidson savaged the strategy as “simply a restatement of the main elements of the Kennett government’s 1995 planning document (*Living Suburbs*)... with phoney consultative processes and documents in warm, earthy colours, subliminally evocative of a sustainable environment...” (Mees 2004).

No options or alternative futures were ever discussed, identified or evaluated. Most of the final proposals on major issues like activity centres and freeways were opposite to those recommended by the technical consultants and the final draft strategy was released without further public review (Mees 2004).

Accompanying the Draft Strategy were six “draft implementation reports” and a Ministerial directive requiring local municipalities to include in all planning scheme amendments a statement that the municipality has “had regard to the Metropolitan Strategy” (Delahunty 2002). M2030 offers no indication of how its integrated implementation is to be achieved by whole-of-government objectives, strategies and responsibilities and it is not linked to budgetary processes (Mees 2004).

In particular, the promised “integrated transport strategy” to emphasise upgrading city-wide public transport to underpin higher density activity centre development was just a series of suggestions for various agencies to prepare plans! Even the launch last year of the state government’s long-awaited Metropolitan Transport Plan was criticised by the Minister’s own advisory group as “a plan without specific details, timing or funding commitments .... The current disaggregated approach to transport and land use planning and implementation is not delivering the outcomes it should.” (M2030 IRG 2005)

The M2030 transport chapter discusses public transport proposals first and roads last, but does not list any freeway proposals. Instead, these are buried in chapter 4 (“prosperous city”) - without costing - but the total estimated cost of these freeways is \$3 billion, about 15 times the cost of the proposed rail extensions, so public transport receives only 6% of transport funding (Mees 2004).

The State Government provided a mere \$5.6 million (\$100,000 per council) for strategic planning work to implement M2030. The Priority Development Panel has cited lack of structure planning for activity centres as a reason to reject some large proposals (although not consistently). These include the Glenroy Activity Centre case, refused partly because there was no Structure Plan nor a timeline for meeting development objectives (PDP 2004b), and the Peak proposal at Wheelers Hill, rejected because the site was within a neighbourhood activity centre but with no final structure plan, fixed rail or suitable bus services (PDP 2004a).

These decisions underline the fact that the introduction of M2030 was premature and compliance should not have been required until upgraded public transport services and structure planning for activity centres were complete.

## 2 PROJECTED GROWTH UNDER M2030

According to the Department of Sustainability and Environment (DSE), in the next 30 years Melbourne is expected to grow by around one million people and 620,000 extra households. M2030 seeks to protect the liveability of the established areas and concentrate major change in strategic redevelopment sites such as activity centres and underdeveloped land. While supply of land for development is to be maintained in growth areas, over time the strategy assumes that there will be a shift away from growth on the city fringe and that the trend towards smaller households will continue to support demand for well-located apartment lifestyles around activity centres, “supported by an expanded and more attractive public transport system.” (DOI 2002).

However, these trends are not being borne out, nor is the strategy yet being supported by any significantly upgraded public transport services.

The spatial distribution of the recent increase in multi-unit housing across Melbourne has been very uneven, from 90% in the inner city (usually as infill development) to only 10% in Outer Melbourne. Fewer detached houses were constructed in Melbourne in 2002-3 than 15 yrs earlier, while multi-dwelling developments increased over four times. Medium density housing accounted for the entire increase in annual approvals over the same period. Higher rise & larger developments have been concentrated in inner city urban activity centres, with little industry interest in outer activity centres (Buxton 2005).

But despite this, over 80% of Melbourne’s pop growth is still occurring in outer Melbourne where 60% of new housing is being approved. Redeveloping more of the inner suburbs will be difficult - these are already the most compact areas with high heritage values and allowing unregulated higher rise outside activity centres would undermine the M2030 strategy of concentrating denser development in mixed use areas near public transport.

Thousands of medium density units are also going into suburban infill sites, but these are typically dual occupancies which represent low efficiency population accommodation and have a greater potential to cause community backlash through their impact on neighbourhood character (Buxton 2005).

Rail travel is the fastest form of public transport but the lowest number of developments occur close to train stations. Buxton concludes that increased medium density development in the outer suburbs is unlikely unless the government at least doubles the current residential lot density. And this would further increase the already-desperate need for an improved public transport system in the outer suburbs serving commuters to central Melbourne to improve the quality of life for people living in the road “transport corridors” that run through the inner city (City of Yarra [CoY] 2003)

These inconsistencies are further compounded by a recent study funded by the municipalities of Yarra, Melbourne and Port Phillip to assess the population capacity of the Inner City. The study considered it unlikely that the inner city will receive enough demand to require 90,000 dwellings over the next 30 years (its share of projected population growth under M2030) and that, in any case, accommodating Yarra’s share of this projected need would not require any change to current zoning and local policies

(CoY 2003). Clearly, the population projections underpinning the growth strategies of M2030 require a transparent re-appraisal.

### **3 ACTIVITY CENTRES POLICY AND TRANSPORT**

M2030 lists 105 Major Activity Centres, the 25 largest being designated Principal Activity Centres, and there are more than 900 local neighbourhood activity centres, but there is no explanation of the basis for selection of activity centres, even in the accompanying Draft Implementation Plan. The list simply appears to be based on retail floor-space - no distinction is made between private car-based malls and traditional centres near mass transit nodes, thus favouring existing centres and car-based malls. So Chadstone is a Principal Activity Centre, East Burwood K-Mart is a Major Centre but Glenferrie is not listed at all, despite being a traditional strip centre with tram and rail access and a large university campus (Mees 2004).

Most shopping malls in Melbourne were located in fortuitously acquired stand-alone sites, beginning with Chadstone in 1960. By contrast, in Sydney stronger adherence to policy and pro-active land assembly by some councils ensured that most major sub-centres are in rail-based locations.

The major stand-alone shopping centres in Melbourne have all been designated as activity centres. The charitable view is that maybe this was to at least make them subject to structure plans which could reduce car dependence. However, any plans for upgraded mass transit for these centres is yet to emerge. DSE came up with performance indicators for activity centres in 2005 which included allowing out of centre proposals if there was a nett benefit, a very subjective approach open to wide interpretation. These stand-alone centres are mostly car-based, have a negative economic impact on traditional shopping centres and, being mostly controlled by large financial interests, continue to seek to expand. Yet there is no recognition of this in M2030, let alone any strategies to reverse or control this trend in order to implement activity centre policy (Goodman 2004).

There are also no substantive measures to direct higher-density housing into the preferred activity centre locations – for example, by restricting it in other places. M2030 is still “performance-based”, allowing higher-density development anywhere provided certain design requirements are met or considered, a completely ineffective approach to channelling development to preferred locations (Mees 2004).

This reluctance to regulate the retail market contrasts with current practice in Europe, where there has been a revival in interventionist strategic policy in many countries in the 1990s to locate new retail development to protect traditional centres (Goodman 2004)

There are further distinctions that M2030 fails to adequately address. Inner city retail/business strips are very different to activity centres in the middle and outer suburbs, as illustrated in Yarra where there are 5 major activity centers - Brunswick St, Smith St, Swan St, Bridge Rd and Victoria St. These are already densely developed and surrounded by medium and higher density housing. Yet under M2030, their number and location will open up almost all of Yarra for increased development and high-density housing.

The social and engineering infrastructure in these areas is already operating at saturation levels so any extra capacity for growth must be first identified through the Structure Planning process for each centre, which is not yet complete. These centres also have their own distinct low rise Victorian character and lie within established Heritage Overlay areas. Higher density residential development is not compatible with the existing established residential and commercial development. Protecting local heritage is a key policy objective of M 2030 so there is conflict between the development objectives and the character protection objectives of the strategy (CoY 2003).

And a high degree of activity centre investment may diminish the very attributes that attract investment in the first place. Rescode allows unrestricted infill development across most of suburban Melbourne, which is cheaper, offers more living space and is more appealing than a high cost, dense, noisy activity centre apartment, or the lower cost suburban perimeter. Businesses too are unlikely to concentrate in such centres because of the way the contemporary urban economy functions and the lack of planning tools to encourage such concentrations. Instead, under the current Rescode rules, a lot of the growth in Melbourne's dwelling stock is in the form of infill, with its localised perceived negative impact (Birrell 2005)

With modern communications, business services concentrated in the CBD no longer need to be close to the diverse industrial and commercial enterprises which use their services. According to Birrell, the OECD has confirmed that low density outer and middle suburban industrial and commercial development is common in advanced economies, and that the suburbanisation of population and jobs is one of the major features of settlement patterns in the OECD.

Market forces rather than planning strategies appear to be dictating how Melbourne is growing. The Government is aware of this - Bracks' "Growing Victoria Together policy" launched in November 2001 emphasised that economic growth and jobs were the government's top priority - for example, in acknowledging the significance of decentralised manufacturing in the SE and the need to provide land for this sector (DOI 2002 p14-15).

#### **4 LEGAL INTERPRETATION OF M2030**

M2030 was unsuccessfully challenged by the City of Yarra in the Stewart St case at the Victorian Civil and Administrative Tribunal (VCAT), which established legally that no particular aspect of the Strategy carries greater weight than another. However, tension between policies will require a balance of conflicting interests to ensure a result consistent with the policies within the plan (VCAT 2003b).

Thus, since the predominant theme of M2030 is consolidation, VCAT judgments have tended to favour most contentious proposals, no matter what local policies indicate. A proposal for a 19.4m high apartment block in Domain Rd South Yarra was approved in 2003 despite a DDO height limit of 12m near the Botanical Gardens. VCAT considered that the "high standard of design...would justify any additional height above that recommended in the DDO" (VCAT 2003a).

But the worst example remains the Mitcham Towers case where Justice Morris inferred that most designated activity centres within Whitehorse were not really adequate as activity centres and that since the area surrounding the 14-storey Columbo St proposal was better suited, it should therefore be unofficially accorded that status! Yet the M2030 description of neighbourhood centres, like the Mitcham Towers site, specifies only three or four storey buildings (VCAT 1706, 2004).

This decision was a dangerous precedent for all suburban areas anywhere near a public transport route and highlighted the fact that the Government should have allowed councils both the time and resources to put structure plans and other controls in place first to regulate M2030 before the strategy ever became operational.

Contrary to the public assertions of Planning Minister Hulls, it is clear that M2030 was the driving force behind the Mitcham approval since a large proportion of the decision discusses activity centres and the requirements of M2030. Yet both Morris and Hulls publicly claimed that the development was simply in line with the Whitehorse Planning Scheme, and that the Council was to blame for not protecting the area by not submitting interim structure plans or requesting interim mandatory height controls (Quick 2005).

But the development application was lodged a year before these controls were even made available to councils in late 2004 (Delahunty 2004), after pressure from residents' lobby group Save Our Suburbs and the Minister's own M2030 Implementation Reference Group (M2030 IRG 2004b). The new controls consisted of mandatory height limits for neighbourhood activity centres and a new residential R3 Zone with a mandatory maximum 9m height limit, plus the implementation of interim structure plans for activity centres as protection against over-development while full structure plans were being developed.

The practice guidance note for preparation of structure plans for activity centres wasn't even published by DSE until December 2003 - full structure plans involve community consultation and take several years to produce. And the departmental guidelines for developments of more than three storeys weren't formally adopted until November 2004.

At the same time, the Government has been taking a piece-meal approach to planning reform by continually "band-aiding" planning legislation, allowing further exercise of discretion, more avenues for appeals to VCAT and less certainty. This in turn adds to the complexity of planning assessments and makes it harder for council planners to meet statutory deadlines (Wood 2005).

And this is despite the fact that all parties — councils, residents and developers — want more certainty (M2030 IRG 2003). The Planning Act of 1987 is now way out of date and needs to be re-written with more mandatory provisions, not just continually patched up with layer after layer of discretionary guidelines (Budge 2005).

The Mitcham decision also highlights the need for the role of VCAT to be amended to one of overseeing the integrity of council procedures, instead of acting as a central duplicating planning authority. Local policies can only become law after community consultation, appraisal by a panel and Ministerial approval and are thus unlikely to conflict with State policies. VCAT's role should thus be to oversee and strengthen

council processes to ensure that properly established local policies are followed, rather than usurping council powers and overturning local policy in favour of state urban consolidation guidelines, which makes a mockery of Hulls' claim that councils and their communities must work to develop local policies if they want to have more control over their own neighbourhoods (Quick 2005).

Finally, it could be expected that the alleged focus of M2030 on sustainable growth would see legislative emphasis on sustainable practices like passive solar design, energy conservation construction and appliances, and waste water and reticulated water conservation measures. And indeed there are some recent general guidelines in planning schemes that specify that new development should be sited and oriented to maximise solar energy use, for example.

However, VCAT president Stuart Morris has undermined this practical approach to sustainable design at the planning stage, stating in *Taras Nominees v Yarra CC* [2003] VCAT 1952 that this issue should be tackled at the building permit stage because all dwellings require building permits but not all require planning permits. This simplistic approach totally ignores the major gains in building performance that can only be made by optimising the incorporation of passive solar design - the orientation and layout of building envelopes, including floor plans, elevations, location of open space, window placement and orientation, etc. By definition, these factors cannot be properly addressed at the building stage (Wood 2006).

The extra resources involved in requiring all development applications to undergo an ESD assessment could be provided by simply making Rescode amenity standards and planning scheme zone and overlay provisions mandatory, cutting out most of the time-consuming exercise of discretion involved in all development applications and reducing the number of VCAT appeals by providing much of the greater degree of certainty that councils, residents and most developers have already said they want.

## **5 CONCLUSION**

Not only M2030 but the whole Victorian planning regime is a policy-based system that encourages innovation and flexibility, so that nearly anything is possible with practically everything left to the discretion of the decision maker. As the Victorian president of the Planning Institute of Australia wrote recently to Premier Bracks, "coupled with the lack of experienced staff in local government and a sustained period of heightened development activity, this has created many of the problems the planning system now faces. A more prescriptive approach on a whole host of matters is required." (Budge 2005)

In a democracy, government must also take note of the community's wishes. This author was a participant in the comprehensive community consultation process for both Rescode and M2030 - which in both cases was largely ignored, either because of external pressure from the development industry, internal high-level bureaucratic and political interference, or both.

A number of the key factors M2030 was predicated on were not in place when it was introduced in 2002 and are still nowhere near being fully implemented four years later, particularly any significant upgrading and integration of public transport services or requirements for activity centre development to comply with structure plans and to locate near mass transit nodes.

Despite this, M2030 was introduced as legislation to be complied with for all development applications (although it was not gazetted until January.2006) and now community, industry and professional concern continues to grow as the negative impact of the laissez-faire nature of the strategy in practice makes itself felt.

But at least the M2030 consultation process demonstrated that Melbourne's residents want more sensitive location and scale of higher density development and the prior provision of an upgraded and integrated public transport system, open space, social facilities and other services. They want more clarity, simplicity and certainty in planning generally and in the development assessment process in particular.

M2030 was also introduced 18 months late without the promised final public review and, in a political sense, strategically released just a few months before the state election on 30 November, allowing the government time to sell the strategy but not enough time for any adverse effects from its implementation to be apparent before polling day.

As outlined above, the record of M2030 so far indicates that a major revision of the strategy and many of its underlying assumptions and processes is long overdue. Perhaps in this election year those wheels will be put into motion.

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