

## Chapter 7

# Well-managed cities

The prosperity of our cities and communities is dependent on the political structures and mechanisms used to manage and coordinate our urban systems.

The five largest city-regions in Australia are home to 70% of the nation's population (15 million people) and as this proportion will substantially increase over the next decades, managing these large, complex and dynamic systems, will become more difficult.

Many Australian cities suffer from a lack of integration between infrastructure investment proposals and prior strategic planning which should express desired outcomes for the national economy and our communities. Infrastructure proposals are at times considered as ends in themselves rather than a means to securing more productive, liveable and sustainable outcomes for our nation.

A concern with some metropolitan planning is that the relationship between the major cities and smaller regional cities and/or broader city-regions surrounding each of Australia's largest cities are not well acknowledged, despite implications and opportunities for population and employment distribution, management of urban expansion, and integration of infrastructure and transport.

Principal responsibility for land-use and infrastructure planning for metropolitan regions lies with States and Territories. Yet the work of State and Territory planning departments and infrastructure agencies have often been inadequately aligned. Additionally, there is not always a long-term commitment to the strategic directions of metropolitan plans or the use of them as frameworks against which annual budget proposals are evaluated and prioritised. As a result, there is not always sufficient integration of social, economic, and environmental policies and plans. This issue is a main target of COAG-agreed reforms for capital city strategic planning systems.

Likewise local authorities, representing the people who will be affected by plans and infrastructure investments, are often not integrated in planning and decision-making processes. This makes it difficult to align local strategies, and the development of local capital and asset management plans. Again, COAG has agreed to the importance of long term planning for cities being coordinated across all spheres of government.

These issues, and some of the problems from which they stem, are not faced by Australia alone, they mirror those of other major cities worldwide as identified by the OECD (2001):

- overly complex policy environments, with less than optimal inter-municipal coordination and weak legitimacy of political leadership, reducing the capacity to resolve area-wide policy problems and maintain a clear focus on key policy issues
- planning and environmental problems, particularly a lack of administrative control over functional areas that are appropriate in size for strategic policies for transport, urban sprawl, urban renewal, pollution control, climate change, water, environment etc
- hierarchical and rule driven public sector
- lack of transparency and accountability in decision-making processes
- lack of integration of sectoral policies at the urban and larger city-region level

- lack of clear economic development strategies, and difficulty in promoting public-private partnerships, particularly in the midst of economic downturns
- inadequate public finance, constricting infrastructure investment, and resulting in investment inequities across the metropolitan region.

There are concerns that some of the planning and governance challenges facing our cities will become even more complex and difficult as our cities grow.

## 7.1 International and national approaches to managing cities

The coordination challenges presented by urban systems are the subject of debate and change the world over. An OECD review of various models for metropolitan governance shows that central governments have had a leading role to play in reform processes. In some cases, governments have legislated for a specific model of metropolitan governance or, alternatively, to promote municipal cooperation on a voluntary basis, which is more common in federal countries (OECD and CDRF 2009).

Australia participates in the international Forum of Federations which explores the merits of various governance approaches, including coordination and decision-making models introduced within the United Kingdom, North America and Europe such as the Greater London Authority, Metro Vancouver, and the Metro-Council Portland, Oregon.

Although there are many models for regional planning and governance, these can be summarised into statutory and cooperative approaches. A statutory approach means that there is a regional government with powers to create regional laws or by-laws and a statutory approach to regional planning means that once a regional plan is agreed upon it becomes law.

A cooperative approach to regional governance means that smaller local authorities work together to achieve mutually beneficial goals and objectives. Any agreements made would be subject to follow through by each participating government. Similarly, the implementation of a cooperative regional plan would be subject to the statutory powers of the cooperating authorities. Table 5 outlines the strengths and weaknesses of each approach.

**Table 5** Strengths and weaknesses of statutory and cooperative approaches

	Strengths	Weaknesses
<b>Statutory planning</b>	The strategic goals and objectives of the plan must be adhered to by law.	There may be less flexibility at local level.
<b>Cooperative planning</b>	Governments can tailor their approach to suit their specific requirements, goals and objectives.	Implementation of a plan is subject to the statutory powers of the cooperating authorities. This may result in less coordination and integration.
<b>Statutory governance</b>	A highly integrated model with scope to develop policy and legislation with a regional focus.	If regional government sits between local and state government, may lead to an overly complex legislative framework.
<b>Cooperative governance</b>	A good way of achieving better integration across different spheres of government.	Any agreements made are non-binding and subject to follow through by each local authority.

In many countries, there has been a move towards more collaborative approaches. These urban partnerships have been widely used particularly to address the multi-faceted problems in distressed urban areas and to redevelop brownfield sites. The OECD report states that 'it is increasingly agreed that such partnerships should be part of a more comprehensive process' that involve a multi-sectoral, integrated and metropolitan area-wide approach to achieve desired outcomes (OECD and CDRF 2009).

Within Australia good examples already exist for achieving integrated planning and infrastructure investment at the state level. Two notable examples, from which other States and Territories are learning, are the Western Australian Planning Commission and the South East Queensland Regional Plan and associated Infrastructure Plan and Program.

The COAG agreement for capital city strategic plans provides a new framework for the Australian Government to support city planning. In future Australian Government funding for significant infrastructure will be conditional on States and Territories having in place plans that meet the nine COAG agreed criteria. The agreed criteria forms the basis from which the Australian Government can support continuous national improvement and build and share knowledge of best practice planning approaches.

## 7.2 Governments working in partnership

The States and Territories and Local Government within the major cities, have the main carriage for how the cities are planned, managed and developed. The differences between and within cities in terms of issues and challenges and the way they need to be managed means that there are no simple or universal solutions.

State and Territory administrations and Local Government are actively improving city planning processes. Models of good practice are emerging in some of the capital city regions of Australia, improving the way cities are planned and the how to deliver infrastructure to manage growth and change in a sustainable way.

In Western Australia, the West Australian Planning Commission is a planning authority with sufficient administrative control to effectively produce and implement long term plans. The Commission has been operating for half a century through many changes of government. It provides a combination of planning policy advice to government and undertakes development approvals. It also has a critical role in protecting and progressively purchasing key infrastructure corridors and lands of environmental or community importance such as ecological communities, water catchment areas and foreshore reserve. The Commission, which has an independent chair, brings the heads of key state agencies together with representatives from local government, industry and community, independent experts in infrastructure, planning and environmental disciplines.

Melbourne has a good example of public participation in the planning process, where in developing Melbourne 2030, the Victorian Government undertook extensive community consultation. The Victorian Government has continued to engage the public in the review of urban growth plans.

A notable example of metropolitan cooperation is in Adelaide, where the retention of population and employment rather than population growth is the main issue. The 14 local government mayors meet on a regular basis to manage city wide issues. The coming together of metropolitan mayors to discuss city-wide issues has also commenced in other states.

The South-East Queensland Infrastructure Plan and Program which has in the past underpinned the South-East Queensland Regional Plan (recently reviewed with a de-centralisation policy) has often been used as leading practice example in Australia as it identified critical infrastructure needed to support growth over a 20-year period.

In New South Wales, the newly created integrated transport authority represents a significant potential improvement in the coordination and delivery of better service delivery standards for the people of Sydney and the rest of the state.

Sharing and learning from these Australian, along with international examples of good planning practice, is a foundation of national urban policy. By elevating the importance of cities in the deliberations of COAG, the Australian Government has created the opportunity for State and Territory administrations and Local Government, through its representative association, the Australian Local Government Association, to consider the application of their best practice in a national context.

### 7.3 Rigour in State and Territory annual budget cycles

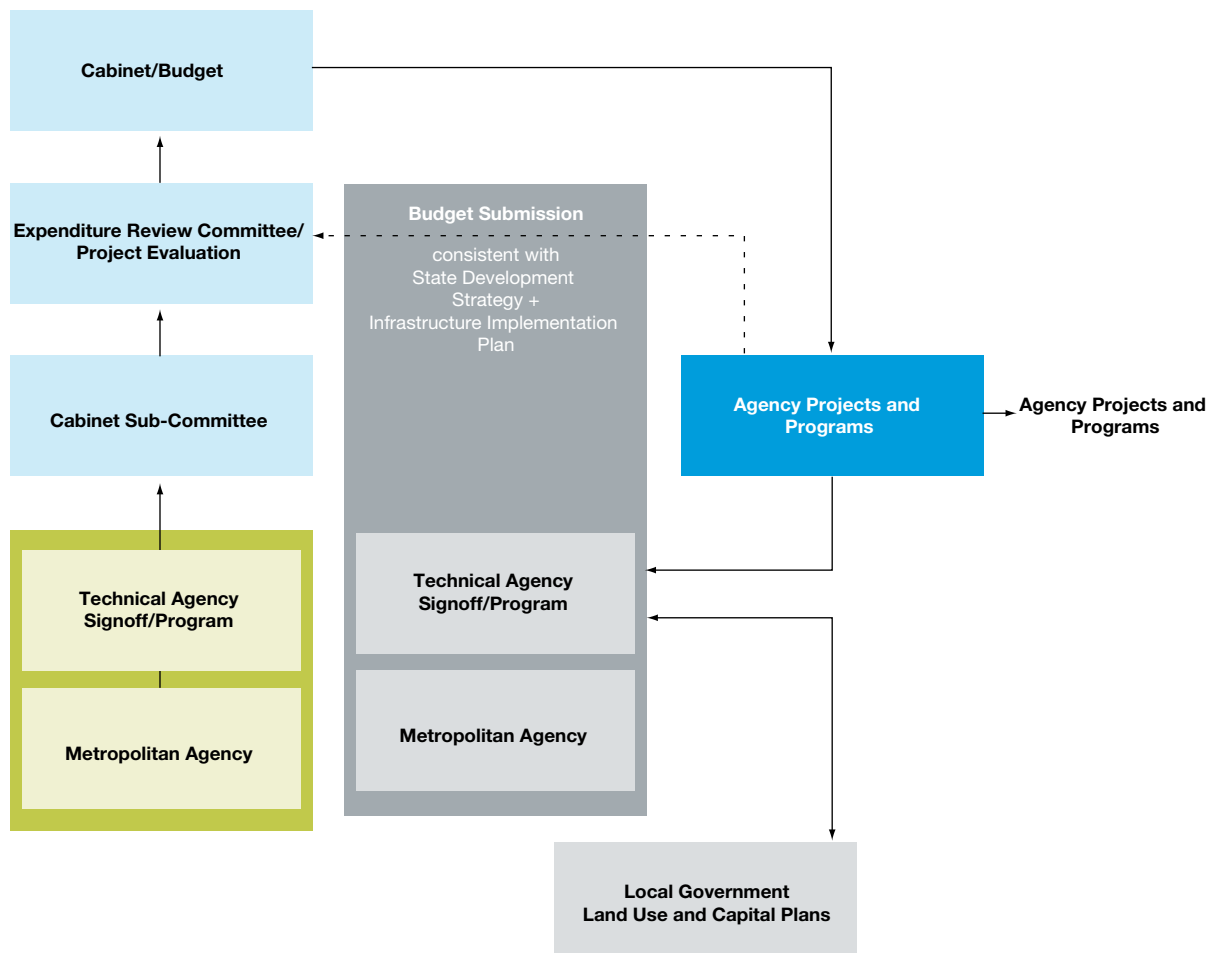
A major failing with many metropolitan plans is poor implementation due to inadequate administrative processes or inadequate policy commitment. This creates uncertainties and inefficiencies for all stakeholders, whether it be a local government seeking certainty of state investment in infrastructure to support an urban growth area; a developer wishing to market land as being close a public transport; individual community members making choices of where to live based on what facilities and services they will have access to; or lack of protection from encroachment of incompatible uses resulting in major pieces of economic infrastructure, such as a freight corridor or airport, not being able to be used to their maximum productive potential.

To create rigour and commitment to implementation, both need to have ownership of implementation. Ideally state agencies/departments, with input from relevant external stakeholders, including local government, would contribute to the development of a state development strategy and infrastructure implementation plan, which works in conjunction with a metropolitan/regional scale plan. This may be signed off by a city/region coordination/advisory entity with technical agencies in the state government; and reported directly to a state development cabinet sub-committee responsible for implementation of the metropolitan plan.

Agencies submit project and program proposals for budget consideration. These submissions should be consistent with their State Development Strategy and the Metropolitan Plan, as relevant. State Governments ultimately approve funding for project and program delivery but this should be on the basis of consistency with the planning frameworks. These plans should inform and be informed by local government land-use and strategic plans. This process is illustrated in Figure 40.

A number of jurisdictions have processes similar to this. Unfortunately some jurisdictions, despite earlier good intentions, have let such processes lapse. COAG reforms on city planning clearly seek to address capital city strategic planning 'systems', and will hopefully encourage a renewed commitment to the broader whole of government need to engage in the urban planning and resource allocation process.

Figure 40 State and local government plans inform state budgets



A factor in the successful implementation of the approach to local coordinating planning with State budgets, as illustrated in Figure 40, is likely to be the number of local government authorities within each city region. The fragmentation of the capital cities, except Brisbane, into numerous councils, and similarly some of the smaller regional cities like Wollongong, Newcastle and Launceston having multiple councils, presents a major challenge to the effective management of cities. Opportunities exist to consider more effective arrangements for local government in these cities, especially in Sydney with 43 councils, Melbourne with 31 and Perth with 30, compared to five in Brisbane.

### 7.3.1 Working with local government

The ability of Local Governments to manage and service their communities, varies considerably, and is frequently constrained by a lack of resources. There is a strong interest in helping to support local authorities become more economically sustainable, and therefore better able to support their communities. Responding to this need the Australian Government has allocated \$25 million to local governments to support reform to financial management. There may be further opportunity to reconfigure some existing local government grants and programs to further assist this process.

### 7.3.1.1 AUSTRALIAN COUNCIL OF LOCAL GOVERNMENTS

Recognising the value of local government to their communities, and the importance of this sphere of government to the effective governance, the Australian Government established the Australian Council of Local Government (ACLG) in September 2008 to forge a new cooperative engagement between the Australian and local governments giving a voice to local government on matters of national significance.

The ACLG held its Inaugural Meeting on 18 November 2008 where more than 400 mayors and shire presidents from councils and shires across Australia and representatives from State and Territory governments met at Parliament House, Canberra.

The purpose of the ACLG is to:

- provide a forum for the Australian Government and local government, including the Australian Local Government Association (ALGA), to consider policies and initiatives in areas of mutual interest
- provide advice to the Australian Government on matters relevant to local government and local communities
- contribute to dialogue on issues of national significance that affect local government and local communities
- promote collaboration between the Australian Government and local government, as well as between local governments themselves to address emerging economic, social and environmental challenges
- encourage innovation and best practice in local government
- improve the provision of information and data to support the long-term development of local government.

This forum provides a mechanism for ongoing cooperation between the Australian Government on managing growth and change in urban areas and the important relationships between urban and regional communities.

The ACLG includes all local governments including the 157 local councils that comprise the 18 major cities. There is, however, great variation between local governments within and between cities and therefore frequently conflicting needs. Two very active and important, but quite different groups of local governments that have formed to highlight the aspirations and concerns of the constituents they represent are the Council of Capital City Lord Mayors and the National Growth Areas Alliance.