

## **The Difference Metropolitan Strategies Make: Lessons to be Learned**

**Brendan Gleeson, Toni Darbas, Neil Sipe and  
Suzanne Lawson**



**Urban Policy Program**

**Research Monograph 4  
July 2004**

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# EXECUTIVE SUMMARY

The aim of this paper is to critically reflect the impact and practice of metropolitan planning. There are two main parts:

- context and impact of metropolitan planning in Australia and overseas.
- formulation and implementation of Australian metropolitan planning.

## Strategy Rationale

**Globalisation.** Globalisation is *the* backdrop of contemporary metropolitan planning. It both stimulates urbanisation and generates new forms of competition between cities. Prime cities, previously dominant in their own hinterland, are now thrown into intense competition with metropolitan cities around the globe. The intensity of competitive urbanism has raised ecological concerns. Both aspects of globalisation, competitive growth and its limit(s), are central issues for metropolitan planning in Australia, the U.S. and Europe.

- Global economic competition revived interest in metropolitan planning. The initial response of planning for global competition was overtly economist, ignoring social and environmental objectives. Planning narrowly for competitive advantage is being challenged in Europe through such initiatives as Metrex, Propolis and the European Spatial Development Perspective. Urban 'liveability', cultural diversity and social inclusion are now important issues for European metropolitan planning.
- Corporate Australia and Australian academics also advocate a more socially and environmentally sensitive renewal of metropolitan planning. It is argued beyond economic inducement global capital is attracted by the quality of city life and its functional/spatial efficiency.
- Internationally, urban governance is focused on the integration of land-use and transport.
- Increased sensitivity to ecological limits, particularly the need to reduce greenhouse emissions, is driving urban planning to reassert control over the morphology of cities.
- Globalisation is the international expression of generalised economic liberalism. Economic liberalism has eroded and fragmented traditional urban government. An urban consensus urging change from government to governance has emerged. Flexible governance structures that include NGOs and private sector organisations, are preferred to the continual reorganising of public administration to meet new challenges.

**Limited Resonance With U.S.** North American and Australian metropolitan planning differ in context and substance.

➤ **Context**

- *urban form* – the U.S. inner city is often an area of social, physical and environmental blight ('doughnut effect'). The Australian metropolitan centre tends to high rent (financial and residential) land use.
- *infrastructure provision* – in the U.S (fragmented) local authorities are responsible for the provision of metropolitan infrastructure (except regional highways).
- *transport funding* – U.S. Federal transport funding is conditional on urban planning authority. In contrast Commonwealth involvement in Australian metropolitan planning has been weak, especially in the Howard Government years.
- *development regulation* – U.S. developers are lightly regulated.
- *planning legitimacy* – debate in the U.S is more about whether or not there should be planning, rather than how it is best done.

➤ **Substance**

- The 'Smart Growth Movement' in the U.S. essentially repackages sound urban planning principles rather than introducing new planning principles.
- Metropolitan planning in Australia ranges more widely and is more innovative.

### **Urban Ills and Spatial Polarisation**

- In Australian capital cities public alarm at the negative impacts of rapid growth is engendering public support for metropolitan planning. Core public concerns are:
- shrinking open space corridors.
  - poor urban design.
  - urban congestion.
  - inadequate public transport.
  - environmental degradation (e.g., air and water pollution).
- Socio-economic polarisation is accelerating both within and between Australian cities. There are urban districts and regions integrated within

the new global economy. In another world are the 'rustbelt', 'rust pockets' and rural regions of declining economic capacity. These widening gaps are unravelling the broad, 'fair go' weave that has, historically, held Australians in society. Metropolitan planning has the potential to mitigate the socio-spatial rents in Australia.

**It Is Economic To Plan.** Australian and American cost/benefit analysis confirms investing in public transport infrastructure, protecting open space and directing patterns of settlement, can:

- reduce business transaction costs - increasing global competitiveness.
- reduce infrastructure costs (roads, sewerage, water etc).
- reduce greenhouse emissions to meet international obligations.
- reduce travel times.

## Strategy Formulation

**Foundational Role.** Strategy is found on principles that define the field for both design specification and implementation. The strategic choices for metropolitan planning are:

- will the plan be *directed* by political or institutional forces?
- will *decisions* continue current policy or innovate directive policy?
- how diverse and independent will *evaluation* be?
- how will different *external social inputs* be managed and weighted?

**Process.** Strategy is best formulated around the following parameters:

- **Coordination and Integration.** Policy must be coordinated, over a range of separate urban service 'silos', into metropolitan wide objectives. To this end managerial cooperation is often more practical than administrative reorganisation. Forms of cooperation include: (i) inter-agency forum, (ii) portfolio groupings across urban agencies (iii) place management, and (iv), vertical integration of strategy objectives with development assessment and control.
- **Governance Approach.** Three decades of neo-liberal reform has diluted and fragmented urban planning. Governance - a flexible, managerial approach – corrals diverse public resources, while harnessing private institutional forces in collaborative arrangement(s).
- **Fiscal 'Traction'.** Metropolitan strategy should be linked into the government budgetary process(es). Options include:
  - aligning budget allocations of infrastructure agencies with metropolitan wide aims.
  - reconfiguration of existing, and establishment of new, financial mechanisms to support strategic aims (e.g., betterment tax).

- appropriate resourcing of agencies responsible for implementation.
- **Continuity, Evaluation and Improvement.** Depoliticised planning allows expertise and policy experience to be accumulated. Metropolitan planning can be made less sporadic through explicit evaluation of policy impacts. The adaptation of plans should be based on analytical tracking of effects over time, and identified shifts in underlying social, economic and environmental conditions.
  - **Emphasis on Research and Analytical Capacities.** On-going collaboration between planning agencies and urban scholars (rather than one-off consultancy projects) would be of mutual benefit in understanding and anticipating urban change. The development of in-house urban economic analysis is particularly important.

**Objects.** Strategy objects must be (i) clear, and (ii) proactive.

- **Direction not Reaction.** Beyond regulation, an assertive, directive plan will:
  - engage urban agents and the public.
  - pursue desired effect(s) with positive planning.
  - enhance the research base for policy formulation and implementation.
- **Urban Morphology.** Robust strategy pivots on a comprehensive understanding of the morphological interactions between (regional) urban structure - layout and relationship of land uses - and (local) urban form - density and design. Urban development led by transport infrastructure and service development, rather than land release, will yield a more sustainable urban morphology.
- **Triple and Quadruple Bottom Line Focus.** Community and corporate commitment is required for triple bottom line (TBL) metropolitan planning. Policy integration (economy, ecology, community) and cooperative collaboration in governance constitute the triple plus one 'bottom line'.
- **Policy Coherence.** The relationship between aims, objectives and tools must be clear if policy is to function in a virtuous circle. Objectives such as reducing the urban ecological footprint should flow from higher order aims such as urban sustainability. Policy objectives should translate into targets that are measurable in qualitative and quantitative terms. Specific tools can then be designed to assess sustainability indicators.
- **Balance & Inclusion.** Growing socio-spatial imbalance in the Australian city is eroding the social capital necessary for urban

governance. Social inclusion should *guide* the planning of new communities.

- **Localisation for Accessibility.** Localisation needs to replace mobility as a pivotal planning objective. Localisation mitigates road congestion, infrastructure overload and declining use of public transport. It is best achieved by centre(s) policy.

## **Levers.**

- **Positive and Regulatory Levers.** Regulatory controls only prevent undesirable consequences. Metropolitan planning needs positive levers; such as public land development, land assembly and land banking; and incentives to encourage creative over-compliance.
- **Scale of Application.** Effective levers must be crafted and operate at the appropriate scale (site, local, sub regional, metropolitan, supra-metropolitan). Local levers may not be able to effect regional objectives.
- **Mode of Application.** The decline in State provision and regulation of urban services requires imaginative extension of planning's traditional regulatory mode. Re-regulation of a privatised institutional landscape requires new levers to ensure implementation of strategy.
- **Financial Levers.** Planning interventions are best integrated with State expenditure and revenue processes. The spatial impact of State and Local Government tax and finance policy needs to be addressed.
- **Integrated yet Distinct Tools.** The distinction, and possible contradiction, between structural and form(al) intervention needs to be observed. Unsustainable patterns of urban morphology will only be interrupted when these different levers are deployed together in an integrated way.

# 1. Introduction and Methodology

## 1.1 Aim and Structure of the Paper

This paper concludes a set of research monographs on metropolitan planning. The three preceding reports (viz., Urban Policy Program, 2003a, b & c) are:

- *What is Metropolitan Planning?*
- *Making a Difference with Metropolitan Planning: Overseas Evidence.*
- *Making a Difference with Metropolitan Planning: Australian Evidence.*

The paper opens with a review of evidence assembled in Australia and overseas. Drawn principally from the second and third papers listed above, the material reframes critical insights on the rationale for, and impacts of, metropolitan planning. The second section summarises strategy formulation and implementation lessons from Australian metropolitan planning. The summary is divided into three subsections that, respectively, examine the *processes*, *objects* and *levers* governing the design and implementation of metropolitan plans.

## 1.2 Metropolitan Planning Defined

The first study in this series defined metropolitan planning as a **strategic plan for managing change in urban regions**. Neither the definition nor the paper directly address localised development control and its impact(s).

The definition emphasises the **strategic** rather than statutory nature of metropolitan planning. A legislative base, statutory controls and programmes are often part of a metropolitan strategy. However, metropolitan plans are, in the first instance, strategic frameworks to be distinguished from statutory planning instruments.

A metropolitan plan is not, as is often implicitly assumed, a mere growth management instrument. Urban regions are complex organisms, and patterns of growth and decline register in distinct ways at different spatial scales.

A metropolitan plan, in sum, is a strategic instrument for the management of *urban change* at a variety of spatial scales, ranging from cadastral parcels through neighbourhoods and localities, up to and beyond the metropolitan level.

Box 1.21, below, illustrates the potential sectorial range of metropolitan strategic planning.

### **Box 1.21 Metropolitan Plans: Sectorial Function Set**

- Physical land use: form & structure.
- Transport: infrastructure & services.
- Housing: infrastructure & services.
- Social & Cultural: infrastructure & services.
- Water & other services (energy & waste): infrastructure & planning.
- Environment & Resources: prevention, management & restoration.
- Governance: representation; policies, programs, regulations.
- Finance: revenue (taxes, levies) & expenditure (investment & services).

## **1.3 Methodology**

The paper reviews the following secondary material:

- documents produced for internal circulation in State agencies.
- academic publications.
- materials produced by sectorial groups and interests.

## **1.4 Study Team**

The study team was led by Brendan Gleeson & Toni Darbas of the Urban Policy Program, with Neil Sipe of the School of Environmental Planning, Griffith University. Suzanne Lawson provided editorial input.

## **2. Strategy Rationale**

### **2.1 Australian Evidence**

Academic, public and business critique of urban planning and governance in Australia (referenced in full in Urban Policy Program, 1993c) allow the following propositions about the context and impact of metropolitan strategy.

#### **Urban Market Failure**

Australian scholars argue the urban economy generates multi-scale externalities and systematically under invests in infrastructure. These problems are best managed by planning at local, sub regional and metropolitan levels. Urban structural policy increases the efficient functioning of the city and the social welfare of residents. For example, a strong urban centre(s) policy to prevent unmanaged dispersion of investment improves both metropolitan circulation and residents' access to goods and services.

For the public sector the city is a common good to be secured through prudent policy and fair public management. Importantly metropolitan planning ameliorates market driven distortions arising from over-emphasis on micro-economic reform.

Objectives of metropolitan growth management:

- attract and keep new jobs.
- provide and maintain urban infrastructure.
- correct socio-spatial inequity.
- restrain ecologically unsustainable patterns of urban development.
- restrain urban degradation arising from private economic and household decisions.
- integrate government policies.

#### **Global Competitiveness**

In recent decades, the city – especially the capital city and the city of the developed world – has become increasingly 'decoupled' from its regional and national economy. It now seeks position in a global system of strong competition and weak regulation.

In the global, mass media the city appears as a cultural-economic image. That is to say, there is a virtual sense of the city as a unique 'artefact' whose cultural strengths and weaknesses reflect its economic possibilities. Cities lacking strong (regional) government cannot be managed to compete successfully in the global scramble for financial capital and cultural limelight.

The idea of “the competitive city’ is now a truism in both Australia and overseas, and has largely been responsible for refocusing attention on effective urban governance and management. The city as a ‘player’ in a rough and tumble game must be:

- *fit* (effectively and efficiently managed).
- *coached* (strong leadership).
- *aware* of the game plan (sound strategic planning).
- *on the field* (strong cultural economic projection).

The reduction of metropolitan management to economic promotion (urban ‘boosterism’) discounts the critical importance of social and environmental quality as determinants of urban liveability. Urban strategy is more necessary than ever, but narrowly based, econometric plans neglect the quality of urban life, as lived by residents, and as lure for global capital.

The emergence of the city, out of the nations, as *the* engine of prosperity has fostered business self-interest in metropolitan planning. Many corporate and industry lobbies, previously narrowly ‘pro-development’ have adopted ‘pro-management’ advocacy in urban policy debate. This reflects a growing sense in the corporate world(s) that strong coordination (i.e. urban management and urban strategic direction) is essential if its city is to remain attractive to external investors.

Corporate advocacy has in recent years shifted towards a ‘*triple bottom line*’ focus that sees economic goals should not be achieved at the expense of environmental degradation and social disharmony. Business sector environmental policy is motivated city liveability. Business views ‘liveability’ as an important image in attracting highly skilled labour, international economic managers and inward investment. Planning for urban amenity is a marketing precondition for economic growth.

The public sector too has started to incorporate an ethos of ecological sustainability. In the public sector triple bottom line accounting is viewed less as a balancing act between environmental preservation and economic development and more as an integrated set of social, economic and ecological goals to be jointly pursued.

Efficient urban infrastructure is vital for international capital investment. The Australian business sector argues incremental infrastructure deficits and the slow overall decline in urban functioning are undermining international competitiveness. ‘Proactive’ planning and strong urban management at the metropolitan level must reduce business transaction costs. Of key interest is the capacity of the city to encourage and support business clusters. Globalisation has extended consideration of metropolitan management to include the question of *urban governance* for sustainable growth of the global city. Business advocates ‘*quadruple bottom line*’ planning. Effective governance at the metropolitan scale should not only be integrated in form

(whole of government) and substance (economic, social and environmental planning), but should forge partnerships between government, the private sector and the community (the fourth-dimension).

### **Urban Ills are Politically Destabilising**

According to Australian scholars, social preferences and values have expanded in recent decades to include equity and environmental integrity. Unrestrained urban market relations do not provide for these values. Planning intervention is required for minimal acceptable levels of social well-being and environmental integrity.

Media debates triggered by public dissatisfaction with metropolitan growth in Sydney, South East Queensland and Melbourne underline the thesis. Core public concerns include:

- shrinking open space corridors.
- poor urban design.
- urban congestion.
- lack of public transport.
- loss of environmental amenity (for e.g. air and water pollution).

Social unease over urban congestion, environmental degradation, poor urban design and so forth, is a political risk and opportunity. Grass root protest over urban development in green space corridors contributed to the downfall of the Kennett (1992-1999) and Goss Governments (1990-1996). In contrast, the participatory and green planning efforts of the Bracks Government (1999-current) have secured public support.

Environmental degradation, congestion, immobility, social dislocation and high property prices ultimately diminish the economic and social returns of urban growth. Furthermore, in so far as the growth of Australian capital cities is concurrent with regional and rural decline it is socially and politically divisive. The resulting socio-economic polarisation undermines longstanding norms concerning fairness that have underpinned Australian socio-political stability. Metropolitan planning is needed, not just to manage urban growth and rural decline but also to limit population redistribution. In other words, it may be necessary to halt metropolitan growth at a certain publicly debated and defined point.

### **Specialist Analysis**

Cost benefit analysis in New South Wales, Victoria and Queensland confirm the economic benefits of metropolitan strategy. In particular, investment in public transport, provision of open space and the achievement of better patterns of settlement yield high rates of return to government(s), the economy and households.

- The investment cost of NSW's *PlanFirst* reforms is calculated as \$67.03 million over 9 years. The estimated benefit cost ratio is 60:1, due to a \$300

million increase in the NSW economy and the generation of 5, 300 jobs (over 10 years). The reforms will become cash flow positive in 5 years (SGS Economics and Planning, 1991).

- SGS Economics and Planning 1991 cost benefit analysis of regional planning in SEQ estimates efficient urban governance saves \$2.8 billion in road investment, 9.3 million vehicle kilometres travel per day, \$1 billion in vehicle operating costs and \$2.2 billion in travel time costs. A reduction in annual greenhouse emissions by 6.5 tonnes per square kilometre is also projected (SGS Economics and Planning, 2001:19).
- The annual saving generated by effective open space protection in SEQ is calculated at \$20 million in Local Government roads and water expenditure, \$40 million in state education expenditure, \$70 million from reduced road congestion and \$2 million in direct health costs. (Department of Local Government and Planning, 2003:40)
- The estimated benefit-cost ratio in Melbourne of increasing the modal share of public transport from 9% to 20% of all passenger trips over a 20 year period is 4.8. The net present value of benefits is \$12, 856 billion (based on a 6% social discount rate). The overall economic internal rate of return for the proposed mode share investment is 59%. The policy is a “highly attractive public sector investment proposal” that “will generate a significant range of economic, social and environmental benefits” (Department of Infrastructure, 2002:2).

## 2.2 North American Evidence

### Different Planning Context

In the U.S the question is whether or not there should be planning rather than how metropolitan planning should be done.

Five institutional factors make metropolitan planning both difficult and urgent in the U.S.

1. Traditional transport funding has created a sprawling urban morphology. Petrol taxes flow into a dedicated highway trust fund establishing a feedback loop of highway construction (i.e., road building, more vehicle use, more petrol consumption, more tax leading to more road building). The result is ribbon development along the freeways and beltways that encircle most U.S. metropolitan areas.
2. Separate transport and land use planning at both the state and local levels. This is one of the primary reasons traffic problems plague U.S. metropolitan areas. It is extremely rare for one agency to integrate the two (interdependent) areas.

3. In the U.S. Local Government(s), not State authorities are responsible for most infrastructure provision. Local Administrations compete with one another for new development, to increase their property tax base, to provide funds to finance infrastructure needs. The systemic logic of infrastructure development is neglected.
4. Developer rights in the U.S. are very strong. The location of most major retail centres are socially unplanned. Location is market determined by land at the right price.
5. The sprawl of the U.S. city has been accentuated by the desire on the part of whites to move away from the low income and predominately black/latino inner city to the suburbs (cf. 'doughnut' effect).

The structural encouragement of private transport and the separation of the land-use and transportation planning have some resonance in Australia. The last three factors, planning by local rather than state level government, strong developer rights and ethnic tension are quite specific to the U.S.

### The Cost of Sprawl Debate

The costs and benefits of urban sprawl have been a hotly debated topic in the U.S. since the early 1970s. *Costs of Sprawl-2000* is a five-year study of sprawl for the 2000-2025 period. Controlled and an uncontrolled growth scenarios are evaluated. The results are tabulated below.

**Table 2.21 Cost /Impact Savings attributed to Controlled Growth 2000-2025**

Type of impact	Total Cost / Impact Savings
<b>Resource Impacts</b>	
• Land conversion	4 million acres
• Infrastructure	
• Water & sewer	\$12 billion
• Local roads	\$110 billion
• Local public service costs	\$4.2 billion
• Real estate development costs	\$420 billion
<b>Personal costs</b>	
• Travel km	80 million miles
• Travel costs	\$24 billion
• Quality of Life	Could not be determined
• Urban decline	No impact due to typical sprawl factors

Source: Burchell, et al. (2002)

*Costs of Sprawl – 2000* concludes sprawl generates more costs than benefits and is an unnecessary and increasing drain on financial and natural resources.

## **Federal Reinvigoration of Metropolitan Planning**

The U.S. road building/urban sprawl conjunction has been disrupted in the past decade by the *ISTEA (Intermodal Surface Transportation Efficiency Act)* and *TEA-21* legislation of 1991. This Federal Government reform redirects a portion of highway trust funds to public transport and slow transport modes (cycling and walking). As a consequence, Metropolitan Planning Organisations (MPOs), formed in the early 1970's at Federal insistence, have been given a new lease of life. *ISTEA* requires:

... improving transportation not as an end in itself but as the means to achieve important national goals including economic progress, cleaner air, energy conservation and social equity. *ISTEA* gave MPOs increased funding [and] expanded authority to select projects and mandates for new planning initiatives within their regions (Solof 1997).

In the late 1990s a change in the *Federal Clean Air Act* linked Federal transportation funding with air quality targets. Transportation funds can now be withheld from metropolitan regions failing to meet vehicle use and air quality parameters. Atlanta's regional planning would not have occurred without Federal suspension of transportation funding.

## **Visioning**

Population growth and its impacts are the primary motivation for U.S. metropolitan planning. Visioning, establishing a consensus view of a desirable future and then planning to make that vision a reality, has become a popular mode of regional growth management.

Important dimensions of visioning include:

- **leadership.** Top down visions, in particular, need strong and early leadership from high profile persons.
- **groundwork.** A clear process/sustaining structure must be established. Be realistic in terms of how much time and money will be needed. Consider the scale of the regional vision and how sub regional concerns are to be incorporated.
- **public engagement.** Local media should be involved in the visioning process. Public engagement during strategy formulation is important for stability.
- **stakeholders.** Identify key interests such as elected officials, Local Governments and the private sector and get them on-board early because a bottom-up process is crucial if changes are to be accepted.
- **data.** Use good quality information - don't try to cobble something together.

- **reflexion.** Plan for a desired not projected future and address problems and concerns early in the process by keeping lines of communication fluid.
- **persistence.** Stick to the process and try not to get bogged down on difficult issues. Visible progress is important.
- **substance.** Include enough detail for the plan to be meaningful.

### **‘Smart Growth’ and Metropolitan Plans**

The ‘smart growth’ movement in the U.S. reaffirms the principles of sound urban planning. The goals of the smart growth movement and the North American metropolitan strategies are to:

- enhance air quality.
- increase mobility and transportation choices - better access, less traffic.
- preserve critical lands and green zones - keep open space open.
- conserve and maintain water resources.
- a range of housing opportunities.
- shared benefits for rich and poor;
- a compact city region.
- complete communities.
- neighbourhood liveability;
- thriving cities and suburbs.
- efficient public infrastructure investments.
- lower taxes and costs.

## **2.3 European Evidence**

### **Planning and Globalisation**

In Europe, too, the global economy has renewed interest in urban planning and metropolitan and regional government. The erosion of national barriers to flows of human and finance capital has:

- increased economic competition between cities.
- required urban planning to become more entrepreneurial (now involves both the public and private sectors).
- allowed metropolitan governments to become more independent of national governments.

In Europe the initial response of metropolitan authorities to the global economy was to conflate urban planning with economic planning. Metropolitan strategy tended to urban marketing for a foreign client. In London, Singapore and Sydney, for example, it focused on mega (commercial/convention centre/leisure) projects for the international business

community, while neglecting the socio-economic and environmental concerns of residents.

## **Fragmented Urban Governance**

Scholars of European metropolitan planning argue an ethos of deregulation has fragmented urban government, reducing capacity to plan for competitive advantage.

In a 19-city review of metropolitan governance and spatial planning, Salet *et al* (2003) isolate four main challenges.

- organising the infrastructure and amenity of regional economies.
- ensuring environmental quality in the context of fragmenting authority.
- preventing spatial inequality.
- maintaining cultural identity.

Salet *et al.* found the effect of metropolitan planning is enhanced by the integration of spatial (linking local, regional, state and national policies), functional (linking land use and activities) and sectorial (integrating public, private and NGO views) policy. The authors also found good planning practices can be very different – one size does not necessarily fit all.

Government reorganization typically lags behind spatial development. While government is often reorganised in response to changing spatial configuration, suggest it may be better to maintain a sound governmental structure and to look, rather, to flexible policy. The authors conclude: “the institutional problem is not so much the fragmentation of policy actors as the disconnectedness of learning practices and policies” (Salet *et al.*, 2003:377). Similarly, Diamond (2002) contends globalisation and its impact on metropolitan planning requires a new approach to policy-making, involving new participants and new methods of implementation.

## **Three Europe-Wide Initiatives**

While many European cities have renewed metropolitan spatial planning these plans may not be sufficient. London metropolitan planning for population and employment growth is confined to the area inside the greenbelt, excluding the much larger journey-to-work catchment.

The urbanisation of cities and hinterlands into a single metropolitan region is the urban dynamic of future Europe. Metrex is a response to this trend. It is an information-sharing network of individuals (politicians, officials, advisors, etc.) with an interest in spatial planning and development at the metropolitan scale.

Propolis (**P**lanning and **R**esearch of **P**olicies for **L**and Use and Transport for **I**ncreasing Urban **S**ustainability) is a European Commission program. Propolis develops sophisticated land use-transport models to test policy for accessibility and mobility while reducing:

- greenhouse gases.
- energy use.
- traffic accidents.
- traffic congestion.

Individual models are being developed and tested on seven cities of varying sizes.

Cultural diversity is at the heart of the *European Spatial Development Perspective* (ESDP). One of its key aims is to ensure spatial development policy retains cultural variety and, by strengthening economic and social cohesion, promotes balanced and sustainable development (Committee on Spatial Development 1999:19). The ESDP's approach is trans-sectorial, integrated, and proactive. It challenges the regulatory planning tradition of Europe that views spatial policy primarily in physical and technical terms (European Consultative Forum 1999).

Peter Self summarises a major difference between European and Australian planning and draws conclusions:

In Europe urban planning has broader goals and stronger public support than is the case in Australia. The explanation is that, while global competition does have a strong impact upon city planning, there is also stronger political support for the pursuit of social and environmental goals ... If European integration becomes stronger, it is possible that a new style of planning will emerge ... [as] a European Union politically disposed to such goals would also have the economic strength to resist the homogenizing global trends which are remaking cities for the lifestyle of the rich (Self, 2000:187-188).

## 2.4 Summary

**Globalisation.** Globalisation is the practical and theoretical backdrop of contemporary metropolitan planning. It feeds urbanisation and generates economic competition between cities. Its real and intellectual discourse has raised concern about ecological limits.

- Planning for global competition was, initially, overtly econometric. It ignored social and environmental objectives. Narrow planning for competitive advantage is being challenged in Europe through such initiatives as Metrex, Propolis and the European Spatial Development Perspective. Maintaining liveability, cultural diversity and social inclusion are now important issues for European metropolitan planning.
- Corporate Australia and Australian academics both advocate a more socially and environmentally sensitive renewal of metropolitan

planning. Beyond economic inducement, they argue, global capital is attracted by the quality of city life and functional efficiency.

- Internationally, urban governance is focused on the integration of land-use with transport. Increased sensitivity to ecological limits, particularly the need to reduce greenhouse emissions, is driving urban planning to reassert control over the morphology of cities.
- Globalisation is the international expression of generalised economic liberalism. Economic liberalism has eroded and fragmented traditional urban government. A broad consensus urging a change from government to governance has emerged. Flexible governance structures that include NGOs and private sector organisations are preferred to the continual reorganising of administration to meet new challenges.

**Limited Resonance with U.S.** There is limited resonance between North American and Australian metropolitan planning.

- Points of divergence include: the inner city 'doughnut effect'; strength of developer rights; and responsibility of Local Government for infrastructure provision. The debate in the U.S is more about whether or not there should be planning rather than how planning is done. The 'Smart Growth Movement' in the U.S. essentially repackages sound urban planning principles rather than introducing new planning principles.
- U.S. Federal interventions via transport funding are nonetheless instructive in that they have reinvigorated metropolitan planning. Such Federal concern has waned in Australia and been absent during the Howard Federal Government years.

**Urban Ills and Spatial Polarisation.** Public concern over urban ills and spatial polarisation in Australia highlights the need for stronger metropolitan planning.

- In Australian capital cities there is public alarm at rapid growth and change, and growing public support for metropolitan planning and governance. Core public concerns are:
  - shrinking open space corridors.
  - poor urban design.
  - urban congestion.
  - lack of public transport.
  - loss of environmental amenity (e.g., air and water pollution).

- Socio-economic polarisation is accelerating both within and between Australian cities. Areas/regions integrated in the new global economy are in one world. In another are 'rustbelt', 'rustpocket' and rural regions of declining economic capacity. These widening gaps are unravelling the broad, 'fair go' weave that has, historically, held Australians in society. Metropolitan planning has the potential to mitigate socio-spatial rents in Australia.

**It Is Economic To Plan.** Australian and American cost/benefit analysis confirm investing in public transport infrastructure, protecting open space and directing patterns of settlement, can:

- reduce business transaction costs - increasing global competitiveness.
- reduce infrastructure costs (roads, sewerage, water etc).
- reduce greenhouse emissions to meet international obligations.
- reduce travel times.

### 3. Strategy Formulation

#### 3.1 Foundational Role

Key strategic decisions about the foundation principles of a metropolitan plan preface any detailed strategy design. Four principles of this decision stage are of critical importance to the design and implementation of the plan.

The **direction** of strategy formulation decision-making can be either political (based in cabinet) or institutional (based in bureaucratic expertise). Either can be reconciled with democratic claims – through a clear electoral mandate, or the augmentation of expert deliberations with participatory processes. However, for public acceptance, and the ultimate durability of the strategy, whoever directs decision-making must use public dissatisfaction with urban ills as a touchstone.

Innovative strategy **decisions** will be directive rather than reflective. A reflective plan reflects decisions already made by government. Such planning attempts no new choices about urban management and urban outcomes, but provides a strategic frame for policy and program choices already undertaken. A reflective plan will be based on demographic and economic trends that have already been administratively digested. In contrast, a directive plan represents a set of original decisions about the future direction of urban management. It is an innovative document that seeks to reshape the existing 'policy set'. A directive plan is more likely to seize opportunities posed by emergent demographic and economic trends. Convening an appropriate deliberative forum, such as an inter-agency committee, will facilitate innovation in strategy formulation

The robustness and clarity of the strategy formulation process will be affected by who and how the strategy is **evaluated**. The evaluation of strategy may be

made at both foundational and later design stages. Potential forms of evaluation include:

1. Institutional/bureaucratic: from within the public service but not necessarily by core urban agencies.
2. Independent experts: ranging from private consultants to public bodies (e.g., universities, agencies from other levels of government, such as CSIRO).
3. Community: a large range of input and assessment models by civil society.
4. Political: assessment by politicians, including Cabinet or cross-party committee(s).

Strategy formulation that includes diverse sources of evaluation, is more likely to:

- be technically coherent, and publicly acceptable.
- have wide political support to safeguard it through changes of government.
- to have necessary levers necessary for implementation.

**External input** into strategy-making and policy assessment from ‘the community’, ‘business’, ‘NGOs’ and other key sectors is best assessed on two dimensions:

- a majoritarian versus consensual approach: Will majority opinion rule, or will there be an attempt to draw in exhaustive input and to reach consensus on major decisions?
- weighting of input: Will all forms of input be treated equally? Will ‘expert’ input be more highly valued than ‘community’ input. How will the contributions of lobbies and industry groups be weighted?

It is obviously more time consuming and expensive to weight the various sources of external input equally and to integrate diverse perspectives. This approach, however, leads to greater commitment to the strategy by parties engaged in framing its formulation.

Decisions about these foundation principles prepare the ground for the detail of the strategy design.

## **3.2 Process**

### **Governance Approach**

In Australia three decades of structural economic reform have changed the institutional base of planning. Urban change is now shaped via a complex set of governance relationships and is no longer exclusively or largely led by state action. Governance describes:

***The set of institutional forces and relationships that shape and/or determine social, economic and environmental outcomes in a given jurisdiction.***

In recent decades, the idea of governance as a management structure for the city has strengthened in the wake of state sector reform and retreat. Whole institutional sectors – including the provision of urban services – have been transformed by the shift from public to private. Box 3.11, below, outlines some non-public institutional forces that are shaping urban outcomes (O'Connor, 2003).

### **Box 3.21 Private Urban Institutional Domain**

#### **Privately provided urban services**

- telecommunications
- water
- energy
- waste
- transport
- health
- social and community support

#### **Privately provided urban finance**

- public-private partnerships
- BOOT schemes

#### **Privately governed land**

- exclusive and exclusionary estates
- community title land

#### **Privately delivered regulation**

- building certification
- planning certification

The list is not exhaustive yet points to a significant challenge in contemporary urban management. If urban management in the past was largely an extension of the state, how is it to be conceived now given the importance of private institutional forces?

In the context of contemporary urban change and change management:

- How can metropolitan strategy accommodate the fractured reality of governance?
- How can metropolitan strategy incorporate private institutional forces that now shape/determine urban outcomes?

Governance is too often glibly taken to mean consultation with 'stakeholders' (a vague term). In reality it must mean much more if metropolitan management is going to shape urban outcomes effectively. How will regulators reconcile private corporate imperative and public policy, and embed it in legislation?

This challenge has yet to be posed openly in Australia. The debate, when it emerges, will pivot on unsettling questions about our democratic and public institutions and their historical relationship to economy and civil society. For example, will Australian urban citizens allow themselves to be 'administered' by private institutions in the production of urban services and, increasingly, the application of urban regulation? Pusey's (2003) study of attitudes in 'middle Australia' clearly suggests an antipathy to any further erosion of state responsibility for service delivery and regulation.

The resolution of the governance challenge is key to effective urban management. Answering these questions may require new and unique institutional arrangements that bind the state, civil society and economic property. This solution may involve government re-regulation and in some instances, resuming ownership of, certain key institutional forces of urban change.

## **Coordination and Integration**

Both the formulation and implementation of metropolitan strategy requires the coordination and integration of policy. Traditionally, many policy areas (for e.g., roads, rail, water and sewage, open space, waste management, development control, emission control) have been treated as functionally separate. They have been isolated in departments and statutory authorities, and allowed to become relatively autonomous. The subsequent privatisation of many statutory authorities has exacerbated fragmentation.

Policy integration is not necessarily best served by administrative reorganisation through, for example, the creation of an omnibus agency. Better cooperation between line or functional agencies may be the most effective way of integration.

Effective strategy is prefaced by, and implemented through, whole of government inter-agency deliberation. Such deliberation is particularly important in the integration of land-use and transport. Forums of inter-agency discussion need to be institutionally embedded (stable and long term).

Placing functionally interdependent agencies (such as transport and planning) in the same ministerial portfolio is a complementary strategy.

Vertical integration between metropolitan strategy and the instruments of development assessment and control is important. As development assessment and control take place primarily at the local scale of government, strategy ultimately depends on Local Government compliance. It is a distinct

advantage if metropolitan strategy (and its regulatory accompaniments) have statutory force.

Place management focuses metropolitan aim at the local scale. This is a challenge, in particular for Local Government, to:

- avoid excessive compartmentalisation.
- focus on place appropriate outcomes.
- engage communities in local planning.

### **Fiscal 'Traction'**

Policy integration also depends on whole of government budgetary processes. At least three budgetary considerations are important.

1. The establishment of links between metropolitan strategy and the State budget is crucial. Strategy influence over the budget allocations of infrastructure agencies is key to fiscal traction. Capital investments should be closely aligned with metropolitan aims. Test of alignment should be institutionalised at the treasury/cabinet level and percolated down into agency consciousness. Cost/benefit analysis should be broad enough (in both spatial and temporal conception) to assess the future costs to government of poor urban governance.
2. Metropolitan strategy should identify new financial mechanisms to advance its infrastructure and programmatic ambitions. For example, congestion charges would not only raise funds but also advantage public transport. Betterment levies are another potential source of funding that would, in addition, dampened speculation leading to land supply shortages. Any financial mechanisms introduced by metropolitan strategy should be transparent, that is, dedicated to specific purposes rather than flowing into the general revenue stream.
3. Finally, strategy needs to make funding available to agencies to meet the specific implementation costs beyond existing organisational capacity.

### **Continuity, Evaluation and Improvement**

Metropolitan planning needs to be more continuous allowing the accumulation of expertise within the policy community. Continuity does not mean stasis or inflexibility. Rather, through the careful review of policy impacts, strategy should be continuously adapted in light of new knowledge about:

- the changing effect of policy levers over time.
- changes to underlying urban social and environmental conditions.

McLoughlin (1992) argues Australian planning strategies have rarely, if ever, been subject to formal impact evaluation. In recent decades there has been rhetorical commitment to monitoring, evaluation and improvement, but in

reality political not analytical processes have largely determined the fortunes of metropolitan plans. Each incoming State administration has tended to sweep aside existing metropolitan plans in favour of new arrangements (not always a replacement plan). Such revision 'process' undermines the continuity of policy, the possibility of improvement and the accumulation of expertise. On occasion, policy settings have been uprooted with no formal assessment of their efficacy.

### **Emphasis on Research Task and Analytical Capacities**

There is a need for planners to improve their understanding and anticipation of urban change. State and Territory agencies should increase research and information resources, while on-going collaboration with urban scholars would be mutually beneficial.

The first priority of 'reskilling' in planning agencies is the enhancement of in-house urban economic analytical capacity. Urban economic analysis in most current planning regimes, including metropolitan plans, is weak. The principal economic drivers of urban development in any given context or time period remain essentially obscure. McLoughlin's history of post-war development and planning in Melbourne points out how different "fractions of capital were more influential at different times – manufacturing in the 1950s; retailing in the 1960s and beyond; office development, property and finance capital in the 1980s..." (1992:240). Planning largely failed to anticipate and track these key economic shifts. It was unable to manage/mitigate boom and bust cycles that disrupted property markets and development.

In recent decades, most State and Territory planning agencies have reduced their internal information resources and research capacities. These changes have been accompanied by greater use of independent consultants. Expertise, in short, is being externalised.

McLoughlin (1992) decried this change, arguing that it robbed Australian planning agencies of the ability to understand underlying urban social and environmental trends.

Far too much research for major policies is done on a one-off basis outside the public service. There are no consistent land-use-and-development records, no consistent forecasting models, no regular monitoring of actual outcomes on the ground, and no regular (and legally-prescribed) policy reviews (1992:248).

In his pessimistic assessment of Australian metropolitan planning, key agencies are unable:

- comprehend the nature of the social, economic and environmental processes of urbanisation.
- collaborate effectively with urban scholars.
- critically manage the external advice provided by consultants.

By contrast, McLoughlin (1992) points to the more confident approach of transport and urban service agencies, which frequently mobilise compelling research for preferred policy settings. Planning, on the other hand, is often sidelined on the basis of 'inferior knowledge' by agencies whose own urban research methodologies are regarded, by academics, as discredited and dated (Mees, 2000).

### 3.3 Objects

#### Direction not Reaction

Planning must restore confidence in itself as a lead agent of urban change. It needs to shed a reactive outlook that projects uncertainty of purpose. It should present a bold vision of the sustainable city, sketched in a range of tactics and instruments.

In its more assertive, directive agenda planning must embrace:

1. *Tactics* as well as regulations to achieve ends, including careful liaison with key urban agents and regular use of public fora to continually underline the public's well documented desire for enhanced urban management.
2. *Positive* as well as regulatory planning, to access the levers – including financial tools and the acquisition, assembly and development of land – that have the most direct impact on urban development and which lead rather than shape outcomes.
3. Enhanced *information and research* for policy formulation and application.

For reasons discussed variously under the headings in this subsection, Australian metropolitan planning lacks the confidence and resources to lead urban development. This does not mean, however, that the market determines development patterns (though this is often assumed to be the case). Other public agencies, notably transport infrastructure providers, have been less scrupulous and have frequently emerged as the lead agents of urban change.

#### Urban Morphology: Focusing on Structure and Form

Urban morphology - urban structure (layout and relationship of land uses) and urban form (density and design) - constitutes a robust lever for metropolitan planning. The best available science suggests key urban sustainability dimensions (greenhouse emissions, energy & water use, social equity, economic efficiency) are determined in complex ways by both urban structure and form. Strategic frameworks that neglect either dimension are unlikely to effectively manage urban development.

In the post-war era through to the 1970s, Australian urban strategy tended to emphasise regional urban structure to the exclusion of local form. In the last two decades the opposite has been the case. There is some evidence in recent years that urban structural issues – e.g., district centre(s) policies, growth boundaries and transport and land use interdependency – are back on the metropolitan strategy agenda.

A key issue raised recently by O'Connor (2003) in commentary on *Melbourne 2030* is the causal relationships between transport and land use development patterns. He believes transport infrastructure and service development is, and should, be the principal driver in urban development. Strategy that relies too heavily on management of new land development to effect comprehensive urban development outcomes, is unsound. Prioritisation of land use policies over transport behaviour management, underestimates the importance of mobility and interaction as key drivers of urban development. This approach is especially weak when land use policies are largely focused on manipulation of urban form. Australian research shows that land use density changes – consciously planned and otherwise – have little bearing on travel behaviour and resource (energy & water) impact (O'Connor, 2003; Troy et al., 2003).

Both O'Connor (2003) and Mees (2003) argue metropolitan strategy should maximise the spatial concentration of non-residential activities and high density residential activities, in a tightly defined centre(s) hierarchy. Including too many centres within the nodal set diminishes the meaning and efficacy of the concentration imperative. A too extensive centre approach is unlikely to ensure concentration is always proximate to public transport networks.

Centres have proliferated throughout the Australian city. Many of these lack connection or proximity to public transport. If investment and activity is to be concentrated to reduce environmental impact and enhance social access centre numbers must be limited. From an urban sustainability viewpoint it is better to have a robust, hierarchical centre framework that includes policies to *manage the decline* of non nominated centres.

### **Triple or Quadruple Bottom Line Focus**

The idea that ecologically sustainable development (ESD) can be achieved by balancing environmental and developmental goals is being overtaken by a triple bottom line (TBL) ethos. The ESD agenda, pursued through judicial structures to mediate environmental and development imperatives, has not delivered adequate results. For example, sectorial air, water and waste plans have had no perceivable effect on the interlocked structural, behavioural and institutional underpinnings of (unsustainable) cities.

TBL accounting understands ecological, social and economic goals to be interrelated and mutually reinforcing. Economic growth is discounted by the social and ecological costs of growth. Eco-metrics that can empirically orientate cities in a more sustainable direction, are rapidly being developed. (See for example Troy et al., 2003 on developing eco-metrics for the embodied and operational energy of urban structures and systems).

Corporate sector support for TBL policy is not to be underestimated. The TBL policy agenda arose out of the international politics corporate social responsibility. A 'green' reputation and an enhanced image of urban liveability is a powerful competitive lever in the global economy. For corporate Australia effective metropolitan planning is a matter of enlightened self-interest.

It would be a mistake to simply aggregate the apparent individual preferences of Australians (for low density housing, gated communities and private transport) to derive a public preference for unsustainable urban forms. The strength of community preference for better public transport, water and air quality and open space provision and protection should also not be underestimated. There much evidence that in the Australian city public support for the government provision of goods and protection of environmental commons is growing.

The 'Quadruple bottom line' requires integrated and innovative forms of governance, to advance interconnected economic, social and environmental goals. The move from government to urban governance involves two extensions.

- **Integration** of policy across the whole of government and between levels of government. Governance bridges policy silos. The impact of one policy domain upon others is acknowledged and dealt with. Such linkages need not involve resource draining restructuring (for example the construction of mega-departments).
- The forging of **cooperative partnerships** between government and social and economic actors, to harmonise goals and take advantage of non-government resources. Important potential partners include:
  - the urban development sector - in order to address infrastructural deficits and implement centres policies.
  - communities and their institutions (schools, Local Government, local business, local environmental groups etc) - in projects such as catchment repair and social capital building.
  - 'analytic' NGOs - such as peak environmental groups, university research bodies, etc.

Perth and Adelaide have both used the TBL approach in their metropolitan plans. Viewing the city as an ecological system, strategy seeks to close hydro geological cycles. For example: sewerage effluent is treated as an agricultural resource; development is not permitted to encroach upon or degrade valued supplies of groundwater; rainwater is treated as a resource to be captured; and the provision of open space is integrated with attention to the health of waterways.

## Policy Coherence

Policy aims and policy tools need to be carefully distinguished and placed in a logical order of abstraction, relating the different elements and stages of policy in a meaningful and internally consistent way.

There has been a manifest tendency in recent Australian metropolitan planning to confuse aims with policies and occasionally both with tools. The treatment of sustainability is a case in point. Urban sustainability is now a commonly professed policy aim of Australian urban management. The ideal accommodates different sectorial emphases – economic, social and environmental – and is well accepted by the broader community as a virtuous goal and legitimate basis for public intervention.

Objectives flowing from this aim should operationalise the sustainability ideal at the next level of abstraction – measurable and achievable dimensions of the sustainable city. For example, the concept of an urban ecological footprint could be enlisted as part of a small cluster of interlocking aims which abstract from the sustainability ideal. Complementary objects might include an ecologically efficient and socially supportive economy and a higher level of social harmony and contentment. These broad objects could be further distilled into measurable dimensions (e.g., localisation of activity – see discussion below) anchored around a range of qualitative and quantitative targets. A set of specific tools could then be designed to lever clearly defined policy ends.

Unfortunately, careful abstraction of policy settings is rarely evident in Australian metropolitan planning. Two failings are frequent. The use of abstract aims or objects, such as ‘liveability’, without attempts to specify consistent operational forms. Too frequently, policy ‘blandishments’ are borrowed from the rather vacuous international industry of city measurement and comparison that has flourished in the age of ‘urban entrepreneurialism’ and city competitiveness. This industry, the preserve of the international accounting and management consultancy, attempts with little rigour to establish baselines for comparison of city quality. The baselines are frequently rooted in vague and incomparable data and cannot meaningfully compare either the qualitative conditions of life in each city or their concrete performance against sustainability indicators.

Most state planning agencies have misunderstood the proper level of abstraction for consolidation policy. In many strategic plans consolidation is elevated to a policy aim, when it is merely one potential policy tool for achieving sustainability. Consolidation is not an end in itself but rather a means of reducing urban ecological footprints. One problem arising from the wrongful abstraction of consolidation as a policy ideal is that there is no higher order aim against which to assess its performance (as planning tool). If consolidation is the outcome itself, the tool cannot be meaningfully measured against any sustainability criteria. O’Connor (2003) points to evidence showing densification does not always reduce key footprint variables, including car dependency and energy and water usage. This may be because

consolidation policy has not been rigorously evaluated and revised. In Adelaide for example better ecological understanding has produced a sharper view of natural resource management.

## **Balance & Inclusion**

Equity and social inclusion are key thematic objects of metropolitan strategy in Australia, North America and Europe.

The growing socio-spatial imbalance in the Australian city is a major socio-cultural issue. In addressing the issue balance is the crucial goal: balance of socio-economic opportunities (especially employment), balance of access to valued cultural and environmental goods, and balance of mobility. Balance does not prescribe social and environmental detail but shares out public and private investment to ensure equality of opportunity for all urban residents. Balance should also be a guiding principle in planning new communities on the urban fringe: balance of housing choice to ensure a broad sustainable social structure. Such balance should also be adopted in redeveloping the older middle suburbs.

Academic analysis and public policy experience agree social inclusion and local capacity building are the pivots of community renewal. Conventional economic development often has little effect on entrenched patterns of social exclusion. Policy to reintegrate marginalised communities into the mainstream is being piloted in a number of cities, usually under the auspices of housing and social policy agencies. The planning system itself, however, has not yet acknowledged this key goal.

New community formation should contribute to a more, rather than less, inclusive Australian city. Increasingly, the urban residential community has become a wishful concept, bound up in a built environment, to be bought and sold via new residential developments. The commodity community takes two principal forms:

- Greenfield *exclave* outside the frayed fabric of older urban areas.
- Brownfield *enclave* protecting community within a threatening urban fabric. Sometimes walls, gates and other filtering devices protect the bonds of particular community from the corrosive influence of the mass public.

The rise of the commodity community challenges governance and urban management. If the urban community dissolves into a balkanised landscape of inward looking ghettos, urban leaders will find it very difficult to manage the city for the common good. There remains inescapable need for sound city management in a globalised economy and within narrowing resource constraints. Heightened communal insularity and fiscal opting out at the local scale make the task more difficult.

*Militant local communalism* plagues urban management in the U.S. U.S. cities are often confusing jumbles of jurisdictions, many of which have been created by communities opting out of the county structure. The public management of this fragmented urban space(s) is too weak to resist relentless, sprawling and costly growth at the urban fringe. The relative absence of militant local communalism and opting out in the Australian city has been one of its quiet, and largely unacknowledged, social and economic strengths.

There is therefore a pragmatic reason why urban managers ought to be concerned about the relentless commodification of community through new residential developments and redevelopments. How can a 'deinstitutionalised' urban society contribute to urban governance? Insularity and exclusion forecloses on the sort of governance that can help (re)produce a stable, harmonious political base. Only stable and inclusive society and governance can provide the economic and social solidity needed for urban well being in the third millennium.

There is thus a challenge for urban managers and leaders to think of ways to produce pleasant, outward looking local communities that are both:

- conducive to social capital.
- engaged with the urban governance and management issues that determine their well-being.

### **Localisation for Accessibility**

Localisation of socio-economic activity is a key middle order object that warrants more attention in Australian urban management. The object of localisation, the enhancement of accessibility, is in stark contrast to the traditional transport planning object of improving mobility. Continued improvements to mobility induce demand for travel, promoting road congestion, infrastructure overload and declining use of public transport.

It is now accepted within most urban management contexts that integration of land use and transport policy is crucial to the attainment of a sustainable urban morphology. How to achieve integration of two distinct policy domains, historically widely distinguished in terms of power, professional status and resourcing, is less well understood. A simple administrative integration of planning and transport function may not be the most effective method, especially for sustainable urban morphology.

The middle order object of activity localisation is a potentially powerful point of convergence for transport and planning functions. Localisation steers transport policy away from its long attachment to mobility enhancement and underlines the importance of land use planning – especially structure planning – as the principal means for transforming the underlying bases of travel. Resolute structure planning is needed to adjust the mix and location of trip generating land uses, to achieve reductions in the frequency and length of trips made by households for employment, services and recreation.

Localisation can be achieved via a number of policy levers, principal among which is a *centre(s) policy* that directs urban investment, and thereby activity, into defined spatial nodes. Other structural urban changes reinforce a viable and dispersed centre hierarchy. For example, transport investment to extend and disperse intra and inter regional mobility (e.g., cross city tunnels; ring/'orbital' roads) can be reoriented towards service improvements that reinforce both local access to centres and links between the centres.

By improving access to broadly defined welfare activities (services, employment and recreation), localisation produces both ecological and social benefits. Reduced trip making and trip length has obvious energy and waste benefit - reducing the urban ecological footprint. Improved accessibility throughout an urban area widens the 'social reach' of welfare enhancing activities by making them available to people locally and via the use of a variety of transport modes, including affordable forms such as walking and cycling.

### 3.4 Levers

#### Positive and Regulatory Levers

Levers are not simply 'controls'. Exclusive use of regulatory control to achieve metropolitan planning outcomes should be avoided for at least two reasons.

1. They cannot lead development to desired outcomes. They can only guard against undesirable effects.
2. Excess regulation casts planning as a negative public enterprise - eroding both political support and the capacity of planning to design positive instruments.

This is not a case for deregulation. Planning regulation in Australia is probably at an historical low after decades of reform and outsourcing (Gleeson & Low, 2000). Rather, planning systems should be supplemented and strengthened by the addition of positive instruments, such as:

- publicly led *land development*.
- *land assembly* - via a variety of means including public private partnerships.
- *land banking*.
- *incentives* rewarding over compliance with strategy objects relating to good design and sound structural location of investment.

It is doubtful, on grounds of sound policy and fairness, incentives should ever be allocated for mere compliance. Nor is it sensible or fair to allow significant trading in development rights. Development *rights* are conferred by the (social) state and are not private property to be bartered and sold by individual, community or public landowners. Planning must create and

reinforce a transparent, robust and fair development context. It must not encourage or devolve into a 'deal making' culture. The latter subsumes planning in an opaque and informal political process that undermines rational policy making and encourages corruption.

Positive planning instruments are a key part of successful planning but they must be carefully designed so as not to either:

- turn planning into a 'developer's auction', where expectations become embedded that compliance must be rewarded and that all controls are negotiable and tradable; or
- undermine regulatory control.

## **Scale of Application**

O'Connor (2003) finds against control exclusively focused at the local level. The 'under-regionalisation' of planning control leads to confusion and competition between municipal planning. This objection is not antithetical to the localisation object discussed above. Pursuit of localisation and other urban sustainability objects will require a range of 'multi-scaled' and mutually reinforcing controls, each crafted and applied at appropriate levels (site, local, sub regional, metropolitan, supra-metropolitan).

The tendency of different policy and submarkets to operate at distinct spatial scales should be carefully drawn out in plan formulation and used to decide the correct spatial level of application for different controls. For example, housing (sub)markets tend to operate at the local scale and therefore the leverage of 'housing mix' is best applied, in conjunction with Local Government, at this level. In contrast, labour (sub)markets operate largely at the regional scale and are best regulated and levered via state and regional frameworks.

## **Mode of Application**

Given the discussion earlier about governance, and the withdrawal of the state from the provision and even regulation of urban services, it is necessary to think of new ways to shape metropolitan development that do not simply rely on public institutions. Planning has long regulated and shaped private and communal behaviour at the 'coalface' of urban change (e.g., construction and development industry, private and communal use of land), but the levers used to achieve this may not be easily applied to the new privatised *institutional* landscape that now frames much of urban change.

Voluntary compliance with metropolitan strategy objects is at best mildly helpful. Effective strategy requires the re-regulation of the entire urban institutional sector. It may be necessary to extend planning beyond its traditional regulatory domain in innovative ways to achieve this outcome; for example, by using corporate law and by ensuring that non-planning elements of state (and ideally, federal) legislation reinforce strategy objects. The extension of triple bottom line accounting to the entire private corporate sector

would do much to advance sustainability outcomes in general and planning objects in particular.

## **Financial Levers**

Metropolitan planning strategy must be geared to financial and economic process. This is not to advocate it become an instrument of economic development (a different public function entirely). Rather planning must be meaningfully integrated into state and local policy governing expenditure and revenue (i.e., budget processes). History shows without this integration metropolitan strategy is marginalised in the broader government process and rendered ineffectual.

Conversely, but just as important, state and local fiscal and economic levers should be evaluated for 'spatial effect' and compliance with metropolitan planning objects. Many of the taxation and financing policies administered by state treasuries (e.g., stamp duties, land tax, infrastructure spending) and state agencies have a direct bearing on urban development. Yet this is rarely acknowledged in the discussions that frame and evaluate these forms of state intervention. They are important elements in the urban regulatory mix and should be explicitly related to state and local urban policy objects.

The use of financial levers begs the question of economic competency in the planning profession. Spiller (2002) finds economic literacy is extremely low in the Australian planning profession. This both limits the potential use of financial leverage and erodes planning legitimacy.

State agencies should work with urban researchers and planning educators to raise economic literacy in the planning profession. The reskilling of current planning professionals (especially metropolitan planning strategists) and changes to planning education curricula are required.

## **Integrated yet Distinct Tools**

Our analysis has repeatedly discovered the need for a comprehensive focus on urban morphology, or the issues of urban form and urban structure. Most planning tools provide leverage in only one of the two morphological dimensions. For example, density controls and inducements are unlikely to have a strong impact on urban structure unless they are deployed in highly spatially specific ways. Similarly, centre policy that neglects density and/or design is unlikely to impact on urban form. There is a tendency in Australia to confuse the dimensions of urban morphology and not to distinguish the different effective range of possible planning levers.

The leverage of structure and form should be integrated to achieve holistic urban outcomes. This means more than simply using both forms of leverage within a single strategy. Tools to reshape structure and form must be deployed together. For example, the localisation object outlined above is best pursued via the simultaneous application of tools that manipulate both the density and location of activities throughout a metropolitan area. Practically,

this could take the form of centre policy to decentralise investment and activity to urban district (or second-order) centres. Integrated transport and land use planning would reinforce accessibility and interconnectivity of these centres. Consolidation policy would permit development at high densities to concentrate investment, households, and structure.

Integration of the leverage of form and structure highlights the need for tools to be applied consistently to the full range of urban activity and materiality comprising a policy object. For example, Australian metropolitan strategy has often pursued a singular densification of residential dwelling stocks, whilst sidestepping the issue of non-residential density. From a higher order, morphological perspective, concerned with restraining ecological footprint, this partial application of a planning lever makes little or no sense.

Last, but by no means least, infrastructure development plans must be closely related to metropolitan strategy objects. For example, planning policy to manipulate population and household density in new release and older urban areas has a profound bearing on the planning and delivery of infrastructure; a connection too often neglected in Australian metropolitan planning.

### 3.5 Summary

**Foundational Role.** The foundation principles of strategy formulation define the field for both the design and implementation phases of the plan. Key choices include:

- Will the plan be *directed* politically or institutionally?
- Will formulation *decisions* reflect current policy frameworks or constitute a directive, original policy intervention?
- How diverse and independent will the sources of *evaluation* be?
- How will the different emphases of *external input* be managed and weighted?

**Process.** Strategy is best formulated around the following parameters.

- **Coordination and Integration.** The coordination and integration of policy is necessary to entwine the outputs of functionally separate urban service 'silos' into metropolitan wide objectives. Cooperation towards this end may be more practical than administrative reorganisation. Cooperation can be achieved through interagency deliberative forums, portfolio groupings of urban agencies, place management, and vertical integration of strategy objectives with the mechanisms for development assessment and control.
- **Governance Approach.** Three decades of structural economic reform has diluted the public nature of urban planning. The idea has emerged that governance, rather than government, is now necessary. Governance involves better corralling of public resources, as well as

the direct harnessing of private institutional forces through collaborative arrangements.

- **Fiscal 'Traction'**. Strong metropolitan strategy is tied into whole of government budgetary processes. Options include:
  - aligning budget allocations of infrastructure agencies with metropolitan wide aims.
  - reconfiguration of existing, and establishment of new, financial mechanisms to support strategic aims (e.g., betterment tax).
  - appropriate resourcing of agencies responsible for implementation.
  
- **Continuity, Evaluation and Improvement**. Depoliticised planning allows expertise and policy experience to be accumulated. Metropolitan planning can be made less sporadic through explicit evaluation of policy impacts. The adaptation of plans should be based on analytical tracking of effects over time, and identified shifts in underlying social, economic and environmental conditions.
  
- **Emphasis on Research and Analytical Capacities**. On-going collaboration between planning agencies and urban scholars (rather than one-off consultancy projects) would be of mutual benefit in understanding and anticipating urban change. The development of in-house urban economic analysis is particularly important.

**Objects.** Strategy objects must be (i) clear, and (ii) proactive.

- **Direction not Reaction**. Beyond regulation, an assertive, directive plan will:
  - engage urban agents and the public.
  - pursue desired effect(s) with positive planning.
  - enhance the research base for policy formulation and implementation.
  
- **Urban Morphology**. Robust strategy pivots on a comprehensive understanding of the morphological interactions between (regional) urban structure - layout and relationship of land uses - and (local) urban form - density and design. Urban development led by transport infrastructure and service development, rather than land release, will yield a more sustainable urban morphology.
  
- **Triple and Quadruple Bottom Line Focus**. Community and corporate commitment is required for triple bottom line (TBL) metropolitan planning. Policy integration (economy, ecology, community) and cooperative collaboration in governance constitute the triple plus one 'bottom line'.

- **Policy Coherence.** The relationship between aims, objectives and tools must be clear if policy is to function in a virtuous circle. Objectives such as reducing the urban ecological footprint should flow from higher order aims such as urban sustainability. Policy objectives should translate into targets that are measurable in qualitative and quantitative terms. Specific tools can then be designed to assess sustainability indicators.
- **Balance & Inclusion.** Growing socio-spatial imbalance in the Australian city is eroding the social capital necessary for urban governance. Social inclusion should *guide* the planning of new communities.
- **Localisation for Accessibility.** Localisation needs to replace mobility as a pivotal planning objective. Localisation mitigates road congestion, infrastructure overload and declining use of public transport. It is best achieved by centre(s) policy.

## Levers.

- **Positive and Regulatory Levers.** Regulatory controls only prevent undesirable consequences. Metropolitan planning needs positive levers; such as public land development, land assembly and land banking; and incentives to encourage creative over-compliance.
- **Scale of Application.** Effective levers must be crafted and operate at the appropriate scale (site, local, sub regional, metropolitan, supra-metropolitan). Local levers may not be able to effect regional objectives.
- **Mode of Application.** The decline in State provision and regulation of urban services requires imaginative extension of planning's traditional regulatory mode. Re-regulation of a privatised institutional landscape requires new levers to ensure implementation of strategy.
- **Financial Levers.** Planning interventions are best integrated with State expenditure and revenue processes. The spatial impact of State and Local Government tax and finance policy needs to be addressed.
- **Integrated yet Distinct Tools.** The distinction, and possible contradiction, between structural and form(al) intervention needs to be observed. Unsustainable patterns of urban morphology will only be interrupted when these different levers are deployed together in an integrated way.

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