



UNCHAIN INC

Submission on the Discussion Paper “Melbourne, let’s talk about the future’

March 2013

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Executive Summary

unChain Inc (formerly unChain St Kilda) is an incorporated body of Port Phillip residents and traders.

unChain supports the development of a new Metropolitan Planning Strategy (MPS) and welcomes the opportunity to comment on the Discussion Paper.

unChain agrees with the themes raised in the Discussion Paper that include:

- A cohesive vision for Melbourne
- Certainty in planning decision-making
- Affordable housing
- Environmental sustainability
- Employment and equality of access
- A credible implementation pathway.

unChain makes the following submissions:

1. It is inevitable Melbourne will see significant population growth during next 50 years and we believe that this growth presents both opportunities and challenges for Melbournians. (Section 2.1)
2. There should be a clear statement in the new MPS that it does not advocate a radical free market approach to planning. Strong planning rules and a co-ordinated investment in new infrastructure will be required for managing the successful growth of Melbourne. (S. 2.2)
3. The new MPS provides an opportunity to overcome many of the failings in the Melbourne 2030 strategy. (S. 2.3)
4. The state government has a mandate to implement sensible planning rules and make a significant investment in public transport and bicycle networks. (S. 2.4)
5. The Ministerial Advisory Committee chaired by Professor Roz Hansen should allow an expert, bi-partisan, and consultative MPS to be developed. (S. 2.4)
6. unChain inc supports the submission by the City of Port Phillip (COPP) on the new MPS. There is substantial community support for the positions and recommendations in the COPP's submission. (S. 2.5)
7. The new zoning system is essential if the new MPS is to achieve widespread community support. Councils are able to identify the areas that are appropriate for more intensive development and those that are not. (S.3.1.2)
8. The major problem with the new zones is the wide range of discretionary uses permitted in residential zones. (S.3.1.2)

9. The MPS should recognise the 'agent of change' principle to protect live music venues and safeguard residential amenity. (S3.1.3)
10. The MPS should target the type of licensed venues that cause problems and recognise that well-run venues make a positive contribution to Melbourne's liveability. (S.3.1.3)
11. The MPS should envisage a clear mechanism for identifying major opportunities for a creative and active population. The St Kilda Festival is a prime example. (S.3.1.4)
12. The MPS should contain a clear statement ensuring that Councils should have effective powers to control undesirable aspects of tourism, especially of backpacker premises. (S.3.1.5)
13. The MPS should contain a strong statement that our public parklands are to be protected. Events like the Grand Prix at Albert Park should only be allowed if they satisfy an open, honest and comprehensive cost benefit study. In the particular case of the Grand Prix, it is submitted that this cannot be demonstrated and the Park should be returned to its proper purposes. (S.3.1.6)
14. The Discussion Paper proposes to build upon Melbourne's educated, flexible and multicultural workforce. The MPS should encourage Councils to have effective Economic Development units in place and a range of policies to encourage creative businesses. (S.3.2.1)
15. The MPS should support "clustering" of creative businesses within the inner city. (S.3.2.1)
16. The MPS should identify the new suburb of Fishermans Bend as the appropriate location for a university campus with a focus on creative industries. (S.3.2.1)
17. The MPS should commit to a thorough environmental impact assessment of any re-development of Webb Dock. This assessment should include the need for a rail link to Webb Dock and additional feeder roads to the West Gate Bridge to take the pressure off our residential streets. (S.3.2.3)
18. The MPS should recognise that the new suburb of Fishermans Bend, when added to the 'normal' growth of the inner City, will be a disaster unless the government plans in advance for the required public open space, transport links, schools and other social infrastructure. (S.3.3.1)
19. Councils and the state government provide services to help aged people. The MPS should recognise programs like the Linking Neighbours Program in Port Phillip. (S.3.3.2)

20. The MPS policy on affordable housing should not just focus on the middle and outer suburbs. In planning for Fishermans Bend, the authorities should be identifying mechanisms for the provision of affordable housing. (S.3.4.1)
21. The MPS should outline ways to lower housing prices and increase the supply of housing. The cost of housing is not just a reflection of the cost of land. One important consideration is the entrenched role of trade unions in the construction of apartments. (S.3.4.1)
22. The MPS should aim to increase the percentage of social housing in Melbourne to at least the national average. It should identify examples of successful housing associations providing social housing such as the Port Phillip Housing Association. (S.3.4.2)
23. The MPS should recognise the acute lack of retirement accommodation and commit to exploring ways to encourage the construction of new retirement accommodation. (S.3.4.3)
24. The MPS should contain a clear exposition of government policy on climate change, sea levels and flooding, and also how this will be applied at the municipal level. (S.3.5.1)
25. The MPS should make a clear statement that the improvement of the Yarra River and Port Phillip Bay is a high priority for the future of Melbourne. (S.3.5.2)
26. It is appropriate for the MPS to identify Fishermans Bend as an opportunity for significant residential and jobs growth. However it is submitted that the Discussion paper is misleading and unsatisfactory in not acknowledging the difficulties and problems involved. (S.3.6.1)
27. Southbank and Docklands have not been satisfactory developments. In planning for Fishermans Bend it would be useful for the MPS to acknowledge the lessons that have been learned. (S.3.6.1)
28. We need a well-thought out Master Plan for Fishermans Bend. Fishermans Bend should aim to provide affordable housing, with a mix of housing tenures and a mix of people. Community infrastructure such as child-care centres, schools, parks, transport links and health services must be included from the outset. There must be stronger compliance on height controls, rejuvenated streetscapes, more public spaces, encouragement of walking, cycling and public transport and the provision of better local amenities for residents, workers and visitors. We should perhaps be aiming at a 'creative' industries precinct, perhaps anchored by a university campus. (S.3.6.1)
29. The Discussion paper states that a number of suburban job clusters are nationally significant places of economic activity and innovation. The MPS should identify the possibility for the St Kilda Triangle to be

the centre of an Arts cluster, with a refurbished Palais and new buildings in accordance with the Council's vision. (S.3.6.2)

30. The MPS should be more open about the planning and financing restraints on developing a world-class public transport system. The MPS should consider how these restraints could be overcome. There should be a discussion of the options for Melbourne's public transport system in 2050, which would lead to an agreed vision and interim targets to achieve this vision. There should be discussion of new funding options such as a metropolitan improvement rate in addition to relying on federal government funding. (S.3.6.3)
31. The Discussion paper says that much of inner Melbourne most likely already delivers a 20-minute city and the real challenge is how the middle and outer suburbs can be adapted. However even in an inner city area like Port Phillip, the goal of the 20-minute city is becoming increasingly remote. (S.3.7.1)
32. Planning for pedestrians and bicycles at Fishermans Bend will be important for the success of a 20-minute city there. (S.3.7.2)
33. The MPS should state that completion of the Principal Bicycle Network will be given higher priority in the roads budget. (S.3.7.2)
34. The MPS should contain a clear statement about the importance of our shopping strips such as Acland Street. These shopping strips provide a 20-minute access by foot or bicycle. The MPS must not be written in a way that developers can argue in VCAT for a massive shopping mall at (say) the St Kilda Triangle or Fishermans Bend that is accessible by a 20 minute car journey. (S.3.7.2)
35. The MPS should acknowledge that there have been many disastrous infrastructure projects, built with inappropriate funding models and wildly optimistic traffic forecasts. The MPS should envisage more rigorous evaluation of the costs and benefits of infrastructure than we have had in the past. (S.3.8.1)
36. The MPS should acknowledge that there have been issues with major freeways such as the proposed East West link. Many experts believe that major roads need to be discouraged and that our investment in infrastructure should be rail or light rail. (S.3.8.1)
37. We could have a more informed discussion if we were able to 'de-politicise' the question of funding. If a metropolitan planning authority is established, it should be responsible for conducting research on the way that infrastructure could be funded. (S.3.8.2)
38. The MPS and public debate should consider a wide range of possible funding sources for infrastructure such as the following: Borrowings and Bonds, Public/Private Partnerships, Privatisation, Superannuation

Funds, Congestion Charges, User Charges and Developer Contributions, and changes to the Goods and Services Tax. (S.3.8.2)

39. It is appropriate to create a metropolitan planning authority that, amongst other responsibilities, would coordinate government authorities in major infrastructure and urban renewal projects. The authority should not have any power to issue consents. This should remain the responsibility of the local Councils. (S.3.9.1)
40. The MPS should define the respective responsibility of the State and local governments. The State government should set the vision for planning but the local Councils should have the authority to implement this policy at the local level. (S.3.9.1)
41. It is time to abolish the Minister's power to call in projects. If there are projects of such significance to Victoria that they should be removed from the normal processes of community, Council and VCAT review and determination, then that should be done by a specific Act of Parliament. (S.3.9.2)
42. Similarly it is time to de-limit the Minister's power to unilaterally determine major projects in the capital city zone. If the Minister is to be the responsible authority for major developments, that power should be exercised in the implementation of an approved Master Plan. (S.3.9.2)
43. As Melbourne grows, it is inevitable that there will be complex and controversial planning disputes. It is important that the community has confidence that the review and approval processes, including VCAT decisions on these disputes, are open, transparent and equitable. (S.3.9.3)
44. VCAT should be an appeal body. It should not conduct a *de novo* hearing on the planning merits of an application. VCAT should only vary or overturn a Council decision if the Council has misapplied the Planning Scheme, including the metropolitan planning strategy. (S.3.9.3)
45. We should modernize our laws on political fundraising. Developers should be banned from donating to political parties. (S.3.9.14)
46. The Victorian government should support the proposed change to the Constitution allowing the Federal government to directly fund vital local projects. (S.3.9.5)

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1.0 Introduction

unChain Inc (formerly unChain St Kilda) is an incorporated body of Port Phillip residents and traders. (See www.unchainstkilda.org). Originally we were brought together by concerns about the proposed development on the St Kilda Triangle. Now we are interested in an array of matters arising in Port Phillip, especially the appropriate development of our inner city.

We have members from all political parties but we do not have any political allegiance. We have an e-mail membership of over 2000 people. In the 2012 Port Phillip Council elections, three unChain councillors were elected and we gained about 36% of the first preference votes across the municipality. We can therefore claim to speak on behalf of a significant number of residents and traders in Port Phillip.

unChain supports the development of the Metropolitan Planning Strategy (MPS) and welcomes the opportunity to comment on the Discussion Paper 'Melbourne, let's talk about the future'.

Our response is provided in two parts.

- a. The first part is broad commentary on planning for Melbourne's future. It considers the target for Melbourne's population. It then discusses the broad philosophy that should underpin planning for Melbourne. This includes the shortfalls of Melbourne's existing planning scheme and our support for the submission by the City of Port Phillip.
- b. The second part provides our comments of the specific Principles and Ideas identified in the Discussion Paper.

unChain agrees with the themes raised in the paper that include:

- A cohesive vision for Melbourne
- Certainty in planning decision-making
- Future infrastructure provision, particularly in transport
- Affordable housing
- Environmental sustainability
- Employment and equity of access
- A credible implementation pathway

However, as discussed below, in some of these aspects the Discussion Paper is lacking. Furthermore it is not enough simply to develop a good plan. As a famous Scottish town planner said:

*The best-laid schemes o' mice an' men
Gang aft a-gely
An'lea'e us nought but grief an' pain,
For promised joy.*

There are three ways that even the best plans can go awry. These are:

- The failure to learn from the past: The Discussion Paper does not clearly explain how the new Melbourne Strategy has learned from and differs from the past plan, Melbourne 2030. Another example is that at the micro-level it does not acknowledge that there have been significant mistakes in the development of the Docklands and Southbank that must not be repeated at Fishermans Bend.
- The failure of implementation mechanisms: The Discussion Paper does not thoroughly discuss implementation mechanisms. This involves important considerations such as the role of VCAT, the Minister's discretionary powers and the need for mandatory height controls.
- The failure of funding: The Discussion Paper acknowledges the importance of methods of funding the required infrastructure. However there is only a superficial discussion of this crucial consideration.

It is submitted that the Discussion Paper is on the right track. However there are significant improvements that should be made for it to gain credibility and to rebut the criticism that it just reflects the interests of the developers and the roads lobby. It is submitted that these should be addressed in further developing the Metropolitan Planning Strategy.

2.0 General Commentary on Planning for Melbourne's future:

2.1 Melbourne's Population Target

The Discussion Paper anticipates that Melbourne's population will to grow to between 5.6 million and 6.4 million by 2050. Is this an appropriate basis for the planning of Melbourne?

There will be many resident groups who do not accept the premise that significant population growth is inevitable or desirable. They may assert that the majority of people do not want a bigger Melbourne or a bigger Australia. They would argue that Melbourne's famed liveability is threatened, as more and more people squeeze into our neighbourhoods and onto our roads and into our schools and hospitals. These critics may say the Discussion Paper reflects the position of the developers and the growth lobby. Such critics would advocate measures such as cutting the migration intake and restricting family benefits for the third and subsequent children (see for example the 14 point plan of MP Kelvin Thompson).

However unChain's submission does not accept that our metropolitan planning should be simply to declare that Melbourne is full. It is our submission that the Victorian government must manage Melbourne's growth, not try to stop it.

There are many cities in the US, Europe and Asia that have large populations and yet have better public transport, good healthcare, more affordable housing, beautiful public spaces etc.

It is our submission that the Victorian (and Australian) government must manage Melbourne's growth, in accordance with sound, evidence based objectives, to achieve sustainability, prosperity and inclusiveness.

The Discussion Paper repeats the misleading ranking by the Economist Intelligence Unit in 2012 of Melbourne as the world's most liveable city. The EIU Global Liveability Report is based on a survey of expatriates. Companies use it to determine hardship allowances for their expatriate staff. It is not intended to measure the quality of urban life from the perspective of a citizen who lives in each of the 140 cities surveyed. The 30 factors measured do not include many factors that are important to residents such as housing affordability, schools and universities, green spaces, natural assets, cultural assets, connectivity and (lack of) isolation. The EIU ranking is misleading and dangerous on two grounds. One is that it is 'anti-growth': biased towards mid-sized cities with low population density rather than global cities such as Berlin or New York. Secondly it may understate the size and nature of the problems that Melbourne residents are experiencing, both now and in the immediate future. It is submitted that the MPS should not make any reference to the misleading EIU ranking.

Unchain submits that it is appropriate for the Federal Government to develop a population policy based on principles of environmental sustainability. But planning for metropolitan Melbourne cannot assume that there will be no significant growth in our city. We believe that it is inevitable Melbourne will see significant population growth during the next 50 years and we believe that this growth presents both opportunities and challenges for Melbournians. We also submit that regional development policy at State level should be strengthened so that the challenges and opportunities of population growth within Victoria are shared throughout the State.

2.2 The Planning Philosophy in the Discussion Paper:

unChain believes that Melbourne's planning must be:

- Long term
- Bi-partisan and
- Strategic: with the identification of key issues, a clear idea of where we are going and how we are going to get there.

The metropolitan strategy must not be allowed to become a 'free-for-all' where developers put in ambit claims over individual sites and have most of them approved by Councils, the Minister or the VCAT.

Some critics of the Discussion Paper believe that it is based on neo-liberal extremism (see for example Professor Michael Buxton's address to the AGM

of the Protectors of Public Lands). They believe that it does not represent a proper strategy: that it should have considered a range of options and had a serious discussion on implementation measures. Such critics would argue that, basically, the Discussion Paper advocates that development should be left 'to the market' and that it does not envisage a strong role for the government or the community. They believe that the Discussion Paper is just a list of ideas, with no vision or thematic structure. Such critics would point to statements in the Discussion Paper like this (at p. ix):

'The Metropolitan Planning Strategy must move away from regulation as the primary means of achieving planning outcomes.'

However, unChain Inc does not interpret the Discussion Paper as advocating a policy of 'leave it to the market' and to allow a free rein for the developers. The full quotation at p. xi of the Discussion Paper is:

'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.'

If Melbourne is to manage a significant increase in its population over the next half-century, what is needed is more planning, not less. unChain does not interpret the Discussion Paper as advocating the de-regulation of planning controls. In urban renewal areas like Fishermans Bend, there should be better planning than has occurred at Southbank and the Docklands. The experience of unChain in Port Phillip is that it is essential for us to invest in new infrastructure for our growing population, whether this is in the form of new schools, public transport, affordable housing, measures to deal with global warming and the like.

It is submitted that there should be a clear statement in the new metropolitan strategy that it does not advocate a radical free market approach to planning. Effective planning rules are still fundamental and also a co-ordinated investment in new infrastructure will be required if Melbourne is to grow in a satisfactory way.

2.3 Melbourne 2030 and the new Planning Strategy

The Discussion Paper does not clearly explain how the new Melbourne Strategy has learned from and differs from the past plan, Melbourne 2030.

Melbourne 2030 was introduced by the Bracks government in 2002. It aimed to concentrate development within activity centres close to transport. It aimed at reducing urban sprawl by redirecting new development to inner and middle suburbs, establishing urban growth boundaries and protecting green wedges. It was amended in 2008 to become Melbourne@Five Million with an extended growth boundary. Melbourne 2030 has been criticized on various grounds

(see Bob Birrell et al *Melbourne 2030: Planning Rhetoric Versus Urban Reality*). Criticisms of Melbourne 2030 include:

- The failure of Melbourne 2030 to be accepted by the broader community
- Melbourne 2030 gave the VCAT multiple policy rationales to decide in favour of developers.
- The impact on heritage areas in the inner suburbs
- The impact on residential amenity of increasing density in the inner and middle suburbs
- The failure to stop urban sprawl through the release of new land on Melbourne's fringes
- Poor implementation on matters such as transport and infrastructure, for example with significant public expenditure on roads rather than public transport.
- The failure to have an identifiable body responsible for the implementation of the strategy in Melbourne 2030 with Planning, Treasury, Infrastructure and Human Services, the Growth Areas Authority, the Victorian Civil and Administrative Tribunal, VicUrban, VicRoads and VicTrack all having a say in its implementation.
- The weakening of the powers of local Councils and local communities and the strengthening of the powers of the Planning Minister and the VCAT.

Some critics in resident groups have said that the Discussion Paper simply reproduces the strategy of Melbourne 2030. These critics are often particularly concerned about the impact of development on the heritage values and residential amenity of the inner and middle suburbs. unChain shares the concern of these critics about heritage and amenity. However unChain does not reject the Discussion Paper as simply reproducing Melbourne 2030. It is our submission that the Discussion Paper provides an opportunity to overcome some of the failings in the current strategy.

2.4 The Electoral Consequences of Misleading the Community

unChain believes that

- It is appropriate that Melbourne's planning should assume that there will be a significant increase in our population.
- The philosophy of the new metropolitan strategy will be for more effective land use planning and the co-ordination of infrastructure investment; it will not be a philosophy of leaving it the developers to decide Melbourne's future.
- There are significant potential improvements in the proposed Strategy over the existing strategy, Melbourne 2030.

But what if we are wrong? What if the consultation on the Strategy is just tokenism? What if the real philosophy is neo-liberal extremism, abandoning effective public-interest controls in favour of the self-interest of the developers

and the growth lobby? Then the government will be held to account at the ballot box – especially in the state electorate of Albert Park.

In the Victorian Parliament, Albert Park has traditionally been a safe Labor seat. However concerns about development in the electorate, especially the actions of the Labor Minister for Planning, have turned the seat into a very marginal one.

In the 2002 elections the Labor candidate, John Thwaites, got 48.2% of the first preference votes and 62.5% of the votes on a two party preferred basis, a majority of 25%.

In the 2006 elections John Thwaites got 41% of the first preference votes and 59.7% of the votes on a two party preferred basis, a majority of 19.38%.

However in the 2010 elections, Labor was only narrowly returned. Labor's Martin Foley got only 52.06% of the votes on a two party preferred basis. Labor's majority had shrunk to only 4.12%. As the Chinese say when the emperor loses the mandate of heaven, 'The deer is on the loose'!

Either party could capture the seat of Albert Park at the next election. This seat may well be the one that is needed for the Liberals to retain government or for the Labor party to regain it.

In the 2010 election, former unChain President, Serge Thomann ran as an independent candidate. He had detailed policies on many of the matters raised in the Discussion Paper, such as Fishermans Bend, climate change, affordable housing and public transport. He did not run on a simple 'anti-development' ticket. However, there was an overriding theme that Labor's Minister for Planning, Justin Madden, had not exercised his powers properly.

In the 2010 elections, the Liberal Mark Lopez, topped the first preferences with 38.29%. Labor's Martin Foley only got 30.19% of the first preference votes and was elected on the preferences of the Green candidate, Ann Birrell, who got 18.14%. Councillor Thomann got 9.10% of the first preferences, a solid result for an Independent. He preferred the Greens and then had a split ticket between Labor and the Liberals. Had he preferred the Liberals, they could have won the seat.

Councillor Thomann said in his policy document:

We Melbournians are rightly concerned for our famed liveability, as more and more people squeeze into our neighbourhoods and onto our roads and into our schools and hospitals. Melbourne's population growth cannot be accommodated by endless suburban expansion. We must defend the green wedge policy of the Hamer and Bracks governments. But it is not possible simply to declare that Melbourne is full. The Victorian government must manage growth, not try to stop it. We want a fair, sustainable and prosperous future for Melbourne. So the fundamental task for the Victorian government is to ensure a people-friendly medium density growth. The electorate of Albert Park faces threats from badly planned development in Southbank, Port

Melbourne, South Melbourne, St Kilda and Elwood. We face the threat of a haphazard scatter of high-rise buildings, inadequate services and the theft of our precious public open spaces. But we also have a host of opportunities for superb development. We are in the lucky position that we can have a growing diverse community, great buildings, first-rate schools, a twenty-first century public transport system, a vibrant arts and information technology sector, a safety net for those in need and much, much more. The glass is three quarters full. We just have to get it right.

The lesson for the current government should be clear. Community members such as those that unChain represents accept that Melbourne will grow and expect that the government will develop a well-thought out planning strategy to accommodate this. The government can expect significant community support and goodwill if there is a proper process in developing our planning strategy for the next 50 years.

However there will be electoral consequences if the community thinks that this consultation process is just a fig leaf to allow developers free rein to build skyscrapers in the inner city, multi-storey apartment blocks in the middle suburbs and push out the boundaries of the outer city into the green wedges.

If unChain ran a candidate in the next state election, and preferred either of the two major parties, it would confer a significant advantage on that party. But we do not think that it will come to this.

We are cautiously optimistic that the Discussion Paper provides an honest opportunity to develop a comprehensive long-term metropolitan strategy. In particular in the Albert Park electorate it is important that a good Master plan is developed for Fishermans Bend with significant community participation. This must be done before the current tsunami of high-rise proposals are approved.

On the broader electoral front unChain affirms that the Victorian government has a mandate, indeed an obligation, to implement sensible planning rules and make a significant investment in public transport and bicycle networks. The voters of Victoria expect this and further expect the state government not to be dominated by the lobbying of the property developers and the roads lobby.

unChain believes that it is an excellent idea to have a Ministerial Advisory Committee chaired by Professor Roz Hansen to steer the process. This should allow an expert, bi-partisan, and consultative strategy to be developed.

unChain has participated in a constructive way in the consultation on the new metropolitan strategy. We have had members attend the briefing by the Minister and Professor Hansen, the forum organised by the Department at the Docklands on March 3, the AGM of the Protectors of Public Land, and the Port Phillip Council debate on its submission. unChain organised a forum on the Planning Strategy for the residents of Port Phillip in March. The people

who attended contributed to the development of this submission. Some attendees may also be making their individual submissions.

2.5 unChain and the City of Port Phillip

In February the City of Port Phillip (COPP) approved its submission on the Discussion Paper. unChain made a presentation to that Council meeting.

The COPP submission broadly supports the nine principles in the Discussion Paper that form the basis of the new Metropolitan Planning Strategy. The Council's submission identifies a number of gaps in the Discussion Paper that should be addressed in further developing the Metropolitan Planning Strategy. The COPP submission says that the metropolitan strategy must:

- Establish a long-term bi-partisan vision
- Embed sustainability as the overarching principle
- Recognise that the majority of the existing social infrastructure in the inner suburbs is already operating at or beyond capacity
- Create a city that is socially diverse, inclusive, affordable, accessible, healthy and safe
- Enable Council to identify areas suitable for increased density and those where protecting neighbourhood character is paramount
- Adopt a holistic approach that includes community and transport infrastructure, jobs, affordable housing and open spaces
- Protect the established strip shopping centres
- Define specific outcomes and a clear strategic approach
- Acknowledge the role of the Council and the community

unChain inc supports the submission by the City of Port Phillip. We believe that there is substantial community support for the positions and recommendations in the COPP's submission. Therefore in our submission we will not go into detail repeating matters covered by the Council. Instead our submission will focus on specific Port Phillip issues that reinforce the position that the Council has put forward.

3.0 Comments on the Discussion Paper

The Discussion Paper addresses the key issues under the nine principles:

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.

3.1 Principle 1: A distinctive Melbourne

The Discussion Paper says:

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.

The Discussion paper identifies these key issues and opportunities:

- Urban structure and place
- Revitalisation and renewal
- Valuing good design and innovation
- Roads as features of the public realm
- Tourism innovations
- A creative and active population
- Planning for parks and waterways
- Embracing Port Phillip

These reflect our vision for Melbourne's future and we would add the following:

3.1.1 'Marvellous Melbourne' and the metropolitan planning strategy

What is Marvellous Melbourne? What lessons can be learned from our Victorian heritage?

In the 1880s entrepreneurs in Victoria known as the 'land boomers' created a speculative 'bubble' in land prices (See Michael Cannon, *The Land Boomers*, Melbourne University Press, 1966 and Graeme Davison, *The Rise and Fall of Marvellous Melbourne*, Melbourne University Press, 1978). Indeed the recent Premier of Victoria, Ted Baillieu, is a member of a family whose fortunes were saved by their land boomer ancestor, William Lawrence Baillieu.

The land boomers, the ancestors of today's developers, built Marvellous Melbourne. But the bursting of the land boomers' bubble caused Australia's worst-ever depression in the next decade. For the next two decades there

was little development in Melbourne. This is not the model to follow. We do not want a developer-driven boom and bust in our Melbourne.

The present state government was elected on a platform that promised sensible and transparent rules on planning and a significant investment in public transport and a bicycle network. It is submitted that the government has a responsibility to the electorate to deliver this in the new metropolitan planning strategy.

3.1.2 Residential Zones and the metropolitan planning strategy

Like the residents in the middle suburbs, many residents in Port Phillip are concerned about multi-level apartments being approved in inappropriate areas of our municipality. There are significant impacts on residential amenity and on our stained physical and social infrastructure. Residents are concerned to protect our leafy green suburbs from opportunistic developers.

We therefore welcome the Minister's announcement of the biggest changes to planning zones in 30 years. Although separate from the Metropolitan Planning Strategy, this new zoning system is essential if the new strategy is to achieve widespread community support. The new zoning system should enable Councils to identify the areas that are appropriate for more intensive development and those that are not.

This aspect of the new zoning system appears to be similar to the new Local Planning Policy Framework in the Port Phillip Planning Scheme (Amendment C62) which the State government approved in 2011. The C62 amendment has already had an impact in Port Phillip in that fewer applications for larger developments have been made in areas where they would conflict with existing neighbourhood character. However it is not yet clear how, or if, or where, the new zoning descriptions would relate to the zones in the Local Planning Policy Framework.

There will be three residential zones and the five existing business zones will be combined into two commercial zones. The existing Activity Centre zones will continue.

The residential zones aim to identify where more intensive developments can occur and where there should be stronger limits.

- The Residential Growth Zone enables new housing growth and diversity. It is for medium density housing through a mixture of townhouses and apartments with underground car parking. It aims to provide housing at increased densities in buildings up to four storeys.
- The General Residential zone preserves urban character while enabling modest housing growth and housing diversity. It consists of single dwellings and some medium density housing with a 9 metre height limit.
- The Neighbourhood Residential Zone restricts housing growth in areas

identified for urban preservation. Its purpose is to recognise areas of predominantly single and double storey residential development. It intends to limit opportunities for increased residential development and to manage and ensure that development respects the identified neighbourhood character, heritage, environmental or landscape characteristics. This zone will have a mandatory height limit of 8 metres.

The Minister announced in March that the implementation of the new zones will commence on 1 July 2013 and will be completed over a 12 month period. Councils will have to consider their existing strategic plans, housing strategies and related work in the application of the zones. Each Council must determine how the three residential zones are to be applied but the Minister must approve the determination of each Council.

The government says that it is restricting non-residential uses in the Neighbouring Residential Zone and the Residential Growth Zone. However it is submitted that the major potential problem with the new zones is the wide range of discretionary uses (Section 2) allowed in residential zones. These may allow offices, shops or small supermarkets in areas that the residents thought were residential. Although the local Council may refuse a permit for a commercial use in a residential zone, the developer may succeed in an application to the VCAT. It will be important therefore for Councils to develop policies that protect the residential character of residential areas. Councils must ensure that these policies are strong enough to withstand challenges at the VCAT.

3.1.3 A Creative and active population: Live Music

The Discussion Paper says that Melbourne's sporting, educational, artistic and cultural institutions add to its distinctiveness and offer residents an enriched life. However the Paper does not address the vital issue of the conflict between residential amenity and live music and how this should be resolved.

Live music has been an important part of the heritage of Port Phillip. It is worthy of a specific discussion in a Metropolitan Planning Strategy.

Live music venues are under threat from inappropriate planning and licensing laws or their enforcement. An example in St Kilda is the 'Pure Pop' live music venue. The Metropolitan Planning Strategy should recognise the 'agent of change' principle to protect live music venues but also safeguard the amenity of new residents – as developers are obliged to implement proper urban design and noise attenuation.

There are a multitude of measures that can be developed to promote both local amenity and live music. For example there can be accords between

venues and local residents that may see venues agreeing to pay for installing double glazing and soundproofing for the benefit of local residents.

Part of the heritage of the City of Port Phillip is the recreation and leisure industry in St Kilda, Port Melbourne, and South Melbourne. The problem of alcohol-fuelled violence in Melbourne has, however, led to restrictions on licensed venues. It is submitted that the MPS should state that the government will target its liquor licensing restrictions at the type of venues that cause problems and recognise that well-run venues make a positive contribution to Melbourne's liveability. Small venues should not be required to comply with requirements for crowd controllers, CCTV etc. that are aimed at large venues. Council should advocate for appropriate categories to be included in the liquor licensing framework. As Paul Kelly has said publicly:

'The venues most affected by one size fits all licensing laws are precisely those venues that encourage local culture and responsible use of alcohol. They are the venues that people go to hear homegrown music. Places where people know and look out for each other; where musicians and songwriters learn their craft; where ideas are exchanged. You might say they are community art centres. Melbourne's independent music scene has a world-wide reputation – rich, diverse and fertile. Don't kill it legislators. Don't destroy what makes Melbourne unique.'

3.1.4 A Creative and active population: The St Kilda Festival

The Discussion Paper identifies a creative and active population as a key opportunity. However there is no suggestion of how the government can foster this. We have a strategy to bring major events to Melbourne that has been very successful. But the process appears random and a giant lottery. It is submitted that the Metropolitan Planning Strategy should state that there will be a clear mechanism for identifying major opportunities for a creative and active population. The St Kilda Festival is a prime example.

The St Kilda Festival was started thirty years ago, largely aimed at dispelling the disreputable reputation St Kilda had at that time. The Festival today is a large peaceful, joyous celebration, with over four hundred thousand citizens freely flowing in the large natural amphitheatre of the Upper Esplanade, St Kilda beach and Catani Gardens on Festival Sunday.

The current Council has taken significant steps to improve the festival from the perspective of local residents. Measures have included improved cleaning up, earlier finishing times, noise control, a wider range of activities to make the festival more family-friendly, controls on drunkenness, and resident participation in decision-making.

The Festival is under threat because it has limited funding. The State government contributes only \$100,000 to the Festival out of a total cost of \$1.5 million. This would be a generous contribution if the festival were only a

local celebration as was its original purpose; however a review of the festival stated that:

'What began as a two-day celebration of local culture designed to help shift the public perception of St Kilda, has since become a week-long event with multiple programmatic offerings culminating in Australia's largest outdoor cultural event.'

Over its thirty-year life, the festival has grown into an event of State significance. It is therefore appropriate for the State government make a significant contribution.

It is relevant to compare the level of State government contributions to the Grand Prix. If the State government were to contribute to the St Kilda Festival only 1% of its contribution to the Grand Prix, this would amount to over \$500,000, sufficient to fund most, if not all, of the recommendations in the Review Report for the future of the Festival that the City of Port Phillip commissioned.

3.1.5 Tourism innovations and Backpackers

The Discussion Paper states that 'Strategies to attract tourists to Melbourne have been remarkably successful in recent years ... proposed planning zone reforms may provide further opportunities for tourism uses'. The discussion paper fails to acknowledge that tourism may also have significant adverse impacts on residential amenity, especially the behaviour of backpackers.

Backpackers create a specific noise and alcohol issue in Port Phillip. Backpackers play an important role in the local economy but some backpacker premises create massive problems for local residents. Council's powers are limited, even when dealing with illegal backpacker premises.

Council can refuse permits for inappropriate new backpacker buildings, even where the applicant pretends that this is not the intended use. Council can act if a building is being used to accommodate more than 10 people in contravention of health regulations. However Council has limited power if one or two apartments in a block are rented by a small number of noisy backpackers. It is submitted that the power of Councils to control unruly legal and illegal backpacker premises should be reviewed. It is submitted that the Metropolitan Planning Strategy should contain a clear statement ensuring that Councils have effective powers to control undesirable aspects of tourism, especially of backpackers.

3.1.6 Planning for parks and waterways: The Grand Prix in Albert Park

The Discussion Paper says that Melbourne has an 'enduring legacy' in protecting waterways and acquiring open space. unChain, the Port Phillip

Council and the majority of the residents are opposed to the use of Albert Park by the Grand Prix.

unChain believes that our largest park is not the appropriate site for a Grand Prix. The original contract was entered into by the Kennett government and subsequently extended by the Bracks and Brumby governments until 2015. What should be done now?

The Grand Prix has a significant impact on local residents, schools and traders. There is disruption for months to park users, especially with respect to community sporting facilities. This disruption gets worse every year as more and more park users are displaced.

There is also a significant financial cost to the Victorian taxpayer. There have been conflicting opinions on whether the Grand Prix delivers value for money when economic and tourism benefits are considered. This debate has now been put to rest. The Victorian Auditor-General's peer reviewed cost benefit analysis found the GP is a net loser for Victoria and his office found there is no evidence of extra tourists coming to Melbourne. The Grand Prix has over \$250 million of accumulated losses. Furthermore the claimed global TV audience figures, the value of the 'Melbourne brand' and the attendance figures all appear to be greatly exaggerated.

Are there not better ways for the State government to spend over \$50 million dollars each year? The Discussion Paper demonstrates that there is a need for Melbourne to invest massively in new infrastructure. How many schools, hospitals, aged care facilities, train-lines etc could be built with this money?

unChain submits that the Metropolitan Planning Strategy should contain a strong statement that our public parklands are to be protected. Events like the Grand Prix at Albert Park should only be allowed if they satisfy an open, honest and comprehensive cost benefit study. In the particular case of the Grand Prix, it is submitted that this cannot be demonstrated and the Park should be returned to its proper purposes.

3.2 Principle 2: A globally connected and competitive city

The Discussion Paper says:

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.

The Discussion Paper states that the key issues and possible opportunities are:

- Growing a knowledge economy

- Changing patterns of employment and travel
- A metropolitan framework based on jobs
- Industrial and freight areas
- A need to increase Port capacity
- Competitive airports
- Embracing innovation in the private sector

3.2.1 *Growing a knowledge economy*

The Discussion Paper proposes to build upon Melbourne's educated, flexible and multicultural workforce. unChain endorses this issue and believes that there is significant scope for Port Phillip.

Human creativity is the ultimate economic resource. All around the world, policy makers are becoming aware of the importance of the creative city to the economic development of their nations.

John Howkins' *The Creative Economy* and Richard Florida's *The rise of the Creative Class* created the concept of the Creative City. Florida says we need forums for allowing citizens to put creative ideas into the public arena, challenging the ideas and incorporating them into public policy, adding to the intellectual 'buzz' of a city, attracting more people to come and live here. The things that attract creative people are

- a clean environment
- a tolerant society
- high levels of education and skills
- a rich and accessible arts environment

unChain believes we should build on our heritage in the arts, our education facilities, our lifestyles and the opportunities for jobs in new technologies. We want to encourage people like scientists, architects, engineers, teachers and artists in all their forms to live and work in Port Phillip.

In addition to the strong arts heritage in Port Phillip, we have a massive opportunity to take advantage of the growth in New Economy businesses e.g. digital and IT services, design, biotech etc. In the digital and IT services sector alone, IBM has estimated that industries that embrace digital and IT services to transform their businesses will grow the Australian economy by more than \$1 trillion by 2050. The National Broadband Network that will give us high speed broadband will underpin this. It is so essential to encourage the development of New Economy businesses in Port Phillip to ensure that Port Phillip is not only a great place to live but also to work. Manufacturing in Victoria and Australia is declining and Australia is becoming far too dependent on the export of minerals from the Pilbara. It is so essential for the future employment of our young that we vigorously support the development of New Economy businesses. An exciting inner city area like Port Phillip has the ingredients to transform our economy.

How then can we encourage the growth of this New Economy in Melbourne generally and Port Phillip in particular? We want to attract new 'creative' industries to the old industrial areas of South Melbourne and to the new Fishermans Bend suburb. But how can creative industries best be encouraged given the rising land values and the limits of Council's planning tools? How can Council encourage businesses such as architects' offices, film production companies, advertising firms, IT and bio-tech start-ups etc to be located in the many boutique office spaces in the lanes, heritage buildings and in architecturally designed new buildings?

It is submitted that the metropolitan strategy should encourage Councils to have effective Economic Development units in place and a range of policies to encourage creative businesses. The City of Port Phillip needs to ensure that its policies are designed to limit as much as possible excessive growth in land values. New Economy businesses are generally started by the young and so to keep on attracting a continuous stream of young people into an area to fuel this entrepreneurial expansion, the cost of living in an area needs to remain reasonable. Research shows that cities or regions that become too "gentrified" and expensive to live in cease to attract this essential new young talent. Accordingly, Council needs to ensure that it has policies in place that will not overly restrict lower cost housing coming on stream in the City.

It is submitted that the metropolitan strategy should support "clustering" of creative businesses within the inner city. Research shows that strong benefits come from encouraging businesses within a particular sector to "cluster together". This clustering allows for the quick cross-fertilisation of ideas and innovation. If an area develops a reputation for delivering products and services from a number of businesses within the area then customers will favour that area when seeking to acquire the products and services. In addition, the availability of employment in a particular sector in number of businesses in the one area encourages entrepreneurship as the entrepreneur is more willing to take a risk with a start-up if he or she knows that they are likely to be able to find alternative employment in the area if their start-up fails to survive.

Another important driver of a Creative City would be to encourage the location of a university in the new Fishermans Bend precinct. In Port Phillip we currently have limited post-secondary education. There is the Australian Academy of Design, and the Melbourne University-supported Australian National Academy of Music. Melbourne University's Victorian College of the Arts is in close proximity. As Swinburne University has announced that it intends to vacate its Prahran campus, relocating its world-ranking School of Design, Fishermans Bend presents the opportunity to build a university campus with a focus on areas such as IT and design. The location of tertiary facilities enlivens an area. It brings talented young people together. Combined with a clustering policy it is likely to incubate New Economy businesses. It is submitted that the new suburb of Fishermans Bend should include a university campus with a focus on creative industries.

3.2.2 A metropolitan framework based on jobs

The Discussion Paper says that its proposed strategy is different from Melbourne 2030 in that the latter was based around activity centres in the suburbs, whereas the new strategy is to base metropolitan strategy on jobs. This raised two concerns. One is that the metropolitan strategy must also consider the significant demographic of those without jobs – whether unemployed or retired. The second is the importance of the suburban shopping strips in the new metropolitan strategy. Both these issues are raised elsewhere in this submission.

3.2.3 Industrial and freight areas/A need to increase Port capacity

For Port Phillip residents the future of the Port of Melbourne is an important issue. The Discussion Paper states that Melbourne is a key freight and logistics centre for Australia and that the capacity of the Port of Melbourne is constrained. It says that in the medium term Webb Dock and the Port of Hastings are being expanded. In the longer term new port facilities in the west of Melbourne may be desirable to complement or replace the Port of Melbourne.

unChain submits that the metropolitan strategy should have a much more detailed consideration which acknowledges the interests of the immediate neighbours of the Port and the wider Melbourne community.

Port of Melbourne is Australia's busiest port, and in April 2012 the government announced a \$1.2 billion project to build a new container port at Webb Dock. The port is expected to be completed in 2016, followed by the proposed development of a new container port at Hastings in the 2020s.

This raises issues for residents in Port Melbourne as well as other nearby municipalities. There will be containers and cranes that change views. There will be increased noise and traffic on the roads and water, impacts on water quality and water run off. The port will operate 24 hours a day and therefore it poses significant concerns for local residents.

The City of Port Phillip has no direct authority over Webb Dock, which is entirely controlled by the Port of Melbourne Corporation. Council has an important advocacy role in ensuring that the development of Webb Dock is not at the expense of residential amenity of neighbours.

Any development must be justified and well-planned. unChain believes that there should be a thorough environmental assessment of the re-development of Webb Dock. This assessment should include the need for a rail link to Webb Dock and additional feeder roads to the West Gate Bridge to take the pressure off our residential streets.

3.3 Principle 3: Social and economic participation

The Discussion Paper says:

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.

The key issues and possible opportunities identified in the Discussion Paper are:

- The prospect of 'two Melbournes'
- Growth on the fringe
- Building connections
- Our changing demography
- Flexible employment opportunities and risks
- Getting to work
- Access to education

3.3.1 Our Changing Demography: Schools

The Discussion Paper says that the number of people in all age groups will increase – hence a demand for new schools and university places – but the number of older people will also increase – hence we must also find ways to enable older people to live independently and remain active for longer.

Take the issue of the demand for schools. Australia needs an educated population, however the population growth in the inner city is creating a critical shortage of schools and the State government has delayed building new primary schools. Melbourne University Planning Professor Kevin O'Connor has said that:

'There's going to be a huge shortfall of schools in inner Melbourne. It's unlikely there is capacity for existing primary schools to grow much more ... We've been closing schools and selling school sites, and urban growth has gone on unabated without consideration for social infrastructure.'

Foolishly, successive governments have closed schools and sold the sites. Architect Charles Webb constructed the Dorcas Street Primary School in 1880. It was closed in 1996. The JH Boyd Girls School site was sold in 2005. Now we need new schools to service our growing population.

There are six government primary schools in Port Phillip with a total enrolment in 2011 of 2624 students. This was a growth in enrolment of 15% since 2009 and the growth will continue. There will be an additional 4000 primary school students in inner Melbourne by 2016. Southbank and Port Melbourne will be under the greatest pressure from their soaring school populations. In particular, the Port Melbourne Primary School numbers have swollen from 122 in 2002 to 548 in 2012 and an expected 784 in 2015.

Construction of new primary and secondary schools must commence immediately to cater for population growth in Port Melbourne, Fisherman's Bend, St Kilda Road, South Melbourne and Southbank. The Discussion Paper envisages an urban renewal at Fishermans Bend of 80,000 new residents. When added to the 'normal' growth of the inner City, this will be a disaster unless the government plans in advance for the required schools and other social infrastructure

The state government has announced there will be a new P-12 school at Fishermans Bend and is conducting a feasibility study for an additional primary school in the Port Melbourne area. Swinburne University has decided to vacate its Prahran campus and the government is also investigating a new high school at that site. These measures are welcome, but will not be sufficient in themselves.

3.3.2 Our Changing Demography: Older People

Planning for our cities is more than land use planning. It must include the other things that government and the community do, economically, socially, and environmentally.

In Port Phillip we need quality libraries, childcare centres, preschools, primary and secondary schools, maternal health care facilities, aged services and other community services. Providing these social infrastructure facilities is crucial, not just to service the growing population of our inner-city, but also to attract a wider demographic mix. We have a diverse community, and an inclusive community is a healthy one. Let us consider what we can do for older people.

Councils and the state government provide services to help aged people living at home. This includes programs such as general home care, meals, home maintenance, respite care, shopping, and social support. But more can be done to ensure social and economic participation for older people. For example, the Linking Neighbours Program in Port Phillip is an important initiative that combines a Seniors Register and a friendly neighbourhoods program, reaching out to older people who may be isolated, have support needs or are vulnerable in some way. The program has expanded across the city. unChain submits that this program and others like it should be recognized in the new metropolitan planning strategy.

Another example is that far-sighted Councils are beginning to provide “playgrounds” for the elderly, utilizing specially designed fitness equipment. The aim is to facilitate and enrich the everyday lives of senior citizens through sociable outdoor exercise and physical fitness, thus improving capacity to cope with everyday tasks, maintain mobility and coordination, increase social opportunities, and improve mental wellbeing. Senior citizens with good mobility and fitness hurt themselves less often, reduce medical costs, and function better in their everyday lives. Although the equipment range is designed for the elderly, it can be equally suited for children to play on. Installation can thus provide an intergenerational outdoor fitness oriented meeting place.

3.4 Principle 4: Strong communities

The Discussion Paper says:

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.

The Discussion Paper says that the key issues and possible opportunities are:

- Fostering strong communities
- Diverse communities
- Finding appropriate housing
- Affordable housing
- Affordable living
- Social housing

3.4.1 Affordable Housing

The increasing cost of accommodation in our city is a major problem. unChain wants Port Phillip to continue to be a tolerant, diverse and exciting community – one that includes people who cannot afford high rents and house prices.

This is a particularly important issue in Port Phillip. The Table in the Discussion Paper at page 35 shows the change in rental affordability of a three bedroom house from 2002 to 2012. In 2002 Port Phillip was the most expensive area to rent in 2012 (at about \$400 per week) compared to a municipal average of around \$210 per week. This continued in 2012 with the average rental in Port Phillip at \$750 compared to the municipal average of around \$330. The submission by the City of Port Phillip included a similar figure for the purchase of a median priced house. The threshold income

required to buy a median priced home in Port Phillip in 2011 was \$269,000 (compared to \$135,000 for the whole of Melbourne). This meant that 86.5% of households could not afford to buy a house in Port Phillip (70% for the whole metropolis). Clearly there is a city-wide problem of affordable housing and it is particularly important in Port Phillip.

unChain agrees with the submission of the City of Port Phillip that government policy should not just focus on outer fringe development - the government should also be dealing with housing affordability in the inner city since that is where the jobs, services and public transport are. One lesson is that in planning for Fishermans Bend, the authorities should be identifying mechanisms for the provision affordable housing.

The Discussion Paper says that the metropolitan strategy could outline ways to lower pressure on prices and increase the supply of housing in appropriate areas. The paper also said that the costs of commercial construction in Melbourne are higher than other cities. This indicates that the cost of housing is not just a reflection of the cost of land. The Discussion Paper mentions reducing development delay and examining innovative development forms but it does not address an elephant in the (expensive) room: the role of trade unions. Business commentator Robert Gottliebson has said:

On the surface the commercial building crisis in Melbourne is all about the unprecedented public attack being mounted on the family-owned Grollo operation. The unions appear to want to put Daniel Grollo's Grocon out of business because he has won work on the basis that he can build much more cheaply if unions do not control the building sites.

But the Melbourne crisis is much more serious than the public attempt to destroy Grocon and Daniel Grollo. The Melbourne outer suburban housing market held up much longer than Sydney and developed a large army of builders and sub contractors. When, two years ago, activity fell sharply a number of home builders looked at the tender prices for three, four and sometimes five storey apartments and realised that they were priced way over the cost that the home builders could do the work for. The home builders tendered and won easily. They could see big profits.

But then they discovered that buildings that are three storeys and over are built under union rules which, for example, require \$135,000 a year labourers to cart hand basins to where they are required.

In the home building game the builder would do that work himself if required. These home builders found they could not build the apartments efficiently and that they had tendered far too low, so they started to go broke. And they took with them sub contractors and the domino effect spread like a cancer.

Banks became very nervous and multiplied the problem by being tough on credit. Well-funded commercial builders suddenly encountered big losses as their sub contractors collapsed, because of the collapse of the small home builders. Now everyone is looking over his or her

shoulder and the system is drained of liquidity. It also highlights why Australian cities must sprawl because of these requirements that make apartments cost far more than houses on a per square basis.

It is therefore submitted that the MPS should outline ways to lower pressure on housing prices and increase the supply of housing. One important consideration is the role of trade unions in the construction of apartments. Our current industrial relations system discourages the participation of small-scale independent building contractors in the construction of medium scale, affordable apartments in areas like Fishermans Bend. It gives a non-trivial financial incentive to construct high-rise buildings instead.

3.4.2 Social Housing

unChain believes that the mark of a civilized society is how we treat other people. We must have a safety net for those in need. There is a critical need for housing to meet the needs of low-income groups, people who are unemployed and disadvantaged and disabled members of the community.

The Discussion Paper says that the percentage of social housing stock in Melbourne is currently 3.5% compared to an Australian average of 5%. Much of the public housing stock is old and not well maintained. One possibility is for the rebuilding of public housing estates, funded in part by new private housing as a part of the redevelopment. Another important consideration is the role of community housing and housing associations.

The former St Kilda Council and the Port Phillip Council can be proud of their leadership in supporting the provision of affordable housing in this municipality. In particular, unChain supports community housing because of the model of delivery involved. It is localised, non-bureaucratic and allows for the leveraging of local COPP funds with State and Federal funds. This is a different model from public housing plonked down in neighborhoods by centralized State Housing Commissions.

The Port Phillip Housing Association has been outstandingly successful in providing community housing. Over the last 5 years the Association has built 257 community housing dwellings valued at \$88.48 million for the less privileged in our society. Most of the funding has been provided by state and federal housing sources, leveraging up the modest contribution from the City of Port Phillip.

It is submitted that the new metropolitan planning strategy should aim to increase the percentage of social housing in Melbourne to at least the national average. It should identify successful housing associations providing social housing such as the Port Phillip Housing Association.

3.4.3 Retirement accommodation

The Discussion Paper says that there has been a growth in 'non private' forms of ownership such as retirement accommodation. It is suggested that there should be a much more detailed consideration of retirement accommodation.

If there is one certainty about the future of Melbourne, it is the ageing of its population. We have an impending "seniors tsunami". The basic issue is that retirement accommodation is very capital intensive.

There is an acute lack of retirement housing and the problem is likely to get worse unless the issues are identified and dealt with. There are very few retirement villages being built. In part this is because of the Global Financial Crisis. But there are also long-term issues around the financing of retirement homes.

The predominant model in the sector, the deferred management (DMF) model, confuses many investors and capital providers. The DMF business is reliant on a buoyant housing market. DMFs are annual management fees deferred and accrued until a resident leaves a village. There is also a rental market that is largely insulated from residential property cycles. Residents pay rent from their pension or savings. However the high cost of building new units means the yield not be sufficient to justify the new investment on such a low yield.

It is submitted that the MPS should recognise the acute lack of retirement accommodation and commit to exploring ways to encourage the construction of new retirement accommodation.

3.0 Principle 5: Environmental resilience

The Discussion Paper says:

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

The key issues and possible opportunities identified are

- The urban island heat effect
- Lower impact transport
- Local electricity generation
- Capturing, recycling and reusing water
- Conserving areas that we value
- Creating a green edge to the city
- Food Production
- Waste and resource use

3.5.1 Climate Change and rising sea levels

The Discussion Paper states that 'our city will face growing pressure to reduce carbon emissions. As well as reducing its carbon footprint, Melbourne will need to adapt to a changing climate, potential sea level rises, and the potential for extreme weather events'.

In our municipality we confront the possibility of rising sea levels causing flooding. CSIRO oceanographer Dr John Church in his book *Understanding Sea-level in Rise and Variability* has brought together the work of over 90 researchers. He explains that there may be major changes in sea level brought about by the melting of the ice caps, thermal expansion and run off from aquifers. The Bruun rule says that for every centimeter the sea level rises, there is a good chance of the shoreline retreating by up to a meter. Scientists say it is possible that over this century the sea level could rise by a meter. This would mean that the ocean could swallow 50 to 100 metres of coastline. During the lifetimes of children now going to primary school, large areas of Elwood, St Kilda, Middle Park and Port Melbourne could be affected.

According to CSIRO studies the average sea level in Port Phillip Bay has already risen over 3cm during the 1990s with a rise of no less than 0.8m predicted by 2100. Therefore the Port Phillip Council will plan for the possibility of a sea level rise of not less than 0.8m by the end of this century and allow for the combined effects of tides, storm surges, coastal processes and location conditions, such as topography and geology when assessing risk and impacts associated with climate change.

Port Phillip Council is a member of the Association of Bayside Municipalities. The major project is to gain Federal funding to do a "3rd pass assessment" of Port Phillip Bay, which will bring together studies on sea level rise with studies on overland flooding. This will then inform the best strategic work all councils can do to mitigate storm, flood and sea level rise damage.

Flash flooding of the Elwood canal is a major local issue that requires joint action by the State government, Melbourne Water, Port Phillip Council and neighbouring Councils. Melbourne Water is carrying out a major study on the Elster Creek catchment. Once completed, its findings will provide specific projects for advocacy and guide future work of all stakeholders to alleviate flooding in the catchment.

Rising sea levels will also be an important consideration in the development of Fishermans Bend. We do not want to be setting ourselves up for a Brisbane-type flood in the future.

It is submitted that the metropolitan planning strategy should contain a detailed explanation of government policy on sea levels, how it will be developed and how this will be applied at the local levels.

3.5.2 Port Phillip Bay

The water quality of Port Phillip Bay is a major concern that is not properly addressed in the Discussion Paper. It is only mentioned as a dot point under the heading 'capturing, recycling and reusing water'.

The main determinant of the quality of our Port Phillip beaches and the Bay is the outflow from the Yarra River. In the 1970s and 1980s there were major attempts to save the river. It is now time for another co-ordinated clean up.

unChain supports the proposal of the Committee of Melbourne for a ten-year plan to make Port Phillip the cleanest urban waterway in the southern hemisphere by 2022. The proposal is for a partnership of federal, state and local government representatives and authorities like Environment Victoria, Parks Victoria and the Port of Melbourne. The plan would involve a 'bay infrastructure plan' to be prepared and rolled out over the next 10 years. The plan would cover issues including pollution, sewage systems, stormwater management, boat sewage discharges, and the health of the bay's ecosystems and wildlife.

In March 2012 the State government set up a government taskforce to develop an action plan for the Yarra River and Port Phillip Bay. It focused on four key priorities and produced a 17 point action plan: *A Cleaner Yarra River and Port Phillip Bay*. The plan involved spending more than \$1 billion on programs to improve the river and the bay.

It is therefore submitted that the new metropolitan planning strategy should make a clear statement that the improvement of the Yarra River and Port Phillip Bay is a high priority for the future of Melbourne.

3.6 Principle 6: A polycentric city linked to regional cities

The Discussion Paper says:

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

Idea 2: Building national employment and innovation clusters

Idea 3: Unlocking capacity in established suburbs

Idea 4: Providing a transport system for Melbourne's future

Idea 5: Strengthening the green edge to Melbourne

Idea 6: Building a state of cities

Idea 7: Extending Melbourne's boulevards – a civic legacy

The Discussion Paper suggests that the metropolitan strategy should aim at a 'polycentric' city with connections to regional growth centres. However unChain believes that this urban modelling may be too optimistic. We Melburnians are changing the way we live. The Reserve Bank's assistant governor (economic), Christopher Kent highlighted the trend towards apartment living in a recent speech to the Australian Institute of Building. *Business Spectator* reported him as identifying three major drivers:

First, the long-run ramp up in land prices, relative to incomes, is forcing new home buyers to economise on space. Apartments deliver this.

Second, the increasing level of congestion on capital city roads and public transport routes is imposing a cost on those choose to live on the fringe. As urban infrastructure fails to keep pace with a growing population, Australians are seeking to avoid the cost of congestion by living closer to where they work. And despite the best intentions of urban planners to create multi-centric cities, the relative success of our professional and finance industries, which tend to be located in central business districts, and relative decline of our manufacturing industries located in outer areas, is driving jobs, and commuters, inwards.

Third, there does appear to be a preference shift, particularly among younger Australians, towards living closer to the inner city, with all the access to infrastructure, shops and entertainment that inner cities provide.

The great outward migration of our cities to the suburbs appears to be reversing.

If this analysis of Melburnians' lifestyle is correct, the Discussion paper's focus on a polycentric city may mean that too much attention and funding is concentrated on building up jobs in the middle and outer suburbs and in regional cities and too little attention to inner suburbs like Port Phillip.

3.6.1 Growing the Central City: Fishermans Bend

The Discussion Paper discusses the urban renewal currently underway in Southbank and the Docklands and the proposals for Fishermans Bend, City-North, Arden-Macaulay, and E-Gate. The Paper says this area has a potential for 220,000 new residents and 200,000 new workers. Most of this is centred on Fishermans Bend (80,000 new residents) and neighbouring Southbank (another 80,000 residents). In contrast Docklands has 'only' 15,000 residents. Elsewhere the Department has estimated that 5,000 apartments will be built in the next 10 years at Fishermans Bend with an economic impact of approximately \$1.5 billion.

The 240 hectares Fishermans Bend Urban Renewal Area has been declared a site of State significance and rezoned as part of an expanded Capital City Zone. In July 2012 the Port Phillip Planning Scheme and the Melbourne Planning Scheme were amended to make the Minister the responsible authority for large-scale developments (buildings with a height of 4 storeys or more, or 60 or more dwellings or gross floor area over 10,000 square metres).

Places Victoria will coordinate the framework planning for the area and will chair a Project Control Group with key input from the Department of Planning and Community Development, the City of Port Phillip, the City of Melbourne and other stakeholders. This group will provide strategic advice to the Minister for Planning on the physical and social infrastructure required to develop the area to meet Government and community expectations.

unChain agrees with the broad concepts for urban renewal in the Discussion Paper. However it is submitted that the Discussion paper is misleading and unsatisfactory in not acknowledging the difficulties and problems involved. unChain submits that the Discussion paper should be revised to show how we have learnt from the successes and failures of Southbank and Docklands.

unChain submits that the Southbank and Docklands precincts have not been satisfactory developments. If the community believes that a similar outcome is in store for Fishermans Bend, there will be significant opposition. However if the community can see that lessons have been learnt, then there should be a significant level of support.

Some of the unsatisfactory features at Southbank and/or Docklands are:

- Developer-driven planning
- The predecessor of Places Victoria playing an unsatisfactory coordinating role
- Highly crowded streetscapes with low levels of sunlight and daylight at street level
- Disruptive wind downdrafts and intensified urban heat island effects
- Streetscapes of inactive building frontages dominated by podium car parks
- Streets and places that are oppressive, unsafe or unattractive
- No control over exterior building design.
- A lack of local social, retail and community facilities.
- A lack of affordable housing and low-cost businesses.

- A lack of quality open space, greens spaces, charisma.
- A lack of 'heart and soul'.
- A failure to include the local Council and the community.
- A need to 'retrofit' the Docklands.

The failures at Docklands show that we need a mechanism for actually delivering on the promises in plans. The original plan for Docklands was a low to medium-rise European-type integrated development based on a grid pattern, integrated mixed uses based on getting rid of traffic. This just did not happen.

We need a well-thought out Master Plan for Fishermans Bend, rather than random approval of high rise buildings by the Minister acting under discretionary powers. One of the features that distinguish Fishermans Bend from Docklands is that the former involves mainly private land. Another issue is whether there will be compulsory acquisition of private land. Already the horse may have bolted.

unChain submits that we must learn from the experience of Southbank and Docklands in planning for Fishermans Bend. Already there are concerns because the government has rezoned the area before a master plan, planning controls or developer's infrastructure levy had been drafted. Developments are being approved by the Minister well before consultation with the local community on the Master Plan. This is not how Fishermans Bend should be redeveloped.

The issue is whether it is already too late. There are reportedly plans for at least 17 towers in the Montague section of Fishermans Bend alone. These will add at least 4500 apartments in a small section of Fishermans Bend. The 17 proposals are from MAB Corporation (3 towers of 25 to 29 stories), Viclands (4 towers from 21 to 50 levels), Austpac (3 towers from 21 to 29 levels), Bogatez (one 50 storey tower) Pitzzy Folk (2 towers 20 levels) and Carlin (4 towers from 25 to 35 levels). Some of the developers are working to co-ordinate views, height, overlooks and wind effects.

Planning seems to have been abandoned to the developers. How many children will be living there? Where are the schools? Where are the child care centres, libraries and other social facilities? Will there be life at the street level or will we suffer a barren car-dominated desert?

We should aim to build a community at Fishermans Bend, not just houses and apartments. There should be a high-density precinct, but this does not necessarily mean high rise buildings. There should be limits on the Minister's unfettered discretion. It is submitted that there should be a mandatory height limit and provisions on active street levels, set-backs and controls on exterior design. At the very least there should be a Master Plan that has involved substantial community involvement. Because it is an industrial area, there are few residential neighbours and so there will be less scrutiny of individual proposals. This makes it doubly important to have a well-thought out Master Plan.

Fishermans Bend should aim to provide affordable housing, with a mix of housing tenures and a mix of people. Community infrastructure such as child-care centres, schools, parks, transport links and health services must be included from the outset. There must be stronger compliance on height controls, rejuvenated streetscapes, more public spaces, encouragement of walking, cycling and public transport and the provision of better local amenities for residents, workers and visitors. We should perhaps be aiming at a 'creative' industries precinct, perhaps anchored by a university campus.

3.6.2 Building national employment and innovation clusters: The St Kilda Triangle

The Discussion paper states that a number of suburban job clusters are nationally significant places of economic activity and innovation. It cites the Monash-Clayton and Melbourne Airport precincts and the bioscience precinct in Parkville. The St Kilda Triangle has the potential to be the core of a similar cluster focused on Arts and entertainment.

In 2001 the Council began the preparation of the St Kilda Foreshore Urban Design Framework (UDF). It promised a cultural and entertainment precinct at the Triangle with a refurbished Palais and significant public open space.

Six years later in 2007 the previous Council approved a plan by Babcock Brown Citta. This included a massive shopping mall, six nightclubs, a 'Sydney' style beer tavern and other licensed venues with a capacity of over 10,000 people. This was a betrayal of the promise in the UDF. Had this plan gone ahead, there would have been a significant adverse impact on the residential amenity of St Kilda residents and on the viability of the shopping strips of Fitzroy St and Acland St.

After a community revolt that threw out the old Council, a new one elected in 2008 negotiated a commercial settlement to terminate the BBC contract. The Council also amended the Planning Scheme to control concentration of nightclubs and alcohol venues. It also began the process of consulting with the community concerning the future of the Triangle. The vision involves public open space, a creative arts focus, maintained views, improved beach access and is affordable proposal. It rejects domination by alcohol venues and large retail and/or commercial development.

The Council commissioned a Palais Theatre Requirements Study (2012). The study assessed three possibilities for the Palais ranging in cost from \$26.5 million to \$130 million. The Triangle is of state or national significance and is a clear example of the need for a partnership between the local community, the Council, state and federal governments and private developers.

The possibility exists therefore for the St Kilda Triangle to be the centre of an Arts cluster, with a refurbished Palais and new buildings in accordance with

the Council's vision. For example the Triangle could be the new home for the Australian Centre for the Moving Image if that institution were moved from its currently unsatisfactory premises at Federation Square. Alternatively it could have a music focus, for example as the Melbourne Centre for World music and dance. There are many possibilities and the next step is to identify the appropriate theme and establish how it can be funded.

A new St Kilda Triangle as an arts and entertainment precinct with significant public open space could be seen as the southern end of a wider Arts precinct that extends to the Arts Centre, the Victorian College of the Arts and Federation Square. The possibilities are endless.

3.6.3 Providing a transport system for Melbourne's future

The Discussion Paper says that there is a clear desire to identify a comprehensive vision for a sustainable transport system in Melbourne that moves beyond specific projects. However the paper then continues to discuss specific projects rather than outlining a comprehensive vision.

There has been no major rail extension in Melbourne since the 1930s. At that time Melbourne had a population of just 1 million. A city of 6 million residents needs a world class public transport system.

Melbourne's continued growth is leading to congestion problems in much of our city. An AustraliaSCAN study has revealed the number of Melburnians dissatisfied with public transport has increased from 32 per cent to 49 per cent over the last ten years. Importantly almost 90 per cent believe traffic congestion will get worse in the next decade. As Melbourne's population has grown, demand for public transport has also grown. The number of trips taken on Melbourne's metropolitan trains has increased by 94 per cent over the last 12 years, with a 58 per cent increase from 2004-05 (Association of Superannuation Funds of Australia, 'Investing in transport infrastructure').

The government has set up Public Transport Victoria, but there is a need to review its performance. The Authority's role is to administer trams, buses and trains. This gives us the capacity to get a modern public transport system in Melbourne. However there is significant concern that the appointees have not been a success.

It is submitted that the government must deliver the comprehensive transport plan that it has promised. The mandate of Public Transport Victoria should be to build a world-class public transport system. Melbourne should emulate cities like Portland, Oregon, which is called one of the most 'green' cities in the world because of its public transport network and land-use planning.

Melbourne should be building a metro rail system like other great cities across the world. Unlike a suburban rail system, a metro (or rapid transit) rail system is a network of dedicated lines segregated from each other and other rail

traffic and running back and forth along the one line. Passengers wanting to traverse the network make interchanges at hub stations where two or more lines pass by each other. Melbourne needs a metro style rail service that can run at higher frequencies and speeds and with greater reliability. The metro network must be complemented by a suburban rail service to the outer metropolitan areas.

The Discussion Paper highlights the Melbourne Metro rail tunnel. It fails to mention Melbourne Metro 2 – the second stage that would link Fishermans Bend to the rail system.

The Department of Transport says that the present system cannot be expanded because there is a capacity crisis on the City Loop. The rail tunnel project will provide a high capacity underground train running from Footscray, via new stations at Arden-Macaulay, Parkville, City North, City South and Domain to join the existing train network near South Yarra station. The tunnel will then permit the reorganization of the existing Northern and Caulfield rail lines into four independent metros.

unChain supports the rail tunnel. However it submits that that the first stage should not stop at the Domain interchange: it should be extended to St Kilda Junction and then to the Prahran railway station.

Melbourne must not repeat the mistakes of the 1970s when the equivalent of \$5 billion was spent on building the City Loop. Because the loop used up all the available funds, Melbourne did not built any new rail lines. Melbourne needs three new rail lines in addition to the rail tunnel. unChain also supports future extensions to Melbourne Airport, Doncaster and Rowville.

However a more comprehensive vision is required than just building an inner city tunnel and three new rail lines. There should be some clear targets for Melbourne's future transport system to raise public support. For example:

- To raise approximately \$35 billion over the next two decades to build the system.
- No more than 5 per cent of Melbourne households would be more than 800 metres from a fixed-rail transport service. (A similar target has been adopted for the expansion of Singapore's MTR)
- The metro rail system would run at frequencies of every five minutes.
- In budgeting and building the metro rail system, world best practice would be used.

Melbourne should learn from examples such as the 'Madrid Miracle'. That city has built so much rapid transit so quickly at such a low cost. The system is now the sixth longest metro in the world. Its fast growth in the last 20 years has rivaled many Asian metros such as Shanghai, Guangzhou, Beijing and Delhi. How could a city build so much rapid transit so quickly? Part of the answer lies in the political climate. But part is the lower cost of building subway tunnels in Madrid compared to other cities thereby making subway expansion much more affordable.

In contrast the Melbourne Metro is frustratingly slow. The state government has allocated \$50 million in its current budget to planning and development work and the project has had planning approvals 'fast-tracked' by being declared under the Major Transport Project Facilitation Act. However this will still take about two years to complete and construction can only begin when funding is available, if ever, from the federal government.

It is submitted that the metropolitan planning strategy should be more open about the planning and financing restraints on developing a world-class public transport system. The strategy should discuss consider how these restraints can be overcome or minimised. There should be a discussion of the options for Melbourne's public transport system in 2050, which would lead to an agreed vision and interim targets to achieve this vision. There should be discussion of new funding options such as a metropolitan improvement rate in addition to relying on federal government funding.

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

The Discussion Paper says:

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

Idea 9: Providing diverse housing in the right location at a reasonable price

Idea 10: Improving the environmental performance of suburbs

The Discussion Paper has a target of the '20 minute city'. This means that there is a range of services within 20 minutes of travel, whether by car, bike, public transport or foot.

In reality, the 20 minute city is, at best, an aspirational target. For a Walter Burely Griffin planning Canberra at a greenfield site, the target could be achievable and realistic. However it does not appear to be realistic to retrofit Melbourne to remake it as a 20 minute city. Furthermore the concept is not new. It appears to be a new label for a concept that is 40 years old. The Melbourne Metropolitan Board of Works in the 1990s had a 'district centres' plan that tried to centre jobs and shops around transport nodes. Melbourne 2030 had a similar policy but labelled it as 'activity centres'. It appears we have the same old wine in a new bottle.

3.7.1 The '20 minute city: Walking and Riding

The Discussion paper says that much of inner Melbourne most likely already delivers a 20 minute city and the real challenge is how the middle and outer suburbs can be adapted. However even in an inner city area like Port Phillip, the goal of the 20 minute city is becoming increasingly remote with respect to some services. In particular public transport is increasingly congested. A trip from (say) St Kilda to (say) Melbourne University may take an hour by public transport. Hopefully in the future investment in public transport, especially the inner city rail tunnel and the development of a modern metro system, will significantly improve this.

For inner city residents the 20-minute city concept may focus attention on the role of pedestrian and bicycle travel. As Melbourne grows, we will experience more traffic on our inner city streets. The Bureau of Infrastructure, Transport and Regional Economics has estimated that the avoidable cost of traffic congestion in Australian capital cities will rise to \$20 billion a year by 2020. What can we do?

The city of Port Phillip was largely planned and developed prior to the invention of cars. People can still walk to many useful or beautiful destinations. But our arterial roads are dominated by motor vehicle traffic, which degrades the walking and cycling environment. unChain supports measures to provide pedestrian and cycling routes that are attractive, continuous and of high amenity.

One priority is to encourage walking in established areas of Port Phillip. For example, the Council or state government could build a pedestrian bridge or an underpass across Kingsway to link South Melbourne and Southbank or a similar link across Queens Road, linking the St Kilda Road residential areas to Albert Park.

The planning for the massive new suburbs at Fishermans Bend must give priority to walking and riding bicycles. We should aim to re-create the CBD's laneways, with safe routes and interesting street level activities inside and outside the buildings that will be built at Fishermans Bend. We have to avoid what has happened at Southbank. Along the river at Southbank there is a wonderful invitation to walk or ride. But back from the river there are dead street level buildings and roads completely dominated by cars. Planning for pedestrians and bicycles at Fishermans bend will be important for the success of a 20-minute city there.

Potentially there are many services that could be reached in a 20-minute commute by bicycle. Too often however the bicycle route just stops, or is not well signposted or well maintained. For example the Port Phillip Council has built a European-style bicycle lane along Cecil St, past the South Melbourne market. At Docklands there is a bicycle path that leads to a bridge over the Yarra River. A footbridge over Whiteman St should link the Docklands bike path and the Cecil St bike path. This is how to create a 20-minute city in the inner suburbs!

There is a Principal Bicycle Network (PBN) of proposed and existing cycle routes that help people cycle for transport, and provide access to major destinations in the Melbourne metropolitan area. The PBN is also a 'bicycle infrastructure planning tool' to guide State investment in the development of transport bicycle network. This is in addition to individual Council networks. The PBN makes use of many local roads and off-road paths, as well as State arterial roads. New bicycle facilities on the PBN are designed with the principle of increasing separation between cyclists and motorists, and giving priority to cyclists at key intersections. What is required is more money! It is submitted that completion of the PBN should be given higher priority than it currently has.

3.7.2 The 20 minute city and the suburban shopping strips

What does the 20 minute city mean for shopping? The Discussion paper is unclear about the future role of the suburban shopping strips in Melbourne's future. How is the role different from that in Melbourne 2030? What is the role of the shopping strip in our new 20-minute city?

It is submitted that the Metropolitan strategy should endorse the importance of our shopping strips. In Port Phillip the shopping strips in Acland St, Fitzroy St, Carlisle St, Clarendon St, Bay St etc are important parts of our urban fabric. We do not want to see a massive shopping mall built at the St Kilda Triangle or Fishermans Bend that is accessible by a 20 minute car journey to all residents of Port Phillip and thus justifies abandoning our established shopping strips to their own devices. Our established shopping strips should play an important role in the 20 minute city – enabling people to shop locally and travelling by foot, or by bike, or by public transport.

3.8 Principle 8: Infrastructure investment that supports city growth

The Discussion Paper says:

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

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

Idea 13: Identifying a long-term framework for metropolitan infrastructure

3.8.1 Assessment of Infrastructure Projects

The Discussion Paper does not acknowledge that there have been many disastrous infrastructure projects, built with inappropriate funding models and wildly optimistic traffic forecasts. These include Brisconnections, Sydney's Lane Cove and Cross City tunnels, and Brisbane's Clem Jones tunnel which went into administration. What should we learn from this? The lesson from a new global study of infrastructure projects is that these disasters are frequent. We must try to ensure that a similar fate does not befall proposed new infrastructure such as The East West Link, the inner Melbourne rail tunnel and the possible new airport in the south-east of Melbourne.

Bent Flyvbjerg from Oxford University's Said Business School, has examined 208 projects in 14 countries. His study, 'Survival of the unfittest: why the worst infrastructure gets built – and what we can do about it', found that traffic forecasts for infrastructure projects around the world are usually significantly off target. The disastrous projects Flyvbjerg examined included the Eurotunnel, the Danish Great Belt rail tunnel, Boston's Big Dig, LA's subway, San Francisco's Bay Bridge, Denver's new International Airport, the New Woodrow Wilson Bridge in Washington, DC, the London Tube public-private partnership, the West Coast Main Line upgrade, the Railtrack fiscal collapse, the Scottish parliament building and the Humber Bridge.

Flyvbjerg's study and the recent Australian experience in infrastructure disasters show that the infrastructure-led metropolitan strategy proposed by the Discussion Paper requires a system for a more rigorous evaluation of the costs and benefits of infrastructure than we have had in the past. Forecasts should furthermore be made subject to independent review.

In particular there have been issues with major freeways such as the proposed East West link. Many residents and transport experts believe that major roads need to be discouraged and that our investment in infrastructure should be rail or light rail. This view is based not just on financial grounds, but also on environmental and social grounds. For example Phillip O'Neill et al of the Urban Research Centre at the University of Western Sydney in a paper titled 'Response to Sydney over the next 20 years' concluded that more roads were not the answer. They said:

"While there are grounds for optimism that emissions from car use can be minimized, it is likely that the provision of road space will be unable to keep up with demand. The result is likely, on current trends, to be continued high levels of congestion in the peaks and a continuation of the trend to 'peak spreading' ... While some growth in road space is warranted, the primary task of the (transport strategies) should be to ensure more efficient use of existing road space."

It is therefore submitted that the MPS should acknowledge that there have been many disastrous infrastructure projects, built with inappropriate funding models and wildly optimistic traffic forecasts. The MPS should envisage more rigorous evaluation of the costs and benefits of infrastructure than we have had in the past.

3.8.2 Who should pay for infrastructure?

The Discussion Paper acknowledges that more infrastructure will be required to meet the needs of a growing Melbourne and that this will require hard choices and political leadership. There is a backlog in infrastructure investment and so a need to explore a range of funding sources. The paper identifies some possibilities being contribution charges, user pays, asset sales, special rates, borrowing, project specific bonds and public-private partnerships. However the Discussion paper does not discuss some other funding sources, does not explain the possibilities in any detail and does not suggest a mechanism for making hard choices and giving political leadership.

Politicians are wary of raising ideas that are controversial or opposed by many in the community. It may therefore be better to 'de-politicise' the question of funding. If a Planning Commission is established, what should be its remit? It is submitted below that any such body should not be an approvals authority. One function would be to co-ordinate government departments in the provision of infrastructure. Another could be to conduct research and stimulate public debate on the way that infrastructure could be funded. The Commission could investigate possibilities such as the following:

Borrowings and Bonds

The traditional way of financing infrastructure is by borrowings and government bonds. However the federal and state governments have been afraid of losing their AAA credit rating were we to lift our borrowing ceiling and they are anxious not to run budget deficits. This is driven by short-term political tactics rather than any long-term strategy.

We should distinguish between current and capital expenditure. It is important that the government 'lives within its means'. Borrowings and sale of government assets should not be used to fund current expenditure such as the salaries of our teachers, police and health workers. The current generation should pay for the services that it consumes.

It is different with capital expenditure. Our new schools, roads, ports, public transport systems, hospitals and power stations will not just benefit the current generation. This infrastructure benefits current and future generations. This infrastructure also creates wealth through a better educated, healthier and more productive community. Therefore it is appropriate to fund this new capital infrastructure in part by public borrowings. This means that future generations help to pay for the new infrastructure that we will be building for them.

Now we have a once-in-a-lifetime opportunity for Australian governments to borrow money for new infrastructure. As the international 'currency war' intensifies, with competitive devaluation of other currencies, money is pouring into the safe haven of Australian dollars.

Infrastructure Australia chairman Sir Rod Eddington has proposed the introduction of "infrastructure bonds" to fund development of our infrastructure. This will give global investors something to invest in other than Aussie government bonds, Telstra shares and export LNG projects. We can put this foreign money to good use replenishing the national infrastructure.

We can borrow money at super-low rates to build new railways, schools etc and also cushion the economy from the decline in mining investment with the peaking of the mining boom. Rod Eddington has said the lack of a comprehensive bond market in Australia was the "missing link" in the country's financial services sector that needs to be filled.

Australia may look with envy at Germany's infrastructure. Germany has significant public debt at 80 per cent of GDP but it can service this because of its strong economic growth and its investment in productive infrastructure — high speed rail systems, long-distance roads and metro rail systems etc. Australia's public debt, at all levels of government, is only about 30 per cent of GDP. If we were to borrow another \$300 billion for infrastructure, our public debt would be about 50 per cent of

GDP, which is around the OECD average and significantly less than Germany's.

Public/Private Partnerships

The alternative is to avoid debt and budget deficits by limiting the building of new infrastructure or by privatising it. Victoria has led the way in Public-private partnerships (PPPs). The theory is that the private sector can better manage the building new infrastructure.

However history has shown that PPPs can be an expensive way of financing social infrastructure such as public schools and public hospitals. Governments can borrow money at significantly cheaper rates than private developers. It can be argued that had the Government borrowed the money and then used the same architects, the same designs and the same construction companies, then the cost of these projects often would be significantly less.

Privatisation

In 2012 Infrastructure Australia advised that state and federal governments could sell more than \$200 billion of 'lazy' assets to fill the nation's infrastructure gap, reduce debt and lift productivity. The report identified 82 profit making government assets that could easily be sold. These include power generators, airports, water utilities and ports. For example in Victoria the Port of Melbourne could be privatised. Similarly the Productivity Commission has concluded that the electricity network businesses would perform better if privatized.

Superannuation Funds

Much of the angst over privatisation could be relieved if government assets were to be sold to Australian superannuation funds. Super funds have typically invested in privatised assets because the asset has already been constructed and in most cases, has been operating for a number of year such as the Melbourne Airport. They are particularly attracted to the steady yields offered by public assets.

Sale to superannuation funds would help overcome political opposition to the privatizations and enable governments to invest in new infrastructure, such as public transport, schools and hospitals. The ACTU has backed the campaign on the grounds that "social privatisations" can transfer government assets to the community using super funds that represent "mum and dad" owners.

Currently superannuation funds invest around \$48 billion in infrastructure assets. This is a non-trivial sum but compared to the size of the superannuation pool at \$1.4 trillion, it is only a drop in the bucket. The state and federal governments should investigate methods to

encourage superannuation funds to invest in Melbourne's needed infrastructure.

Sale of Railway Air rights

Melbourne has 177 road level rail crossings. One of the challenges that Melbourne faces is that if more train services are run during peak hours, this can impact on traffic congestion on local roads simply because roads stay closed for longer when boom gates are down. The Victorian Government has promised to remove 12 crossings, with planning commencing on three immediate priority crossings. One of the solutions proposed is for private investors to finance development of Melbourne's railway crossings. There is the potential that land above railways can be utilised for development, with proceeds funding infrastructure.

Congestion Charges, User Charges and Developer Contributions

We can impose user pays charges upon existing roads or privatise them outright. As discussed in the Discussion Paper we can impose a set of developer contributions in the inner and middle suburbs similar to the contributions that are required in the outer growth areas. unChain supports the current review of development contributions and submits that this should include consideration of the low take-up of development contribution plans for established areas.

Goods and Services Tax:

In November 2012, the Goods and Services Tax review, led by Nick Greiner, found that the tax is failing to deliver the revenue expected of it and has called for a national debate about its rate and scope. The Australian GST introduced in 2001 included the exemption of food, health and education and was set at an internationally low level of 10%.

The political parties have said that changes to the GST are off the agenda. However, far-sighted politicians could 'sell' a tax reform package that includes a more comprehensive GST tax base and a higher GST rate. This would replace other more distorting taxes and fund the infrastructure our growing cities require.

The UK and NZ have made similar changes as recently as 2010. In New Zealand-type there is a comprehensive GST tax base, which removes earlier exemptions for food, health, education, child care and water. The tax rate is set at 15%.

One legitimate concern is that consumption taxes alone are regressive. However they can be made progressive. Equity for those on low incomes is more effectively achieved by recycling the extra GST revenue as increases in social security payments. Equity is also

achieved if the revenues are committed to new infrastructure such as government schools and public transport.

The provision of physical and social infrastructure is fundamental if Melbourne is to successfully grow. It is therefore submitted that the MPS should consider ways to 'de-politicise' the question of funding. If a metropolitan planning authority is established, it should be responsible for conducting research on this. The MPS and public debate should consider a wide range of possible funding sources for infrastructure such as: Borrowings and Bonds, Public/Private Partnerships, Privatisation, Superannuation Funds, Congestion Charges, User Charges and Developer Contributions, and the Goods and Services Tax.

3.9 Principle 9: Leadership and partnership

The Discussion Paper says:

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

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

Idea 16: Setting targets, measuring progress and publishing indicators

The Discussion Paper says that we need a coordinating mechanism across governments for the 21st century. unChain agrees with this proposition and would cite the necessity to provide physical and social infrastructure at

Fishermans Bend as a key example.

3.9.1 A Metropolitan Planning Authority

The Discussion Paper raises the possibility of a metropolitan planning authority that, amongst other responsibilities, would coordinate government authorities in major infrastructure and urban renewal projects. unChain submits that the responsibilities of any such planning authority should include conducting research and stimulating discussion on the methods of funding infrastructure, as discussed above. unChain also submits that the authority should not have any power to issue consents. This should remain the responsibility of the local Councils.

The metropolitan strategy should define the respective responsibility of the State and local governments. The State government should set the vision for planning but the local Councils should have the authority to implement this policy at the local level.

3.9.2 The Planning Minister's powers

Any consideration of planning laws must also involve the powers of the Minister to intervene in planning decisions. The Windsor Hotel redevelopment fiasco revealed fundamental problems with Victoria's planning system.

Every government since John Cain's has increased the centralisation of planning power in state government ministries, initially at the expense of the Melbourne and Metropolitan Board of Works and increasingly at the expense of local governments and local communities. Increasingly, proper planning processes are circumvented in an effort to fast-track development, especially for major projects.

The Planning Minister currently has the power to call in and approve any development project. In the central city zone, which includes Fishermans Bend, the minister is the responsible authority for major buildings. No other portfolios need this level of direct ministerial intervention in the decision-making process.

It does not matter whether there is a Labor or Liberal government, the result appears to be the same: a developer-driven process that lacks transparency. The Kennett government had a metropolitan strategy called *Living Suburbs*. The Labor government introduced *Melbourne 2030*. Both documents had photos of smiling families and historic buildings and were full of 'feel good' statements about integration and sustainability. The Discussion Paper prepared by the Minister's Advisory Committee is similar. But the reality is otherwise.

When in opposition the Labor party promised to abolish the power of the Minister to 'call in' projects. It attacked Liberal Planning Minister, Robert Maclellan, for his imperious disdain for councils and communities and his willingness to call in projects. But when in office the Labor party has behaved the same way. Labor's Planning Minister Justin Madden regularly called in projects and sidelined local councils and VCAT. The current Liberal Planning Minister, Matthew Guy, seems to be acting in the same way in approving proposals like Australia108, a 108 storey building will tower over Southbank.

It is time to abolish the Minister's power to call in projects. If there are projects of such real significance to the state that they should be removed from the normal review and adjudication processes of the community, the Council and VCAT, then that should be done by an Act of Parliament, not by an arbitrary decision in the office of the Planning Minister, whether Liberal or Labor.

Similarly it is time to regulate the Minister's power to unilaterally determine major projects in the capital city zone. If the Minister is to be the responsible authority for major developments in the capital city zone, that power should be exercised to implement a Master Plan. The Master Plan should be developed in consultation with the local Councils and communities. We need a Master Plan for Southbank and Fishermans Bend.

3.9.3 Reform of VCAT

VCAT was established more than a decade ago as a modern, accessible, efficient and cost effective one-stop shop providing justice services to Victorians. As Melbourne grows, it is inevitable that there will be complex and controversial planning disputes. It is absolutely important that the community has confidence in VCAT decisions on these disputes.

However there have been concerns about the operation of VCAT in planning matters. There have been issues with the consistency, predictability and quality of tribunal decision-making. There are also concerns about delays and costs for thousands of tribunal users. It is submitted that the recent proposals to raise fees for VCAT planning matters should be rejected.

More fundamentally there is a need to reconsider the role of VCAT. It is submitted that the State government should be responsible for setting the metropolitan planning strategy. It should then be the responsibility of the local Councils to implement it, consistently with local planning instruments. The role of VCAT should not be to undertake a *de novo* re-hearing of the application, with the VCAT able to substitute its decision on the merits of an application for that of the local Council. The role of the VCAT should be limited to that of an appeal body: only quashing a Council decision if the Council has misapplied the Planning Scheme, including the metropolitan planning strategy.

3.9.4 Funding of Political Campaigns

It is also submitted that developers should be banned from donating to political parties. Monash University governance expert and former Labor Party MP Ken Coghill has said that it is time to ban these political donations because of the impact they have on public confidence. Indeed perhaps all corporate and union donations should be prohibited.

As former Labor Planning Minister Mary Delahunty has said in her recent book:

Some of the developers happily conflate their financial self-interest with limited community advantage, and bristle should the government wish to include wide-enough-to walk footpaths, social housing or sustainable design to embellish their nirvana. Many developers are imaginative, but most have brutal expectations about the pace of change and reward. Some loved to have a word in the ear of party leaders, Labor and Liberal, if the opportunity arose at a public or private function; congratulating them on how well the government was going and adding a throwaway line about their latest donation to the particular party. Such bonhomie could occasionally result, a day or two later, in a friendly call to the Planning minister's office from a government adviser interested in certain planning matters.

This is not the way that we should develop our city. We should modernize our laws on political fundraising and disclosure.

It is submitted that Victoria should have a Canadian-style campaign funding model. Under that model only individuals, not companies and unions, are permitted to donate to political parties, and then only to a maximum of \$1000 a year. Individual union members or shareholders should be able to choose for themselves which candidates, if any, they want to fund. Since parliamentarians are supposed to operate in the public interest, the bulk of campaign funding should come from the public purse, not private vested interests.

3.9.5 The Constitution and Local Government

The Discussion paper does not canvass the ability of local Councils to be directly funded by the Federal government to undertake the vital infrastructure projects that may be required for Melbourne's growing population.

The Australian Constitution does not mention local government. A federal parliamentary committee has recommended that a referendum be held on this issue. The committee recommended the referendum be held at the same time as the September federal election.

There have been two previous referendums, in 1974 and 1988, asking the Australian voters whether the Constitution should be changed to include local government, in 1974 and 1988. Both were initiated by Labor governments. On

both occasions the voters firmly rejected the proposals.

Only eight out of 44 referendums have been passed in the history of the Australian Constitution. The support of four states is considered crucial for the referendum to succeed but Victoria and Western Australia are refusing to support the proposal.

Why is this important? Local government relies on a range of funding sources, including its own revenue measures, as well as grants from state and territory governments, and the Commonwealth. In 2009, a High Court decision (the *Pape* case) put into serious doubt the Federal Government's ability to directly fund local government projects. A constitutional referendum empowering the Commonwealth to directly fund local government would put beyond doubt its ability to fund vital local projects.

unChain submits that the Victorian government should support the proposed change to the Constitution allowing the Federal government to directly fund vital local projects. An example would be the refurbishment of the Palais theatre as the centerpiece of a new St Kilda Triangle.

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