MELBOURNE, LET'S TALK ABOUT THE FUTURE

Executive Summary

Introduction

Great cities don't just happen. For more than 150 years Melbourne has benefitted from sound strategic planning and investment in transport, water storages, parks and social services. Melbourne has a history of designing and developing quality spaces and buildings. In 2012, the city now faces new challenges if it is to remain a great place to live, work, visit and do business. In order to meet these challenges, the Victorian Coalition Government is preparing a new Metropolitan Planning Strategy for Melbourne. The Strategy will set a vision for Melbourne to the year 2050 and, together with eight Regional Growth Plans that will cover the balance of Victoria, a statewide blueprint for managing growth and development.

This Discussion Paper has been prepared to generate debate and discussion among Melburnians about the future of our city. As a community we need to talk together about the future.

People and cities are constantly changing. Looking out to the next 40 years Melbourne and Victoria face new challenges. Melbourne's population is growing and this will change the demands on the economy, housing, education, transport, open space, health and community facilities. At the same time, Melburnians are also changing. The types of jobs we do, how we travel, shop, socialise and the types of homes we live in are changing. We need a strategy to manage these changes and build on Melbourne's strengths and opportunities.

The Strategy's 40-year timeframe will provide opportunities to create a more productive, prosperous and liveable Melbourne. There is great scope to build attractive and vibrant areas across all of Melbourne while preserving the areas that we value. Moving away from a 'one-size fits all' approach to local solutions will enable communities to have greater choice in where they live and work, and unlock local potential.

Principles guiding the discussion paper

Growth is often seen in a negative light but well-managed growth provides the opportunity for Melbourne to address the challenges it faces, and for communities and individuals to achieve their aspirations. The Strategy will need to work with the market to foster private development that supports implementation of the Strategy.

Cities can provide choices to people and help people develop the capacities to exercise those choices. This includes choice and capability to access jobs and services, find suitable housing in your local community and enjoy the many recreational opportunities the city offers.

Within the broad concept of 'net community benefit' – which underpins planning in Victoria – the Committee has identified nine principles to inform the Metropolitan Planning Strategy. The principles cover:

What we want to achieve	Principle 1: A distinctive Melbourne Principle 2: A globally connected and competitive city Principle 3: Social and economic participation Principle 4: Strong communities Principle 5: Environmental resilience.
What needs to change	Principle 6: A polycentric city linked to regional cities Principle 7: Living locally – a '20 minute' city.
Making it happen	Principle 8: Infrastructure investment that supports city growth Principle 9: Leadership and partnership.

Opportunities and challenges

Melbourne, as Victoria's capital city, is the gateway between regional cities and rural Victoria, Australia and the world. Victoria's competitiveness and success depends on Melbourne's success.

Melbourne's attractiveness and liveability contribute to the wellbeing of residents and the enjoyment of visitors. Improvements will help draw talented and skilled workers to the city to support its role as an education and knowledge centre.

Asia is becoming more affluent and more important, and global economic patterns are changing. Melbourne's economic structure is changing and we are seeing a change in traditional employment patterns.

Globalisation will bring challenges and opportunities for Victoria's competitive strengths in freight and logistics, education, science and research, health and aged services, tourism, manufacturing, high-end business services, creative industries and agriculture. New policies will need to drive productivity and competitiveness.

By 2050, Melbourne's population is likely to reach between 5.6 and 6.4 million. Being a larger city also brings challenges – a city of over 5 million people functions differently to a city of 4 million people.

The demographic changes that Melbourne will face in the years ahead are profound: the percentage of the population over 65 years of age will increase from 14 per cent today to 22 per cent by 2050, and there will be a greater proportion of lone-person and couple only households.

Melbourne is becoming geographically larger. Over the life of the Strategy we expect to see a significant shift in growth from the south-east of Melbourne to the north and west of the city. This growth provides an opportunity to consider development in the north and west in a new light.

With a growing population will come the need to boost employment and build new facilities, shops, schools and housing. The demand for new housing will grow faster than the population as the population ages and household sizes get smaller.

Jobs will shift in location as old industrial uses continue to leave inner Melbourne and employment locations change.

Transport systems in Melbourne have benefitted from far-sighted past plans that have set aside reserves for new connections. The Metropolitan Planning Strategy will include a vision for Melbourne's transport system.

Commuting times and distances are in danger of blowing out due to disconnection between housing and jobs and there is growing congestion on roads and public transport. Strategies are needed to make sure residents of new housing areas have access to jobs and, where possible, more people can live where job densities are increasing.

Development and urban renewal in an expanded Central City will be at a scale not previously contemplated. This cannot succeed without careful attention to good design and an integrated approach to land use and transport. New solutions need to be developed – focused on trains, trams, walking, cycling, buses and optimising road space.

Affordable living will become a critical factor, requiring better integration of jobs and housing.

A number of financial challenges will have an impact on resources available for infrastructure and services to support growing and changing communities, attract more investment and reinforce our city's globally competitive status.

What do we want to achieve

The Discussion Paper addresses the key issues under the nine principles. The first five principles set out what most people value about Melbourne.

Principle 1: A distinctive Melbourne

Throughout its history Melbourne has responded to new challenges and opportunities by building on the best of its past, looking to the future and developing its own unique identity. It is recognised by residents and visitors as a city with a unique character.

The Central City and inner Melbourne have a legacy of memorable spaces and distinctive main streets. People are justifiably proud of their areas but parts of middle and outer Melbourne have not been designed or managed to reach their full potential. Melbourne can build on its tradition of good design and reinforce local distinctiveness to create many more attractive places to meet community expectations.

Principle 2: A globally connected and competitive city

Melbourne is inextricably linked to the global economy through trade, people and the flow of information and ideas.

Like so many other international cities, Melbourne will need to attract more investment and quality employment opportunities. To remain competitive in the decades ahead, Melbourne needs to improve its 'productivity' – the economic value produced for an hour of work or a dollar of investment.

Principle 3: Social and economic participation

As a city we can no longer view social issues as separate from economic issues. Social issues affect a person's capacity to contribute to the economy and community. If not addressed, they will put a handbrake on productivity or impose direct costs on society such as increased health and welfare services.

The modern economy presents new opportunities and people need to be able to realise these opportunities. Melbourne should continue to provide opportunities and capacity for residents to build a good life.

Principle 4: Strong communities

Connection to family, friends and neighbours across generations is important in building strong communities and promoting wellbeing. The building blocks of successful cities are strong and cohesive local communities.

We must reinforce the elements that create strong and caring local communities. Local areas should provide housing choices to meet the needs of local residents. Planning local areas to cater for the needs of people across all life stages will help foster healthy and strong communities.

Principle 5: Environmental resilience

Melbourne needs to be environmentally resilient. We need to be able to respond to changing environmental and climate conditions and ensure development does not undermine natural values. We will need to use resources more efficiently and produce less waste.

What needs to change

Principles six and seven begin to define how Melbourne should be managed within a spatial context at a metropolitan scale and local scale.

Principle 6: A polycentric city linked to regional cities

Activity centre policy, which has underpinned Melbourne's metropolitan strategies for several decades, takes the location of retail premises as its starting point. This approach has helped support vibrant local activity centres that meet local and regional needs. Activity centres are important for local communities but in terms of planning Melbourne's overall form the Strategy should now focus on jobs as the starting point.

Initial urban form modelling suggests that a 'polycentric' city can perform best in terms of increased public transport use and reduced traffic congestion. A polycentric model for Melbourne would include:

- the Central City

- inner Melbourne as a distinct pattern of activity
- national employment and innovation clusters
- a limited number of high level suburban service centres.

Better integration of Melbourne with regional cities will provide more opportunities for all Victorians.

Ideas and aspirations for a polycentric city linked to regional cities are:

Idea 1:   Growing the Central City as the anchor of a world city
The Central City is the core location of the 'knowledge economy'. Building an expanded Central City can attract new jobs to Melbourne and reinforce Melbourne as a world city and tourism hub.

Idea 2:   Building national employment and innovation clusters
A number of suburban job clusters are nationally significant places of economic activity and innovation. Reinforcing the role of these clusters can boost productivity, support economic growth, make the most of infrastructure, and promote urban renewal.

Idea 3:   Unlocking capacity in established suburbs
As Melbourne grows the role of its middle suburbs is expected to change. With an increasing population in outer suburbs and growth areas, parts of Melbourne's established suburbs are well-placed to play a greater economic and housing role.

Idea 4:   Providing a transport system for Melbourne's future
There is a clear desire for a comprehensive vision for a sustainable transport system in Melbourne that moves beyond specific projects.

Idea 5:   Strengthening the green edge to Melbourne
Melbourne should consider strengthening its 'green wedge' planning approach with a 'green belt'. It should be obvious where Melbourne stops and rural areas begin.

Idea 6:   Building a state of cities
Victoria has the opportunity to better integrate Melbourne with a network of regional cities. Increasing economic and social links between these regional cities could better integrate labour forces, create choice for fast-growing sectors such as remote and mobile workers, and result in better use of existing infrastructure. This will not only include the major regional cities such as Geelong, Ballarat and Bendigo, but may include towns closer to Melbourne such as Warragul.

Idea 7:   Extending Melbourne's boulevards – a civic legacy
It is time to extend Melbourne's urban design skills to 'suburban design' – to translate the lessons learned in creating vibrant, attractive inner urban areas into improving the legibility, connectivity and grandeur of the suburbs.

Principle 7: Living locally – A '20 minute' city

Accessible, safe and attractive local areas where people can meet most of their needs will help make Melbourne a healthier, more inclusive city. Having a range of services close to home and work frees people up to do more of the things they enjoy. A geographically larger Melbourne poses new challenges for ensuring social and economic participation for everyone.

Neighbourhoods should cater for people's housing needs over their lifetime, bearing in mind that adults move six or seven times on average. Without action the cost of buying or renting a house in Melbourne is likely to rise in the years ahead, certainly in established suburbs. The cost of a dwelling in the middle suburbs of Melbourne needs to be reduced if we are to provide more choice for families to buy new homes in established areas.

At present about half of all new housing in Melbourne is constructed in established areas. Continuing current trends is unlikely to provide sufficient stock to meet people's needs or widen people's housing choices in the areas they want to live. A different split between established and new areas might better achieve the outcomes identified in Principles 1 to 5. Quality design is critical to creating attractive local areas that support local living.

While individuals can act to address the sustainability of their own houses, encouraging a neighbourhood approach to sustainability has the potential to make the process easier and more effective. A host of small-scale interventions can help avoid the need for large infrastructure investment.

Ideas and aspirations for living locally – a '20 minute' city are:

Idea 8:   Delivering jobs and services to outer area residents
Services need to be provided in a more timely manner to urban growth areas and established outer areas of Melbourne.

Idea 9:   Providing diverse housing in the right location at a reasonable price
The debate about infill housing in Melbourne must move beyond the impact of villa units on suburban streets and address how we can deliver diverse housing, in the right locations, at a reasonable price.

Idea 10: Improving the environmental performance of suburbs
Melbourne is a suburban city and that will not change. The environmental performance of its suburbs can be dramatically improved.

Making it happen

The Metropolitan Planning Strategy must move away from regulation as the primary means of achieving planning outcomes. Instead, we need to invest in vital infrastructure to support city growth and social cohesion, and foster stronger partnerships between government, the private sector and the community.

The Metropolitan Planning Strategy should address the needs of local councils, business and communities. Melburnians will need to share the responsibility of implementing the strategy as well as share the benefits from such a strategy at the metropolitan and local levels.

Planning strategies cannot anticipate each and every opportunity that may arise over a 40 year timeframe. For example, strategies developed 20 years ago could not have imagined the impact of the internet and social media on connecting people. Private interests should be able to initiate innovative projects even if these projects are not contemplated by current planning controls. Private development can often recognise opportunities Government has not considered and systems should be established to better respond to these initiatives.

In a budget-constrained environment Melbourne needs to get the most value from its existing services and infrastructure and new funding frameworks will need to be developed to deliver needed infrastructure.

Melbourne is a key freight and logistics centre for Australia, but capacity at the Port of Melbourne is constrained. Melbourne Airport is curfew free and is on track to handle more than 40 million passengers. There is adequate capacity to increase the number of aircraft flying into Melbourne Airport for some time but more limited capacity to provide land-based access to the airport. Avalon Airport has plans to become an international airport and a further airport in the south-east should be investigated.

Principle 8: Infrastructure investment that supports city growth

A single integrated land use, transport and social infrastructure strategy means ensuring that infrastructure investment supports sustainable land use patterns and drives productivity.

A long-term infrastructure vision should address Melbourne's competitive strengths. This plan needs to achieve improved access to jobs and services across Melbourne and support our competitive strengths. And there are some 'big ticket' items that we will need to deal with.

Ideas and aspirations for infrastructure investment that supports city growth are:

Idea 11: Using investment to transform places

Major infrastructure investment results in transformative land use changes. In Melbourne, planning for major infrastructure investment needs to ensure that the best public outcomes – new jobs, housing choices, new open space and facilities – result from such projects.

Idea 12: Moving to a place-based focus for programs

In the past, many State Government programs have focused on meeting a specialised need or delivering one type of service. This has been the case for a range of projects, from transport to social services. We need to move to integrated place-based programs that focus on the needs of a particular area or community, instead of just one issue in an area that has multiple needs.

Idea 13: Identifying a long-term framework for metropolitan infrastructure
We need a long-term framework for delivering city shaping and community shaping infrastructure that includes transport, social, health, education, recreation and open space, and utilities.

Principle 9: Leadership and partnership

Good governance, strong leadership and collaborative partnerships are essential to the success or failure of a metropolitan strategy. Partnerships between Commonwealth and State Governments, State Government and local councils, public and private sectors, councils and their communities, are fundamental ingredients to achieve a positive future for Melbourne. Melburnians have a history of

embracing change and being innovative in doing so. Through these responses we can provide new employment, housing, education, social and recreational opportunities.

Melburnians will need to share the responsibility of implementing the strategy as well as share the benefits from such a strategy at the metropolitan and local level.

To achieve this partnership approach we will need to talk and identify how best to carry out the necessary tasks of city and community building. The Melbourne of the future will need the assistance of the Commonwealth Government, the State Government, councils, the investment sector, the community sector and citizens. How we deliver infrastructure and services and how we create new places might differ to what we have done in the past. As a community we must be open to innovation and new ways of doing things while identifying public benefits as a prerequisite.

Ideas and aspirations for leadership and partnership are:

Idea 14: Developing partnerships and agreements

State Government and local councils share responsibility for the planning of Melbourne. The Commonwealth Government also plays a role with infrastructure investment and setting strategies. Cooperation can be improved – this can only be achieved by a partnership approach between councils and the State Government.

Idea 15: Developing good governance structures and processes to deliver the Strategy

There is a need to develop good governance structures and processes to deliver the Strategy. The roles and responsibilities of the Commonwealth Government and its agencies, State Government agencies, local councils and private parties need to be clear in the implementation of the Strategy.

Idea 16: Setting targets, measuring progress and publishing indicators

For too long many aspects of Melbourne's urban system have gone unmeasured or unreported. Setting targets and aspirations will be central to the Metropolitan Planning Strategy