

FEEDBACK – NATIONAL URBAN POLICY CONSULTATION DRAFT, MAY 2024

Thank you for the opportunity to provide feedback on the draft National Urban Policy for Australia. That draft policy sets out the Australian Government’s Vision, Goals, Objectives and Principles. These align with the United Nations Sustainable Development Goals and aim to improve the quality of life in our cities and urban areas. Our feedback does not suggest changing the draft policy. Instead, it looks to complement the work by forwarding a widely acclaimed study by the Victorian Department of Transport and the City of Melbourne—the *Transforming Australian Cities* study, 2010—for consideration at the next level of policy detail, for consideration as to **how** the policy is put into action.

The *Transforming Australian Cities* study shows the simplest, least expensive and most effective way to address the national housing shortage within our cities. It allows for significant change that acts like ‘keyhole surgery’ rather than ‘open surgery’ on our cities, retaining the existing valued character of the places they contain, that we all love.

We note that p.23 of the draft *National Urban Policy* states:

No-one and no place left behind

‘Possible actions:

- Update land use planning systems to accommodate a greater mix of housing and higher-density housing in well-located areas, close to transport connections, amenities, services, and education and employment opportunities (currently being delivered through the National Planning Reform Blueprint).’

We hope that the following ideas, drawn from the *Transforming Australian Cities* study, will be considered part of the *National Planning Reform Blueprint*.

A pathway to meeting the National Housing Shortage

One of Australia's biggest challenges is providing sufficient affordable housing to meet growing demands. This is not only a financial and supply issue but also, depending on the implementation strategy, one that can improve or exacerbate our urban areas' social cohesion and sustainability.

As one of the most urbanised nations in the world, the key to these challenges lies in how we plan and build our cities into the future.

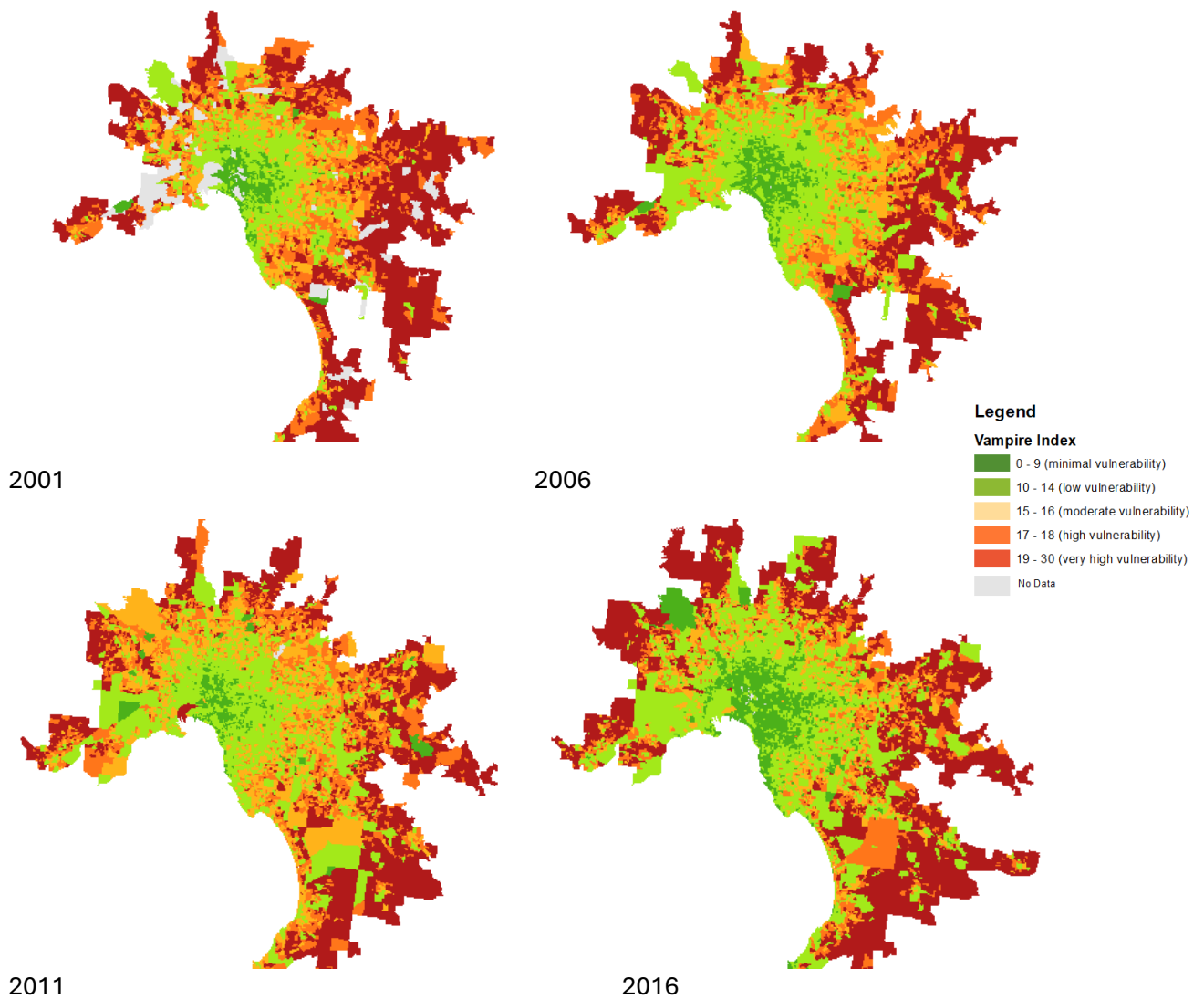
The existence of this challenge is not new and has been known for over two decades. The extent of the challenge became apparent when Griffith University published the *VAMPIRE* Study 2008, which clearly indicated that all our capital cities, in pursuing fringe development, were on a path to decreased liveability.

The continued business-as-usual approach of trying to solve housing shortages by building on the fringes of our Capital Cities has only exacerbated this problem. This is apparent from a large set of health, family violence, infrastructure funding and mortgage stress data.

The development of a *National Urban Policy* is timely as all states battle with housing affordability and shortages. Nowhere is this more apparent than in Victoria. In recognition of this challenge, the Victorian State Government has announced an overhaul of its Planning Strategy and is developing a new *Plan Victoria*. In addition, on 17 June 2024, they released draft housing targets for all Victorian Councils to share the load of providing 800,000 new homes over the next ten years.

So, with outdated land use plans, tight timelines and in a constrained infrastructure funding cycle, how do we meet these targets without making our cities less liveable?

For the purposes of this submission, we will use Melbourne as a case study as to what is required.



Vulnerability Indices for Mortgage, Petroleum and Inflation Risks and Expenditure (VAMPIRE) developed by Griffith University's Urban Research Program. Data Source: AURIN

Key priorities should be to ensure that:

- The areas of transition are clearly defined and separated from areas of stability where limited changes are required.
- Wherever possible, future housing should be located close to existing infrastructure, particularly public transport infrastructure.
- Future housing will be of good quality, and a reasonable percentage of the housing provided will be affordable to rent or buy.
- New developments enhance the local character and produce a high-quality public realm, namely the streets.
- Provides medium-density mixed-use that produces walkable neighbourhoods.
- Introduce code-compliant planning controls for the areas of transition to give certainty to all parties and speed up approvals.

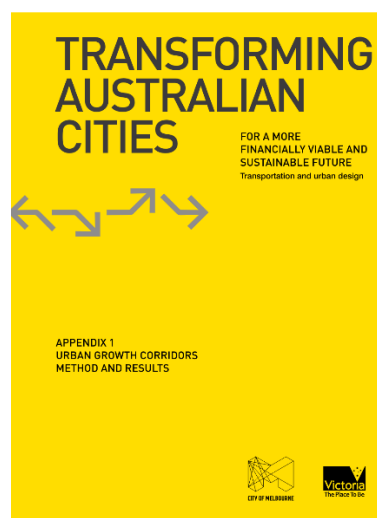
Where are these areas of transition, and how big do they need to be?

There are four **priority areas** where this should take place:

- Activity Centres. Urban areas adjacent to train stations. Currently, there are 222 train stations in metro Melbourne
- Along road-based public transport routes, such as trams and rapid bus routes.
- Brownfield sites, and
- Regional Towns with good public transport connections to major cities.

These areas are easily identified and could become identified as areas of rapid transition.

Local Government Area (LGA)	Net Population Increase		Net Dwellings Increase	
	Low (180 people/ha)	High (400 people/ha)	Low (90 dwellings/ha)	High (200 dwellings/ha)
Banyule	30,783	75,932	15,392	37,966
Bayside	28,759	70,939	14,379	35,469
Boroondara	80,561	198,718	40,281	99,359
Brimbank	28,481	70,253	14,241	35,127
Cardinia	187	462	94	231
Casey	59,693	147,242	29,846	73,621
Darebin	43,131	106,391	21,566	53,195
Frankston	21,183	52,251	10,591	26,126
Glen Eira	46,781	115,392	23,390	57,696
Greater Dandenong	15,026	37,064	7,513	18,532
Hobsons Bay	16,796	41,431	8,398	20,715
Hume	27,773	68,508	13,887	34,254
Kingston	16,228	40,028	8,114	20,014
Knox	13,580	33,497	6,790	16,749
Manningham	33,895	83,608	16,948	41,804
Maribymong	64,866	160,003	32,433	80,002
Maroondah	14,056	34,671	7,028	17,335
Melbourne	19,164	47,272	9,582	23,636
Melton	30,240	74,592	15,120	37,296
Monash	72,005	177,614	36,003	88,807
Moonee Valley	36,623	90,336	18,311	45,168
Moreland	32,543	80,273	16,272	40,137
Mornington Peninsula	7,598	18,741	3,799	9,370
Nilumbik	5,288	13,044	2,644	6,522
Port Phillip	18,074	44,582	9,037	22,291
Stonnington	46,322	114,260	23,161	57,130
Whitehorse	91,942	226,791	45,971	113,395
Whittlesea	54,231	133,771	27,116	66,885
Wyndham	17,405	42,933	8,703	21,466
Yarra	29,118	71,824	14,559	35,912
Yarra Ranges	1,617	3,988	808	1,994
			Low	High
Total population increase (people)			1,003,950	2,476,410
Total dwelling increase (dwellings)			501,975	1,238,205



This proposition was tested in 2010 with the ‘Transforming Australian Cities Study’ by the Department of Transport and the City of Melbourne. This study established sufficient capacity in the first three areas listed above to potentially double Melbourne's urban population. These areas make up approximately 7.5% of Metro Melbourne, meaning that 92.5% of the metro area can remain as areas of stability where very little additional capacity or change is required.

As with the recent State Government announcement, this study measured and set achievable targets for each local government area. (see Transforming Australian Cities, 2010)

What will this look like?

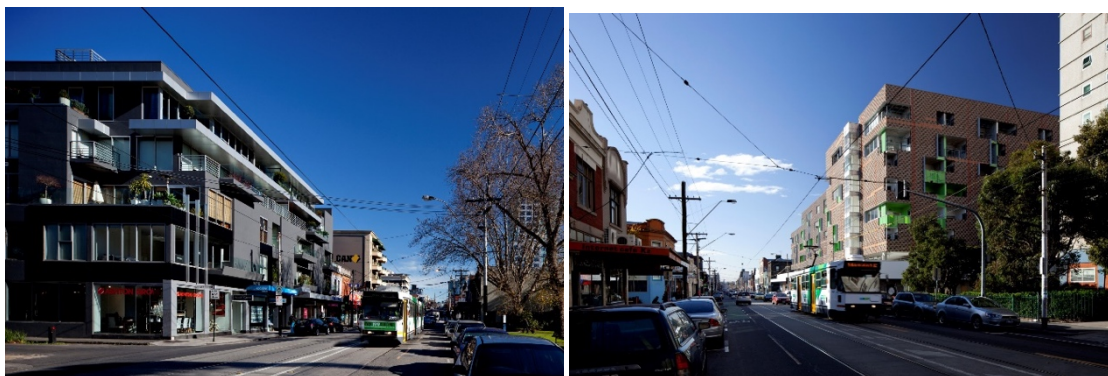
Previous studies have shown that in Melbourne, the greatest capacity exists along the road-based public transport system, where medium-density development of between 5 and 8 stories will deliver more than double the capacity of the activity centres while avoiding major impacts on the local character of these areas.

One of the corridors tested in 2010 was Nicholson Street, Melbourne, which accommodates the 96 tram. Like most of the tram corridors, this one indicated how the expensive infrastructure provided for the light rail system was not complemented by medium-density development immediately fronting it. In fact, much of the building fabric was marginal at best and ripe for renewal.



Section of Nicholson Street showing development potential in 2010.

Since the 2010 study, some of these areas' potential has been recognised. According to the ABS, 56,000 new dwellings have been constructed along tram corridors despite the lack of support in the Planning Schemes and local community resistance. Much of this, despite these difficulties, is of good quality and provides affordable, well-located housing.

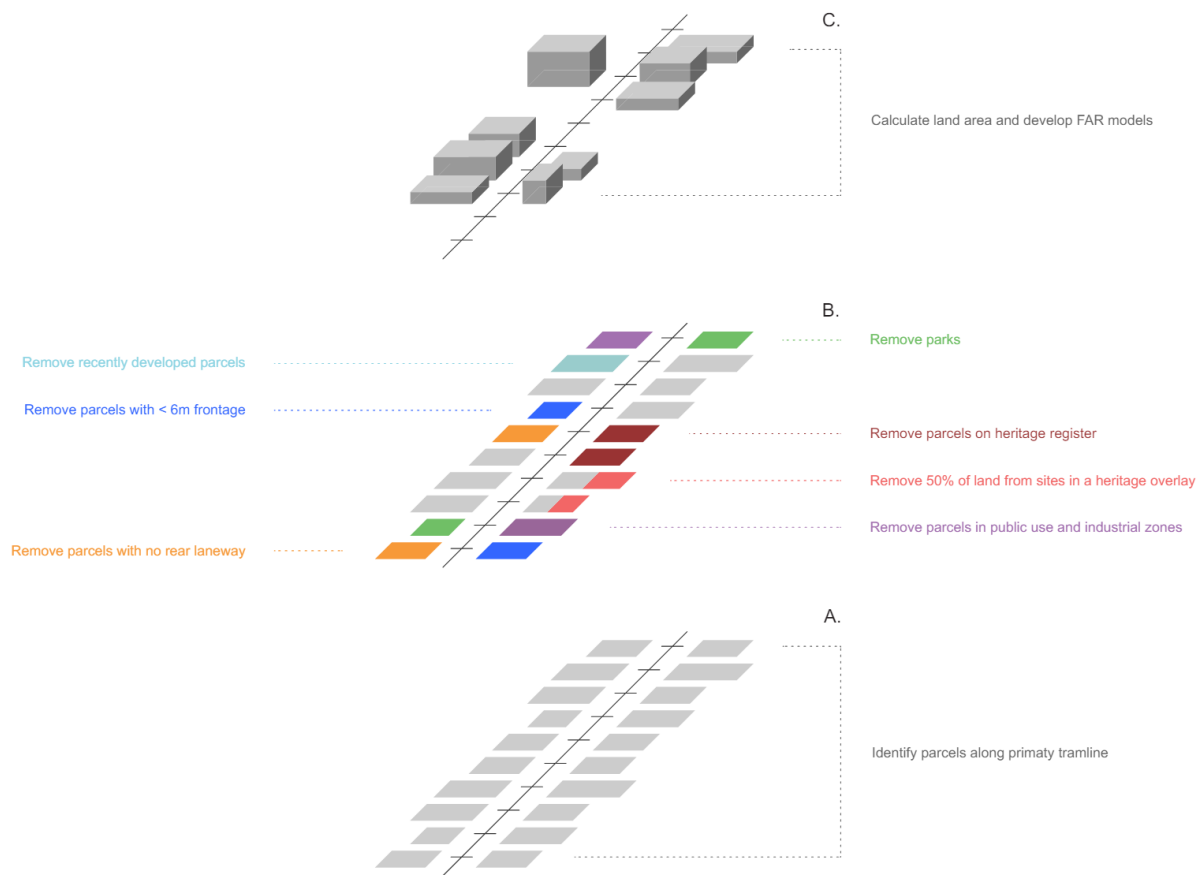


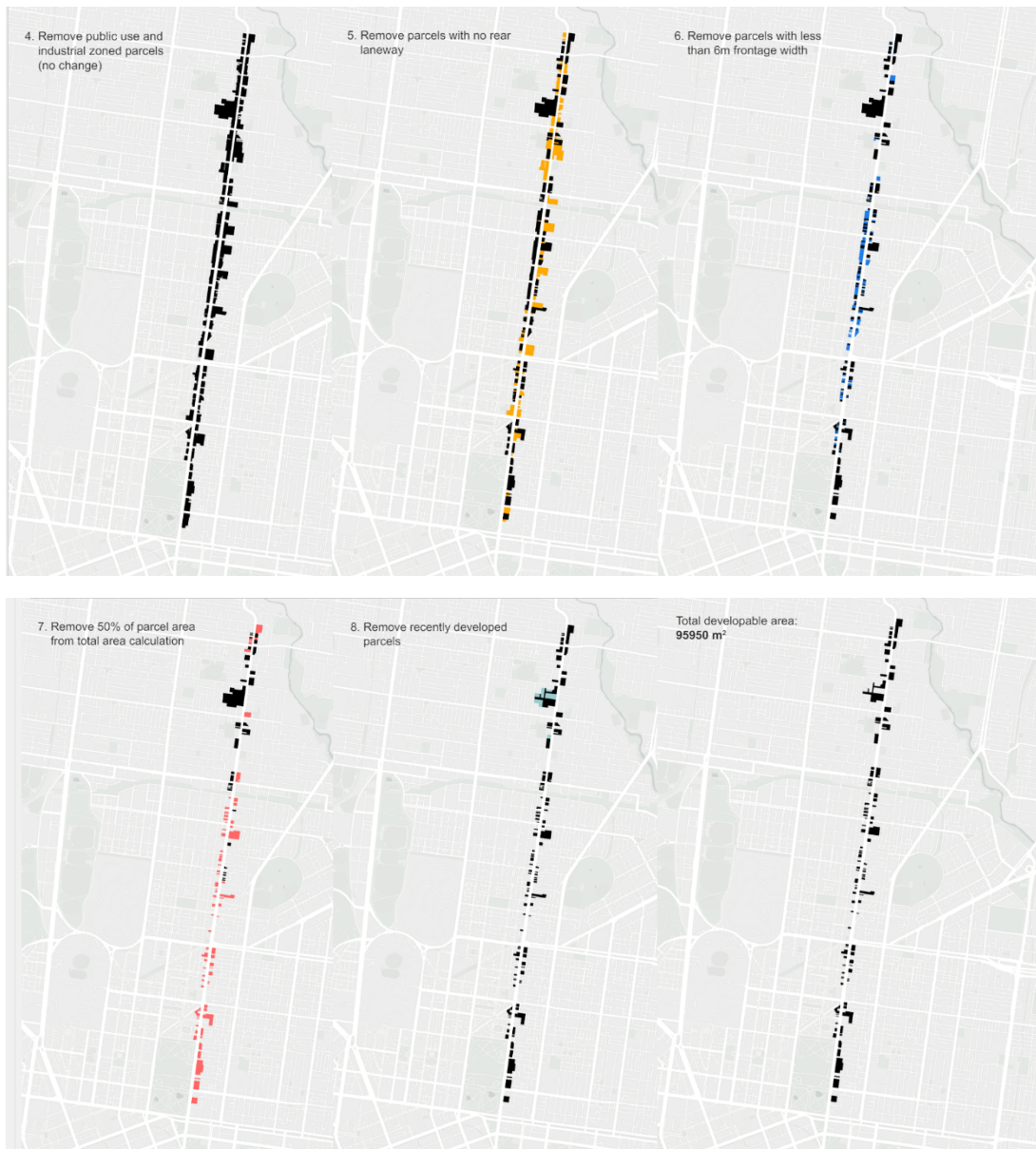
Quality medium-density dwellings, including social housing along Brunswick Street, Fitzroy.

A recent study carried out by Arup on a section of the 96-tram line, extending from Victoria Parade north for 4.86 kilometres, indicated that after excluding sites with sensitivities, such as,

sites with heritage controls and recently developed sites, the properties facing the tram lines would yield 95,950 sqm of developable land. This would yield between 5000 and 6000 new dwellings. If replicated along the remaining tram network, the corridors alone could yield 200,000 to 300,000 new residential dwellings. The rapid bus corridors, such as along Johnson Street, would yield significantly more given their greater extent.

Recent pilot study carried out by ARUP to test existing capacity along Nicholson Street and the 96 Tram corridor.





What are the benefits of this approach?

- This proposed approach is akin to keyhole surgery as opposed to the open heart surgery approach some commentators propose.
- Infrastructure costs for development in these areas are minimal as the existing infrastructure, if optimised, could accommodate most of this development. Postcode 3000 in central Melbourne saw residential units increase from 685 in 1983 to over 65,000 today, with almost no significant additional infrastructure required.
- The 2010 'Transforming Australian Cities Report' estimated that the infrastructure costs of developing this way would save the state and local governments \$1.1 billion for every 1 million people located in these areas of transition.
- What is being proposed is not a new approach but a process that has already commenced in Melbourne since the 2010 study, with 56,000 new homes built along

tram corridors between 2011 and 2021. This was achieved unsupported by uniform planning controls. (ABS Census 2011–2021)

- Clearly designating these areas of transition would allow governments to build trust by reassuring and confirming to the communities in the remaining 92.5% of the metro area that no development would be required in existing residential neighbourhoods.
- The lead times for commencing this strategy are non-existent, as shown by the process started in 2010 and illustrated by the ABS data.
- Once the principles have been established, the ability to expand corridors and increase mixed-use and density in all the areas of transition will become less problematic and emerging alternatives like the trackless tram will allow for affordable expansions of the mid-tier public transport network into new areas.
- The outcomes of appropriate densities, mixed-use and good connectivity are economic vitality, social cohesion and greater sustainability.



Trackless Tram currently being trialled in the City of Sterling, Western Australia.

What do we need to do to make this happen expeditiously?

- The cost-of-living implications of living close to transport and intensive development need to be better understood and communicated. For example, the Automobile Association of Australia published figures showing that the cost of buying a car to live on the fringe is \$22,400 pa. This, coupled with the fact that 40% of households in central Melbourne do not own a car, clearly indicates that by moving to these new areas, the potential savings are \$2000 per month and significantly more for families with two or more cars.

Home is where work-related savings are

Rachael Dexter

The cost of owning a car if you live in the outer suburbs of Melbourne is \$22,400 pa.

Given the distances to services and work and in many cases poor public transport services to these areas most families would need to own 2 cars costing \$44,800 pa. post tax dollars.

Source: Australian Automobile Association
Sunday Age article 20th Feb 2022.

Employees who drove to work pre-pandemic have saved thousands of dollars while working from home. But as businesses start recalling workers to the office over coming weeks, employees may find the cost of their commute has risen.

The latest national inflation figures show transport costs jumped 12.6 per cent in the December quarter, compared with the same time in 2020.

Victorian Treasurer Tim Pallas flagged on Friday that the state's remaining COVID restrictions, including indoor mask mandates and the work from home recommendation, would be further eased or removed within a week, giving the green light to businesses to require workers to turn up in person.

Those planning to drive to work are in for a price shock, with ABS stats showing fuel prices climbed 32.8 per cent in a year to December.

While the cost of running a car has surged, public transport costs in Melbourne only increased a fraction since the start of the pandemic. After a freeze on prices in 2021, this year the cost of public transport rose by 2.5 per cent, or an extra 20 cents to daily metropolitan fares.

However, the latest Melbourne transport data shows the public is still shunning public transport, with usage trailing well behind the city's main roads.

Starting down the cost of returning to the office has triggered some big decisions for the Butcher family, from Altona North.

Pre-pandemic, dad Chris, a designer, travelled to the CBD between four and five days a week, using trains and ride-share services to get to and from the office. Wife Eva drove the family's car 20 kilometres each way to Hawthorn - sometimes spending up to three



TRANSPORT COST INCREASES SINCE THE START OF COVID-19

Q1 2020	Q3 2021	COST CHANGE	PER CENT CHANGE	
Car loan payments	\$127.95	\$166.48	\$38.53	30.1%
Fuel	\$71.07	\$78.04	\$6.97	9.8%
Tolls	\$51.40	\$54.80	\$3.40	6.6%
Public transport	\$45.00	\$45.00	\$0	0%
Registration, CTP and licensing	\$33.17	\$33.61	\$0.44	1.3%
Insurance	\$32.59	\$34.62	\$2.03	6.2%
Servicing and tyres	\$30.45	\$32.14	\$1.69	4.9%
Roadside assist	\$21.19	\$22.27	\$1.08	3.7%
TOTAL	\$394.02	\$446.96	\$52.94	13.4%

Note: Figures are weekly for Melbourne. Source: Australian Automobile Association
Chris and Eva Butcher with their new barbecue. Photo: Wayne Taylor

hours a day in traffic - three to four days a week to her job at a chartered accounting firm.

The family have pocketed thousands in savings associated with commuting over the past two years while working from home, and even have some goodies to show for it.

With the \$20 a week he saved from not buying take-away coffees, Chris bought himself a barbecue and some cycling gear.

The 45-year-old isn't looking forward to returning to the office. Aside from the money saved, Mr Butcher says the time he's gained with his two young children has been invaluable.

"I've got time to spend with my kids more. My daughter was one (year old) when I started working from home, and it's been great seeing the kids grow up," he said.

I just don't want to do this any more three hours a day stuck in traffic when I could be spending quality time with my family.

Eva Butcher, accountant

Meanwhile, mum Eva changed jobs entirely, starting this week as an accountant at a kindergarten. Her new gig has a flexible, permanent work from home policy and it's just 10 minutes drive from home.

Although the move involved a pay cut, Ms Butcher said factoring in the costs of travel, childcare, and loss of time associated with her previous role meant the decision was no-brainer.

"I just thought, 'I just don't want to do this any more three hours a day stuck in traffic when I could be spending quality time with my family,'" she said.

"Once you've seen an alternative,

you think 'that's madness, who would go back to that?'"

The Australian Automobile Association, which tracks transport costs, estimates that in Melbourne the average portion of income going on transport has jumped from 14.8 per cent in early 2020 to 16.4 per cent in September 2021.

The association's figures show the biggest cost increase to car ownership was car loan repayments, costing about \$38.50 more per week in the September quarter last year compared to the January 2020 quarter before the pandemic began.

With Caitlin Fitzsimmons
PHOTO: WAYNE TAYLOR

- In line with the 'Transforming Australian Cities' approach, the proposed areas of transition—7.5% of the metro areas—need to be clearly identified to build trust within the local communities.
- Sensitive areas and buildings, such as heritage sites, industrial sites, and recent developments, need to be identified and excluded from the areas of change to further build trust.
- Clear guidelines for new developments need to be written for these areas to enable the introduction of Code Compliance approvals. These would set requirements such as percentages of affordable homes, minimum sustainability standards, respect for local character and active engagement with street frontages.
- These requirements must be led by the state governments in collaboration with local governments and then administered by local governments.
- The uplifted yield on sites needs to be understood, and the uplift quantified and fairly distributed between landowners and governments before any planning changes are implemented.
- To be equitable, it needs to be understood that all Activity Centres and public transport corridors must be included and that the most significant capacity exists on the corridors where it is estimated that 2.4 million homes can be built by only using 3% of the land in the metro area. Those sites that directly front onto the corridors have come through the selection process against known community sensitivities.

- Once this approach gains momentum, there will be other opportunities to increase our corridors using emerging technologies such as the trackless tram, which can be introduced at a tenth of the cost of traditional trams.

What is the narrative for this change?

- Achieving 800,000 new dwellings in Victoria over the next ten years is challenging but possible.
- To achieve this, we can no longer proceed on a business-as-usual approach.
- To succeed, we need to target the 7.5% of the metro area that is already well-served by transport infrastructure.
- The infrastructure costs of building in these areas are negligible. In central Melbourne, the number of homes has increased from 685 in 1983 to 65,000 today, with no substantial infrastructure being built.
- The State and the Councils need to stop relying on existing planning schemes and implement enough succinct controls to allow for code-compliant approvals in these areas of transition.
- Assurance needs to be given to 92.5% of the remaining metro area that their areas are off the table and they need not be concerned about their neighbourhoods becoming development areas.
- Instead, these areas will be encouraged to plant more trees, collect stormwater, and install solar panels on their roofs. These are the logical extensions of the 'green wedges'.
- Better articulate the health and social benefits of living in the inner city. Studies at Melbourne Universities have shown you are more likely to die of a heart attack by living in the suburbs than in the inner city.
- Better articulation of the relevant cost of living, exposing the myth that living on the fringe is cheaper.

Conclusion

The current approaches by the federal and state governments are pushing in the right direction. To succeed, they need to establish trust in the idea that we can build significant housing without harming the quality of our existing cities. By focusing on existing areas with transport infrastructure and using 'keyhole surgery' rather than 'open surgery', we can and should build denser cities that support the local economies, provide social cohesion, and are sustainable.

While the examples used here are mainly centred on Melbourne, we believe they can be applied to all capital and regional cities. The key is to provide clear policies and land use planning that can restore the Australian public's trust.

References

- Transforming Australian Cities – For a more financially viable and sustainable future, Victorian Department of Transport and the City of Melbourne, (<https://www.transformingaustraliancities.com.au>)
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