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Submission to
The Inquiry into Streamlining
Local Government regulation in Victoria

Victorian Competition and Efficiency Commission

Save Our Suburbs, Inc (Vic)
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1) BACKGROUND - CAUSES OF PLANNING INEFFICIENCY

The key issue is that a good urban consolidation concept (Melbourne 2030) was poorly planned and then even more poorly executed, without the necessary planning controls, government coordination and infrastructure (especially public transport for the middle and outer metro) to achieve appropriate activity centre-focused higher density development.

Refer in particular to our critique of M2030 and our submission on the Eddington Report on our website.

The other even more fundamental malaise of the current planning regime is the introduction of discretionary planning (ie, mostly non-mandatory controls) in the mid-90s which was supposed to facilitate (but did not really control, direct or assist) appropriate consolidation in targeted localities.

The result has been to encourage "ambit claim" development applications and thus many developments of inappropriate size, design and location; increasing urban sprawl & traffic congestion; a decrease in affordable housing; and a huge increase in planning consultants & planning lawyers to argue about everything at VCAT.

Ironically, that has all added to the complexity, lack of certainty and extra cost that all parties continually complain about, and which Kennett's urban consolidation planning regime was allegedly introduced to reduce!

We all know that if governments want to actually achieve something they legislate for it, but in this case the development lobby prevailed because "the market" prefers to pick off the most potentially lucrative sites (usually in-fill development sites in existing leafy suburban streets) and to sit on some of their larger development sites to allow them to appreciate in value, while at the same time decrying "land shortages" and persuading the govt to release yet more land from outside the Urban Growth Boundary (against the aims of M2030 policy).

Unfortunately, land speculators drive the govt & the economy - in their own financial interest, not for the long-term benefit of the community (again, in direct contradiction to the goals of the planning regime - clause 11.01 in all planning schemes)

The deliberations of the VCEC need to first be seen objectively against the background of the reality of the operation of land use planning in Victoria.

The core of the problem can be easily identified as the discretionary or performance-based nature of the permit assessment process, introduced by the Kennett Govt to stimulate urban consolidation. This it has done, not by facilitating good planning outcomes but by allowing developers to overbuild by encouraging them to submit

ambit claims which can be argued through council and then at VCAT to achieve a greater investment return for a developer on almost any given lot.

The combination of a performance-based/discretionary decision-making system with privatization removes transparency & accountability - which as ICAC NSW has pointed out, are the two vital ingredients necessary in the planning industry to combat corruption. It is intuitively obvious that the best guarantees of transparency & accountability are the provision of more mandatory guidelines (to minimise the inevitable individual inconsistency, error and corruption in the exercise of discretion); and the existence of third party appeal rights (although with more mandatory planning controls this would become less necessary).

The other obvious reason for more mandatory planning guidelines is to better achieve what planning policies are supposed to exist for in the first place. There is a clear analogy with traffic legislation here - we all accept that there is nett community benefit in requiring drivers not to exceed certain limits, irrespective of whether they may have compelling reasons to hurry, or whether their cars have better than average suspension or tyres.

Accommodating non-compliant development applications puts a large amount of extra resource stress on every section of the planning system. Compliant DA's can be rapidly assessed against requirements but those that breach policies and Rescode standards cannot be refused under current regulations but instead must be "massaged" through the assessment process. This takes many extra hours for correspondence and negotiation so councils can whittle proposals down to something that while usually still not compliant with all guidelines is at least "more acceptable".

This in itself is a minefield of inefficiency. What is "acceptable" to one planner or in one context may not be in another. This use of discretion by planners with greatly varied skill and experience leads to many inconsistent decisions, which are then invariably appealed (often by developers if not by objectors). Many more proposals could be approved in the same time if applications were simply required to be complete and compliant.

This system is also grossly inefficient and inequitable. Individual residents pay in terms of time and/or money four times over for the large increase in VCAT appeals since the introduction of the discretionary planning regime. They pay directly as objectors (their own time & money for professional assistance); as ratepayers (to help fund council bureaucracies); as taxpayers (to help fund VCAT and the justice system); and finally, the community is financially disadvantaged because developers' expenses are tax-deductible so all residents are short-changed by a decrease in tax revenue. The planning system with all its "controls" (ie, guidelines) truly provides only an illusion of protection.

But that is only the beginning. The increase in uncertainty & delays then becomes the excuse for more deregulation to "reduce red tape", which further undermines transparency & accountability. Planning enforcement is even worse - it is supposed to act as deterrent but is almost ineffective (especially since the separation of planning and building functions).

The deregulation of planning in the 1990s effectively and unfairly placed the onus on individual residents to oversee the system. However, mandatory planning guidelines would increase certainty, decrease delays and by definition produce better planning outcomes (assuming agreement that the point of planning is to develop the function of our city in an efficient & orderly way to provide for our long-term economic, physical and mental health).

In short, we now have a crisis of democracy which can't continue, especially with the growing external crises of drought, climate change and peak oil (transport). Market forces historically have never acted primarily in the community interest, especially in the long-term, so the only way to effectively address these challenges is through tighter controls.

2 WHITNEY REPORTS

These issues have been reflected in official reviews of the planning system, eg the Whitney Reports of 2002, which looked at similar problems to those being addressed by this VCEC Review - Local Policy, Decision Making Processes, Amended Plans and Enforcement.

LOCAL POLICY: On local policy, the Whitney Report concluded that "… *in seeking to introduce a more flexible system to cope with these changes, the pendulum has swung too far and that the level of flexibility outweighs the desirable degree of certainty which is sought by the development industry, the community and their elected representatives. (Whitney 1, p17)*

It didn't go as far as recommending that legislative change was necessary to require decision-makers to not only 'consider' state and local planning policy, but also 'give effect' to policy in the absence of clear justification not to do so. However, SOS believes that it is only commonsense that policies should be followed diligently if there is to be any point to land-use planning that considers the wider community interest, as well as related issues relevant to current and future communities such as integrated transport planning and provision of services.

In particular, local policies should be the default policy. "Local variations" to Rescode, zone and overlay schedules have been specifically developed to reflect the local context. They undergo strategic planning research and community consultation at the council level, usually followed by public panel process and any amendment to a planning scheme that is finally approved has, by definition, been accepted by both the Department and the Minister. What is the point of pursuing such policies if they are not to override generalised state policy where applicable? This just gives an illusion of protection which, at the whim of a council officer or more commonly a VCAT member, can be virtually ignored.

AMENDED PLANS: The issue is not benefits or drawbacks for an individual case but the fact that the availability of this option inevitably leads to ambit claims which take up excess council (& objector) time & resources at the expense of ratepayers & taxpayers, all to respond to non-compliant DAs. This contributes to the inefficiency and lack of certainty in the system which are the two major complaints of ALL parties. As Whitney stated, the conundrum is that while this is true, it is also

true that amendment of plans results in better planning outcomes. However, Whitney did not address the deterrent effect - ie, that the lack of the amendment option would force developers to submit properly formulated compliant DAs with an appropriate and compliant design response based on site constraints right at the start of the process - as one should expect under an efficient planning system.

So while amended plans are almost always an improvement, the same or better results would be obtained if developers knew the only way to get a permit was to submit complete and compliant plans to council initially. This would slash the number of VCAT appeals (by removing most of the grounds of appeal), greatly improving

ENFORCEMENT
Whitney pointed out the following concerns:
- *The relative inability of Councils to have alleged illegal use of development stopped immediately through VCAT due to the required cost undertaking, applicants/ consultants lodging applications to validate illegal uses and VCAT's inability to empower police to ensure that orders are complied with.*
- *Many Councils are referring enforcement matters direct to Magistrates' Courts to avoid the uncertainties and delays of the VCAT system, despite the Act's clear intention that VCAT be the appropriate review body.*
- *VCAT is tending to open up the merits of the matter as part of the hearing, rather than dealing with the specific enforcement issue at hand.*

The facilitated workshop identified further issues in relation to enforcement:
- *VCAT, upon considering an enforcement order, often considers the 'merits' of a permit for rectification. If the applicant is successful at achieving a rectification permit then this can be seen as a reward for the wrongdoer.*
- *While Councils can pursue both rectification (through VCAT) and punishment there is still the perception that only one avenue can be pursued.*
- *The 12 month statute of limitation on matters initiated at the Magistrates' Court.*
- *Resources and organisational culture.*
- *The provisions relating to the recovery of costs to rectify works are unclear.*
- *Entry requires 48 hours notice. This obstructs the gathering of evidence.*
- *Slow outcomes at VCAT.*
- *Difficult to obtain interim enforcement orders.*
- *The ability to enforce enforcement orders through prosecution in the Supreme Court is constrained by cost.*

(Whitney 3, p7)

The number of prosecution heard by the Magistrates' Court each year is not known. The number of Planning Infringement Notices issued by Councils is not collected.
(Whitney 3, p8) *refer VAGO & dept criticism*

But despite s126, the procedures discussed don't differentiate between prosecuting the original offender (developer &/or builder) or unfortunate subsequent innocent owners
Former VCAT President Justice Kevin Bell said of amended plans:
"*Local government is the primary decision-maker and we are a review tribunal. I would be disturbed if we had become a default state planning tribunal: if, for example, the power of amendment is being abused by developers such that they are not presenting their true case to council and are saving it for VCAT.*"

Justice Bell said he was considering whether the tribunal's amendment powers should be narrowed, so a developer presenting a case much different from the original proposal would be sent back to council.
He was also considering how best to respond to public concern about inconsistent decisions and perceived personal bias among ruling members. One option is to recommend that the Government rewrite its Melbourne 2030 planning scheme to be more prescriptive and less general.
"If you're concerned about consistency and about subjective decisions, [that can be] met by altering the balance to more prescriptive standards."
(The Age, 12 August 2009)

There is no end of evidence that the situations described above are occurring, yet Bell did not include his comments above as recommendations in his 2009 VCAT Review.

The launch of the Metropolitan Transport Plan in 2005 (3 years after the release of M2030 itself) was criticised by the Minister's own M2030 Implementation Reference 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)

VLGA: Particularly welcome are recommendations to:

• allow local governments more flexibility in setting their own planning fees, to allow them to better recover costs, and invest in process improvements (pp. 127-131)

• allow councils to reject applications that are incomplete or poorly prepared (pp. 123-125)

• streamline referral processes (pp. 125-127), and most importantly

• develop a comprehensive strategy for managing skill shortages in planning

"Perhaps the most refreshing set of recommendations concern the need to reduce the regulatory burden passed from state to local governments. The VLGA has raised these issues consistently and we are pleasantly surprised that such a wide-ranging discussion and set of recommendations (9.1 to 10.8) to address regulatory burden and other systemic issues have been included.

"The challenge, of course, will be for the identified state government departments to deliver on these recommendations. LEAD TO VAGO CRIT

A BACKGROUND - A FLAWED METRO STRATEGY AND A FLAWED PLANNING SYSTEM

As the Eddington Report notes, any long-term attempt to improve transportation in Melbourne must be consistent with planning policies, especially Melbourne 2030, a 30-year plan based on the European model of a more compact, efficient and

productive city with higher density development around activity centres at mass transit nodes.

However, the strategy has been poorly implemented by councils, the state bureaucracy and the state government, and poorly integrated with other government policies. From its very introduction in 2002, it was not linked to the state budget process and there was no definition of whole-of-government strategies and responsibilities for its implementation. In particular, the "integrated transport strategy" supposed to underpin activity centre development just consisted of suggestions to "prepare plans" (Mees 2004).

Other than retail floor-space, there was little rationale for the selection of activity centres (DOI 2002). Allowing higher-density development anywhere as long as a few design requirements are met is a very ineffective approach to facilitating development in preferred locations. M2030 also made no distinction between private car-based malls and traditional centres near mass transit nodes. By contrast, in Sydney, pro-active land assembly and stronger policy ensured that most major centres were rail-based.

The expanding major stand-alone shopping centres in Melbourne are all designated activity centres and mostly car-based. M2030 provided no activity centre implementation strategies to counteract this trend. It failed to extend the necessary mass transit infrastructure, to provide legislation or (dis)incentives, or to regulate retail markets to protect traditional centres from new retail development (Goodman et al 2004)

Although all aspects of M2030 were supposed to carry the same weight, no guidance was provided to balance conflicting policies (such as heritage conservation within an activity centre high-density precinct). Victorian planning reforms in general have been piecemeal with continual "band-aiding" of legislation, which has introduced more complexity, more opportunities for the exercise of discretion and thus greater confusion, more avenues for appeal, and more costly delays - despite the fact that all parties (councils, residents and developers) want more certainty, not less (M2030 IRG 2003).

The launch of the Metropolitan Transport Plan in 2005 (3 years after the release of M2030 itself) was criticised by the Minister's own M2030 Implementation Reference 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)

CRITICISMS OF VICTORIAN PLANNING SYSTEM - VAGO

The Victorian Auditor-General's Office (VAGO) has been strongly critical of inefficient and unaccountable state and municipal administration of the planning regime over the last decade. VAGO found that while the new performance-based planning schemes were being introduced in the late 1990s, departmental planning advice to the Minister was inadequate; a significant number of council permit assessments failed to address statutory planning provisions; and no councils measured

their performance in meeting service standards under their Customer Service Charters (VAGO 1999).

VAGO 7.5.08
The Department of Planning and Community Development (DPCD) is the lead agency for planning in Victoria and has an important role to support the ongoing effective operation of the planning system. The
department's key responsibilities include monitoring and improving the overall performance of the planning
system, providing support services to councils, processing planning scheme amendments and managing
the Act, Regulations and the Victoria Planning Provisions on behalf of the Minister for Planning.
The objective of the audit was to assess the effectiveness, economy and efficiency of Victoria's planning framework for land use and development at the whole-of-state and local levels.

VAGO June 08

RESPONSE provided by the Secretary, Department of Planning Community Development

My Department, through Local Government Victoria, will continue to work with the peak bodies to help councils improve their performance reporting and use of indicators.

I support the recommendation to establish minimum standards for the form and content of performance statements. Regulations are one way to do this, guidelines are another. Whether or not regulations are the best means of doing this will need to be subject to consultation with the sector.

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Nine years later, standards of council accountability and financial viability have not improved (VAGO 2008a & c). Neither have councils developed indicators to measure the quality of their service and planning performance, and the standard of planning administration and senior planning staff oversight of planning activities has worsened:
- 78% (!!) of council assessments failed to adequately consider the requirements of the Act and the relevant planning scheme; and
- there is an inadequate standard of planning permit assessments and poor level of documentation of the planning permit process in general; and
- DPCD administration does not allow for proper measurement and monitoring of the overall performance of the planning system; and
- parts of the new format planning schemes have become overly complex and unclear and do not adequately achieve their original intent (VAGO 2008b).
- council performance reporting is 'compliance-centric' - ie, limited to minimal disclosure and legislative requirements - there are no independent, authoritative standards or an accepted conceptual framework for performance reporting (VAGO 2008c).

The situation described above is partly due to continual legislative "band-aiding" of planning schemes and the Planning Act to amend weaknesses in an attempt to improve the operation of the planning regime, which instead has become overly complex and unclear. VAGO recommended a state-wide approach to help councils

improve planning management but found that DPCD still does not have the capability to comprehensively measure and monitor the performance of the state planning system (VAGO 2008b).

As the ex-president of PIA (Vic) wrote to then Premier Bracks, "*The Government has the responsibility to do much more to ensure that the rhetoric of (M2030) implementation becomes reality…. (performance-based planning schemes) have created a process whereby nearly anything is possible and practically everything is left to the discretion of the decision-maker. This, coupled with the lack of experienced staff in local government and a sustained period of heightened development activity that now seems to be the norm, has created many of the problems the planning system now faces.* ***A more prescriptive approach on a whole host of matters is required****.*" (Budge 2004).

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3. THIRD PARTY NOTIFICATION AND APPEAL RIGHTS

SOS believes strongly that as long as the planning system retains performance-based "requirements" and discretionary decision-making, notice and appeal rights MUST be preserved and extended to ALL areas, including business zones.

The former head of VCAT, Justice Stuart Morris, has argued for appeal rights even in business zones. His support for notice and appeal rights in general is predicated on three key principles:
- better local democracy and governance
- improved planning outcomes through better scrutiny of applications
- greater scrutiny and transparency, which discourages corruption

[Third Party Participation in the Planning Permit Process, VUT, 4 March 2005]

No matter how the planning system operates, the basic fact remains that scrutiny and transparency discourages corruption, so in a democracy and in the absence of any other independent third party oversight, notice and appeal rights should remain (exercised on valid planning grounds) and they should be extended to all planning applications (see Part 5 - A Better Solution).

It is no coincidence that the existing R2 zones which facilitate urban consolidation have not been adopted more widely by councils because they are anti-democratic in that they remove residents' notice and appeal rights.

What VCAT and state bureaucrats often overlook is that the objection process produces superior scrutiny of applications because residents have a vested interest in critical appraisal. Objectors provide a vital quality control function, given that council planners often don't have the time or motivation to do more than a cursory compliance check. They often don't carry out proper site inspections and sometimes don't detect basic flaws, inconsistencies or errors in application plans.

This situation was corroborated by the recent Auditor-General's report on Land Use Planning in Victoria (May 2008), which concluded inter alia:

In 78% of cases examined, officer reports did not give adequate consideration to matters specified in the Act, planning scheme, or both, when assessing planning permit applications…deficiencies in most other stages of the permit process were also evident…".

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5. A BETTER SOLUTION

SOS believes that the following steps together would improve certainty and planning outcomes as well as greatly reducing delays and litigation, and thus obviate the need to fast-track developments by introducing new zones.

1) A planning permit should be required for all proposals, irrespective of the number of dwellings or size of the block. This is necessary to adequately assess each proposal from the point of view of two increasingly important parameters which should be the starting point of any proposal - environmentally sustainable design (ESD) and neighborhood character.

2) Errors, omissions and failure to address all relevant issues under the Planning Scheme in development applications should result in automatic Council refusal without appeal - ie, a new, accurate, compliant development application (DA) would be required. Why should council staff time and resources be wasted chasing up missing information or correcting erroneous details? Poor applications are often submitted not in ignorance but as deliberate ambit claims to capitalise on the inexperience of young and easily intimidated council planners, on the lack of prescriptive controls and on the complexity and confusion in the planning system.

3) Prior to further high-density development approval, triggers must be identified by councils and utilities (with community input) for the maintenance, upgrading or extension of infrastructure and services (power & gas reticulation, drainage, sewerage, etc). These systems must be adequate to cope with local increases in population density. Rescode standard B4 should be re-written to include definition by councils or utilities of the capacity limits of local utility services, and to require compliance or the provision of any necessary upgrading (infrastructure provision by the state is one way to attract appropriate development to desired locations).

4) The requirements of existing zones, overlays and Rescode must be mandatory - "trading off" Rescode standards against each other just leads to dwellings with sub-standard amenity - potentially the slums of the future.

5) With mandatory siting requirements, substitution of plans at VCAT should not be permitted (and would hardly be required). This would minimise the resources that objectors, councils and planning professionals waste on cases and, more importantly, remove 'ambit claim" applications from the system. Developers would simply need to prepare a reasonable and compliant application from the start. Many already do, and they would not be adversely affected by the new changes SOS is suggesting.

6) The VCAT Planning List should be required to oversee Council DA assessment processes as part of conducting merits hearings. This would encourage councils to improve their statutory performance (*see critical VAGO reports on land use planning*

and local government performance - May & June 2008). VCAT would be empowered to impose remedial, punitive and preventative measures where council processes were sub-optimal (as it does now to some extent with enforcement hearings).

None of this would negatively impinge on scrupulous developers - in fact, without non-compliant DA's, council planners would have lighter workloads and be able to significantly reduce the average time taken for assessments.

ADD:
Mandatory planning guidelines would also abolish the time-consuming need for pre-application meetings that are now necessary to "scope" the extent of an intended development application - with set requirements every developer would know the limitations that applied and would not be tempted to try and exceed as many as possible, as currently occurs.

INFRASTRUCTURE PROVISION - PUBLIC OR PRIVATE FUNDING?

Given population growth, global warming and peak oil, triple-bottom-line benefits from development and infrastructure provision must be the primary state goal of a re-vamped metro strategy. Innovative implementation funding mechanisms will have to be adopted that extend beyond traditional state or private sector funding (Audit 2008).

Multi-unit high rise residential projects are more expensive to build than traditional suburban project homes so market forces alone won't develop this desperately needed accommodation for lone people and couples. Activity centre development is also more expensive due to land tax, stamp duty, authority charges and municipal rates. To counteract this, the M2030 Audit detailed the following alternative funding the state will need to commit to, just to achieve sustainable implementation of M2030:
– locating/investing in activity centres through the provision of facilities or housing.
– funding public infrastructure.
– waiving stamp duty and land tax in activity centres and redevelopment areas

State funding will also be necessary to help with compulsory acquisition of property, waiving developer costs, levies or works charges for major road works, and infrastructure works in activity centres. Councils will need state assistance to help focus development where it is most needed in return for major project investment that conforms to planning controls democratically designed through local community consultation (Audit 2008).

Implementing a sustainable M2030 policy means providing "an estimated $5 billion worth of infrastructure over the next 5 years" (Audit 2008, Ch.4). However, given the scope of the problem and the need to act swiftly on a large scale, this should probably be tripled, given that the current meagre improvements to Melbourne's transport system alone (*Meeting Our Transport Challenges)* are budgeted at around $1.25 billion per year ($10.5 billion until 2016).

Consequently, the state must re-consider debt funding of infrastructure projects. Equity markets are interested in stable returns that allow communities to invest in their own futures (Audit 2008) so industry is likely to prefer funding public infrastructure by government debt rather than taxes and user charges, because debt

financing delivers broader economic benefits like employment without impacting on good management.

These strategies match costs to community benefits over time. Recent quantitative analysis by Allen Consulting (Allen 2004) indicates that:
• *Government at state and local levels should acknowledge that re-capitalising our cities is essential to maintain and enhance economic, social and environmental sustainability*.
• *The case for the greater use of government debt is strong*.
• *Fundamental public finance arrangements need to be revisited*.
• *The trend towards ad hoc and wasteful infrastructure funding techniques should stop*.

However, current fiscal policy still eschews debt and tax increases, with neo-conservative economic theory suggesting that fluidity in international capital markets enforces major disciplines on macro economic policies. This reluctance to maintain or increase traditional public borrowing has opened the way for public-private partnerships (PPPs).

Still, there is a tendency towards natural monopoly public sector provision and regulation of urban infrastructure, given its public good characteristics and capacity to generate externalities, which can include positive health impacts, facilitating international competitiveness amongst regional firms and shaping development patterns in preferred ways. Infrastructure investment would be sub-optimal if left to the market (SGS 1999)

Some authors go further and state that there is no rationale for State governments not to borrow, and that there is no straightforward relationship between public debt and interest rates. PPP policies can thus be viewed as being due to political pressure from private vested interests seeking secure public finance. Most PPPs are really just conventional principal-agent contracts - not real 'partnerships' but a recession-proof form of corporate welfare. PPPs can only be profitable if service quality is reduced, taxpayers get gouged, or large-scale efficiency gains are found (Sheil 2002).

The Australian Institute of Project Management reached a similar conclusion, stating that PPP projects are not delivering their promised benefits to society. Community and social obligations are being ignored and further PPP projects should be stopped (AIPM 2005).

Allen Consulting warns that reluctance to use government financing could prove very expensive over time because there is more risk to economic prosperity and personal safety from under-investment in infrastructure. Failure to mobilise resources into public infrastructure will constrain economic opportunities and thus impact on the livability of urban areas central to competitiveness and sustainability (Allen 2004).

ACTIVITY CENTRE FUNDING AND IMPLEMENTATION

In the 1980’s and 1990’s, strategic metropolitan planning contained activity centre and retail and office development policies based on managing centres for net

community benefit. Current State planning policy ignores this crucial issue but the capacity of infrastructure in activity centres needs to be assessed as part of the structure planning process (Audit 2008). More transparent criteria for defining activity centres need to be developed to re-classify them primarily with regard to how well they are (or will be) served by various modes of public transport, particularly mass transit (rail).

Infrastructure provision needs to be seen as a seeding mechanism to encourage developer interest in activity centre. The cost of new infrastructure for both infill and green-field developments has traditionally been met by governments but the past decade has seen a higher proportion of infrastructure costs passed on as up-front costs to developers. However, this trend to development contributions involves complex inequities with considerable administrative costs and potentially significant disputation and litigation (Allen 2004). Thus there is a strong case for public funding of maintenance and upgrading of infrastructure like stormwater and power supply systems (Audit 2008).

Overseas cities use methods like land designation, legislation, Business Improvement Districts, tax increment financing, urban renewal bonds, state government funds in conjunction with private sector capital and even planning controls that restrict development of alternative sites. Without such positive implementation mechanisms, land cost and availability will prevent the transformation of many activity centres. As well as policy and regulation, these measures give government the tools to influence planning outcomes by guiding appropriate development to desired locations.

All this is going to require very large amounts of public funding which should eliminate further investment in any new roads, except for maintenance of existing roadways and the provision of some grade separations to improve safety.

A CENTRAL IMPLEMENTATION AUTHORITY TO DRIVE M2030

Voluntary central coordination in Victoria has failed to provide any driving force to unite the government bureaucracy (and Treasury in particular) behind the implementation of M2030, largely because of a lack of expertise, vision and political will. This is clear from the documented failure of M2030 to achieve its goals, in particular the lack of progress over the last five years towards serious planning (let alone funding or implementation) for an extended integrated rail network to serve the outer metro area and growth corridors.

Strong state government leadership and a new collaborative culture between government departments and agencies is needed to implement a reformed M2030. This will require a new statutory authority to coordinate the creation of a compact city with greatly improved public transport and reduced private commuting and to ensure efficient provision of infrastructure into growth and intensification areas (M2030 IRG 2004).

The M2030 Audit also concluded that State and local budgets need to dovetail with implementation priorities and that far greater leadership than demonstrated so far will be required to push the strategy. It suggested several options to drive an effective sustainable M2030 strategy: implementation coordinated by the Department of

Premier and Cabinet; a Metropolitan Planning Authority; a Ministerial Advisory Council; an inter-departmental coordination committee; or by a specialised implementation group in DPCD.

Despite the Audit warning that the last option would not be expert or visionary enough, the Government has chosen this least effective leadership option (DPCD 2008).

CONCLUSION

Efficient land use planning for Melbourne in the 21st century will mean urgently adopting strategies to deliver more compact and efficient cities that conserve water and energy, provide more housing and affordable housing, at the same time reducing greenhouse emissions, petrol dependence and traffic congestion (minimising road use by commuters and freight).

Most if not all zone, overlay and Rescode requirements must be made mandatory. But there have been no significant efforts to fully coordinate and deliver the M2030 strategy, as recommended three years ago by the Minister's own M2030 Implementation Reference Group (M2030 IRG 2005) and last year by the M2030 Audit. Consequently, an independent statutory planning and transport authority must be established to coordinate a triple bottom line approach to public transport and urban planning in Melbourne, including the implementation of M2030 and the urgent development of a metro-wide, fully integrated public transport system based on heavy rail.