

28 February 2011

Australian Government  
c/- The Secretary  
Department of Infrastructure and Transport  
GPO Box 594  
CANBERRA ACT 2601

**LEADWEST SUBMISSION – NATIONAL URBAN POLICY**

Please find attached a submission by LeadWest to the Australian Government on matters relating to National Urban Policy. This submission provides a response to the 28 questions set out in the Discussion Paper titled *Our Cities - building a productive, sustainable and liveable future*.

LeadWest is a regional organisation for Melbourne's west. It is governed by a ten-member Board of Directors comprising five local government representatives (one each from the cities of Brimbank, Maribryngong, Melton, Moonee Valley and Wyndham), four elected by the corporate members and an independent chairperson.

LeadWest's objective is to foster and undertake actions that will support sustainable growth and development of the region. We aim to build on the region's social, economic and environmental capacity and to plan and create a sustainable future for the wellbeing of its communities. Consequently, LeadWest and the organisations it represents have a keen interest in the future of our cities. This submission reflects the views of stakeholders from across the range of communities in the west of Melbourne.

Please feel free to contact me if you require further information on LeadWest and its submission.

Yours sincerely,



Anton Mayer  
Chief Executive Officer  
LeadWest Ltd

## **LEADWEST SUBMISSION TO THE AUSTRALIAN GOVERNMENT ON NATIONAL URBAN POLICY**

LeadWest applauds the Australian Government for inviting submissions to inform the creation of National Urban Policy and welcomes the opportunity to provide this submission.

LeadWest is a regional organisation formed in 2007 by the councils of Melbourne's west. LeadWest was created to foster and undertake actions that will support sustainable growth and development of the region. In this respect it aims to provide leadership across the region, to ensure co-ordination of key regional activities, to be an advocate for the region, to promote and market the region, and to develop regional planning. LeadWest aims to adopt an active partnership approach between business, government and the community working together on behalf of the region.

LeadWest has been established as a company limited by guarantee and its Board of Directors comprises five Directors drawn from the following councils: Brimbank, Maribyrnong, Melton, Moonee Valley and Wyndham; plus four Directors elected from non-council members (presently a Director from each of City West Water, Moonee Valley Racing Club, Nufarm Ltd and Victoria University). The Board of Directors has an independent chairman, the Hon. Ralph Willis.

More information about LeadWest is available at [www.leadwest.com.au](http://www.leadwest.com.au)

## **INTRODUCTORY COMMENTS**

This section briefly sets out the general view of LeadWest on creation of a National Urban Policy. It is followed by specific responses to each of the 28 questions set out in Chapter 6 of *Our Cities - building a productive, sustainable and liveable future* (the Discussion Paper).

LeadWest and its stakeholders – comprising a range of organisations involved in shaping the future for the fast-growing region in Melbourne's west – see the need for Australia cities to have strong, transparent and long-term plans for growth and high-quality urban development.

As part of the "Leadership for the West" project in 2005, an extensive list of regional stakeholders was prepared and these stakeholders were asked individually to identify the key issues facing Melbourne's west. There were over 100 expressions of

issues. When these were considered collectively, they distilled down into six major themes, each embracing a number of key issues.

A Regional Summit was held in September 2005, at which the themes were further refined and issues prioritised. In addition, a review of previous regional strategies and research reports was undertaken.

There is a remarkable degree of convergence between the issues identified by stakeholders and those identified in the studies. This greatly assisted in reaching consensus on priority actions. The key issues and actions were further refined and updated in April 2008.

Melbourne's West is the fastest growing region of Melbourne and one of the fastest growing regions of Australia. At the same time, the rapid transformation of the Australian economy is eroding the West's traditional manufacturing industry base whilst the concentration of the new service industry opportunities is in the Melbourne CBD and the eastern suburbs. Add to this the gross deficiency of the West's public infrastructure compared to that of the East, and its lower educational and health levels than the rest of Melbourne, and it is clear the West faces a number of challenges.

At the same time, the Melbourne's west enjoys several advantages, particularly its locational advantage in relation to major centres of economic activity, and with virtually all Melbourne's rail, road and air transport connections to the rest of Australia running through it or being adjacent to it.

A lack of new infrastructure and the inadequacy of older infrastructure is seen as a key problem for Melbourne's west and the greatest threat to its economic viability, social cohesion and environmental sustainability. Transport infrastructure is significantly under-developed in the Melbourne's west and urgent major investment is essential if economic and social "meltdown" is to be avoided given current population growth rates throughout the region.

With respect to rail infrastructure in the region, Melbourne's west needs more capacity on existing lines, additional stations, and new cross-suburban lines. The Regional Rail Link project is welcome. Electrification and duplication of the Melton line is now also required to service the fast growing outer north-west 'satellite' city of Melbourne. There is a need to fix the rail capacity bottlenecks at Sunshine, Footscray and North Melbourne. For rail freight, there is a need for additional lines and capacity to serve logistics activity.

With respect to the region's road-based public transport services, there is a pressing need for additional bus routes, higher bus service frequencies and better timetabling

connections with rail. As for the road infrastructure, whilst recent investment to improve West Gate Bridge capacity is most welcome, Melbourne remains vulnerable with only one significant route from East to West. There is a critical need for an additional main road connection, such as the proposed WestLink project. In the longer term, the Outer Metropolitan Ring will be crucial to underpinning sustained economic growth in Melbourne's west.

The investment needs of Melbourne's west are not all about the 'hard infrastructure', the skills base of the region's community is low and building a strong skills base is the crucial issue. The region has the lowest rate of tertiary qualified graduates in metropolitan Melbourne. We need to equip our people for jobs in the new economy, raise education levels and choices, improve access to education, increase school retention rates, grow the number of tertiary graduates, expand private school offerings, increase Internet and computer usage, deliver high speed broadband and foster lifelong learning.

The skills shortage results in many firms in the region having to draw employees from outside the region, with consequent added demand on the transport system and economic leakage. Melbourne's west imports knowledge at the rate of about 2.8 billion dollars a day. There is a lack of access to education for people living and working in Melbourne's west. Training courses may be available, but are often not accessed by the people who need them. This is compounded by poor transport which makes access to university and colleges difficult for people. Internet access for people in Melbourne's west is inadequate, but essential for education and skills development. High speed broadband is urgently needed in this region.

There is a need to grow existing businesses and attract new industries of the right type to Melbourne's west. There is a need to focus on attracting knowledge based industries and professional jobs. The region is not economically sustainable in its present form nor will it be if it continues to only attract transport, logistics and manufacturing jobs. The number of jobs in Melbourne's west is lagging further and further behind population growth. Victoria University research shows that ten years ago the region had 8% of Melbourne's population and 12% of the jobs, but now the situation is reversed: 16% of metropolitan population but only 8% of the jobs. We must reduce our high level of unemployment, broaden the range of jobs especially in the advanced knowledge sectors, and become less dependent on Inner Melbourne for jobs.

To be a productive population it is necessary to be a healthy population. The health of the population in Melbourne's west is poorer than other regions as evidenced by a number of indicators. Diabetes and obesity feature strongly. Over time, this will

impose a significant cost burden on Government unless the issues are addressed. In Melbourne's west suffers a lack of doctors (the lowest number of GPs per head of population) and also specialists, such as psychiatrists, due to medical professionals preferring to live in the leafy inner and south-eastern suburbs of Melbourne. The high rate of population growth – and especially the number of new families with young children – is placing added demand on family services. There are also high concentrations of disadvantaged groups, including newly arrived migrants who often feel disenfranchised and disengaged from the community. Improved health and stronger community development in Melbourne's west will mean that people are more able to obtain jobs, build successful lives and contribute to the economic and social improvement of the region.

The region also faces challenges and opportunities with respect to the environment. Melbourne's west is in a rain shadow compared to the rest of Melbourne; and the relative disadvantage increased with the recent long period of drought. New approaches to landscaping need to be developed to respond to this situation. The presentation and appearance of the physical landscape requires urgent attention. There are opportunities for significant water re-use from the Western Treatment Plant at Werribee. The suggested Western Ring Main for Recycled Water could pipe recycled water from Werribee to Melton, Sunbury, Keilor and Laverton, with a range of benefits including watering of sports grounds and parks.

LeadWest recognises the two principal reasons for a *National Urban Policy* and supports the intent of the Australian Government to facilitate a whole-of-government approach to working with State, Territory and Local Governments, and the communities and businesses they represent and support – toward the agreed COAG objective for our major cities, which is to make them more productive, sustainable and liveable.

LeadWest suggest that a *National Urban Policy* be based on building partnerships to ensure the Australian Government is responsive to the local priorities and needs of every urban region nationwide, and that this responsiveness is underpinned by major new investments in the areas of infrastructure, broadband, housing, health care, education, skills development, innovation and water.

To assist the Australian Government and formulate responses to the 28 questions listed in the Discussion Paper, LeadWest reviewed the "Our Cities" Discussion Paper, the associated Background and Research Paper<sup>1</sup>, *State of Australian Cities 2010*, and

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<sup>1</sup> *Our Cities – the challenge of change*

various past reports and submissions produced by LeadWest and its members on issues pertinent to urban policy.

We have also drawn on the experience of officers working within the local governments across Melbourne's west and other stakeholders comprising the membership of LeadWest.

## **OUR ASPIRATIONS**

### **Q1. What is your vision for Australian cities? What should our cities look like in 2030 or even 2050?**

The local governments of Melbourne's west, which together formed LeadWest as a regional organisation, have each developed a vision for their respective municipalities.

The councils' visions reflect the aspirations of the communities they serve and are documented within planning schemes as per the *Victorian Planning and Environment Act 1987* in the form of a Municipal Strategic Statement (MSS).

Examination of the MSS of each of council in Melbourne's west reveals some common themes. Each council and community in Melbourne's west seeks a future in which there is sustainable development of their urban environs. They all seek diversity in residential dwellings, with increased dwelling densities in appropriate locations to assist in achieving a more compact city. They all set planning objectives reflecting a desire for liveable, safe and sustainable communities, a sustainable environment, and harnessing the economic growth rates associated with 'new economy' sectors.

Accordingly, to concord with view of the local governments of Melbourne's west, LeadWest has a vision for Australian cities that reflects adapted application of the Principles of Intelligent Urbanism as described by Professor Christopher Benninger of the Center for Environmental Planning and Technology University. The following sections describe each of the ten principles.

#### *Balance with Nature*

LeadWest and its regional stakeholders envision cities that maintain a better balance with nature, in which resources are utilised rather than exploited.

Facilitating this balance is improved clarity on the thresholds beyond which there would be irreparable effects of urbanisation on the broad urban, suburban, peri-

urban and adjacent rural areas from deforestation, soil erosion, aquifer depletion, siltation and flooding.

With the improved clarity of impact thresholds, Australia's urban planning and development can be more surely guided by environmental assessments identifying the fragile zones.

By 2030 there will be much better informed understanding of the environmental impacts of each of Australia's cities, as well as the impacts of potential growth paths for each city.

When assessing development applications responsible authorities will be able to refer to up-to-date regional environmental plans and aligned local environmental plans.

In Melbourne's west, for example, there will be a regional environmental plan, which informs the planning and operational activities of local authorities and other participants in development and land use throughout the region.

By 2050 development within and around Australian cities will be designed to assist in the restoration of natural systems.

Water resources, including water supply, sewerage and stormwater services, will be managed as part of a total water cycle.

Urban water managers will warrant water supply and sewerage options that are beneficial to waterway and ecological health as well as community wellbeing.

Widespread water sensitive urban design will protect and enhance natural water systems (creeks, rivers, wetlands) within urban settings and improve the quality of water draining from such settings into downstream environments.

For example, in Melbourne's west there will be maximised sustainable reuse of water and green infrastructure for stormwater quality will enhance the efficacy of biolink corridors around the major rivers in the region.

### *Balance with Tradition*

LeadWest and its regional stakeholders envision cities that provide for a better balance with tradition. This involves a more advanced understanding of 'cultural significance' and 'heritage', reflecting in our urban planning considerations of both past and future (i.e. assets built today and tomorrow may become valued by future generations as heritage assets).

The Discussion Paper states that much of the quality of our public domain is influenced by our built and natural heritage, and also that governments are committed to the preservation of our heritage and will continue to support the identification, management and protection of heritage places around Australia, including in our cities.

Whilst it is vitally important to conserve places of cultural significant as per the Burra Charter, there is also a need to ensure creation today of new places that will in time become places of cultural significance.

In our view, the concept of 'heritage' can encompass culturally significant places that are created today for the enjoyment of current and future generations.

LeadWest also notes that there needs to be efficiency in the consideration of cultural significance as part of development application processes. Clarity of policy and procedure is essential to processing efficiency.

The starting point is clear identification and registration of the most significant heritage places. LeadWest and its stakeholders seek a future in which State and Territory governments have more clearly listed all places of 'state significance' and local governments have been assisted to clearly identify all places of local significance.

Clear policy and consistent application of it also ensures that similar decisions are arrived at for similar types of development. We envisage development and take up of national guidelines on heritage assessment processes.

By 2030 there will be much better appreciation of the broader notion of 'cultural significance', with greater attention to natural places, and more widespread realisation that current creation of places can be as important to cultural enrichment as the conservation of places built in the 19<sup>th</sup> and 20<sup>th</sup> centuries.

For example, in Melbourne's west there will be increased recognition of the cultural and natural heritage values of the region's waterways. The range and long history of activity along the west's waterways make them sites of particular heritage significance.

By 2050 populations in Australian cities will look at examples of urban design created now as worthy of preservation and will fully appreciate the need to ensure the making of new places that will be valued into the future.

For example, in Melbourne's west there will be much improved planning clarity supporting balance between progress and preserving what communities need to keep as part of their story.

### *Appropriate Technology*

Appropriate technology, in the Australian context, is technology that results in less negative impacts on the environment and society. Application of appropriate technology is a key feature of Australia's cities as envisioned by LeadWest and its regional stakeholders.

In our view, this involves use of building materials and construction techniques consistent with the geo-climatic conditions in each location, the skills of local populations and the availability of local resources.

For example, Queenslander type architecture developed as a practical response to local geo-climatic conditions and local resource availability; whereas in contrast, the California bungalow style spread from 1913 onwards throughout Australian cities largely as a fashion coinciding with the rising popularity of Hollywood films.

Another important aspect of appropriate technology with respect to buildings is making them more energy-efficient and water-efficient. This could be achieved through improved provisions in the *Building Code of Australia* (BCA).

It is important to note, however, that the current 'star rating' requirements in Australia produce only predictions of relative thermal efficiency based on designs rather than a rating of the actual performance of completed buildings. These predictions can be inaccurate as buildings are not always constructed to standards of quality assumed by designers and assessors. LeadWest sees a future in which assessments of the energy efficiency of buildings occurs both before and after construction.

It is also important to note that the current star rating requirements in Australia deal only with the building shell - the roof, walls, windows and floor. Other parts of the BCA cover some fittings built into homes - hot water systems and ducts and pipes for cooling and heating systems. However, the BCA does not currently deal with the whole range of available appropriate technologies.

For example, the rating system does not consider materials efficiency, water efficiency or construction waste reduction. Nor do current star rating requirements deal with energy sources that will supply dwellings once occupied.

Yet, the application of appropriate technology involves design and use of infrastructure systems that support 'soft energy technologies' such as residential level photovoltaic solar panels, wind power, micro hydro and other zero emission generation methods for providing electricity.

Application of appropriate technology also involves urban infrastructure systems that support use of sustainable transport modes that are both simple (e.g. walking and bicycle riding) and complex (e.g. zero-emissions vehicles). LeadWest's view on these systems is set out in responses to questions 22 and 23.

Another important area for application of appropriate technology in Australia's cities is in freight logistics. Applied appropriate technologies would include Intelligent Transportation Systems (ITS) technologies, High Productivity Vehicles (HPV) and freight rail technologies.

The National Broadband Network (NBN) will underpin application of many appropriate technologies. High-speed broadband is a vital dimension of contemporary social and economic infrastructure comparable to roads, water and electricity.

Ubiquitous high speed broadband will provide a way to build the capacity of teachers, students, and the wider community through increased learning opportunities and choices.

New broadband technologies can contribute to improved healthcare delivery and personal wellbeing by enabling improvements in the quality and safety of care, access to services, and innovations in clinical care and health maintenance.

Organisations in the commercial sector, the non-profit sector, and in government are continuously finding new ways to leverage the Internet to communicate more effectively with their stakeholders and the NBN can foster great improvements in the quality, innovativeness, and reliability of services delivered by all of these sectors.

By 2030 there will be better appreciation throughout the population of the merit of applying appropriate technology in Australia's cities. More dwellings and commercial buildings will be built to higher 'star' ratings and the ratings system will deal with application of the broader array of appropriate technologies.

A higher portion of urban households will have taken up various residential energy and water efficiency measures, soft energy technologies, and use sustainable transport modes.

There will also be greater business adoption of appropriate technologies. In Melbourne's west, for example, where the Big Roof Project has mapped the industrial roof capacity, there will be significant uptake of rooftop energy and water harvesting given government delivery of the right incentives for business.

By 2050 there will be substantial progress toward reducing Australia's greenhouse gas emissions to 60 per cent below 2000 levels as the pricing of greenhouse gas

pollution has provided market incentive to develop and deliver appropriate technologies.

As stated in *Australia to 2050: future challenges*, output from the alternative energy sector is expected to be up to 30 times larger by 2050.<sup>2</sup> In the 2050s solar panels will be as common on the roofs of homes across the western suburbs of Melbourne as the Hills hoist was 100 years earlier in backyards throughout Australian cities.

Melbourne's west, along with all other urban areas nationwide, will have long enjoyed the benefits of the National Broadband Network and this will have helped transform the economy of the region.

*Brimbank will be a predominantly residential municipality, but it will be no mere dormitory.*

*A range of housing types will be introduced and combined with non-residential activities to create lively neighbourhoods with a strong community focus.*

From the Municipal Strategic Statement for the City of Brimbank

### *Cities of Conviviality*

LeadWest and its regional stakeholders envision a future of greater conviviality in Australia's cities, in which social interaction is aided through planned land use and development that creates a hierarchy of places, such as:

- *A place for the individual:* Australian cities need to include quiet places in which the individual can take brief respite and/or cultivate introspection in order to mature through self-analysis and self-realisation. These places may be in parks and gardens, the forecourts and interior courtyards of public buildings or similar places of 'retreat' from the 'busy-ness' of the city.
- *A place for friendship:* Australian cities need to include places where places where friendship can unfold and grow.
- *A place for households:* Australian cities need to include a diversity of housing stock.
- *A place for neighbourhood:* Australian cities need to be designed to facilitate neighbourly behaviours. It is through neighborhoods that the 'social contract' amongst diverse households and individuals is sponsored.

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<sup>2</sup> *Australia to 2050: future challenges* (January 2010) circulated by The Hon. Wayne Swan MP Treasurer of the Commonwealth of Australia

- *A place for communities:* Australian cities need walkable zones in which the inhabitants recognise each other's faces, share common facilities and resources, and often see each other in the activity centres that serve neighbourhoods.
- *A place for the city domain:* Australian cities need social places where everyone can go – accessible and open spaces, with no physical, social or economic barriers.

### *Cities of Efficiency*

LeadWest and its regional stakeholders seek cities within which coordinated regional land use and development, infrastructure and service planning promotes efficiency through a balance between the consumption of resources such as energy, time and fiscal resources, with planned achievements in hygiene, safety, security, comfort, communication, access and productivity.

Coordinated regional planning should facilitate optimum sharing of public land, roads, facilities, services and infrastructural networks, reducing costs for households, while increasing affordability, access, productivity and civic viability.

By 2030 local governments will have had more experience of working together in regional clusters. This will have enabled more coordinated regional land use and development planning, more coordinated regional infrastructure planning and more coordinated planning of services to regional areas.

For example, Melbourne's west will have benefited from development of Footscray as a 'Transit City' and delivery and operation of the Regional Rail Link, East-West road links and the Outer Metropolitan Ring accommodating road and rail infrastructure.

Economic transformation of the region will have been supported by industrial and commercial developments, from extension of the Western Industrial Node into the Truganina Employment Precinct and realization of the Werribee Employment Precinct. It will also be supported by sustainable development of brownfield and greenfield areas, in the north-west from the Maribyrnong Defense Site to Taylors Hill and Toolern, and in the south-west from a revitalised Laverton, Williams Landing and the new suburbs in south and west of the City of Wyndham.

By 2050 the results of better regional level planning will be evident, with much greater efficiency and thus productivity in Australian cities. Consequently there will have been evolution to inter-regional level planning, involving cooperative planning by cities that are strongly connected.

For example, planning for Melbourne’s western urban and peri-urban region will be better coordinated with planning for other urban regions in Melbourne’s north and east, with the Geelong region, the Ballarat and broader Macedon region, and the Bendigo region.

### *Cities of Human Scale*

Australian cities that strongly reflect human scale feature in the future envisioned by LeadWest and its regional stakeholders. A good urban place affirms the centrality of human beings. The evidence and use of the human dimensions (physical as well as non-physical) helps us to relate to, interpret and appreciate the built environment.

We see a future in which Australian cities, promoting human-scale built environment, comprise more walkable, mixed-use urban villages. Urban and suburban neighbourhoods dominated by the car, without a mix of uses and housing types, tend to lack both diversity and a sense of community.

We seek greater promotion of the scale of the pedestrian moving on footpaths, as opposed to the scale of the motor vehicle moving fast along roads. LeadWest envisions safe and secure pedestrian environments and ‘age-friendly’ urban development responding to the need for accessibility and adaptability.

By 2030 there will be a growth in the number of human-scale neighbourhoods within Australia’s cities. For example, in Melbourne the Growth Area Framework Plans used today to shape the development of new neighbourhoods on Melbourne’s fringe will have ensured a wide mix of housing types is clustered around one or more well-defined neighbourhood centers which support jobs, commercial activity, and a range of amenities.

Urban renewal projects in older inner-city neighbourhoods will have produced similar results with parcels and buildings used to repair and renew pieces of the urban fabric, providing a better mix of housing types for residents plus business and other uses that engage communities at the street level.

Australia’s population is projected to grow from around 22 million people currently to 35.9 million people in 2050. There will be much higher population densities in most Australian cities by 2050 and development of human-scale neighbourhoods will have supported gains in liveability.

In 2050 around 22.6 per cent of the Australian population is projected to be aged 65 and over and 5.1 per cent will be aged 85 and over. Consequently, our cities will have been dramatically improved with respect to provision of ‘age-friendly’ built environments.

### *Cities of Opportunity*

LeadWest and its regional stakeholders want Australian cities that better serve as 'opportunity systems'. Cities are a means to personal, social and economic development through provision of access to a wide range of organisations, facilities, services and information that deliver a variety of opportunities for education, employment, social and economic engagement and recreation. A city cannot be considered 'liveable' or 'sustainable' if it is not configured to distribute opportunity equitably.

Cities are certainly an engine of economic growth, but also serve as catalysts for personal definition and advancement. In cities people get inspired, build a drive to achieve, discover aspects of their personalities, skills and intellectual curiosity. In cities there are opportunities for one to meet new people and to become involved in shared activities, participate in the management of manage common resources and resolution of common problems.

Accordingly, LeadWest views cities as involving multiple 'systems of opportunity' and consider urban plans as not only for the physical realm, but also interpersonal spheres of social and economic opportunities. LeadWest seeks creation of urban plans that promote opportunities through access to:

- Basic and primary education, skill development and knowledge;
- Basic health care, potable water, solid waste disposal and hygiene;
- Urban facilities like storm drainage, street lights, roads and footpaths;
- Recreation and entertainment;
- Transport, energy, communications;
- Public participation and debate;
- Finance and investment mechanisms;
- Land and/or built-up space where goods and services can be produced; and
- Economic infrastructure.

By 2030 there will be much wider recognition of the role cities serve as opportunity systems. Urban planning considerations will be more often informed by social and economic impact assessments.

As urban performance depends not only on a city's endowment of hard infrastructure, but also on the availability and quality of knowledge communication

and social infrastructure, urban plans will cover both building of physical capital and social capital in Australian cities.

By 2050, following a sustained period of focus on addressing locational disadvantage through targeting improved service provision to locations with high levels of disadvantage, there will be less spatial inequality in Australian cities.

### *Regional Integration*

Regional integration is a most important element of the future for Australian cities as envisioned by LeadWest and its regional stakeholders. As noted in *Our Cities: the challenge of change* (page 27) urban Australia is dominated by a number of metropolitan and regional groupings of cities that function as an interlinked system.

Cities should be seen as an organic part of larger environmental, socio-economic and cultural-geographic systems that are essential for sustainability. Accordingly, LeadWest sees the planning of a city and its hinterland as a single holistic process.

The interdependence between cities and their hinterlands is of fundamental importance in terms of regional economic development, productivity growth and competitive performance.

By 2030 the nature of interlinked city-systems will be better recognised resulting in coordinated planning at a regional level, which is the critical scale of effectiveness.

By 2050 recognition of interrelated regional systems will have led to better planning practices at an inter-regional level. Planning at this level will focus on enabling efficiency gains in inter-regional transfers of water, energy, products and people.

*The most viable cities in this century will be those with the best quality environments.*

*Our relationship with our rural hinterland is critical to the survival of Melbourne as a viable place to live.*

Michael Buxton in *The Age*, 1 October 2002

### *Balanced Movement*

LeadWest and its stakeholders understand the critical importance of integrated transport systems in Australian cities. These systems comprise walkways, cycle paths, light and heavy rail systems, and a hierarchical network of roads with bus lanes.

Within and between each city, a balance between appropriate modes of movement is required. More capital intensive transport systems will move people and goods between high density nodes and hubs, which interchange with lower technology

movement options. The nodes facilitating modal split become the public domains around which cluster high density, pedestrian, mixed-use urban villages.

By 2030 there will have been much progress toward achieving balanced movement. Australian cities will include areas within which walkability is much improved. Higher density, mixed use development in and around activity centres will have delivered an environment conducive to walking and bicycling, as trip distances are shorter.

In Melbourne's west, aside from improvements to the bicycle network and walkability in general, the urban renewal in Footscray and Sunshine enabled by delivery of the Regional Rail Link will have helped transform these activity centres. They will have become vibrant hub for people to live and work in the same area while having easy access to transport, shops, schools, services and entertainment. They will be supporting economically stronger, more liveable communities.

Additionally, modal share for rail public transport will have significantly increased due to patronage from populations in suburbs in proximity to new railway stations at Wyndham Vale, Manor Lakes and Tarneit. These stations will have also proved a stimulus for development of vibrant neighbourhood scale activity centres, providing local employment opportunities.

By 2050 there will be much more sustainable land, sea and air transport systems serving Australian cities. These systems will better underpin the continuing prosperity of Australia, supporting wealth creation and enhancing the quality of life, whilst respecting the environment and meeting social needs.

Australia in 2050 can be a nation where public transport has become a more fundamental method of transport both for the daily commuter and those undertaking longer journeys. Petrol as a primary fuel source will be in the process of being phased out, with the nation's fleet of private motor vehicles comprising a majority of electric cars utilising energy derived largely from renewable sources. The car fleet will have moved through hybrids to plug-ins to full electrics as storage technology slowly improved.

### *Institutional Integrity*

Planning systems throughout Australia face significant challenges in dealing with a range of complex social, economic and environmental issues in an increasingly technological and global environment.

Historically, infrastructure provision was considered after land use planning decisions had been made. Now there is a critical need to undertake land use planning and infrastructure planning simultaneously, and in an integrated manner. There is a

need for stronger connections of land use planning to broader areas of policy and delivery, including infrastructure coordination, budgetary policy and service/infrastructure delivery systems.

LeadWest envisions institutional frameworks being very clear about the rules and regulations sponsored and those using discretion in implementing regulatory measures doing so in an open, recorded and transparent manner. There should be legislation and governance structures that facilitate integration of national, state, regional and local policies in a clear hierarchy of strategic planning instruments, which must include spatial plans at both regional and local scale. Regional spatial plans should be based on biophysical regions and regional communities of interest, whilst local spatial plans should be based on local communities of interest.

Provision of integrating, facilitative and progressive urban development management tools is seen as essential by LeadWest and its stakeholders. A precinct structure plan (PSP) is one of Victoria's land-use planning tools. Effectively a blueprint for development and investment in a new greenfield suburb, it sets the future structure of the suburb at a level of detail that shows housing yields, employment and activity centres, community facilities, transport networks, and open space and natural systems. When a PSP is incorporated into a local planning scheme it provides greater certainty for applicants for planning permits on what may be approved.

LeadWest sees a future where Regional Structure Plans will be developed to inform precinct structure planning. As per the model in operation in Western Australia, they will be strategic plans which establish a broad framework within which a region or sub-region will develop.

By 2030 there will be much improved institutional integrity to support planning and development in Australia's cities. Urban development will be facilitated by efficient and effective assessment and approvals processes. Regional structure plans will have been prepared for some urban regions.

By 2050 legislative and governance arrangements will facilitate community engagement—not merely consultation or participation. All urban and most rural regions throughout Australia will be covered by regional structure plans. There will be clear structural and procedural linkages between planning systems and related systems for infrastructure funding and delivery, and allocation of physical and financial resources. There will be integrated governance structures for delivering planned outcomes.

**Q2. What do you think may be the differing challenges and opportunities faced by regional cities or cities of different sizes and stages of development?**

LeadWest and its stakeholders perceive some common challenges and opportunities for all cities, irrespective of location, size and stage of development, as well as challenges and opportunities that differ due to the locations, sizes and development histories of different cities. LeadWest’s view is summarised in the table below.

	<b>Challenges</b>	<b>Opportunities</b>
<b>All Cities</b>	Population ageing and associated economic and fiscal effects Climate Change and associated economic effects Impacts of migration Balancing heritage and new development	Advance ‘Design for All’ in response to population ageing Advance sustainable development Advance a Social Inclusion agenda Build tomorrow’s heritage today
<b>Large Capital Cities</b>	Population Growth Housing Affordability	Leverage changing preferences for dwellings and location Advance trend toward urban consolidation Harness agglomeration effects
<b>Small Capital Cities</b>	Population Growth	
<b>Large Regional Cities</b>	Population Change Housing Affordability	
<b>Small Regional Cities</b>	Population Change Urban amorphism Water security Sustainable growth	Creation of structure plans

LeadWest also emphasises that there is regional variation within Australia’s large capital cities. In the same way that location is a factor in variability between cities, it can give rise to variation within a city. For example, on an array of indicators outcomes for the urban and peri-urban region of Melbourne’s west are very different to those for urban regions in Melbourne’s east and south-east. For example, the population of Melbourne’s west has low education and skills

attainment outcomes relative to other parts of Melbourne. There are also higher levels of unemployment and lower levels of workforce participation in Melbourne's west.

## **HARNESSING OUR PRODUCTIVITY**

### **Q3. What would you consider to be the biggest productivity challenges for our cities and what approaches would you encourage governments and businesses to pursue?**

LeadWest and its stakeholders note the emergence of a ‘patchwork economy’ in Australia, where some regions boom while others go backwards. Reflecting a patchwork economy there is likely to be variation in productivity in each of the nation’s regions, including the urban regions.

At present, the Australian Bureau of Statistics identifies multifactor productivity growth cycles for the market sector of the economy but not for individual industries. However, cyclical factors do differ across industries - for example, agriculture is affected by droughts, mining is affected by resources booms, and electricity, gas and water are affected by droughts and an evolving policy and regulatory environment. As highlighted in the Productivity Commission's submission to the House of Representatives Economics Committee inquiry into raising the level of productivity growth in the Australian economy, such factors have had a significant influence on the recent performance of overall productivity.<sup>3</sup>

The patchwork analogy applies not just to variation between industries, but also to variation between regions. It also applies to urban regions within cities. For example, Melbourne’s west as an urban region faces economic circumstances very different to those of the City of Melbourne and the urban regions to its east and south-east. As stated in *Updating Melbourne’s West*<sup>4</sup>:

The region is, to a large extent, a captive of its history as a manufacturing region, and while the population is diverse, it includes some of the most disadvantaged residents of metropolitan Melbourne. On average, education outcomes, skill levels, occupational status and incomes are lower than the average for Melbourne. The gentrification of the Inner West introduces a more highly skilled, better educated group with higher incomes to the West, which is potentially a labour force to fill professional jobs in the West. However, to date their orientation has been towards jobs in the CBD.

The extent of this disadvantage pervades all strategies to further transform the West and improve its integration with the global knowledge economy. It impacts on the

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<sup>3</sup> Productivity Commission (September 2009) *Australia’s Productivity Performance: Submission to the House of Representatives Standing Committee on Economics*

<sup>4</sup> Centre for Strategic Economic Studies, Victoria University (April 2010) *Updating Melbourne’s West*

prospects of Footscray to fulfill the ambitions of the State Government for it to become a CAD with an array of CBD-like service functions. Even for the above-average income LGA of Wyndham, the low educational outcomes and relatively poor qualifications of its residents presents an additional challenge to the development of a Monash-type technology cluster developing at the Werribee Employment Precinct.

LeadWest emphasises the need to understand the variation that occurs between metropolitan regions within Australian cities.

We acknowledge the statement in the Discussion Paper that cities are centres of economic activity, where the workforce, industry and the institutions that support their activity are concentrated<sup>5</sup>. Also that there is mounting international evidence of a positive relationship between productivity and ‘effective density’, that is, the number of suppliers and distributors a business can reach within a given travel time.

Whilst in agreement that there is benefit in agglomeration economies – that is the benefits resulting from the clustering of activities – we note a need for caution. There is the potential for agglomeration to be too intensive for proper maximisation of economic benefits. Increasing agglomeration may lead to more congestion, higher rents, crime, poverty concentration, and pollution - factors that limit the productive advantages and profitability of firms locating in cities, and make them less desirable places to live in.

We also remark upon the need, if cities are to be opportunity systems, for economic activities and opportunities to be spread across or accessible to all metropolitan regions within a city. The Background Paper states that the services sector accounts for more than 75% of economic activity, 85% of employment and 20% of export.<sup>6</sup> Yet as the ‘patchwork economy’ plays out within cities, some metropolitan regions have much lower levels of involvement in the high-growth services sector. For example, residents of Melbourne’s west are employed disproportionately in low-growth industry sectors, such as manufacturing which has been in decline. A lower than average proportion has been employed in the service sectors. This represents a ‘jobs gap’ which may be a result of skills deficiency, or a lack of high-growth jobs in Melbourne’s west or a combination of the two.

We also agree with the statement in the Discussion Paper<sup>7</sup> that the locational distribution of the workforce and industry relative to each other, and the

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<sup>5</sup> *Our Cities* Discussion Paper page 12

<sup>6</sup> *Our Cities – The Challenge of Change* Background Paper page 40

<sup>7</sup> *Ibid*

infrastructure that connects them and supports economic activity more generally, influences productivity. It is true that efficient connections with our cities, connections between people, industries, business and markets, improve productivity performance. Thus we remark upon the need for transportation and communications infrastructure that supports efficient connection of the metropolitan regions within Australian cities as well as connection between the cities and with non-urban regions around Australia.

Transport connection is a critical to the success of Melbourne's west and metropolitan regions within other Australian cities with similar characteristics. Melbourne's west is the fastest growing region of Melbourne and one of the fastest growing regions in Australia. However, a lack of new infrastructure and the inadequacy of existing infrastructure threaten the region's economic, social and environmental sustainability. Transport infrastructure is significantly under developed in Melbourne's west and urgent major investment is essential if the region, its businesses and its people are to reach their potential.

Despite having 12.5% of the Victoria's population, only around 8% of the Victorian jobs are located in Melbourne's west. To compound matters, most municipalities in the region have a very narrow range of jobs – mainly focused in areas that are traditionally considered blue collar. Consequently, the region experiences a significant and growing daily export of skilled labour. In 2006 about half of the resident work force left the region to work, with people travelling from their dwellings in the western suburbs to their workplaces in Melbourne's CBD and areas further east and south-east. The region also currently imports more than \$2 billion of services each year from other regions, principally central Melbourne, as Melbourne's west has a limited services base in a range of professional, commercial and educational sectors.

Not just the movement of people, but also the movement of goods within and between Australian cities is vitally important for the economy as well as for the quality of life and wellbeing of populations in these cities. Melbourne is the international and domestic freight hub for south-east Australia. In all Australian cities, the freight task reflects industry and demographic changes, as well as global and national trends in freight transport. As a city's transport network comes under growing pressure, there are adverse impacts on the efficient, reliable and cost-effective movement of goods around the city and between cities. Transport network congestion constrains supply-chain efficiency and productivity.

Trade through the Port of Melbourne, Australia's largest and busiest container port, surged to record heights in 2010<sup>8</sup>. It is expected that container traffic through the Port of Melbourne will increase significantly by 2035<sup>9</sup>. The Port of Melbourne is centrally located at the nexus between Melbourne's east and west. The routes used to move goods around Melbourne are also popular routes for moving people. As the demand for freight and personal travel grows, these routes are becoming increasingly congested, affecting the reliability of freight movements and impacting on productivity.

Melbourne's west has served for generations as the gateway for Victoria and for much of south-eastern Australia. The region has become one of Australia's major transport and logistics hubs because of its proximity to the Port of Melbourne and Victoria's major airports. If the rail share of freight transport does not significantly improve, by 2035 there will be at least 18,000 truck movements each day to and from the Port of Melbourne<sup>10</sup> and much of that will move through Melbourne's west. Thus, as identified in the *East West Link Needs Assessment*<sup>11</sup> undertaken by Sir Rod Eddington for the Victorian Government, there is an urgent need to improve east-west transport connections across Melbourne, which is heavily reliant on the Monash – CityLink – West Gate corridor as the only major east-west road link to support travel between the industrial and residential growth areas to the west and south-east of Melbourne. This corridor will not be adequate to serve travel needs arising from further economic development and population and jobs growth.

Thus there is a significant challenge and associated opportunity to address inter-connectivity between Melbourne's east and west.

LeadWest would encourage governments and businesses to pursue productivity improvement approaches involving regional cooperation in planning and execution generally, but especially on solving specific intra-urban connectivity problems. Regional cooperation would entail appropriate inter-government cooperation as well as supportive involvement by regional stakeholders, such as firms in the commercial sector and non-government, non-profit and community organisations.

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<sup>8</sup> <http://www.portofmelbourne.com/global/docs/MR-110124-Record-trade-in-2010.pdf>

<sup>9</sup> PriceWaterhouseCoopers (March 2007), *Economic Analyses of the Port of Melbourne*

<sup>10</sup> East West Link Needs Assessment (March 2009), *Investing in Transport*

<sup>11</sup> East West Link Needs Assessment (March 2008), *East West Links Needs Assessment Final Report*

**Q4. To what extent can infrastructure planning and investment guide more efficient use of existing infrastructure and resources?**

LeadWest and its regional stakeholders suggest that infrastructure planning and investment can guide to a great extent more efficient use of existing infrastructure and resources. This is especially so if there is greater transparency on infrastructure status.

To this end, LeadWest welcomes publication on the website of Infrastructure Australia of a variety of infrastructure plans and strategies produced by governments across the nation.<sup>12</sup> LeadWest suggests it would be very useful to extend publication of such information. A publicly available and online database of infrastructure assets – providing clarity about asset capacity, lifespan, and renewal requirement – would better inform the market and citizens and would assist in decision-making on investment priorities.

Clarity on the state of current and required infrastructure is but one form of information that guides infrastructure use. Another area in which to promote clarity is the regulation of existing infrastructure. At the February 2006 COAG meeting the Competition and Infrastructure Reform Agreement was signed. The agreement aims to achieve a simpler and consistent national approach to the economic regulation of nationally significant infrastructure, including for ports, railways and other export-related infrastructure. LeadWest acknowledges that the implementation of the agreed reforms should reduce regulatory uncertainty and compliance costs for owners, users and investors in significant infrastructure and thus support the efficient use of such infrastructure. LeadWest encourages the implementation of access regimes to infrastructure which maximise efficient utilisation of existing assets.

Operational clarity is also important. The development of enabled infrastructure using technologies such as remote sensors, GPS, wireless and broadband communications is a key pathway towards a stronger economy. It enables better infrastructure management and maintenance. It supports better infrastructure planning.

However, LeadWest cautions that clarity enabling better infrastructure planning and investment cannot alone deliver more efficient use. For example, skills shortages and lack of suitable labour can impede the efficient use of both existing and new infrastructure.

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<sup>12</sup> [http://www.infrastructureaustralia.gov.au/plans/govt\\_plans.aspx](http://www.infrastructureaustralia.gov.au/plans/govt_plans.aspx)

**Q5. How do we better plan for and protect the infrastructure corridors, strategic sites and buffers we need for the future operation of our cities?**

Australia needs to achieve best practice in major strategic corridor and metropolitan planning arrangements. The development of high capacity infrastructure corridors in Australia is essential to facilitate the movement of people and goods and the delivery of services, given the predicted population and density increases over the next four decades. Australian governments can dramatically improve the identification, protection and acquisition of corridors for new infrastructure. Preserving the corridors now, enables Australia to develop and implement a long-term approach to infrastructure planning.

LeadWest and its regional stakeholders suggest that governments can better plan for and protect needed infrastructure corridors, strategic sites and buffer lands by continuing to increase the extent of long-term planning, particularly at the regional level. There is a need to make greater use of shared corridors through metropolitan regions. However, there must be smart planning of how corridors are shared in order to avoid situations such as seen in Sydney and Melbourne where there is expected growth in both passenger and freight rail services, priority is given to passenger trains on the shared rail network and this will increasingly impact on rail freight operations.

There is a need to integrate land use planning with infrastructure planning. This will need to be underpinned by cross government cooperation that supports broader vision rather than single issue agency agendas. LeadWest suggests that local governments will play a key role in brokering:

- Local land use changes;
- Changes in local infrastructure and services;
- Balancing the need to present local views to other governments and contribute to explaining the need for change to communities.

LeadWest suggests that the Australian Government and the State/Territory governments provide more assistance to local governments to enable them to better resource the completion of precinct structure plans and strategic local environmental plans covering areas within municipal boundaries. This should be bolstered with further assistance facilitating cooperative regional level planning.

**Q6. What do you consider to be the most significant transport issues affecting our cities, and what approaches would you encourage governments to pursue?**

LeadWest and its regional stakeholder consider the most significant transport issue affecting Australian cities to be traffic congestion. Urban productivity is highly dependent on the efficiency of its transport system to move labour, consumers and freight between multiple origins and destinations. Congestion is a constraint on productivity. As stated in a report prepared for the Council of Australian Governments, on road, rail or other transport networks major urban congestion bottlenecks affect industrial performance and the problem is deepening:

Congestion pressures are forecast to rise appreciably. The Review commissioned the Bureau of Transport and Regional Economics to undertake an examination of likely traffic and congestion trends for the 15 years from 2005 to 2020. While the analysis is based on aggregate modelling, rather than on detailed network-based location-specific models, it provides 'order-of-magnitude' estimates of traffic growth and congestion costs. The examination identified population and economic growth as fundamental drivers of traffic growth, and concluded that traffic levels in our cities will increase by some 37 per cent over the next 15 years. This will result in approximately as much traffic in absolute terms being added to the average city network in the next 15 years as was added in the past 15 years. The examination goes on to estimate increases in congestion costs from extra travel time, increased unreliability, higher vehicle operating costs (especially fuel use) and poorer air quality. These estimates are based on the aggregate 'avoidable' (or excess) costs of congestion for Australia's capital cities under a 'business-as-usual' scenario. On this basis, the costs of congestion to Australia could more than double from \$9.4 billion in 2005 to an estimated \$20.4 billion annually in 2020. These forecasts reflect upper limit estimates of the potential gains available from an improved approach to congestion management.<sup>13</sup>

In its response to Question 3, LeadWest has shared an example of the effects of congestion on a metropolitan region. LeadWest views congestion as one of the biggest productivity challenges for Australian cities. Congestion also hampers the efficacy of some metropolitan regions in their role as 'opportunity systems', with people in some parts of our cities unable to efficiently access educational, work, cultural and recreational opportunities in other parts of those cities.

The spatial imprint of parked vehicles is also a significant issue. Whilst all forms of travel require 'terminal capacity', automobile travel has enormous land requirements for its 'terminals' (i.e. car parks). From suburban driveways to the

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<sup>13</sup> Competition and Regulation Working Group (2006), *Review of Urban Congestion Trends, Impacts and Solutions*

sprawling parking lots around big retailers, much urban space is dedicated to car parking – a growing land-use trend that plays a role in heating up urban areas and adding to water pollution. LeadWest is aware of studies showing that there are approximately three parking spaces for each vehicle in the United States, which amounts to a parking lot half the size of Belgium<sup>14</sup> (i.e. at 15,000 km<sup>2</sup>, an area almost double the size of metropolitan Melbourne). We are not aware of the Australian ratio for parking spaces to vehicles, but have read reports of extraordinary prices being paid for car parking spaces. In March 2010, it was reported in *The Australian* that car parking spaces in Sydney, once worth \$5000 to \$10,000, were selling for between \$40,000 and \$140,000 each. The same report quoted Raine and Horne chief executive Angus Raine, whom stated that car parking added a \$150,000 premium to central Sydney properties in locations such as Paddington. Demand for car parking in activity centres is related to the problem of congestion.

Another significant issue is public transport integration. Transport integration means that whatever modes or types of transport are involved they all operate as one 'seamless' entity - for the benefit of the fare paying customer. Success in public transport integration is needed to underpin increases in modal share of public transport.

LeadWest encourages governments in Australia to pursue approaches that relieve traffic congestion, reduce total area devoted to car parking facilities and support integration of public transport.

LeadWest's views on approaches to relieving traffic congestion are given in responses to questions 22 and 23.

Inefficient use of valuable land as car parking facilities is best addressed through reducing demand by addressing FBT concessions that encourage car use and through other measures that will deliver higher modal share for public transport, bicycling and walking (as set out in LeadWest's response to questions 22 and 23). Consideration could also be given to parking pricing innovations, such as the 'performance parking' system implemented in Redwood City, California. LeadWest provides more on the role played by pricing reform in response to Question 8.

Public transport integration is achieved by planning services so that where a change of vehicle is required passengers can enjoy easy to use, pleasant and sheltered interchange facilities, plus short waits for the next service. Best practice involves

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<sup>14</sup> "US car parks amount to half the size of Belgium" by Tony Favro, 31 August 2009, in City Mayors Transport, a website published by The City Mayors Foundation.

public transport systems that can be run without the need for timetables because services are sufficiently frequent. Public transport users should also be able to benefit from through 'one purchase' ticketing for whole journeys. LeadWest comments in more detail on these issues in response to Question 23.

It is also important to integrate public transport with active transport such as walking and cycling. Required measures include linking bicycle routes to transport hubs, providing secure bicycle parking at train stations and transport interchanges, and facilitating the carrying of bicycles on public transport vehicles. LeadWest comments in more detail on these issues in response to Question 24.

**Q7. How do we best integrate and leverage continuing investment in infrastructure by all levels of government, especially for transport, water, sewerage and energy supply?**

LeadWest and its regional stakeholders view it as imperative that there be improvement in coordination between governments and other bodies empowered under statutory provision so as to integrate and obtain better leverage from investment in infrastructure, especially essential economic infrastructure, such as transport, water, sewerage and energy supply systems.

Cooperation and coordination are essential 'integrative' actions. Good infrastructure solutions take into account the whole system and not just individual assets. There is a need to overcome planning practices that tend to examine each project in isolation. A simple, small scale and all too common example illustrates why this is so:

A local government uses its scarce funds to upgrade footpaths within an activity centre. It completes the works, but then a water utility decides to lay new pipes within the same activity centre and uses its statutory powers to break ground where the new footpaths had been laid. The water utility completes reinstatement works where the quality of finish is far less than the original. Subsequently, a gas utility decides to dig up the footpaths again to work on gas pipes. Soon after a telecommunications infrastructure company digs up the reinstated footpaths once more.

Unfortunately, larger scale examples of uncoordinated planning and management of infrastructure are also all too common.

The number of roads with level crossings of railway lines in metropolitan Melbourne is a noteworthy example. It highlights the problem of non-integrated transport planning. Melbourne stopped its program of replacing level crossings in the early 1970s to divert money to construction of the Eastern Freeway. At present, every new train that runs on Melbourne's metropolitan network comes into conflict with one or more of Melbourne's 182 level crossings and that contributes to reduced rail service frequencies (to allow for vehicles to cross tracks), slowed train speeds for safety reasons, delayed road traffic and congestion. To further complicate matters, in Melbourne there are several level crossings where electrified train tracks cross roads with electrified tram tracks. Due to need the need to switch voltage supplied to the overhead wiring, trains are severely speed-limited across these intersections.

LeadWest is supportive of a model for managing 'precincts of higher economic importance', encompassing governance for the ongoing management and planning of a precinct. Of the forms such governance could take, LeadWest would favour models involving an Advisory Board with representatives of all major stakeholders.

LeadWest is also aware of argument about the treatment of \$3.2 billion in funding to Victoria from the Building Australia Fund for the Regional Rail Link project in Melbourne's west.<sup>15</sup> Accordingly, LeadWest suggests examination of the allocation among the States of the goods and services tax (GST) revenue. There is a need to eliminate disincentive for States to undertake large infrastructure investment. One such disincentive is the possibility of losing hundreds of millions in GST funding in the short term as a result of receipt of funding contributing to States' service delivery capacity only over the very long term.

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<sup>15</sup> *Australian Financial Review* (1 March 2010) 'GST row over Vic's rail link'

**Q8. What is the role for pricing reform (such as water, roads or carbon pricing) in meeting the challenges of Australian cities?**

LeadWest and its regional stakeholders perceive an important role for pricing reform. However, we note that whilst such reform assists; it is insufficient on its own to affect behavioural change in populations. Educative programs are also needed to entrench new behaviours.

Significant reform of the Victorian water sector has occurred over the last ten to fifteen years. More recently, reforms to the way in which water and wastewater services are priced have now occurred with an independent economic regulator – the Essential Services Commission (ESC) – setting prices to be charged by Victorian water businesses. Regulation relating to the pricing of water in Victoria now responds to a number of policy objectives, including:

- the requirement that water businesses recover the cost of providing water services through water prices (full cost recovery);
- the need to promote conservation of water as a scarce resource; and
- an expansion in trade in water, which endeavours to achieve more profitable use of water and more cost-effective and flexible recovery of water to achieve environmental outcomes.

Primarily due to policy reform promulgated by COAG which has guided lawmakers across jurisdictions, the framework for the pricing of water is broadly similar across the various Australian states.

The responsiveness of demand to changes in price can be measured in terms of price elasticity. A large number of econometric studies have attempted to estimate the price elasticity of urban water demand both in Australia and overseas. Some time-series studies have found that price was not significant at all in reducing demand for water by residential users.

LeadWest suggests that any further moves to introduce market principles into the provision and/or pricing of water must be based on public interest outcomes (considering all social, environmental and economic implications) and involve robust community consultation. Further, we suggest that there be emphasis on community education campaign, such as the Target 155 campaign launched in Victoria in 2009. Due to this campaign, the average daily water use in Victoria had dropped by August 2010 to 147 litres per person.

Road pricing is seen as one of the most effective measures to battle the road based transport externalities, such congestion levels and environmental pollution. An

increasing number of countries has introduced some form of pricing, from simple local toll roads (e.g., Scandinavia, France), cordon charges (e.g., London, Singapore, Stockholm), and dynamic pricing (San Diego), to nation-wide kilometre charging (Germany). The main principle is to let road users pay a price to cover the costs they cause, such as congestion, road maintenance, and pollution costs.

With respect to toll road pricing, LeadWest relates the impacts on the City of Maribyrnong and the City of Moonee Valley of the CityLink toll road network in Melbourne.

CityLink tolling caused major changes to traffic congestion in the City of Moonee Valley, as significant volumes of traffic have been diverted from the freeway once the tolls were introduced. Traffic counts show that traffic volumes on Mt Alexander Road have increased by 40%. There is overloading of the local road network and use of 'rat runs' through local streets that were not designed for high volumes of traffic.

The City of Maribyrnong is also dramatically impacted, particularly by trucks accessing the Port of Melbourne by routes that avoid the toll applied to the Bolte Bridge section of CityLink. Since it opened, the Western Ring Road has funneled huge numbers of trucks destined for the Port of Melbourne onto the West Gate Freeway eastbound. This would be unproblematic if the truck traffic did behave as anticipated by planners and travel over the West Gate Bridge and then the Bolte Bridge to access the Port. However, as vehicles using the Bolte Bridge are tolled, many truck drivers exit the West Gate Freeway prior to the West Gate Bridge and access the port via roads through residential areas in Yarraville and Footscray.

Using local roads, particularly those low in the road network hierarchy, in order to avoid paying a toll seems like irrational behaviour. It occurs contrary to evidence that time, fuel and money is saved by using the tolled road. With regard to trucking costs, the industry peak body in Victoria recommends to its members that they use the Bolte Bridge route into and out of the Port of Melbourne because it offers considerable cost savings. Yet there are at least 20,000 truck movements (from light rigid wheel-base trucks to B-doubles) each day using roads that run through Melbourne's inner western residential suburbs.

The cost of these truck movements for the City of Maribyrnong is very high and includes:

- Increased maintenance of the road network
- Health, environmental and pollution costs
- Loss of residential amenity

- Lower property values adjacent to heavily used truck routes and badly located transport depots or terminals.

Hence LeadWest advocates measures to better address toll avoidance. Implementation of 'shadow tolling' may be appropriate in some instances. LeadWest notes that the 'cash back' scheme introduced for the M4 and M5 motorways in Sydney results in these two roads using a form of shadow tolling. The benefit of this form of shadow tolling is that motorists seek to use what they perceive as a 'free' former toll road and more traffic is thus removed from less efficient roads.

LeadWest also notes that the Peninsula Link project, involving the construction of a Frankston Bypass to complete the missing link in the Mornington Peninsula Freeway corridor from the EastLink (Mitcham-Frankston) motorway to Mount Martha, will be the first road project in Australia delivered under an availability-based Public Private Partnership. Traffic on Peninsula Link will not be subject to tolls.

Education campaigns may also play a part in reducing toll avoidance and associated 'rat-running', particularly by trucks. LeadWest perceives scope for a campaign educating road users on the relative travel efficiency of toll roads and associated available cost savings. Truck drivers may also need to be better informed that an income tax deduction is allowable for bridge or road tolls paid by a truck driver while travelling in the course of employment.

Parking prices have a profound effect on travel choices. Parking subsidies substantially increase private motor vehicle travel. In the last few decades, a growing number of European cities have led the world in changing the direction of parking policy, with a number of attractive results including revitalised town centers; large reductions in car use; and decreasing air pollution and rising quality of urban liveability. The Institute for Transportation and Development Policy recently released a report that examines car parking over the last half century in ten European cities: Amsterdam, Antwerp, Barcelona, Copenhagen, London, Munich, Paris, Stockholm, Strasbourg and Zurich<sup>16</sup>. The report found:

- Parking is increasingly linked to public transport. Amsterdam, Paris, Zurich and Strasbourg limit how much parking is allowed in new developments based on how far it is to walk to a bus, tram or metro stop. Zurich has made significant investments in new tram and bus lines while making parking more

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<sup>16</sup> Institute for Transportation and Development Policy (January 2011), *Europe's Parking U-Turn: From Accommodation to Regulation*

expensive and less convenient. As a result, between 2000 and 2005, the share of public transit use went up by 7%, while the share of cars in traffic declined by 6%.

- European cities are ahead of the rest of the world in charging rational prices for on-street parking. In Paris, the on-street parking supply has been reduced by more than 9% since 2003, and of the remaining stock, 95% is paid parking. The result, along with other transport infrastructure improvements, has been a 13% decrease in driving.
- Parking reforms are becoming more popular than congestion charging. While London, Stockholm, and a few other European cities have managed to implement congestion charging, more are turning to parking. Parking caps have been set in Zurich and Hamburg's business districts to freeze the existing supply, where access to public transport is easiest.
- Revenue gathered from parking tariffs is being invested to support other mobility needs. In Barcelona, 100% of revenue goes to operate Bicing—the city's public bike system. Several boroughs in London use parking revenue to subsidise transit passes for seniors and the disabled, who ride public transit for free.

LeadWest also sees a role for carbon pricing in meeting the challenges of Australian cities. The role is crucial; introducing a cost on carbon pollution will drive investment in new technologies. Creation of a well-developed carbon market, including secondary and derivatives markets will enable the economy to reduce greenhouse gas (GHG) emissions in a cost-effective way.

However, an administrative approach imposing a cost on GHG emissions is necessary but insufficient for effective GHG emission mitigation. It is but one of a number of required measures that for effectiveness must be implemented in combination. Aside from carbon pricing there is also a need for directed government funding of measures to increase energy efficiency and use of energy from renewable sources (including waste to energy technologies), promote fuel switching and other transport related means of reducing emission of GHGs, reform of regulations and standards, encouragement of organisational change, and measures directed at education and information provision.

**Q9. How do we best promote and harness private investment in the infrastructure needs of our cities?**

There is no question about the need for investment in infrastructure maintenance, renewal and new infrastructure to serve Australian cities. LeadWest acknowledges that one of the major challenges facing nearly every government is how to provide the billions of dollars of infrastructure development and maintenance required to meet the changing needs of the community.

LeadWest and its regional stakeholders suggest that the first step for governments to better promote the infrastructure needs of Australian cities (a precursor to investment attraction) is to increase clarity on the current status of infrastructure serving all cities and the plans for growth of cities. LeadWest's response to Question 4 provides our view on how governments could proceed to promote such clarity.

LeadWest notes that there has been considerable debate in Victoria (and in many other jurisdictions) about the financial and economic benefits of the use of the public private partnership (PPP) model to involve the private sector in financing, designing, building and maintaining public infrastructure, and in some cases, delivering associated services. The Victorian Government has undertaken significant research and development to determine the most appropriate way to engage the private sector in large infrastructure works. The resulting policy and subsequent guidance material has become recognised internationally as the leading information on how to procure using the private sector. The Partnerships Victoria Practitioners' Guide includes the following statement:

Departments and agencies that may be involved with Partnerships Victoria projects should plan the development and retention of skills that will be provided internally, including skills in project identification, output specification, aspects of project development, project management and contract management.

The United Nations Economic Commission for Europe also cautions:

Because of the higher salaries it offers, the private sector can drain the public sector of its best personnel. Hence, to ensure that [a] PPP unit can provide the leadership, government should design structures to counter the risk of an internal brain drain and ensure that PPP programs will receive resources to be run properly. The consequences of not doing so can be much more costly in poorly prepared and managed projects.

Accordingly, LeadWest urges governments and their agencies to maintain sufficient levels of expertise in strategic and operational project management. This is particularly critical in a situation of skills shortages.

At times funding gaps emerge when banks, other financiers and major equity investors withdraw or shy away from infrastructure projects.

It might be expected that responding to a recession would increase the demand for PPPs from governments, because they are a way of building infrastructure while limiting the apparent effect on the official government deficit. A recession also provides private companies with even greater incentives to sign PPP contracts, in order to get long-term business from the government at a time when demand from the private sector is falling.

However, private investment levels over time have typically declined during years of economic recession and tended to increase only in periods of economic growth. During the recent global credit crisis banks and investors were much more reluctant to lend to private companies.

A global review in December 2008 by PriceWaterhouseCoopers estimated that interest rates for lending to infrastructure projects had risen to about 1.5% or 2% above the lowest rates which governments could obtain. In January 2009, an article in *The Australian* summarised the local effects:

“As the debt markets worsen and most listed infrastructure funds have fallen apart, a new model is needed to help finance the estimated \$800 billion the country needs to spend on infrastructure in the next decade..... The Infrastructure Partnerships Australia chairman Mark Birrell said that: "Otherwise, we could find that projects simply won't attract a suitable level of interest in the much-changed global economy."<sup>17</sup>

Accordingly, LeadWest suggests that governments should not arbitrarily constrain their borrowing at a time when Australia's largest cities face a widely recognised infrastructure crisis.

It remains feasible to follow the traditional method of financing public infrastructure - through government borrowing to raise finance, issuing construction contracts, and then operating the facility, whether through direct labour or contractors.

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<sup>17</sup> *The Australian* (6 January 2009), “Infrastructure rethink needed as PPPs burn participants” <http://www.theaustralian.news.com.au/story/0,25197,24876607-5014000,00.html>

**Q10. What opportunities do you see for governments to achieve better outcomes for urban communities, by leveraging their investments in other activities such as health and education?**

LeadWest and its regional stakeholders perceive significant opportunities for governments to achieve better outcomes for urban communities through leverage of investments in health and education.

We note the findings published in *Healthy parks, healthy people*<sup>18</sup> that parks and other natural environments are a fundamental health resource, particularly in terms of disease prevention. Parks and other natural environments provide for a broad range of organised and non-organised recreational uses which may increase physical activity levels.

Walking is a suitable physical activity for most people. Regular walking can assist people to lose body fat, maintain a healthy weight, improve fitness and reduce risk of developing conditions such as heart disease, type 2 diabetes, osteoporosis and some cancers.

LeadWest notes that urban ‘walkability’ is increasingly recognised as having a range of benefits for cities and the people who use them. Aside for increasing the sustainability of cities, walkability supports better public health and wellbeing by encouraging a highly accessible form of exercise.

LeadWest and its stakeholders recognise that higher density development within mixed-use activity centres is a means to increase walking within our cities, but note that the quality of the pedestrian experience is also critical. We suggest that a means to achieve higher quality pedestrian experience is to ‘design for all’ and create environments that are inherently accessible to both the able-bodied and the physically disabled.

Accordingly, we concur with the recommendation of the House of Representatives Standing Committee on Health and Ageing set out in *Weighing it up: Obesity in Australia*<sup>19</sup>:

The Committee recommends that the Federal Government work with all levels of government and the private sector to develop nationally consistent urban planning

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<sup>18</sup> Deakin University (March 2008), *Healthy parks, healthy people: The health benefits of contact with nature in a park context – A review of relevant literature*

<sup>19</sup> House of Representatives Standing Committee on Health and Ageing (2009), *Weighing it up: Obesity in Australia* (report on the inquiry into obesity in Australia as tabled on 1 June 2009) [www.aph.gov.au/House/committee/haa/obesity/report.htm](http://www.aph.gov.au/House/committee/haa/obesity/report.htm)

guidelines which focus on creating environments that encourage Australians to be healthy and active (Recommendation 13)

An important aspect of such urban planning guidelines is the treatment of public land, including public open space. As noted in a Discussion Paper produced by the Victorian Environmental Assessment Council (VEAC) for the Metropolitan Melbourne Investigation:

Land owned by local councils makes significant contributions to the liveability of communities through community facilities and services and open space. This land often adjoins and is indistinguishable from public land, and even when this is not the case, is generally considered by members of the community to be part of the public land estate.

Thus LeadWest and its stakeholders seek continued improvement in governments at all tiers working together to coordinate management of public land, especially – although not exclusively – public open space. In its submission to the VEAC, LeadWest stated a concern that Melbourne’s west was not recognised at a regional level which may result in some important regional directions being underplayed in decision-making about the future of public land. It is at a regional level that there are significant opportunities for governments to leverage investments in other activities, such as health and education, for the widespread betterment of urban communities.

*Improving the liveability of Melbourne's western suburbs is a mantra for the Mayors and CEOs of the region's local governments. The contribution of public land to liveability is a key issue.*

From LeadWest's submission to the Victorian Environmental Assessment Council on the Metropolitan Melbourne Investigate (December 2010)

Melbourne’s west is one of the fastest growing areas in the country. As the population increases, so too does pollution, heat and pressure on the environment. There is opportunity to improve the health and wellbeing of communities through improvement of the public realm. More trees and vegetation will not only improve the appearance, liveability and community health of Melbourne’s western suburbs, it will also help reduce the ‘urban heat island effect’ as well as dust pollution. To address the opportunity LeadWest member City West Water has commenced work on a ‘Greening the West’ strategy, which aims to enable discussion of the many benefits of increased vegetation and trees in Melbourne’s west, encourage the community to value their green spaces, and develop a regional plan for increasing vegetation.

With respect to leverage of government investments in educational facilities there is significant opportunity in site selection for schools and other educational facilities. The opportunity is to leverage the infrastructure supporting education into also supporting population health and wellbeing. For example, LeadWest draws

attention to the findings of a 2003 study by the U.S. Environmental Protection Agency that schools with greater proximity to students have higher likelihoods that the students will walk or ride a bicycle to school. Similarly, a 2004 study by the U.S. Center for Disease Control and Prevention that the distance to school was by far the most overwhelming barrier to children walking or bicycling to school.

There is also opportunity to promote schools and children's centres as community hubs, through the co-location and integration of services and increased community use of school facilities. LeadWest acknowledges and applauds the fact that the Australian Government's Building the Education Revolution (BER) Guidelines outline that facilities funded as part of the Primary Schools for the 21st Century (P21) program must be made available for community use at no or low cost. This includes reasonable access by any community or not-for-profit groups in the local community. LeadWest support sharing facilities, as it provides schools with an opportunity to strengthen relationships with local community organisations.

In its responses to questions 1 and 15, LeadWest commends precinct structure planning as a means to lay out roads, shopping centres, schools, parks, housing, employment and the connections to transport. Precinct structure plans can reflect the elements of a sustainable school site:

- Centrality to the community served.
- Linkage to walking and bike-friendly routes.
- Location outside of sensitive habitat.
- Coordination with existing transportation, water, waste, and energy networks.

In a similar way there are opportunities to leverage government investments in health facilities, particularly hospitals and GP Super Clinics. Whereas community hubs co-located with education facilities would have focus on youth services and services to parents and children, such as maternal and child health services and toy libraries; the community services co-located with health facilities could have a health, fitness and wellbeing focus. LeadWest is aware of the development in NSW of the Auburn Community Hub next to Auburn Hospital. Co-location of the new community hub with the existing hospital will provide the local community with a comprehensive range of health services in one location.

Clustering of aged care and retirement centres near hospitals is another opportunity. It is generally recognised that effective service delivery is assured by grouping of compatible departments within hospitals and health care facilities into "clinical clusters", together with the co-location of cluster related services including wards,



outpatients, diagnosis facilities and offices. A similar effect should occur where aged care and health services are clustered together.

**Q11. What performance targets should governments set for our public transport systems? How would these be applied, and what would their effect be?**

LeadWest and its regional stakeholders would welcome a national urban policy that encourages greater use of public transport in Australia's cities.

An obvious key performance indicator is 'modal share' measuring the extent of use of public transport. In recent years, many cities around the world have set modal share targets for balanced and sustainable transport modes. For example, Singapore has set a performance target to increase AM peak modal share on public transport from 59% to 70% by 2020.

However, there is a wider range of other 'supporting performance' targets governments should set for our public transport systems. Such targets are useful for evaluating performance and motivating change that supports progress toward high modal share on public transport.

For example, targets for on-time running of timetabled public transport services help to support public confidence in system reliability, thus supporting increased modal share. Similarly, targets for public transport system accessibility set incentive for improved 'inclusive design' and thus support increased modal share.

It is also important to look at why a government should target high modal share for public transport and ensure monitoring of indicators of outcome achievement. For example, if increased use of public transport is meant to support reduced traffic congestion in identified areas or on specific roads, then traffic congestion in those places should be measured.

Other targets could be set to support transit-oriented development, which in turn underpins high modal share for public transport. Indicators to measure the success of implementing transit-oriented developments include:

- Population density
- Housing density
- Proportion of mixed-use buildings
- Quality of streetscape design
- Pedestrian counts
- Public transport user counts at transit interchanges, railway stations, etc.
- Proportion of mode transfer passengers at transit interchanges.



If performance targets were established in a national urban policy, they could be applied via reform-based incentive funding to States and local governments. The effect would be to accelerate progress toward more sustainable transit-oriented cities, thus reducing road congestion and improving productivity.

**Q12. How can governments best use their leverage to foster more innovation and support the economy of our cities? How will this enhance our competitive advantage in a global context?**

Today, innovation – the development of new products, new services, new or improved production processes, and new business models – drives growth. Indeed, the application of innovation throughout an economy is critical to prosperity and competitiveness. Successful cities attract talented young highly-skilled workers, are centres of innovation and entrepreneurship and are competitive locations for global and regional headquarters.

LeadWest is supportive of governments using their leverage to foster innovation. In our view, governments need to provide the bedrock that enables innovation through infrastructure projects and sound economic decision making.

LeadWest suggests that better understanding the magnitude of benefit that urban agglomerations can provide to productivity and economic growth can be very influential in determining how we are to plan and invest in our cities in the future.

While agglomerations have typically been considered to be self-organising phenomena, emerging out of the self-serving decisions of people and firms seeking to maximise their well being, more recently thought has been given to deliberately influencing their intensity and composition. Economies of innovation occur when collections of innovative firms co-locate or cluster.

Governments can encourage the clustering of innovative firms through land-use planning and through direct action. The land use planning path could involve use of precinct structure planning to define areas in which clustering should occur and specify urban design that is attractive to innovative firms.

LeadWest understands that encouraging agglomeration in under-developed areas is difficult and private investment tends not to be attracted to an area unless a critical mass has been achieved, or unless government intervenes with a sufficient package of incentives in the early phases of development.

There is worldwide experience in government attempts to create concentrated economic advantage via agglomeration and clustering in specific precincts for the creation, transfer and transformation of knowledge. Such precincts have been given various names, such as ‘smart regions’, ‘science cities’, ‘innovation corridors’ and ‘science and technology parks’.

LeadWest notes the view of Dr Terry Cutler<sup>20</sup>, former chair of the Australian Government's Review of the National Innovation System:

A successful precinct would be a localised eco-system which:

- Revolves around a clear core development proposition which can engage the sustained participation of multiple parties who have an expectation of and commitment to mutually beneficial interests.
- Has a sound and sustainable funding model
- Develops a distinct identity
- Mobilises the supply of supportive infrastructure, facilities and resources
- Leverages individual participation and investment
- Delivers sustained impact and benefits
- Facilitates active collaborations and informal networking
- Operates with clear and transparent rules of engagement
- Involves global engagement and linkages

In Melbourne's west, a 925 hectare parcel of Victorian Government owned land located approximately 25 km southwest of Melbourne has been designated as the Werribee Employment Precinct. Currently home to a number of research and development organisations including CSIRO Food and Nutritional Sciences, Victoria University, Melbourne University Veterinary Clinic, the Dairy Innovation Centre and Agrifood Technology, the Werribee Employment Precinct is four times the size of the Melbourne CBD.

Master planning of the precinct is currently being undertaken with a view to providing more job opportunities closer to where people live so there is less need to travel into the city for work. This will help to reduce congestion on the roads and CBD public transport services. The precinct will also showcase sustainable design with an emphasis on water, energy and transport efficiency.

Current supportive infrastructure includes supply to the precinct by City West Water of Class A recycled water, which both assists the Victorian Government to realise water conservation and recycling goals and to realise its vision for the Werribee Plains through attracting leading research and development institutions to the precinct.

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<sup>20</sup> Dr Terry Cutler (January 2009), *The role of precincts in innovation systems - There's no place like a precinct...an overview*

The precinct is situated between supportive transport infrastructure – the Werribee railway line and the Princes Freeway, both connecting Melbourne to Geelong. In future it will also be served by proposed transport infrastructure. The Regional Rail Link will deliver capacity enhancement on the electrified Werribee railway line and assist in reducing congestion on the Princes Freeway. Bus services would initially connect the precinct to the proposed Regional Rail Link station at Wyndham Vale.

The 70 kilometre Outer Metropolitan Ring Transport Corridor, which is intended to link Werribee, Melton, Tullamarine and Craigieburn/Mickleham, will also serve the Werribee Employment Precinct in the longer term. The planning for the transport corridor provides options for an ultimate freeway standard road, capable of up to four lanes in each direction and four railway tracks in the median for interstate freight and high-speed passenger trains between Werribee and Kalkallo.

The precinct is also located in proximity to supportive transport infrastructure, such as Avalon Airport. As the airport realises its plan to establish an international terminal it will facilitate global linkage for the Werribee Employment Precinct.

Roll out of the National Broadband Network is seen as necessary supportive infrastructure to underpin the success of the Werribee Employment Precinct. LeadWest has facilitated efforts by local governments in Melbourne’s west to become ‘NBN-ready’.

The Western Melbourne Regional Development Australia Committee is helping to mobilise the supply to the precinct of supportive infrastructure, facilities and resources in the form of tertiary education infrastructure. The Committee is currently scoping a project to identify a suitable site and review planning controls to ensure the future development of a ‘University Town’ within the Werribee Employment Precinct. An urban design framework, concept plan and project plan will be developed, listing milestones and timeframes for achievement.

## **ADVANCING OUR SUSTAINABILITY**

### **Q13. How can we best protect and enhance land and habitats in and around our cities where they are ecologically sensitive, of heritage value, or highly productive agriculturally?**

Melbourne's west is more than its industrial areas. It has a diverse and valued natural environment. Accordingly, LeadWest and its regional stakeholders are eager to protect and enhance land and habitats within and around the western suburbs of Melbourne, especially areas that are ecologically sensitive, of heritage value, or needed for agricultural uses.

In Melbourne's west we have Ramsar wetlands on parts of the western shoreline of Port Phillip Bay. We have three major river systems - the Maribryngong River, Werribee River and Little River - as well as significant creeks being brought back to life (such as Kororoit Creek and Stony Creek). On the fertile volcanic Werribee Plains we now have 15,000 hectares of native grasslands reserves. They are an internationally significant asset; the largest concentration of remaining grassland of this type anywhere in the world. They provide habitat for several listed rare or threatened species, including the Golden Sun Moth, Striped Legless lizard, Growling Grass Frog, Spiny Rice-flower, and Button Wrinklewort (a wildflower).

Communities in Melbourne's west aim to enhance the environment, rather than damage it. Taking a regional approach is seen as the best means to deal with integrated assessment of environmental problems and design of solutions at both regional and local scales. Local governments working alone, especially the smaller councils, may not have all the necessary resources or information to carry out environmental projects. However, many councils have common issues and concerns. By sharing resources and ideas across the region, more sustainable outcomes can be achieved.

Accordingly, LeadWest along with the councils of Melbourne's west and other organisations (such as the Australian Conservation Foundation and the Western Alliance for Greenhouse Action - WAGA) have collaboratively developed and are now implementing the Werribee Plains Regional Environmental Sustainability Framework (WPRESF), which is designed to provide a clear focus on three key environmental sustainability outcomes:

1. Water – Reducing the demand for potable water;
2. Energy – Achieving zero net greenhouse gas emissions; and

### 3. Natural Environment – Ensuring resilience of natural assets and systems.

The natural environment leg of the WPRESF encompasses both specific natural assets and ecological processes. The State Planning Policy Framework (SPPF) in Victoria's Planning Provisions is an overarching statement of Victorian Government's policy that is included in all municipal planning schemes. It provides a useful understanding of the scope of issues included under natural environment. These issues include protection of catchments, waterways and groundwater; floodplain management; salinity; air quality, noise abatement, soil contamination; protection from wildfire; coastal areas; conservation of flora and fauna; open space; and heritage.

Stakeholders in the region selected biodiversity as the initial priority as it is a major policy focus at both the Australian and Victorian governments. Both governments have placed a high priority on protecting the highly threatened remnant grasslands of the Volcanic Plains of Western Victoria, which extend well into the peri-urban and suburban areas of Melbourne's west. To scope the issue of biodiversity and identify priorities in the Werribee Plains Region a forum was held with key stakeholders in 2009 and the following priority areas were identified:

- Protection and enhancement of remnant vegetation along urban waterways.
- Protection of remnant grasslands.
- Connection of key habitats and integration across land tenures.
- Commitment, resources and enforcement of existing legislation and policy.
- Development of a holistic or integrated strategy across policy areas to address competing policy drivers.

Subsequent to that forum, the Victorian Government announced an initiative for creating two large reserves for native grasslands in the Werribee Plains.

LeadWest has also recently sought the support of the Vision for Werribee Plains fund to undertake a biodiversity action plan for the Werribee river system between the river mouth (Werribee South) and the State Forest at Korweinguboorra, an area that includes Lerderderg Gorge and its confluence with the Werribee River.

The project will deliver on the Werribee Plains Regional Environmental Sustainability Framework by supporting provision of a biodiversity corridor from the coast to the ranges through restoration of the native vegetation on both sides of the Werribee River and improving the condition of the Werribee River Estuary. Without intervention to enable the establishment of regional biolinks, the natural environmental values of the river and its contribution to protection and

enhancement of regional environmental values will deteriorate through fragmentation caused by urbanisation and other irreversible land use change.

LeadWest highlights the development of a regional environmental sustainability framework and subsequent implementation of projects in Melbourne's west in order to exemplify how best to protect and enhance land and habitats in and around our cities.

The organisational structure of the framework is designed to promote and facilitate decision making that incorporates these environmental outcomes into business planning and implementation at a regional level. The biolinks and other projects pull together the 'community of interest'. This enables a regional approach through integration across council boundaries and collaborative development of priorities and coordinated work programs.

**Q14. How do you think we can best support more efficient use of resources (such as water, energy and food) in our cities?**

LeadWest is keen to see Australian cities develop in ways that facilitate more efficient use of resources such as water, energy and food.

Increased data transparency, as has been achieved with water storage and supply data, has aided efforts to increase efficiency in water capture, storage, use and re-use. People seem to have responded to daily media reporting of dam and reservoir levels, particularly during times of drought. LeadWest suggests that similar basic indicators of 'resource availability' and 'resource use' could foster greater efficiency in use of a range of resources.

For example, such indicators could provide clarity for Australian communities on residential and industrial consumption at local and regional levels for:

- Potable and recycled water of various classes
- Electricity from renewable and non-renewable sources
- Natural gas
- Petrol and diesel fuels

Similarly, regular widespread reporting of the following indicators would clarify for Australian communities their progress toward more sustainable practices:

- Space used at landfill sites per period
- Percentage of solid waste recycled per period
- Percent of recyclable products actually recycled per period

With respect to supporting efficient use of food resources, LeadWest highlights the need for protection of high quality and productive agricultural land from alternative land uses and developments. As described in LeadWest's response to Question 1, the interdependence between cities and their hinterlands is of fundamental importance. It is certainly relevant to the achievement of sustainable food security. Accordingly, it is appropriate for land use planning at the regional level to incorporate food security as a key strategic objective.

Both the food production industry which uses water for irrigation, livestock watering and aquaculture, and the food processing industry consume high levels of water per tonne of food produced. These industries could consume significantly less potable water if encouraged to implement water reuse technologies. Creating incentives for investment will be critical to stimulating water reuse activity.

LeadWest also notes with concern that the amount of water embedded in the food that Australians waste each year is about the same as the amount of water consumed in Melbourne and Sydney each year. This waste of 'virtual water' could be brought to public attention through the calculation and publication of national, regional, and local government area 'water footprint' data.

**Q15. How can we best plan and build our cities and infrastructure to achieve a lower ecological footprint?**

Achieving a lower ecological footprint for Australian cities is an important goal. Footprint analysis works by calculating the area of productive land and water required to sustain the resource consumption and waste discharge of the population. In essence it is an indicator that can be used as a valuable communications tool to encourage sectors of the community to look at their environmental impact and promote innovation as a way of reducing it.

LeadWest is aware of the VicUrban Sustainability Charter, which was initially developed an in-house project assessment tool and was applied to the Aurora development in Epping, Victoria. We understand that a key motivation for the Ecological Footprint study of Aurora was to quantify the impacts of planned environmental sustainability initiatives, and to allow comparison with conventional greenfield developments. It also aimed to compare different policy scenarios and investigate their potential impact, including different house design options; different heating and cooling options; and different transport scenarios.

The footprint of an Aurora resident was calculated to be 7.03 gha, which is 9 per cent less than the 7.7 gha footprint of a resident in a conventional greenfield development meeting the then minimum 5-star energy standards for new homes. The bulk of footprint reduction was due to the housing component, in which Aurora's predicted footprint was 53 per cent lower than conventional 5-star developments. That result was attributed largely to a predicted 60 per cent reduction in household energy consumption.

LeadWest refers to its response to Question 1 in which we note that 'star rating' requirements in Australia produce only predictions of relative thermal efficiency based on design. A 'star rating' does not give the tested thermal efficiency of constructed buildings. Nor do 'star rating' requirements currently cover the whole energy efficiency of an occupied building, taking account of energy use for lighting, refrigeration and other applications. Hence, LeadWest suggests that star rating schemes be amended to become more accurate indicators of true energy efficiency in buildings.

Another noteworthy aspect of the Ecological Footprint study of Aurora was the 'drowning out' of the housing component result by the by the fact that food and goods and services components make up 71% of the average Australian's total footprint. This suggests a need to focus on efficiency in production, supply and consumption of food, goods and services. Despite conventional thinking that these issues are outside the sphere of influence of urban planners and developers, there is

scope for attention to these issues when planning and building our cities and infrastructure.

Although transport of agriculture is not a major contributor to the food component of an ecological footprint, integrated land use and transport planning can foster improved access to key food freight areas and improved national, regional and cross-town food freight connections. This will assist in reduction of the ecological footprint associated with movement of food.

Dietary shift can be a more effective means of lowering an average household's food-related climate footprint than 'buying local'. How then could a national urban policy influence what is eaten by the populations of Australian cities? The ACF suggests the following:<sup>21</sup>

- Embedding into planning, policy and regulation the principles of Food Sensitive Urban Design, integrated with Water Sensitive Urban Design principles;
- Securing peri-urban zones for sustainable agriculture and resilient food systems through strategic planning; and,
- Exploring and tapping the potential for significant and sustainable food production in urban areas.

Water Sensitive Urban Design is supported through the planning schemes of all the local governments that are LeadWest members. Food Sensitive Urban Design is an innovative concept developed by the Victorian Eco Innovation Lab, which was established by the Victorian Government in 2006 through the Victorian Sustainability Fund. As yet, the concept has not been fully considered by these local governments.

Urban food production involves relatively the simple, such as encouraging the growth of foods in suburban backyards again, through to the innovative, such as 'vertical farming' in skyscrapers.

LeadWest member councils each support backyard herb and vegetable patches and fruit trees and most publish literature with advice on sustainable gardening. All LeadWest member councils regulate to control the keeping of animals and bees in order to protect neighbourhood amenity.

As yet there has been no development of a vertical farm in any city worldwide.

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<sup>21</sup> Campbell, Andrew (2009) *Paddock to Plate: policy propositions for sustaining food & farming systems*. The Future Food and Farm Project Propositions Paper. Australian Conservation Foundation, Melbourne.

As described in response to Question 13, LeadWest and its member councils aim to assist Melbourne's west to achieve a lower ecological footprint, through its sponsorship of the WPRESF and its relationship with WAGA. The framework provides a focus on the natural assets and ecological systems found in the region's natural environment.

Included in the region's natural assets, aside from water features and land set aside for nature conservation, is rural and peri-urban land used for primary production from dry land farming systems and land used for primary production from irrigated farming systems.

Dry land farming is the lesser form of agribusiness in the region. It involves mainly farming of barley, hay, canola, sheep and cattle. Hobby farm stock in the area includes alpacas, goats, sheep and chickens. There are some commercial poultry farms in the area. Securing the dry land used for farming is appropriately dealt with through urban growth boundary review processes as the uses mainly occur in the west of the region outside Melbourne's urban growth boundary.

The dominant form of agribusiness in the region, particularly with the City of Wyndham, is intensive agriculture production located in the Werribee Irrigation District. The area was settled soon after the first arrivals in Melbourne of Europeans, and has been an important agricultural centre since the early nineteenth century. Located less than 30 kilometres from the centre of Melbourne, the Werribee Irrigation District is now a major vegetable growing area of nearly 3000 hectares.

One of Victoria's largest commercial water recycling schemes is now supplying Class A recycled water to more than 70 market gardeners in the Werribee Irrigation District. The remainder of the water irrigation needs of the district is supplied from the combination of three storages at Pykes Creek (24,000 ML), Merrimu Reservoir (35,000 ML) and Melton Reservoir (17,000 ML). These storages now hold water from both the Werribee and Lerderderg River systems. They also serve the Bacchus Marsh Irrigation District in the hinterland to the north-west of Melbourne's western suburbs.

At a national scale, these irrigation districts are a major source of lettuce, broccoli and cauliflower. Other crop types such as artichokes and onions are grown to a lesser degree, with celery also emerging as a new crop that can be grown successfully and of a high quality. The location of these irrigation districts, their highly productive soils and intensive cropping capability allows for diverse production and supply all year round, particularly during the summer months.

Melbourne's strategic land use and statutory planning, owing much to its British origins, has long supported implementation of the principle of green belts or green

wedges aimed at protecting land for agricultural use (amongst other aims). As stated in *Maintaining Melbourne's Green Wedges*:

The green wedges were established to provide a number of unique benefits to the residents of Melbourne. They provide easier access to open non-urbanised land in between the growth corridors. They ensure the continuation of agriculture and horticultural industries close to the city, including some of the most productive market gardens in southeastern Australia. They protect important landscape values, and resources such as sand and stone for future extraction. The wedges provide space for important community infrastructure, recreation, and public open space and for the preservation of remnant indigenous vegetation, sensitive environmental areas and wildlife corridors. Ultimately, and perhaps most importantly, they provide a break to a spreading metropolis, a definitive statement that a city should not spread in an uncontrolled manner, and that a city should be connected to its rural hinterland and its surrounding environment.<sup>22</sup>

An integral component of the *Melbourne 2030* strategy was the implementation of an Urban Growth Boundary and the establishment of Green Wedges that are to be set aside for a range of non-urban uses. *Melbourne 2030* identified 12 Green Wedges, which are situated on Melbourne's Metropolitan fringe, outside of the Urban Growth Boundary. The Victorian Government subsequently enabled creation of Green Wedge Management Plans by councils – alone or in groupings – in order to set out how the Green Wedges will be managed sustainably and how opportunities may be realised.

The Werribee Irrigation District is recognised as an intensive agriculture area through the Werribee South Green Wedge Policy and Management Plan. The creation of this plan for the area enables Wyndham City Council to address shortcomings and ambiguities that had become apparent during the application of the prior policy.

LeadWest is supportive of the Green Wedge policy applied in Victoria and the Green Wedge Management Plan approach. Within the region, aside from the Werribee South Green Wedge Policy and Management Plan prepared by Wyndham City Council, non-urbanised land is protected and conserved through the Brimbank Green Wedge Management Plan, and the Shire of Melton Green Wedge Management Plan.

LeadWest also refers to its response to Question 5 and suggests that the Australian Government and State/Territory governments provide more assistance to local governments to enable them to better resource the completion of precinct structure plans and other local strategic plans (i.e. covering areas within municipal

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<sup>22</sup> Michael Buxton and Robin Goodman (December 2002), *Maintaining Melbourne's Green Wedges: Planning Policy and the future of Melbourne's green belt*. RMIT University.



boundaries). This should be bolstered with further assistance facilitating cooperative regional level planning, enabling the creation of regional structure plans, regional environmental sustainability frameworks and other regional strategic plans which could assist in securing peri-urban and rural agricultural land uses.

**Q16. What are the best steps that could be taken to encourage a concerted effort by communities, businesses and all levels of government to reduce greenhouse gas emissions in cities?**

All of the local governments that are members of LeadWest are also working together through the Western Alliance for Greenhouse Action (WAGA), which forms strategic partnerships between participating members and the community of Melbourne's west to reduce their greenhouse emissions through a coordinated approach.

Some of the projects WAGA has already got underway include:

- The reduction of emissions from street lighting;
- The installation of Council energy management systems;
- The quantification and mapping of carbon sinks and sources;
- The identification and mapping of renewable energy opportunities;
- The sustainable design of urban development in the new growth areas;
- The climate proofing of existing residential areas; and
- The sustainable design of new developments in the growth areas.

In 2008, the Australian Conservation Foundation, in conjunction with WAGA, commissioned research from SGS Economics and Planning and Kinesis on a strategy for Melbourne's west to achieve net zero greenhouse gas (GHG) emissions by 2020.

The research addressed:

- Quantifying the total greenhouse emissions by sector for each of the municipalities in the study area, now and projected to 2020;
- Identifying the priority sectors for tackling greenhouse gas emissions;
- Delivering a strategy to achieve zero net emissions by 2020; and
- Developing a reporting framework drawing on a suite of indicators to allow the strategy to be monitored over time.

Major findings from the report included:

- Quantification of current regional GHG emissions showing Industry accounted for 48%, residential buildings 17%, residential travel 13% and freight transportation 12%;

- Projection of a business-as-usual scenario showing that regional GHG emissions will likely increase from 15.0 million tonnes of CO<sub>2</sub> – e in 2006 to 17.4 million tonnes of (CO<sub>2</sub> – e) by 2020.
- Quantification of future regional GHG emissions assuming business-as-usual showing Industry will likely account for 38%, residential buildings 22%, residential travel 18% and freight transportation 13%.
- Conclusion that the main driver of regional GHG emission increase is the growth in residential buildings and residential travel.

Business as usual development would mean that residents in Melbourne’s west have long distances to travel (almost exclusively by private motor vehicle) to reach employment hubs. Residents would continue to be largely car dependent for local trips for schools, shopping, entertainment, employment and sport.

There could be a reduction in car use and the resultant emissions if there was:

- A greater level of public transport provided throughout Melbourne’s west;
- Larger concentrations of employment within Melbourne’s west; and
- Good urban design for the provision of commonly used facilities within walking and cycling access of residents.

Consequently, LeadWest suggests that the best steps toward GHG emission reduction in Australia’s cities would go toward more sustainable dwelling designs and transit-oriented urban development. LeadWest’s view on the detail of such steps is set out in response to Question 15.

Key strategies to reduce GHG emissions are outlined in the *Werribee Plains Energy Research Study*, commissioned by the Australian Conservation Foundation and WAGA.

Melbourne’s west has clear potential for the installation of large scale renewable energy (solar power and wind).

**Q17. How can we ensure that climate change risk is taken into consideration in the design, construction and operation of cities, infrastructure and buildings?**

LeadWest and its regional stakeholders support action to ensure that climate change risk is taken into consideration in the design, construction and operation of Australia's cities.

LeadWest notes that the key issues in the development of urban policy to manage climate change risk include:

- Determining the best balance between mitigation and adaptation strategies;
- Determining how planning for adaptation can take advantage of current and projected climate change;
- Identifying opportunities for synergies and trade-offs between climate change adaptation and mitigation in the management of urban areas;
- Identifying how climate science can assist/strengthen urban planning in addressing climate change adaptation;
- Implementing adequate institutional arrangements for governance, planning and implementation of climate change adaptation; and,
- Fostering climate responsive urban design solutions, alternative energy strategies and energy efficient urban planning.

LeadWest suggests that a national urban planning framework link national urban policy, national climate change objectives and national disaster resilience and recovery plans. Similar linkages should occur at the regional and local levels.

Strategic urban planning will need to address adaptation measures by dealing with issues such as:

- Incorporating climate change into risk assessments;
- Managing urban sprawl in climate sensitive areas and protecting 'eco-system services';
- Managing inundation, flooding and stormwater;
- Minimising the heat island effects of high density urban areas;
- Retrofitting existing urban areas, including the modification of urban form to accommodate the adaptability of older communities to the adverse effects of climate change (e.g. heat stress); and,
- Planning strategic retreat from highly exposed areas (in some instances).

Developing adaptation strategies in urban systems is an extremely complex and challenging process. LeadWest notes the following point made in *Climate Change Impacts & Risk Management: A Guide for Business and Government*:

While experience in dealing with natural climate variability may be valuable in formulating strategies for dealing with climate change, there are important differences. With climate change, the timescale is longer, the affects may be more far reaching and the changes will not go away or be reversed in the foreseeable future.<sup>23</sup>

Assessment of climate change impacts, adaptation and vulnerability and risk management have many elements in common including the need to manage uncertainty, the linking of hazards and consequences, communication between technical experts and stakeholders, the mitigation of risk by reducing both the hazard and consequences of those hazards and formal processes to link all of these activities. The key need is for multi-disciplinary, collaborative mechanisms to inform urban planning for adaptation.

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<sup>23</sup> Australian Greenhouse Office in the Department of the Environment and Heritage (2006), *Climate Change Impacts & Risk Management: A Guide for Business and Government*

## ENHANCING OUR LIVEABILITY

### **Q18. What do you think of the concept of more compact development using a variety of building types (such as townhouses and apartments) rather than primarily expanding on the urban fringes?**

LeadWest and its stakeholders support the concept of more compact development using a variety of building types.

With membership including some ‘interface councils’ through which runs Melbourne’s Urban Growth Boundary, we also recognise that development expansion on the urban fringes will continue to occur.

As set out in its submission to the Growth Areas Authority<sup>24</sup>, LeadWest believes there is an overwhelming need to facilitate new sources of employment growth near the urban boundary.

Fringe suburbs without workplaces, left to become mere dormitories, are not sustainability-oriented; whereas suburbs in proximity to a diversified local employment base can be much more sustainable.

The outer western suburbs of Melbourne experience relatively high levels of unemployment, especially youth unemployment. One of the main agenda items for LeadWest is to try and raise the level of education and skills across the region in order to equip its residents to become more active participants in the new economy. A key aspect in achieving this outcome is to increase within the region both the number and range of jobs and industries, especially in the advanced knowledge services sectors.

LeadWest welcomed the concept of a polycentric city structure for the greater Melbourne metropolitan area and is supportive of the logic underpinning the establishment of Central Activity Districts (CADs). However, as reflected in the above-mentioned submission to the Growth Areas Authority, LeadWest perceives greater need to establish CADs in proximity to the rapid population growth at the urban fringe.

*... the Shire should develop as two residential communities supported by small villages (with constrained boundaries) all of which are surrounded and supported by non-urban land which fulfills a variety of agricultural, environmental, visual and tourist functions ...*

From the Municipal Strategic Statement for the Shire of Melton

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<sup>24</sup> LeadWest (July 2009), *Submission to the Growth Area Authority – Revised Melbourne Urban Growth Boundary*

For example, the Werribee Employment Precinct (as described in LeadWest's response to Question 12) would very well serve Melbourne's western region as a CAD.

Similarly, Sunshine in the City of Brimbank has the advantage of closer proximity to rapidly growing urban fringe communities and location at the convergence of two railway lines.

**Q19. What is the best way to balance density with urban amenity and renewal?**

LeadWest and its regional stakeholders perceive the key to balancing density with urban amenity and renewal as the design and management of the public realm.

Development of the public realm is a core component of urban regeneration. Research produced by the Commission for Architecture and the Built Environment (CABE) in England and Wales found that there is an increase in land values surrounding good quality open spaces. The research indicated that:

The presence of good parks, squares, gardens and other public spaces becomes a vital business and marketing tool as companies are attracted to locations that offer well designed, well managed public spaces and these in turn attract customers, employees and services.<sup>25</sup>

The CABE research reflects the developing trends in international public policy which emphasises the importance of high quality, well-designed public realm as underpinning economic growth and social development. In response to Question 10, LeadWest outlined its view on the treatment of public land, one aspect of the public realm.

The public realm, however, is more than public land and open space. It does include parks and gardens, streets, forecourts and squares, bicycle and pedestrian links, waterways and public spaces in activity centres, but it also draws on the ‘borrowed landscape’ of the private realm. For instance, the form and function of the public realm cannot be divorced from that of the buildings that give it definition.

Hence, LeadWest perceives a need to increase emphasis on coordinating the development of the private realm (usually buildings) with the development of the public realm (the streets, paths, parks and places) to ensure that urban renewal areas are functionally integrated with existing neighbouring urban fabric.

In the Melbourne context, as greater density is encouraged in and around activity centres, there is a need to ensure new development maintains amenity and integrates with existing land-uses and built forms. Policy in Victoria facilitates management of manage change in and around activity centres through structure planning. In balancing density with urban amenity a key consideration is building height controls.

Structure plans may propose preferred built form outcomes including minimum or maximum building heights and setbacks. However, councils need to demonstrate

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<sup>25</sup> Commission for Architecture and the Built Environment (January 2004), *The Value of Public Space*

that proposed height controls are based on identifiable objectives or outcomes determined through completion of a comprehensive built form analysis. The conduct of such analyses is an onerous task for a local government, which usually have to engage contractors to perform them. Accordingly, LeadWest suggests governments at other tiers continue to provide funding for support to local governments for activity structure planning.

**Q20. What do you think about the suggestion that transport, housing and social infrastructure should be concentrated in and around activity centres and along transport corridors so that jobs and services are located near where people live? How could this be done most effectively?**

LeadWest and its regional stakeholders support the concentration of higher density housing in and around activity centres that are well served by transport, social and other essential infrastructure. From overseas experience, clustering activity and higher-density housing in designated centres that are well-served by public transport has increased both walking and public transport usage. Clustering activities has also contributed to innovation and economic growth.

Activity centre policy is long established, as noted in Melbourne 2030:

Since the 1950s, activity centre policy has been a feature of urban planning in Victoria. Essentially, this is a matter of clustering – rather than dispersing – uses and activities to derive social, environmental and economic benefits for the community and business generally.<sup>26</sup>

However, over the years the nature of activity centre policy has evolved, both in Melbourne and in other cities. To begin with it was focused on only the larger retail and commercial centres, otherwise known as Central Business Districts (CBDs) or Central Activities Districts (CADs). The concept of a hierarchy of centres was introduced in the 1954 Planning Scheme produced by the Melbourne Metropolitan Board of Works. It had a key theme of decentralisation, particularly the decentralisation of business activities – spreading them into designated centres where land adjacent to railway stations was zoned for business use. The idea was to offer to residents of designated localities many of the facilities of the central city area under more attractive conditions nearer to their homes. For a variety of reasons, this policy was not implemented.

In Melbourne in the 1960s and early '70s, suburban retail centres were developed and most of them in locations accessible only by road-based transport. Chadstone Shopping Centre was officially opened in October 1960. It was the first regional shopping centre in Victoria, built on extensive paddocks on which cattle grazed until the mid 1950s. The nearest railway station is roughly a 10-minute walk from it. Chadstone Shopping Centre was a car-centric 'activity centre'. By the end of the '60s there was at least one similarly car-centric suburban shopping centre in every

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<sup>26</sup> State Government of Victoria (2005), *Melbourne 2030: Planning for sustainable growth*

Australian state and by the '70s suburban retailers accounted for over 65% of all retail trade in the capital cities.

After the oil crisis of 1974, activity centre policy had emerged again. By the end of the 1970s planners were changing policy emphasis towards consolidation in suburban centres so as to increase the population densities. The consolidation policies were attempts to form a relationship between urban form and employment opportunities.

In several countries during the 1980s, activity centre policy was directed toward stemming or reversing dispersal of activities and the decline of 'downtown' urban cores.

In contemporary Melbourne, policy is directed toward encouraging more development into a networked hierarchy of activity centres in order to foster more sustainable, more vibrant communities. Direction 1 (A more compact city) of *Melbourne 2030* sets out three key policies:

- Build up activity centres as a focus for high-quality development, activity and living for the whole community;
- Broaden the base of activity in centres that are currently dominated by shopping to include a wider range of services over longer hours, and restrict out-of-centre development; and,
- Locate a substantial proportion of new housing in or close to activity centres and other strategic redevelopment sites that offer good access to services and transport.

The policy covers both existing and planned activity centres. As mentioned in response to Question 19, structure plans provide the foundation for activity centre development and guide the major changes to land use, built form and public spaces.

LeadWest notes that the Victorian Government has provided the Activity Centres & Strategic Sites Expert Assistance Program (\$4.5 million 2007 to 2009 and \$8.3 million budgeted for 2010 to 2014). LeadWest suggests, as per its response to Question 19, that local governments do require continuing resource assistance in order to efficiently and effectively complete activity centre structure planning and that a national urban policy should reflect this requirement.

LeadWest also notes that until more recent times there have been virtually no policy directions for smaller, neighbourhood scale activity centres. Such centres, whilst considerably smaller than activity centres higher up the hierarchy, are numerically greater. Metropolitan Melbourne has more than 900 Neighbourhood Activity

Centres and their number will grow. They have a real impact on neighbourhood liveability.

Unfortunately, the above-mentioned Expert Assistance Program provides only for assistance to councils to finalise and implement structure plans for Principal, Major and Specialised Activity Centres in metropolitan Melbourne. Thus, there is a gap in the assistance available to councils to aid sound planning of the highest number of activity centres in Melbourne, the many neighbourhood activity centres.

LeadWest also notes that an emerging and valuable aspect of effective planning for activity centre development is spatial economic analysis to better understand the 'as is' situation and model 'to be' scenarios. A draft analysis of the spatial economy of Cape Town, South Africa was released in 2010. It draws out key implications for urban planning in that city, such as which locations are most important for future economic growth, which areas most critically require strong connection, and which areas most need a renewal or/and re-organisation of land uses. Spatial economic analyses are best conducted at the broader level of urban regions. A national urban policy could provide for the mechanisms that enable the conduct of such analyses.

**Q21. How do we achieve a greater diversity of dwelling types and range of affordable, appropriate housing to meet the needs of occupants across their life stages?**

LeadWest and its regional stakeholders would welcome a national goal to achieve greater housing diversity. We see housing diversity as important primarily because it enables neighbourhoods to provide for changing demographics, lifestyles and life stages.

We see the value in creating greater housing diversity in existing urban areas, as it provides people with increased choices for living closer to work, consequently reducing transport costs. We also see the value in creating housing diversity in greenfield developments on the urban fringe because it assists in creating social diversity in communities by enabling a range of different family/household types, age and income ranges to live in the same neighbourhoods. This facilitates the range of situations Australian families may face, such as older 'empty-nest' parents wishing to re-locate closer to the homes of their children and grandchildren, young people moving out of a family house but wanting to stay within the family's neighbourhood, or extended families wishing to co-locate in a neighbourhood.

Generating greater housing diversity cannot be left to the market alone as there is evidence of market failure to deliver housing diversity to match demographic diversity. For example, LeadWest is aware of the testimony provided by the Assistant Director of the Western Sydney Regional Organisation of Councils (WSROC) to the Senate Select Committee on Housing Affordability in Australia:

...developers...claimed they did market research, in fact all they did was an analysis of what sold well last year...which were very much targeted to families with young children particularly...But in more recent years, particularly because of the cost of housing...areas are now accommodating people with older families, people trading up, second- and third-time buyers, and quite often elderly people who want to move to the fringe if their families have moved there. So the nature of the housing stock that was being produced did not actually fit the current demographics of the area...<sup>27</sup>

One policy response to increase the diversity of housing is to encourage, or require, developers to provide a range of housing types in new developments, through a process sometimes called 'inclusionary zoning'. The local governments of Melbourne's west would appreciate the opportunity to choose to use inclusionary zoning where appropriate. For example, the City of Maribyrnong included in its submission to the Victoria Government on the Melbourne 2030 Audit the suggestion

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<sup>27</sup> Ms S Fingland, Committee Hansard, 3 April 2008, p. 15.



that government investigate developing inclusionary zoning instruments that can be implemented as part of the State Planning Provisions and local planning schemes.

**Q22. What actions, incentives and disincentives do we need to reduce people’s dependency on private motor vehicles in urban areas?**

LeadWest and its regional stakeholders welcome action to reduce car dependency in Australia’s cities.

LeadWest notes that some Australian Government policies may be having the unintended outcome of encouraging car usage through FBT concessions. Over two million vehicles are subject to FBT claims<sup>28</sup> every year costing the federal government approximately \$1.7 billion.<sup>29</sup> With the statutory formula providing an incentive for driving vehicles further, the regime actively encourages car dependency, increasing urban traffic congestion - which will cost Australia \$12.9 billion in 2010.<sup>30</sup> LeadWest advocates the gradual claw-back of the FBT concessions to provide the signal that it is not a sustainable concession.

Incentives could be delivered through the tax system to encourage use of public transport. This does occur in other nations. For example, the Government of Canada has encouraged Canadians to use public transit with a tax credit to help cover the cost of public transit. The tax credit, available since July 2006, is applicable for buses, streetcars, subways, commuter trains and local ferries.

Alternative methods to direct tax credits are also available and may prove most successful. A 2006 report prepared for the NSW Ministry of Transport by Ernst & Young states:

Various studies have been conducted into the relationship between the provision of transport incentives and the impact on commuter behaviour<sup>9</sup>. Although no study (or group of studies) is definitive, the findings of most studies reviewed by Ernst & Young in preparing this report seem to indicate that countries that have sought to provide some form of employer sponsored incentive (which is one of the advantages of an FBT exemption) have been far more successful in achieving a modal shift from

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<sup>28</sup> Rural and Regional Affairs and Transport References Committee (2009) *Investment of Commonwealth and State funds in public passenger transport infrastructure and services*, Final Report page 111.

<sup>29</sup> Australian Tax Office, Taxation statistics 2007-08 - Fringe benefits tax, Table 7: Fringe benefits, by employer type, taxable status and benefit type, 1997–98 to 2008–09 FBT years, retrieved from [http://www.ato.gov.au/corporate/content.asp?doc=/content/00225078.htm&page=15#P1136\\_5714\\_3](http://www.ato.gov.au/corporate/content.asp?doc=/content/00225078.htm&page=15#P1136_5714_3)

<sup>30</sup> Bureau of Infrastructure, Transport and Regional Economics, “Estimating urban traffic and congestion cost trends for Australian cities,” Working Paper No 71 (2007), p109.

private to public transport than those that have sought to provide broad based tax incentives alone.<sup>31</sup>

The Victorian Department of Health has published research showing that people will more readily walk or ride a bicycle if the corridor connecting their place of departure and their destination is green, shaded and pleasant. Thus good urban design, with the aim of creating walkable cities augmented by bicycle riding infrastructure, acts to increase incentive to reduce dependency on private motor vehicles in urban areas. LeadWest's responses to questions 23 and 24 canvass how to promote active transport (i.e. walking and cycling) through good urban design.

Perhaps the greatest incentive to reduced private motor vehicle trips is the creation of mixed use zones providing residents with housing, shopping, employment, and public transport within their own community. Throughout most of human history, certainly our history prior to widespread ownership of private motor vehicles, the majority of human settlements developed as mixed-use environments. Walking was the primary way that people and goods were moved about. LeadWest's perspective on mixed-use development is given in response to Question 20.

With respect to disincentives, aside from change to FBT as discussed above and rises in fuel costs that can price people out of using private motor vehicles for as many trips, LeadWest acknowledges the option of congestion pricing. This method is already in use in many places around the world to manage congestion, including in Singapore, London, Sweden and Germany. In Australia, the final report of the *Australia's Future Tax System Review* includes this recommendation:

Recommendation 61: Governments should analyse the potential network-wide benefits and costs of introducing variable congestion pricing on existing tolled roads (or lanes), and consider extending existing technology across heavily congested parts of the road network. Beyond that, new technologies may further enable wider application of road pricing if proven cost-effective. In general, congestion charges should apply to all registered vehicles using congested roads. The use of revenues should be transparent to the community and subject to further institutional reform.

LeadWest suggests that analysis of congestion pricing needs to take into account any spillover effects on areas adjacent to the congestion-priced zones and areas connected to that zone by public transport. Whilst there may be positive spillover effects, there can also be problematic effects, such as increased congestion on nearby roads due to diverted traffic, capacity issues at park and ride facilities outside the zones, and over-crowding on public transport services to areas within the zones.

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<sup>31</sup> *Tax Incentives for Public Transport Users* (August 2006)

**Q23. How can active transport (walking and cycling) and public transport be most effectively used to meet the transport challenges of our cities?**

LeadWest and its regional stakeholders believe that both active transport (walking and cycling) and public transport can be more effectively used to meet the transport challenges faced by Australian cities.

There is a close relationship between land use planning and transport planning. If in urban transport planning the first objective should be to increase journeys by foot because these are the least costly and most beneficial to a population's health, then in urban land use planning the first objective should be encouragement of mixed land uses and higher density of development.

*Urban Villages will be created so that people can work, reside and shop in the same area.*

*This will reduce travel time, create a more interesting City and strengthen the sense of community.*

*From the Municipal Strategic Statement for the City of Moonee Valley*

The Brimbank Integrated Transport Strategy, for example, is a long term strategy which proposes travel and access improvements in the City of Brimbank. As an 'integrated transport strategy' it considers the coordination between transport modes and linkages between transport and land use.

Integration between bus and train services, both spatially and in timetabling of services, needs to be improved to reduce delays to passengers switching between modes and to make changing between modes efficient and convenient (especially for those with disabilities). This involves re-design or re-orientation of activity centres to focus on transit stops and interchanges.

LeadWest notes that public transport systems dividing a network into fare zones can be problematic and hamper the renewal of activity centres at some locations.

Melbourne has a zonal fare system covering trains, trams and buses. Most fares are determined by the number of zones travelled through, with higher fares for trips crossing zone boundaries. There are two fare zones. Zone 1 is for inner suburbs (within about 15 km of the city) and Zone 2 is for outer suburbs (beyond 15 km from the city).

Consequently, there is a perceived incentive to drive motor vehicles to cross fare zones, then parking within the cheaper fare zone. There is evidence that this occurs within municipalities in Melbourne's west. Zone 1 ends in the City of Brimbank on the Sydenham line at Albion (14.9 km from Flinders Street Station in central Melbourne) and on the Deer Park line at Sunshine (13.5 km from Flinders Street), as

well as in the City of Hobsons Bay near the border with the City of Wyndham on the Werribee line at Laverton (22.2 km from Flinders Street).

At present, Albion station has 493 car parking bays; Sunshine has 404, and Laverton has 337. There are reports that up to 1400 cars a day are parking at Laverton station and in surrounding streets. The high car parking demand in these activity centres hampers structuring of the centres.

Activity centres guidance in Victoria states clearly that the centres should be located and laid out to make public transport, walking or cycling the easiest and the most convenient modes of access. Here 'access' should be taken to mean links to each centre as well as the links between centres. At present, many of the activity centres in Melbourne that are 'focused' on a railway station have only good linkage to other activity centres along the railway line. Whilst measures such as wayfinding signage and bicycle storage facilities are useful improvements, those seeking to walk, ride a bike or catch a bus to these centres must first navigate through car congestion around the centres.

The problem of excessive demand for car parking at railway stations on the Zone 1 limit reflects the dominant nature of current rail modal share in Melbourne, particularly in Melbourne's west. People commute from suburbs in Melbourne's west where there are few 'knowledge economy' workplaces to Melbourne's CBD and areas east and south-east of it where there is high agglomeration of such workplaces. LeadWest's aforementioned submission to the Growth Area Authority<sup>32</sup> sets out a partial solution to the problem – addressing the region's level of job provision, particularly jobs in the growing services sector.

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<sup>32</sup> LeadWest (July 2009), *Submission to the Growth Area Authority – Revised Melbourne Urban Growth Boundary*

**Q24. What characteristics of the urban environment can encourage people to walk or cycle more?**

LeadWest and its regional stakeholders are keen to foster more walkable cities. Walking remains the cheapest form of transport for all people, and the construction of a walkable community provides the most affordable transportation system any community can plan, design, construct and maintain.

Encouraging people to walk or cycle more in urban environments starts with land use planning. All the local governments of Melbourne’s west are planning land use so as to encourage more walking and cycling.

Several of the local governments of Melbourne’s west have also developed a ‘walking strategy’ in order to implement the key characteristics of the urban environment that encourage people to walk. Some have a combined ‘cycling and walking strategy’ to recognise that similar health and environmental benefits are delivered by increased take-up of these transport modes.

*New housing will be built on surplus Commonwealth Government and industrial land, in existing residential areas at higher densities, in existing shopping centres, and in new mixed use areas, and most of it will be located within walking or easy cycling distance of employment, leisure, entertainment and education opportunities.*

From the Municipal Strategic Statement for the City of Maribyrnong

The City of Brimbank has a cycling and walking strategy that aims to the increase occurrences of walking and cycling through the development and improvement of the facilities and network and through improved education, promotion and safety enhancements.

Similarly, the City of Moonee Valley has a cycling and walking strategy to encourage people to make ‘more trips, more often’ by either cycling or walking. To achieve the aims of the strategy, the council is making network improvements and running educational and promotional programs aimed specifically at overcoming real and perceived barriers with these modes of sustainable transport.

The City of Maribyrnong has a walking strategy that seeks to draw upon international examples of best practice such as the ‘5 Cs’ of good walking networks promoted by Walk 21<sup>33</sup>:

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<sup>33</sup> <http://www.walk21.com/> - The ‘5 Cs’ were developed by Tim Pharaoh for the London Planning Advisory Committee and have since have been adopted in a number of UK guides and strategies on walking.

1. Connected
2. Convivial
3. Conspicuous
4. Comfortable
5. Convenient

LeadWest is aware of research in the U.S. city of Portland, which shows how the amount of walking correlates with the quality of the following pedestrian environment factors:

- Ease of street crossing (depending on street width, frequency of traffic signals, volume of traffic)
- Sidewalk continuity
- Street connectivity
- Topography (hilliness)

LeadWest suggests that we make our cities more walkable by incorporating features into the urban landscape that make walking a pleasant experience, and by bringing a range of interesting destinations within walking distance of homes and workplaces. Walkable communities, or locations, make footpath-based travel as easy as possible for all members of the community including children, people with prams/shopping carts and people using mobility aids. Walkability encompasses issues of safety (traffic and personal), attractive surroundings, distance between destinations, gradients, appropriate surfaces and physical barriers to access such as steps and gutters.

LeadWest's response to Question 10 highlighted the commencement of work on a 'Greening the West' strategy. Aside from harnessing the health benefits of increased vegetation and trees in Melbourne's west, there is opportunity to significantly enhance walkability and the bicycle network through provision of shade.

## **IMPROVING THE GOVERNANCE AND PLANNING OF CITIES**

### **Q25. How could the planning arrangements (across all three levels of government) operate differently to improve outcomes for Australia's cities?**

Efficient and streamlined processes are a central desire of all stakeholders and partners in Australia's planning systems.

LeadWest concurs with the view of the Development Assessment Forum that consistency nationwide in the provision of clear objective rules and tests is a more efficient and less ambiguous way to deal with development processes and will reduce assessment timeframes. This is not to say that every planning authority in Australia should impose a 'cookie-cutter' set of prescriptive rules and test, but rather that there is a common language, structure and interpretation of the rules and tests selected for application by each authority.

LeadWest also supports the implementation of track-based assessment. Reducing the number of matters that unnecessarily require assessment by a planning authority or simplifying the level of assessment required can save scarce planning resources, enabling reallocation to more important matters. For appropriate types of applications, demonstration of compliance with pre-set criteria ensures approval within a shorter time.

Electronic systems to streamline processes will reduce the administrative burden for councils and applicants.

LeadWest and its regional stakeholders concur with the point made in the Discussion Paper that the COAG agreed criteria for planning systems could usefully inform planning for all Australian cities<sup>34</sup>.

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<sup>34</sup> *Our Cities* Discussion Paper page 53

**Q26. Do you think that COAG's current review of capital city planning systems should be expanded to incorporate more of Australia's major cities?**

LeadWest and its regional stakeholders agree that COAG's current review of capital city planning systems should be expanded to incorporate more of Australia's major cities.

As discussed in response to Question 1, LeadWest sees the planning of a city and its hinterland as a single holistic process. The hinterland of each Australian capital city often includes one or more regional cities and certainly includes some, if not all of the hinterlands of those cities. Thus there is interrelationship between each city and its hinterland and also between cities, which gives rise to a need for coordinated planning across regions.

**Q27. What could governments do to improve planning and management of our major cities?**

LeadWest recognises and supports the reforms to capital city strategic planning systems that were agreed in 2009 by the Council of Australian Governments (COAG). Included in the criteria for future strategic planning of capital cities is the requirement to provide for a consistent hierarchy of publicly available plans for differing time periods (i.e. plans for the near, medium and long term). LeadWest suggests that there is also a need for a consistent hierarchy of publicly available plans for differing geographic/jurisdictional areas (i.e. local, regional, and statewide plans).

LeadWest suggests that the Australian Government and State governments could facilitate improve planning and management of our major cities through better funding to local governments for local and regional strategic planning.

Most cities and their regions and 'sea-change' communities are suffering a critical shortage of planners. Local government, as the largest employer of planners, faces the biggest challenge with recruiting and retaining planners.

There is a role for the Australian Government in addressing the shortage of planners which is a nationwide issue requiring innovative responses. LeadWest supports measures to improve the supply of planners as per the recommendations in the *National Inquiry into Planning Education and Employment*<sup>35</sup>. The Australian Government could act to address the recommendations relating to skilled immigration and university fees.

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<sup>35</sup> Planning Institute of Australia (August 2004), *National Inquiry into Planning Education and Employment*

**Q28. How can we better coordinate and plan across local government boundaries?**

As LeadWest is an example of an organisation created by local governments to achieve a high degree of regional cooperation we are well positioned to share insight on how to better coordinate and plan across local government boundaries.

Many issues central to the growth and well-being of our communities – catchment management, waste management, economic development, tourism, library services, health services, transport, human services, lobbying and advocacy - cannot be effectively tackled without a regional approach.

Research has identified an important shift in the global economic landscape, noting increasing competition between regions around the world, rather than between countries.

There is a long history of regional cooperation in Melbourne’s west. In the area of economic development there has been cooperation through the Western Region Commission<sup>36</sup>, the Western Region Economic Development Organisation<sup>37</sup>, the Melbourne West Consultative Committee Inc<sup>38</sup>, and RDA Western Melbourne<sup>39</sup>. In relation to community services there has been the Western Regional Council for Social Development and other bodies.

Research into local and regional development practices in Australia carried out by Dr Andrew Beer and others from South Australia’s Flinders University found that:

- Local government underpins regional development in Australia and its leadership and resourcing are crucial;
- Regional development bodies with a mix of private and public sector representatives are the most effective. The most successful regional

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<sup>36</sup> Western Region Commission Inc. was established in the early 1980s with a Charter to promote the interests of the Western Metropolitan Region of Melbourne, primarily with regard to employment and was closed in 1994.

<sup>37</sup> The Western Region Economic Development Organisation was established in 1994 as a result of the Keating Government’s Regional Economic Development Program and was closed in 2005.

<sup>38</sup> The Melbourne West Area Consultative Committee Inc was established as part of a national network funded by the Department of Transport and Regional Services and was superseded by RDA Western Melbourne in 2008.

<sup>39</sup> Although its charter is different, RDA Western Melbourne will build on the work completed previously in the region by the Melbourne West Area Consultative Committee.

development organisations are not 'pure' regional organisations of local governments; and

- Networking and relationships are the most important success factor in regional development organisations.

The key to successful development of a region is to have all of the key players in the region working together, for the region to have a united view of its strengths and opportunities and to develop a common vision and plan of action. In Melbourne's west, it is LeadWest that facilitates cooperative initiatives by players in the region, pulls them together to explore issues, find a common outlook and set an agreed plan of action.

## **CONCLUDING COMMENTS**

LeadWest is committed to improving the productivity, sustainability and liveability of Melbourne's west. This urban and peri-urban region has for generations been the gateway to Victoria and for much of south-eastern Australia. Today it is one of Australia's major transport and logistics hubs, serving metropolitan and rural Victoria as well as New South Wales, South Australia and Tasmania. It is a region important to the Australian economy.

Melbourne's west is also now one of Australia's fastest growing regions. Predictions indicate that the region will be expected to accommodate more than 40 per cent of Melbourne's urban growth over the next four decades to 2050. The region has long served as a gateway into Australian life for immigrants. It continues to serve this function for new Australians, and now also serves as the affordable starting point for thousands of younger and less well-off Australians.

LeadWest supports the development of a national urban policy which delivers an integrated approach to planning, building, improving and measuring the performance of our cities. We seek a national urban policy that recognises the reality of regional variation within cities and that places importance on investing in the development of urban regions, particularly those that have been neglected in the past.