Specification for a metropolitan planning agency which can make a big difference

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If the city, in Mumford's words, is humanity's greatest work of art, it is also the site of some of the greatest social and environmental crises, and of the greatest capacity both to accelerate as well as to arrest climate change. Managing the metropolis is certainly one of humanity's greatest challenges. In this task there are the largest number of actors, the greatest number of possibilities, the most divergent views on what should be done, the smallest degree of coordination and the least concentration of power.

What roles do planners and planning agencies play in this great task? Recent experience from Australia may help provide answers to that question.

The Australian model

The Australian continent is unlike the other five inhabited continents. Inhabited remarkably soon after humans left Africa, people had to make a living on a continent with thin, leached soils, generally low and unreliable rainfall, a complete absence of domesticable plants and animals and (at least from 50 000 years ago) a propensity to propagate wildfires. While it has all of the wonders of nature, spectacular landscapes and areas of very high biodiversity precisely due to nutrient deficiencies, the resources available to humans supported great culture rather than material abundance and surpluses. There were a large number of groups each with their own language and country, generally living at extremely low but stable densities.

Colonisation from 1788 saw the creation of five colonies on the mainland – New South Wales, Victoria, Queensland, Western Australia, South Australia – and a colony on the island of Tasmania. Each colonial government began building the colonial capital city, and the nature of the country was such that each colonial capital became and remained the primary settlement in the colony. This is still true today. The colonies are now states in a federation, each with a single metropolis accommodating two-thirds to three-quarters of the entire population in the state, and each from nine times to thirty times larger than the next largest urban region in the state. The following table tells a remarkable tale.

State	Capital city	Population	% of state population
New South Wales	Sydney	4.4M	62%
Victoria	Melbourne	3.9M	72%
Queensland	Brisbane*	2.8M	63%
Western Australia	Perth	1.6M	72%
South Australia	Adelaide	1.2M	73%

* The population is given for the South East Queensland urban region, which includes Brisbane.

Some of these cities are growing rapidly, with growth rates up to about 2% pa. Strong, comprehensive metropolitan planning was a matter of significant public interest in all states for all of the last century, and became formally institutionalised mainly from the middle of the century (Hamnett and Freestone 2000).

Because of the specific nature of the Australian experience – six colonies leading to six states (with powers on all matters other than those ceded to the federal government)

governing a primate city in each of the mainland states – the arrangements for metropolitan planning are almost ideal. The management of metropolitan Sydney, Melbourne, Brisbane, Perth and Adelaide is entirely in the hands of a single government, respectively the government of New South Wales, Victoria, Queensland, Western Australia and South Australia.

In effect, the state governments are metropolitan governments with jurisdiction over the entire hinterland of the metropolis (2.5 million square kilometres in the case of Western Australia), with powers to levy taxes (other than income tax) and with responsibility for all of the functions of the metropolis, including health, education, police, roads, railways, public transport, water supply, electricity, economic development, housing and environmental regulation, as well as planning and local government.

Local governments such as city councils, municipalities and shire councils are created and regulated by the state governments, and – because of the nature of the country and the consequential concentration of the population in a single urban region in each colony/state – are weaker than their counterparts in almost all other countries. This is not to say that they do not have many important local functions including property services and local economic and cultural development. They are agents of the state government, delivering state functions and services on the ground, including local statutory planning, and they are local parliaments responsible for local laws and the promotion of their district. Nevertheless, they play only minor roles in the provision of infrastructure and urban services, and have relatively little influence on metropolitan planning and management. As an illustration of a state government's command of metropolitan governance, the government of New South Wales annually spends about A$35 billion in the Sydney region while the 39 local governments in the Sydney region collectively spend a total of about A$3.5 billion, managing roads, parks and recreation facilities, libraries, development control, waste services and the like.

Thus, in the large city regions of Australia, there is a concentration of responsibilities, integrated across the city and its entire hinterland, suggesting almost ideal arrangements for metropolitan planning and governance.

Problems familiar around the world – of responsibilities divided between levels of government, of urban management fragmented between territorial jurisdictions, of inappropriate boundaries, of fractured networks, of a fundamental mismatch between taxing powers and expenditure responsibilities, of an absence of citizen input or alternatively democratic paralysis – do not impair the governance of the large Australian city regions. This much can be seen from the history of metropolitan planning. The first major metropolitan planning strategy in Australia was produced, after detailed research and investigation, in Melbourne as early as 1929. Other landmarks of metropolitan planning include the *Cumberland County Plan* (for the Sydney region) in 1948, the Melbourne Metropolitan Planning Scheme in 1954 and the *Plan for the Metropolitan Region, Perth and Fremantle* in 1955.

Comprehensive metropolitan strategies have been produced by the state governments continuously since the 1950s, with increasing frequency, including the following examples.

> *Shaping our cities: the planning strategy for the greater metropolitan region of Sydney, Newcastle, Wollongong and the Central Coast* (New South Wales, Department of Urban Affairs and Planning, 1998), replaced by *Cities of cities*, see below.
> *Melbourne 2030: planning for sustainable growth* (Victoria, Department of Infrastructure, 2002) – since updated.
> *Network city: community planning strategy for Perth and Peel* (Western Australian Planning Commission, 2004), replaced by *Directions 2031* in 2009.
> *City of cities: a plan for Sydney's future* (New South Wales, Department of Planning, 2005), currently being reviewed.

> *South East Queensland Regional Plan 2009-31* (Queensland, Department of Infrastructure and Planning, 2009), an update of the 2005 plan.
> *The 30-Year Plan for Greater Adelaide* (South Australia, Department of Planning and Local Government, 2010)

The good and the bad

Despite this appearance of good metropolitan governance, the reality is rather different. From Perth in Western Australia on the west coast to Sydney in New South Wales on the east coast it is as if there is a continuum, running from strong, stable planning institutions in the west to unstable and discredited planning institutions in the east. New South Wales reached this condition through a long process of transferring powers and functions from independent expert bodies to the political executive, namely the planning minister of the day. Major steps along the way included the following.

1945	Creation of the Cumberland County Council, representing all local governments in the Sydney Region, to prepare and administer a regional plan for Sydney.
1964	Replacement of the Cumberland County Council by the State Planning Authority, a state agency with a board comprising experts, a number of mayors and heads of several infrastructure agencies, to prepare and administer regional plans for Sydney and the state.
1979	Transfer of all regional planning functions to a ministerial department of planning.
2000-2010	Progressive increase in the minister's powers to intervene in planning processes and to set aside planning instruments in directly determining amendments and development applications.

The role of the minister has become more like that of a chief executive, even a 'chief planner', while the role of the planning agency, once seen as responsible for decisions and advice based on professional expertise and technical considerations, is now more like that of the minister's staff. Most observers consider that the agency has lost confidence and capacity, and has lost credibility in the eyes of the public. At the same time, the minister has inherited all of the hard choices, and cannot escape the perception that decisions are based more on political considerations – including the need to accommodate the interests of those making large donations to the governing political party – rather than on technical considerations, or the application of clear criteria, or in the wider public interest.

The minister for planning is in something of a bind. The increasing powers to intervene, and the increasing use of these powers, are in response to the rigidities and complexities in the statutory planning system in New South Wales causing long and expensive delays in decision making without improving the quality of the decisions. The more ways the minister has to intervene, the more complex and potentially congested the decision making becomes. Each band-aid and work-around applied to the planning system seems to create the need for yet another 'desperate measure' to avoid costs, delays, political impediments and litigation. Each desperate measure seems to reduce the legitimacy of the planning system and reduce the confidence and capacity of the minister's planning agency, including its capacity to produce a credible metropolitan strategy.

Perhaps the most fundamental cause of this bind is the tradition in the New South Wales government of distancing itself from responsibility for the Sydney region. It acts as the state government, responsible for the delivery of equitable regulations, infrastructure and services across the state, always attending to the interests of regions and localities but consistently obscuring its role as the metropolitan government of Sydney – either because it is too demanding, or because attention to the needs of the metropolis is strongly resented by the third of the population which is scattered across the rest of the state and considers itself to be the real source of the state's wealth. The fate of the Victorian state government led by Jeff Kennett, who revived Melbourne's fortunes in the nineties largely through a series of

grands projets, and who was disparaged in country Victoria as the 'mayor of Melbourne', was a salutary lesson to state governments that a feeling of neglect amongst the non-metropolitan population can be electorally fatal.

Nevertheless, the New South Wales state government must publicly acknowledge that it is simultaneously the *metropolitan government*. After all, the government's functions as a metropolitan government are the greater part of its responsibilities, and the most contentious and difficult. The challenges facing a metropolitan government, and the most appropriate structures and processes to meet them, need to be openly discussed and debated. The result of recognising this reality should be a program of reform in which relevant agencies and activities are reorganised to reflect its simultaneous role – its highest priority role – as the government of Sydney. If this role were explained correctly and accurately, country New South Wales might recognise that every country region's economic, social and environmental future is dependent on Sydney's success.

In a recent submission to the New South Wales government on these matters, I argued that an essential component of any reorganisation of the government would be a New South Wales Planning Commission which the public accepts as having *expertise and independence* and which has the necessary *powers* and *committed, long-term funding* to develop and manage the metropolitan strategy. I argued that the experiment of allowing the minister to act like a chief planner (assisted by minders and invisible bureaucrats) has failed. It is not in the interest of the government, of politicians, of the region or the state to continue to deny that managing urban regions needs openness and independent and accountable experts and agencies, overseen, of course, by the political administration and Parliament.

On the other side of the country, there has never been any doubt that the government of Western Australia is simultaneously the metropolitan government of Perth. This might be because an even higher proportion of the state's population lives in the one city, with the rest of the state occupied at a much lower density even than in New South Wales, or it might simply be a cultural difference due to the different origins and experiences of the two states.

In an article on planning in Western Australia in ISOCARP *Review* No 3 (Dawkins 2009) I cited a description of the state's planning system as a unique combination of institutional arrangements enjoying bipartisan support: strong and simple legislation; centralised statutory regional planning, subdivision control and facilitation of local planning; dependable funding for metropolitan improvement; a statutory authority to exercise powers, allocate resources and provide advice based on the expert professional support of a department of state. This structure was put in place in 1961 on the advice of one of the world's most highly regarded planners of the day, Gordon Stephenson, then of the University of Toronto and author of the 1955 *Plan for the Metropolitan Region, Perth and Fremantle*. Continuity of support by successive state administrations provides clear evidence of the system's integrity and robust nature (WAPC 2005).

The three core elements of Stephenson's recommendations are still in place: a binding regional scheme backed by strong but simple legislation, a 'region improvement fund' created by a levy on land tax, and an independent expert planning commission to manage the planning scheme, to make impartial decisions about development proposals and to use the improvement fund to acquire open space and transport corridors. Each government has updated the planning system, building on the legacy of strong and evolving regional planning institutions. The longer this system is in place the better it gets. Stability is a good thing for long term plans for cities. Stability is good for transparency and for community involvement in planning. Stability is also good for innovation and reform, since a stable base facilitates a stream of small improvements and encourages a focus on long term goals. Urban development has been predictable, well coordinated and efficient. The planning machinery has been able to allocate and acquire sites, districts, infrastructure corridors and

environmental assets at fair terms for land owners and at least cost to the public. As a result the costs of both housing and infrastructure has been less than in the other large Australian cities. Under these conditions, WAPC has been readily able to quantify at least some of the direct benefits. In a technical publication, five case studies have been examined, to derive a series of lessons generated by the application of these arrangements over a long period (WAPC 2007).

Do planning agencies make a difference?

Do planning agencies make a difference? The simple answer is that of course they do, but the 'difference' may have been unintended, and it may have made matters worse rather than better. Deciding what the difference has been, as a result of the activities of a planning agency, is often difficult, if not often impossible. While there is a large literature on evaluation, it is seldom concerned with this simple problem: how do we know how things would have turned out in the absence of a plan, and how do we compare that with what might have turned out with a different plan? We would like to think that there are benefits from planning – the *planning dividend* – but there have been few attempts to measure the content and size of the dividend. In my experience, and from research and investigation, planning agencies generally are unable to point to any measurement of 'the difference' that they have made. Is this because it is too difficult to measure the difference? Is it because the planning agency suspects that the actual difference would fall far short of the difference that the agency claims to make? Is it because the whole question is of little interest? If so, does this mean that planning agencies are not trying to make a difference, only to perform their allotted functions?

Presumably the answer varies with the kind of activity in which the agency is engaged. Many aspects of planning are not intended to have extrinsic outcomes, only intrinsic outcomes such as a functioning property market or an orderly spatial distribution of investment. Development control enforces rules which have a primary function of providing the property market with sufficient certainty about future externalities to allow investments to be made in capital goods which are fixed in space and have a long life. Perhaps a simpler way to express this is to say that development control, based on regulatory land use plans, enables land to be valued and therefore traded. Similarly, a spatial plan provides investors – specifically the public providers of infrastructure and urban services – with sufficient certainty to allow investments to be made in roads, railways, water headworks, schools and hospitals.

In these cases, the test of 'the difference' is not to be found in extrinsic outcomes such as quality of life, equity, economic growth, degree of biodiversity, greenhouse gas production or sustainability. It is to be found in intrinsic outcomes, just as real as (and probably a precondition for) the achievement of those higher goals, such as a property market capable of a reasonably efficient allocation of resources, the avoidance of premature development and stranded infrastructure, a low level of misallocated or badly distributed resources and the avoidance of the potentially severe costs and disruptions of unplanned urban development. In all of these cases, it might be possible to measure real savings – in the WAPC case studies referred to above the savings were of the order of hundreds or thousands percent of the original outlays – even if other outcomes, such as the quality of the urban environment or the level of equity, are for practical purposes unquantifiable, or even indefinable.

In other areas of planning work – notably metropolitan strategic planning – defining intended outcomes and being able to show progress towards them is essential if planning is to have credibility and longevity. It would be illusory to claim to be able to achieve outcomes such as sustainability or carbon neutrality, since planning agencies are never in a position to command or control such outcomes. On the other hand, if climate change and loss of biodiversity lead to strong global and national responses, planning agencies will have a critical role in ensuring that measures such as a price on carbon achieve intended outcomes

in urban and regional development as well as in other aspects of human behaviour. If Copenhagen demonstrated anything, it was that real change towards sustainability requires whole-of-government, if not whole-of-world, action – and that it is coming, soon. Planning agencies, while acting in every way that can now 'make a difference', need to be well prepared to commit to, and be accountable for, outcomes which maximise the effect of a price on carbon, and which generally make the most of a fundamental departure from business as usual.

Are planning agencies up to the task?

How are planning agencies likely to respond to globally-agreed economic and regulatory measures that fundamentally change the way we invest in cities? The indications are that, in the north, they will have insufficient credibility to be relied upon by governments. Already the trends are apparent that spatial and strategic planning is moving from so-called planning agencies to central agencies close to heads of government and finance agencies (for example, Haughton, Allmendinger, Counsell and Vigar, 2010). There is a very clear indication of this taking place in Australia, as discussed in relation to the national criteria for capital city strategic planning, below. Even if this leads to the end of planning agencies as Haughton et al suggest (2010, p 248), it may also lead to the reinvigoration of planning, and more dynamic, inclusive and responsive ways of being strategic about urban regions (Healey, 2007).

Planning agencies, at least in Australia, have been complacent. They have not tried to measure, or even explain, the planning dividend that has supposedly been generated by their planning. In part this is because, in the face of governments disempowering most technical agencies and allowing ministers to take control of day-to-day decision making, they have lost status, confidence and capacity. Instead they have become part of the political process, grossly exaggerating the effectiveness of measures to achieve, for instance, compact cities, better public transport, energy efficiency in buildings and centres, and the like. This in itself will greatly retard effective responses to strong carbon reduction measures when they come into force.

The excellent planning institutions in Western Australia may have enabled the planning agencies to achieve the valuable intrinsic outcomes of the kind described above, but even there the substantive outcomes have not matched the rhetoric. The unfortunate truth is that the corridors of the 1970 corridor plan were nothing like linear cities, the designated 'subregional centres' were never going to be the actual subregional centres, and the metropolitan centres policy could not accommodate the 50% of retailing activity which located in light industrial areas and on highways. The planning agencies relied on simple and idealised images of the region, and apparently regarded all adopted policies as perfect and permanent since they were disinclined to monitor their effectiveness and make ongoing adjustments. The transport aspects of metropolitan strategies were left to the transport agencies, and the timing of development was left to land bankers and the infrastructure providers. Both the transformation and underperformance of the inner areas of the region were too hard to tackle and were generally left to local governments to deal with (or ignore).

In New South Wales the road to effective metropolitan planning is even steeper. Firstly there will need to be the overt recognition that the government of New South Wales simultaneously has the role of metropolitan government, and must restructure to fulfil that role, as discussed above. Secondly, it must prepare a real metropolitan strategy, along the lines of previous strategies (for instance, in 1998, see above) but this time a strategy based on hard evidence, on the input of all available experts, and on continuous input and involvement by civil society. The strategy would set hard targets, hurdles and standards. It would be researched and evaluated in an open manner, endorsed by a New South Wales Planning Commission and then formally adopted as an explicit, on-going commitment of government.

Thirdly, the New South Wales government will need to replace the current statutory planning system which is thirty years old and held together with layers of added processes and expedients, incapable of renovation. A metropolitan strategy will only be effective if it is supported by planning machinery which is future-oriented, fully-digital, efficient and transparent. In turn, this can only be achieved progressively over time, through reforms based on hard evidence, on the input of all available experts, and on the continuous input and involvement of civil society. A starting point for this process exists in a report commissioned by a federal agency (Dawkins, Campbell, Roberts and Howe, 2003).

All of this, however, will not mean that the planning and management of urban regions will remain the responsibility of planning agencies. The challenges will be too important to leave to a relatively peripheral agency, and one which typically has trouble explaining its rationale and demonstrating its track record. Planners who work in such a planning agency may find themselves in some kind of government business enterprise engaged in supervision and documentation. The critical expertise will instead be assembled in central agencies close to cabinet processes and to budget and financial management. Planners working in such an agency will be helping to identify the hard choices and will be helping to make decisions with major impacts on the future.

An early indication of the shift to central agencies and of the increasing expectations of planning is given by the adoption by the Council of Australian Governments (COAG) of a set of national criteria for capital city strategic planning. COAG brings together the national government and the governments of the six states and two territories. Meeting in December 2009, the heads of these governments were presented with a set of criteria which would, in future, determine whether or not the states and territories received significant additional federal funding for infrastructure and urban projects. The criteria are admittedly somewhat naive and appear to be drawn from text books rather than life. They remain in an era of two-dimensional planning by governments in a linear way, rather than 'doing government' in the much more complex, dynamic and strategic ways brilliantly described by Healey (2007). Nevertheless, they raise the expectations for metropolitan strategies well beyond present levels, roughly to where they should have been. Significantly, the development of the criteria was driven from the federal Department of Prime Minister and Cabinet, which enlisted the collaboration of state finance departments rather than planning departments.

COAG adopted a national objective for Australian capital cities. The objective is to ensure that Australian cities are globally competitive, productive, sustainable, liveable and socially inclusive and are well placed to meet future challenges and growth. To meet this objective, COAG agreed that the planning systems for capital cities should:

1   be integrated:
    a)   across functions, including land-use and transport planning, economic and infrastructure development, environmental assessment and urban development, and
    b)   across government agencies;
2   provide for a consistent hierarchy of future oriented and publicly available plans, including:
    a)   long term (for example, 15-30 year) integrated strategic plans,
    b)   medium term (for example, 5-15 year) prioritised infrastructure and land-use plans, and
    c)   near term prioritised infrastructure project pipeline backed by appropriately detailed project plans;
3   provide for nationally-significant economic infrastructure (both new and upgrade of existing) including:
    a)   transport corridors,

        b)   international gateways,

        c)   intermodal connections,

        d)   major communications and utilities infrastructure, and

        e)   reservation of appropriate lands to support future expansion;

4   address nationally-significant policy issues including:

        a)   population growth and demographic change,

        b)   productivity and global competitiveness,

        c)   climate change mitigation and adaptation,

        d)   efficient development and use of existing and new infrastructure and other public assets,

        e)   connectivity of people to jobs and businesses to markets,

        f)   development of major urban corridors,

        g)   social inclusion,

        h)   health, liveability, and community wellbeing,

        i)   housing affordability, and

        j)   matters of national environmental significance;

5   consider and strengthen the networks between capital cities and major regional centres, and other important domestic and international connections;

6   provide for planned, sequenced and evidence-based land release and an appropriate balance of infill and greenfields development;

7   clearly identify priorities for investment and policy effort by governments, and provide an effective framework for private sector investment and innovation;

8   encourage world-class urban design and architecture; and

9   provide effective implementation arrangements and supporting mechanisms, including:

        a)   clear accountabilities, timelines and appropriate performance measures,

        b)   coordination between all three levels of government, with opportunities for Commonwealth and Local Government input, and linked, streamlined and efficient approval processes including under the Commonwealth Environment Protection and Biodiversity Conservation Act 1999,

        c)   evaluation and review cycles that support the need for balance between flexibility and certainty, including trigger points that identify the need for change in policy settings, and

        d)   appropriate consultation and engagement with external stakeholders, experts and the wider community (Australia 2009).

Clearly, these criteria require whole-of-government commitments, going well beyond the weak commitments that Australian planning agencies have been able to secure in the past few decades. To meet these criteria state governments will need to call on greater levels of skill and expertise than they presently possess, and to make hard decisions they will need the endorsement of bodies which have the confidence of the public. After all, it has been the consistent Australian experience that metropolitan strategies and policies have much greater legitimacy when adopted or endorsed by independent expert planning agencies than when adopted by ministers or governments. Fifty years of institutional change, and recent planning controversies, reinforce the finding that strong measures for making urban regions more sustainable will require institutions seen to have independent expertise, most likely attached to the agencies of the head of government and finance rather than a planning agency.

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