

## **Social Inclusion Initiatives**

### **Initiative Three**

#### **Reforming the tools used to manage the development of new urban areas**

##### The Problem

The basic tools used by government to manage the development of new urban areas have led to unsustainable suburbs, a number of which have problems of social exclusion.

The reasons are many:

- Some are the consequence of international forces, which have seen retailing and entertainment activities retreat into larger and more isolated complexes owned and conducted by monopoly seeking operators. While reversing these forces is difficult, Australia's governments should not facilitate or exacerbate them.
- Some are the consequence of how new development is financed and how landowners obtain windfall profits from urban expansion serviced by public expenditure not met by taxes specifically paid by them. Also, governments are reluctant to go into debt, even when it is for the production of public goods to be can be paid for by levies secured on the land benefiting from those goods.
- Other reasons are the product of how governments manage new urban development:
  - The silo nature of State and local government organizations
  - The silo nature of the legislation controlling and managing development
  - The multiple and sequential approval processes
  - The inefficient nature of the those process – making it difficult to stage approvals from in principle to detailed design
  - Expensive dispute resolution systems

On a more fundamental basis, the nature of the development controls themselves (especially the Planning controls) lead to unsustainable development patterns, in that they:

- Use land use zoning rather than locality based controls as the fundamental plan for the city. Land use zoning starts from the premise that a good city is one where land uses should be separated and the need to travel maximised. Of

course, this is a design solution that is quite contrary to the objective of more sustainable cities.

- Use subdivision control as a basic control, rather than focusing on controls that concentrate on the things that matter – namely the relationship of buildings and infrastructure to their particular environments and to each other.
- Use standard design and siting controls that encourage standard, could be anywhere, buildings, rather than buildings designed for their context.

The result is single use suburbs consisting of standard urban products - a large area of detached unrelated project houses with a distant, car access only, retail area, consisting of a monopoly big box shopping centre and fast food outlets surrounded by surface carparks. None of this has been designed in any real sense (which is why it is necessary to have a set of subdivision entry gates to distinguish which new estate one is in), rather it is the mindless product of the sequential application of silo controls by silo controllers. Nobody in government is able or expected to be responsible for the end product.

Even when governments promise that new urban areas will have mixed communities, shops and other social, entertainment and educational facilities within walking distances and convenient public transport and environmental and excellent design, the administrative processes, the structures of the silos and their legislation and the basic planning tools, all contribute to the result being *business as usual*. This has been recently evidenced by the quick and almost complete abandonment of the design principles that were promised for the development of the North West and South West Sectors of Sydney.

### The Solutions

Finding solutions is not easy, as can be seen from few results from many years of activists calling for better quality urban development. Even if the silo institutions of government could be fixed, the structures of the various industries involved (land development and building industries, the separate engineering, planning and building control professions, the shopping centre owners, the fast food retailers, etc) and the strength of their lobbying powers, provide powerful forces in support of the *status quo*.

At the same time, some of the potential forces of reaction could be captured to new ways, if properly approached – which amounts to getting industry and professional leaders to be part of the solutions.

The following changes could be possible given determined Federal, State and Local Government co-operation and a good process with the stakeholders:

### Approval Processes

1. *Single Process* A single process for obtaining approval of all matters to do with development, with stages of approval being possible depending on how best the development should proceed.

2. *No Subdivision Control* Effectively no control over subdivision with all control being concentrated on physical rather than boundary changes – clearing, earth shifting, road construction, building design and construction and, if necessary, use. This then supports a single approval process and the concentration of regulation on the things that matter.
3. *No Development Assumption* Acceptance that ownership of a parcel of land does not denote the right to use it for any purpose without approval first being given. This avoids having to use subdivision control as a land use control, with all the unintended consequences that brings<sup>1</sup>.
4. *Due Process Decisions* A clear recognition that where a discretionary (i.e. one with clear boundaries on the amount of discretion), rather than a policy decision, is being taken, there should be a due process hearing – i.e. independent arbitrators, right to be heard and written reasons for giving decisions or recommendations. This should allow some greater certainty and allow more efficient development processes.
5. *Parcel not Land Use Formatted Controls* Instead of the traditional Planners controls formatted using a land use zone map, which lead to The City Plan being a multi-coloured plan of separate land uses with standard controls for each zone, development controls should be written using a parcel, or place (a collection of parcels) format. This allows the design objectives for each place to be articulated and for all the controls applying to that place to be located in the one document, regardless of the authorship of those controls. It also facilitates an agreed strategic plan and action program for the place, the implementation of which will be the responsibility of the relevant Place Manager (see Initiative Paper Two).

Doing away with the land use zoning map does away with the impression that good planning is the separation of land uses and the maximisation of the need to travel.

## Management and Financial Processes

1. *Outcome Organisations and Place Managers in Local Government* Shift local governments in development areas to outcomes organizations with Place Managers being appointed to every new development area. This should reduce the need for special purpose corporations, which usually merely add a layer of complication. (The public land development agencies cannot act as a place manager as there is a conflict of interest.)
2. *Place Managers in State Governments* State Place Managers should be attached to the Premiers Department in the absence of an outcomes based restructuring of State Governments silo organisations. State and local level

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<sup>1</sup> For example, use of subdivision control (by ever increasing lot sizes) to attempt to restrict rural residential living has resulted in most of the East Coast of Australian being subdivided into 40 hectare lots. Had houses been controlled, then rural residential could have been clustered in small village type communities in areas that could be efficiently serviced.

Place Managers can partner to achieve complex outcomes for their area of responsibility.

3. *Integrated Development Budgets* Use as a management tool in the absence of a move to outcome budgeting by State Governments. This process should resolve the appropriate mix of tax funded, loan funded, equity funded and developer charges.
4. *Benefit Assessment* As in the USA, allow and encourage local government to propose loans for public works and area specific services paid for out of special rates – rates levied against the properties benefiting.
5. *Integrate the location and use of education, recreational, cultural facilities* The State and local governments and the community sectors spend large amounts on locationally fragmented facilities. A couple of developers (eg Lend Lease) have managed to co-locate and share facilities between schools and local government, but it has required a tremendous effort, as everything in the way government is operated and structured is against it.

There are many things that could facilitate integration – for example, local government could be funded to build school, cultural and recreational type buildings as part of a central facility, making them available to public and private schools and other users partly exclusively and partly as shared facilities. Retail, public transport and other activities could be closely located.

Of course, there are other solutions to achieving integration of facilities.

Outcomes/place management, integrated budgeting and local government organisational change could facilitate a revolution in such things as facilities provision and operation, dramatically increasing the social returns from the use of scarce resources.

## Conclusion

Clearly the way in which government manages and administers new development is poor given that the products are unsustainable, socially not inclusive and ugly. (It is difficult to think of a single building or space of quality in any new urban area developed in the last fifty years.)

The Social Inclusion Unit could map out a program of change, which COAG could sign off on. It should do this by standing back and, using inclusive processes, look at the actual job to be done by government in managing the production of new areas. It should then fundamentally reconsider the current tools, which are the accretion of two centuries of public administration and legislation and have never been comprehensively reviewed by an agency concerned about the end product.

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