

MAV submission to the draft National Urban Policy



28.06.2024



The voice for
local government

No one understands the challenges and opportunities facing Victoria in the 21st century better than local councils. From rapidly evolving technology to social changes, shifting economies to environmental pressures, our local communities and the governments that represent them—are at the forefront of multiple transformations happening simultaneously.

As the peak body for the Victorian local government sector, the Municipal Association of Victoria (MAV) offers councils a one-stop shop of services and support to help them serve their communities.



ACKNOWLEDGEMENT OF COUNTRY

We acknowledge the traditional custodians of the land on which we live. We recognise their continuing connection to land, waters and culture and pay our respects to their Elders past, present and emerging.

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Table of contents

1	<i>Executive Summary</i>	3
2	<i>Introduction</i>	5
3	<i>Local governments as place-makers</i>	6
	<i>Local government is a critical partner</i>	6
	<i>Local government financial sustainability and resourcing</i>	6
	<i>Urban and regional planning in local government</i>	7
	<i>Local government and the national productivity agenda</i>	7
	<i>Recommendations:</i>	8
4	<i>Climate resilient cities, towns and regions</i>	8
	<i>Recommendations:</i>	9
5	<i>Strengthening the National Urban Policy</i>	9
	<i>Governance</i>	9
	<i>Implementation</i>	9
	<i>Guidance</i>	10
	<i>Recommendations:</i>	10

1 Executive Summary

The development of a new National Urban Policy (NUP) is timely and an exciting opportunity to set a positive vision and put the right settings in place to guide future development in our cities and towns.

We welcome the Federal Government's renewed interest in urban policy and its commitment to working with state and local governments to design, develop and deliver the policy and projects needed to help our communities thrive.

The NUP is the Federal Government's opportunity to lead a national conversation in a rapidly changing world.

Local government plays a critical role in ensuring our urban areas are liveable, sustainable and resilient. When it comes to policy and decision-making that will significantly shape our urban communities, it is essential that local government is at the table with the State and Federal Governments. The final NUP must include formalised governance arrangements to enable all three levels of government to successfully work together to achieve the NUP's aim, goals and objectives.

Improved collaboration and cooperation between our three levels of government must be prioritised in the NUP to unlock new opportunities for local places and to respond to national and global issues including climate change and environmental decline, housing affordability and new ways of working post-pandemic.

We want the NUP to succeed in its aim to facilitate a national lift in the quality of life in our cities and urban areas, including our regional cities. Integral to achieving this will be ensuring our urban areas:

- Are climate resilient and transitioning to zero carbon
- Have diversity of housing, including an increased supply of social and affordable housing
- Are supported to accommodate increased density by increased investment in, and timely provision of, community infrastructure and
- Offer local employment, education, care, recreation and retail opportunities as well as public and active transport options

Urban policy intersects with a range of policy areas including climate change, transport, infrastructure, housing, health and human services. There needs to be strong alignment within and across governments and agencies to deliver on the NUP's objectives and goals.

Recommendations

- The NUP recognise local government as a critical partner in the delivery of place-based actions and outcomes
- The NUP clearly articulate how the Federal Government will formalise governance arrangements with state and local government to achieve its aim, goals and objectives
- The NUP set the direction for how the Federal Government will frame and benchmark urban and place-making success at the national level

- The NUP drive and support innovation in state and local planning system reform through identifying trends, setting benchmarks for success at the national level and providing direct funding
- The NUP to emphasise the importance of transparency in urban and regional planning to support better decision making and give social licence to decisions
- The NUP recognise that well-planned cities and urban centres with jobs and industry are engine rooms for national productivity
- The NUP acknowledge the critical contribution of local roads to national productivity through first and last kilometre freight access
- The NUP focus on the twin goals of adaptation and mitigation, which has the potential to make a significant contribution to global objectives in responding to climate change.
- The NUP set out how the Federal Government will accelerate adaptation action at the local level to support climate resilient planning outcomes
- The NUP align Federal Government urban investment with the latest science and data on climate change
- The NUP clearly articulate how the Federal Government will work with state and local government to achieve its aim, goals and objectives
- The Federal Government commit to developing an implementation plan to set out the key actions to be delivered under the NUP, including
 - the timelines for each action,
 - the lead agency / department, and
 - how and when progress will be monitored and reported.
- The NUP include case studies to make clear what the Federal Government considers good or leading practice – to help illustrate what success looks like.

2 Introduction

The Municipal Association of Victoria (MAV) welcomes the opportunity to provide a submission in response to the draft National Urban Policy (“draft NUP”).

The MAV is the peak representative and advocacy body for Victoria's 79 councils. The MAV was formed in 1879 and the Municipal Association Act 1907 appointed the MAV the official voice of local government in Victoria.

Today, the MAV advocates for local government interests, initiates projects and services across a broad range of areas, and supports the development, adoption and implementation of evidence-based research and policy.

Our purpose is to mobilise action that supports Victorian councils to create cities, regions, and towns that are thriving, resilient and inclusive communities. Our vision is to be a nation-leading thought leader, partner and resource hub for the Victorian local government sector in strategic foresight, policy and research, leadership and governance, service design and advocacy impact.

We are grateful to the Cities and Suburbs Unit of the Department of Infrastructure, Transport, Regional Development, Communications and the Arts (“the Department”) for partnering with the MAV to brief Victorian councils on the draft NUP in mid-June.

We also acknowledge the involvement of local government in the development of this draft policy through the Australian Local Government Association (ALGA) with the ALGA President sitting on the inter-jurisdictional working group.

In late 2023 the MAV commissioned SGS Economics and Planning to develop two discussion papers – one focused on [metropolitan Melbourne](#) and the other on [rural and regional Victoria](#) – to help set a positive planning agenda to inform the Victorian Government’s new Plan for Victoria. The five planning pillars articulated in our metropolitan paper align closely with the draft NUP, calling for:

1. **Settlement that respects the landscape** which should be supported by: meaningful Planning with Country; comprehensive state-led bushfire and flood mapping; effective policies to achieve tree canopy aims and a ‘greener’, cooler city.
2. **Strong economic and employment clusters** in a multi-centred city requiring a commitment to more accessible suburban jobs and economic activity, including relocating or directing government jobs to major centres; as well as protection of strategic industrial land for critical distributed economic and enterprise activities.
3. **Transport in support of a connected and compact city** requiring a Melbourne Integrated Transport Strategy combining land use and transport and identifying an investment and network plan for public transport, roads and ‘e-travel’ and active transport particularly cycling, with incentives and penalties to drive efficient investment in the transport network and sustainable, less polluting travel behaviours.
4. **Housing choice, affordability and sustainable neighbourhoods** with aspirational housing capacity targets for each council area demonstrating how the settlement vision including the 70% infill aim will be achieved, supported

by social and affordable housing, liveability and zero carbon targets, and guidelines for local planning in activity centres and renewal areas.

5. **Infrastructure that supports resilient communities** including consistent state provided benchmarks and guidelines for the provision of community infrastructure and open space to enhance local planning and place outcomes, and additional state level community infrastructure financial support for greater infill development and disadvantaged areas.

We encourage the Department to engage with both reports to help inform the next stages of development of the NUP.

3 Local governments as place-makers

Local government is a critical partner

Local government is the Commonwealth's critical partner when it comes to social license for urban policy making and place-making in our cities, towns and regions. Local government understands that our cities and towns are at the heart of local democracy, where everyone has a say and a "right to the city"¹.

Councils deliver an extraordinary range of services to their communities, including (but not limited to):

- Statutory (development approvals) and strategic planning
- Place making and community infrastructure
- Regulating the safety and compliance of buildings
- Kerbside and public bin collections
- Road management and maintenance
- Footpaths and bike paths management and maintenance
- Library services
- Kindergarten services
- Maternal and Child Health services
- Sport and recreation facilities
- Public parks, gardens, and playgrounds

Together, these services connect and build the kinds of places envisaged by the NUP and help deliver on the NUP aim to "facilitate a national lift in the quality of life in our cities and urban areas".

The NUP should acknowledge the many place-marking services delivered by local government and set the direction for how the Federal Government will frame and benchmark urban and place-making success at the national level.

Local government financial sustainability and resourcing

The Australian system of government is built on an assumption of revenue sharing from higher levels of government to more localised ones. This addresses both the revenue-raising and service delivery imbalance between tiers of government and diverse needs between jurisdictions. These assumptions have eroded over time, exacerbated by cost shifting, with councils and local communities bearing the cost.

¹ Right to the City campaign (2024) < <https://www.right2city.org/> >

Federal Government policy, taxation and investment have a real impact at the local level. Unfortunately, there is a lack of understanding these policies have spatially in the creation of places and communities.

As a share of Federal Government tax receipts, Financial Assistance Grants to councils are now the lowest they have ever been. For every dollar of revenue they collect, Victorian councils manage \$10 of physical assets like parks, and roads and kindergartens. For the Victorian Government this figure is \$4, and for the Federal Government \$0.40.

The benefits of addressing these problems are numerous, diverse, and immediate. Financially secure councils are more proactive, from developing innovative and sector leading responses to planning and climate issues, providing preventative maintenance to shaping a circular economy or prioritising continuous improvement in service delivery.

We encourage you to read the MAV [submission to the Federal parliamentary inquiry](#) into local government financial sustainability for more detail about the challenges and opportunities councils have supporting and meeting their community's needs.

Without well-resourced councils delivering local benefits and core services such as local area place-making, key aims of the NUP will not be delivered effectively.

Urban and regional planning in local government

As the level of government closest to the community, councils shape local development by implementing planning policy that responds to the community's vision for their local area. Councils place community input and wellbeing at the centre of their decision making.

Building social licence for planning decisions is an important role of local government. Councils understand that local areas pay a high price for poor planning decisions that place short-term gain over the long-term benefits. Sound strategic planning is essential to grow healthy, productive and resilient communities.

Victorian councils often lead the way in developing innovative solutions to key planning problems. This includes policy now adopted by the State such as mandated apartment design standards and the development of Environmentally Sustainable Development (ESD) policy.

Councils press for planning reform and strong policy leadership on a range of issues important to their constituents, particularly climate change mitigation and adaptation; and mechanisms to meet the systemic lack of social and affordable housing.

The NUP should drive and support innovation in state and local planning system reform through identifying trends, setting benchmarks for success at the national level and providing direct funding. There is also an opportunity for the NUP to articulate the importance of transparency in urban and regional planning to support better decision making and give social licence to decisions made.

Local government and the national productivity agenda

Well-planned cities and urban centres with jobs and industry are engine rooms for national productivity. There is widespread interest in the role of urban design and planning in driving economic growth. Cities and towns with easy access to jobs and

services such as health and education are the most healthy and productive. Clusters of employment, industry and innovation are supported and fostered by councils through providing the local planning policy, place-making and infrastructure connections to make precincts and clusters thrive.

Local infrastructure also contributes to national productivity by providing the ‘first and last kilometre’ for our freight network. While the national and state and territory road networks provide important movement functions, it is the local road network that provides access. In urban areas and city centres, first and especially last kilometre freight must be encouraged to be as low impact as possible. Initiatives to explore low emission commercial zones should be explored.

Victorian councils face a number of challenges in managing local road infrastructure. A gradual decline in federal and state funding to support asset maintenance, increasing infrastructure costs, along with the introduction of the rate cap, have resulted in severely degraded local road infrastructure in Victoria. [MAV and FinPro research](#) shows that asset renewal has not kept pace with depreciation.

Recommendations:

- The NUP recognise local government as a critical partner in the delivery of place-based actions and outcomes
- The NUP set the direction for how the Federal Government will frame and benchmark urban and place-making success at the national level
- The NUP drive and support innovation in state and local planning system reform through identifying trends, setting benchmarks for success at the national level and providing direct funding
- The NUP emphasise the importance of transparency in urban and regional planning to support better decision making and give social licence to decisions
- The NUP recognise that well-planned cities and urban centres with jobs and industry are engine rooms for national productivity
- The NUP acknowledge the critical contribution of local roads to national productivity through first and last kilometre freight access

4 Climate resilient cities, towns and regions

The built environment has a very important role to play in reducing emissions. Seventy per-cent of Australia’s annual greenhouse gas emissions relate to the lifecycle of infrastructure through operational, enabled, and embodied emissions². The built environment must also be made resilient to the climate impacts we will expect to experience over the coming decades.

We know that improving the long-term sustainability (and affordability and insurability) of our communities is centred on how well our towns, cities and regions respond to and mitigate climate change. Climate resilient communities will be the most sustainable communities in the next century.

The NUP should set out how the Federal Government will support adaptation action at the local level, including direct financial support to councils. It must also align Federal Government urban investment with the latest science and data on climate change. Place-based decisions must prioritise the twin goals of adaptation and

² Infrastructure Victoria (2024) Advice to the Victorian Government: Opportunities to reduce greenhouse gas emissions of infrastructure < <https://www.infrastructurevictoria.com.au/resources/opportunities-to-reduce-greenhouse-gas-emissions-of-infrastructure-2>>

mitigation, which has the potential to make a significant contribution to global objectives in responding to climate change.

We commend to the Department the Council Alliance for a Sustainable Built Environment (CASBE) submission which provides more detail on advocacy and action in a Victorian built environment and climate change context.

Recommendations:

- The NUP focus on the twin goals of adaptation and mitigation, which has the potential to make a significant contribution to global objectives in responding to climate change.
- The NUP set out how the Federal Government will accelerate adaptation action at the local level to support climate resilient planning outcomes
- The NUP align Federal Government urban investment with the latest science and data on climate change

5 Strengthening the National Urban Policy

We support the five goals, six objectives, and the six principles in the draft NUP. We note the areas of focus listed under each of the six objectives include areas that could be mapped to multiple objectives - for example “green and blue spaces” are critical not only for sustainability but also for health and wellbeing, productivity and a sense of belonging.

Noting our strong desire to support the NUP to succeed, we urge the Department to consider the following additions and enhancements:

Governance

The NUP is a key tool for the Federal Government to address challenges of fragmentation and inconsistency in urban policy-making across the states, regions and cities.

While the Federal Government does not have a constitutional mandate to act on state and local planning, the federal government’s significant financial resources, control of migration and funding for major infrastructure like airports, seaports, road and rail means it has significant impact on the shape of our urban areas and the lived experience of communities.

The NUP should set out how the Federal Government will work with state and local government to achieve its aim, goals and objectives. There needs to be a genuine and steadfast commitment to intergovernmental cooperation. All three levels of government have important roles to play in making our urban areas – existing and future – liveable, equitable, productive, sustainable and resilient.

The City Deals program is an example of an inter-government governance model to deliver city-shaping projects. With all three levels of Government signed on to each City Deal, this program has been instrumental in unlocking investment – public and private – to drive economic growth in targeted regions.

Implementation

The status of the NUP in terms of how it will be used to guide Federal Government decision making and investment is not clear. We call on the Government to commit to

develop an action or implementation plan that sets out the key actions to be delivered under the NUP, the timelines for each action, the lead agency / department, and how and when progress will be monitored and reported.

Often planning and infrastructure decisions lack benchmarks or standards to articulate what level of community infrastructure or place-based outcomes are required. By benchmarking priority outcomes, all levels of government will be accountable for outcomes. Benchmarks will need to keep pace with changes to service delivery and community needs.

Successful implementation of the NUP will also rest on the plan clearly outlining roles and responsibilities. Decisions by government departments, agencies and authorities especially in relation to infrastructure investment, significantly shape precincts and regions. A national audit is likely required of all public policies to determine how they shape our towns, cities and regions³.

Guidance

If the NUP is to guide design and development decision-making, we recommend it include a discussion regarding what the Federal Government considers to be leading or good practice.

Australia's cities are frequently recognised as some of the most liveable in the world by international benchmarking systems and organisations. The final NUP should include a section for a community, place and urban design policy, supported by real-life case studies to illustrate what success looks like.

Best-practice movement and place examples, such as transit-orientated development and infrastructure upgrades can also be highlighted and benchmarked for federal support.

Recommendations:

- The NUP clearly articulate how the Federal Government will work with state and local government to achieve its aim, goals and objectives
- The Federal Government commit to developing an implementation plan to set out the key actions to be delivered under the NUP, including
 - the timelines for each action,
 - the lead agency / department, and
 - how and when progress will be monitored and reported.
- The NUP include case studies to make clear what the Federal Government considers good or leading practice – to help illustrate what success looks like.

³ Planning Institute of Australia (2017) Submission to House of Representatives Inquiry into the Australian Government's role in the Development of Cities < <https://www.planning.org.au/documents/item/8673>>

MAV would be pleased to provide clarification on any information in this submission. For further information, please contact the MAV at inquiries@mav.asn.au or on 03 9667 5555.

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