

The changing political economy of the compact city and higher density urban renewal in Perth

Planning in a Market Economy: ARC Discovery Project Working Paper No. 2

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Introduction

This paper explores the construction and operation of policies to encourage higher density urban renewal this century in Perth, while recognising their antecedents in the Twentieth Century. The discussion is placed within the context of radical changes which have taken place in Australian cities since 1980. These include globalisation and the opening up of Australia's economy to the world; the floating of the dollar; advances in information technology and use; changing social circumstances including rising standards of living and diversified household structures; and changes in the urban economy leading to more centralisation of urban employment. These changes were described by Paul Kelly as the end of the stable circumstances attending the long boom, and the associated policy certainties of 'The Australian Settlement' (Kelly 1992).

These changes were accompanied and facilitated by important economic reforms and associated shifts in the delivery, organisation and regulation of public services and infrastructure. In particular, the National Competition Policy encouraged economic efficiency and improved competitiveness through privatisation, outsourcing and funding changes. These reforms shifted the balance of public and private involvement in the building and functioning of cities, placing much more reliance on private enterprise and changing the roles and relationships of governments and developers. This process has been described as 'splintering urbanism' (Graham & Marvin 2001), to reflect the decentralisation and privatisation involved.

Amidst these changes a new political economy of the compact city began to emerge and is still evolving. Central to this new logic is a focus on urban consolidation, higher density development and redevelopment, better place-making, new urbanism and sustainability. The Federal Labor Government's Building Better Cities program of 1991 expressed these principles as defining 'best practice'.

In 2000 Gleeson and Low's landmark studies examined these currents of neoliberalism and their actual and potential impact on cities (Gleeson & Low 2000a and 2000b). As they anticipated, the orthodoxy of the compact city has since dominated metropolitan plans and policies, reinforced by lessons learned from the 2008 Global Financial Crisis (GFC) and increasing attention to the seriousness of climate change.

It is against this background that the elements of urban renewal policy are outlined and examined here under the following composite groupings: metropolitan strategy, infrastructure and funding; development corporations; and use and reform of the planning system and governance. The key elements discussed in this paper are also outlined visually in the chart in Appendix 1: 'Timeline of main themes and events in urban renewal policy'. While this is the same structure used in the [Working Paper on Sydney](#), the distinctive character of metropolitan planning in Perth necessitates an introductory section on Metropolitan Planning Processes and Governance. The paper ends with a commentary on the outcomes and consequences of urban renewal policy.

Metropolitan Planning Policy and Governance

Bill Bryson, in travel commentary mode, observed that Perth was "the most remote big city on earth, closer to Singapore than to Sydney, though not actually close to either" (Bryson 2000 p. 287). It is the dominant urban centre of the large state it governs, which covers approximately one third of Australia. Its growth since the Second World War has been rapid and at the 2011 Census the population was 1,832,114, with recent growth propelled by a mining boom in the state. This has been accommodated through enormous suburban expansion at relatively low densities, with travel overwhelmingly road based.

In these circumstances a unique planning process developed, including an embedded system of planning implementation and governance. In broad terms this has meant a more flexible and fluid approach to metropolitan planning. While all plans have been long-term, there has been more continuity and capability of adjustment as each unfolds.

In the 1950s, the state government commissioned an advisory metropolitan plan from Gordon Stephenson, a British academic and consultant, and Alistair Hepburn, the then Town Planning Commissioner. The Stephenson-Hepburn plan made proposals for defined districts, with detailed zoning to accommodate them, including district centres. This precision was accompanied by an acknowledgement that these proposals might not happen in the way outlined. In the same vein the plan suggested:

“(w)hether the Region achieves a population of 1,000,000 in 25, 30 or 50 years the suggested pattern of land use would, in its general outline, be appropriate...it should be subject to modification from time to time in the light of actual events” (Stephenson & Hepburn 1955, p.37).

The Metropolitan Regional Planning Authority (MRPA) was established in 1960 to examine and report on the Stephenson-Hepburn plan. In 1962 the *Metropolitan Regional Scheme Report* prepared by the MRPA retained the general form recommended for Perth in the plan, but made it more general and binding and less dynamic. The Metropolitan Regional Scheme was approved the following year and given legal status, with the MRPA responsible for implementation and adaptation. Following the 1963 Scheme, Perth’s continued rapid growth necessitated the preparation of *The Corridor Plan for Perth* in 1970 (MRPA 1970) and *Metroplan* in 1990 (Western Australian Department of Planning & Urban Development 1990). The latter was the first plan to suggest some urban containment to accompany continued low-density suburban expansion.

Meanwhile, the MRPA’s successor bodies—the State Planning Commission (1985-1995) and the Western Australian Planning Commission (1995 to date)—have continued and expanded its role, with the WAPC’s powers and responsibilities again revised in the Planning and Development Act of 2005 and the Approvals and Related Reforms (No 4) (Planning Act 2010). This means the WAPC plays a critical role in shaping and implementing strategic planning. The system comprises the state government through its Minister of Planning, who provides direction and priorities for the WAPC. The Commission responds to these strategic directions, with professional and technical support from the Department of Planning. The Commission also advises the Minister on strategic planning, legislative needs and local planning schemes. The Commission works through a number of specialist committees, including infrastructure and statutory planning.

In this way the system seeks to combine metropolitan planning directions and priorities of the incumbent government with their implementation and adaptation in regional and sub-regional strategies and local planning schemes. The membership of the WAPC and its committees is designed to facilitate this. Figure 1 shows the continuous strategic planning cycle adopted by the Commission (WAPC 2015, p. 5).

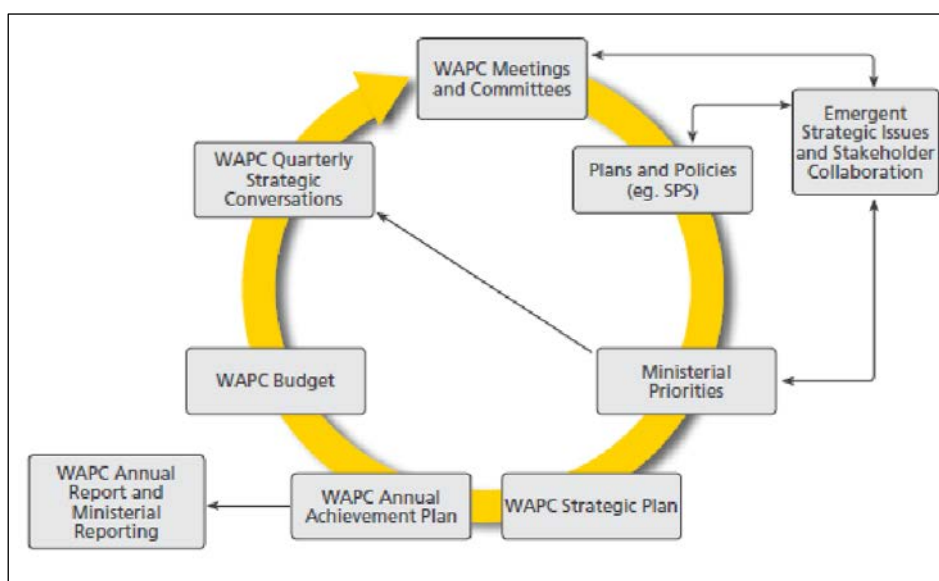


Figure 1: WAPC's continuous strategic planning cycle (WAPC 2015, p.5)

This flexibility in pursuing consecutive metropolitan plans has led to frequent extensions outside the designated future urban area. Adams (2007) has calculated this 'breakout' area as a proportion of rezoned urban and urban deferred land that occurred outside the designated area during the plan period. It amounted to 52 per cent in the period 1971 to 1992 following the 1970 *Corridor Plan*. For the years 1992 to 2005 the breakout from the 1990 *Metroplan* was 26 per cent. Adams attributes these changes to the growth coalition of business and government interests which see cities as engines of economic development and uses land control and regulations to achieve this. It is worth noting that in a similar case, property and business interests together with government ambitions played a prominent role in distorting the preparation of the 2010 metropolitan plan for Adelaide (Bunker 2015). However, the break out in Perth could also have other causes, such as better data on the potential and need for fringe areas to be used for urban development.

Metropolitan Strategies, Infrastructure and Funding

While metropolitan strategies set out the vision for a city's future development, it is often in infrastructure plans and funding allocations that the tough decisions get made about how to translate this vision into practice. It therefore makes sense to consider these three elements concurrently, to see how they interact.

It is also important to note that long before Perth's compact city plans emerged in the 2000s, the *Strata Titles Act* of 1966 was passed, five years after the New South Wales legislation. It gave title to individual residences within multi-unit buildings, and thus encouraged this form of development.

Metropolitan strategies of 2004 to 2015: general provisions and subsequent policies

Three new imperatives emerged to inform the preparation of a new metropolitan strategy from 2003 onwards, causing a change in direction in shaping the future city. The first was the perceived need to transition towards a more compact city. The second was the requirement for a basic framework within which to manage this transition, which would become "the foundation for active policy and plan-making, not a blueprint or a master plan simply to be carried out" (Government of Western Australia & WAPC 2006: item 6.3). The third was a desire to both sell the concept of the compact city to the public and encourage their active involvement in framing and implementing the policies required to shape and drive it. In part, this change in direction was shaped by representations from developers, made through the Urban Development Industry Association of Australia (UDIA) and the Property Council of Australia (PCA). Together these imperatives inspired a new planning process from 2003 to 2008, which used the name 'Network City'.

After a number of preliminary working and discussion papers, an extensive consultation process marked the preparation of *Network City: community planning strategy for Perth and Peel* (WAPC & DPI 2004, p. v). After a number of careful preliminary stages, a large interactive forum of 1100 participants was held in September 2003. Over a hundred participants were then co-opted to refine the results into a draft metropolitan strategy, published in September 2004 for public comment (WAPC & DPI). While this level of public participation was noteworthy, there has been some criticism that this process was manipulated to ensure the government's proposals were accepted, including the central idea of a more compact city (Albrechts 2006; Maginn 2007). Indeed, the September 2004 draft plan contained a foreword by the then Minister for Planning and Infrastructure that "(T)he Government and the WA Planning Commission have endorsed in principle the planning strategy" (p. v).

In response to submissions on the September 2004 draft, in 2005 *Network City: a Milestone in Metropolitan Planning* was issued (WAPC 2005a). The proposed framework for Perth is shown at Figure 2 (WAPC & DPI 2004, p. 13). The framework was articulated by concentrations of businesses and residents in activity centres connected by a network of 'activity corridors' with excellent public transport services. 'Transport corridors' were to form the core of the primary road network for freight, commercial and passenger vehicles with longer distance journeys. The conceptual basis of this was outlined in an article called 'Network City: Retrofitting the Perth Metropolitan Region to Facilitate Sustainable Travel' (Curtis 2006), which built on

previous studies (Curtis 2001) and was amplified in later discussions (Curtis 2008, Curtis & Tiwarri 2008). Curtis (2006, p. 176) that “there has been clear resistance to planners’ attempts to raise densities in keeping with Perth’s lower density traditions”. Apart from the network city framework, most of the 2005 Plan outlines a large number of future planning tasks.

While some important principles were established in the 2005 Plan, it needed much more developmental work. This does not appear to have taken place, with the loss of momentum perhaps due to the GFC and the change of government in 2008. Whatever the reasons, work and consultation eventually resumed and the results were brought together in *Directions 2031 – and beyond* (WAPC & Department of Planning 2010a). This unequivocally states that it “replaces all previous metropolitan strategic plans for Perth and Peel and supersedes the draft Network City policy” (p. 1).

However, it did recognise that “Network City differed from earlier plans in its focus on a connected network of activity centres with an expressed desire to accommodate a significant amount of growth within the existing built-up area” (p.v). *Directions 2031* maintained this focus, although it changed the lexicon from ‘network’ to ‘connected’. The spatial expression of this connected city in *Directions 2031* is a framework provided by “a diverse activity centres network, linked by a robust movement network and supported by a green network of parks, conservation and biodiversity areas” (p. 33). The activity centre network and the movement network are shown below (Figure 3 and Figure 4 respectively). The activity centres network is a crucial component, which was reinforced by the release of the *State Planning Policy 4.2 Activity Centres for Perth and Peel* in August 2010 (Western Australian Government 2010).

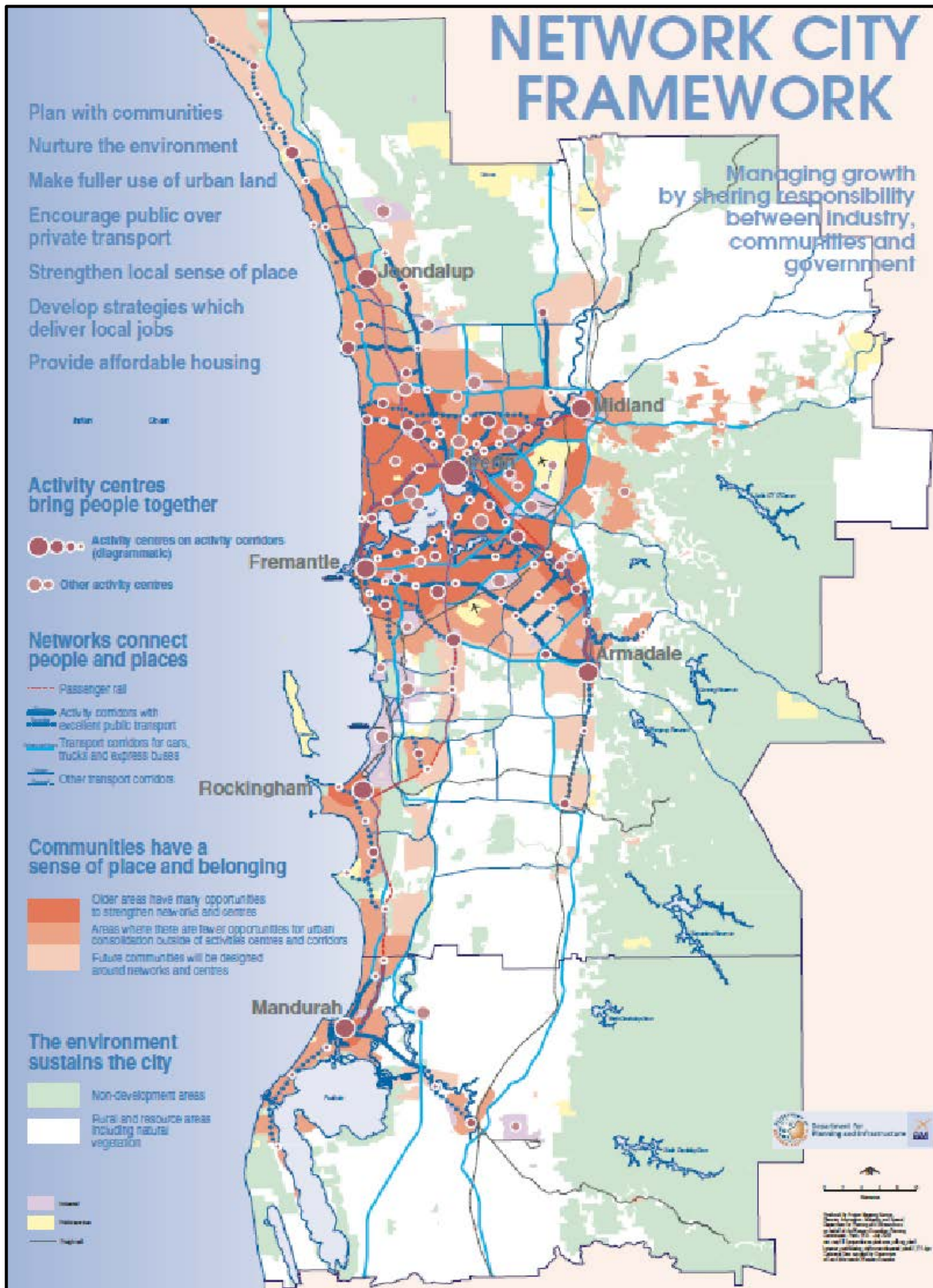


Figure 2: Network City framework (2004)

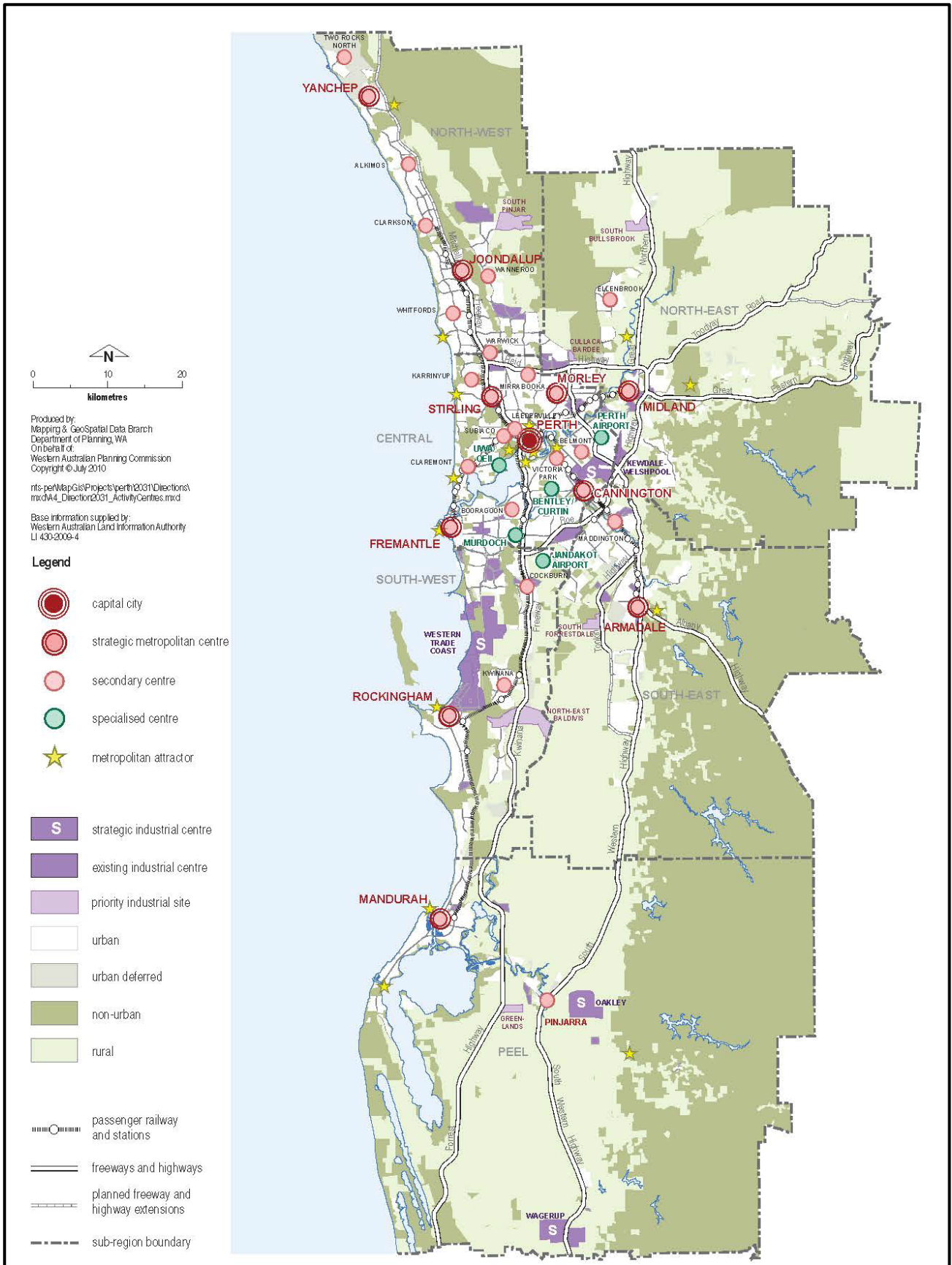


Figure 3: Activity Centres networks (Directions 2031)

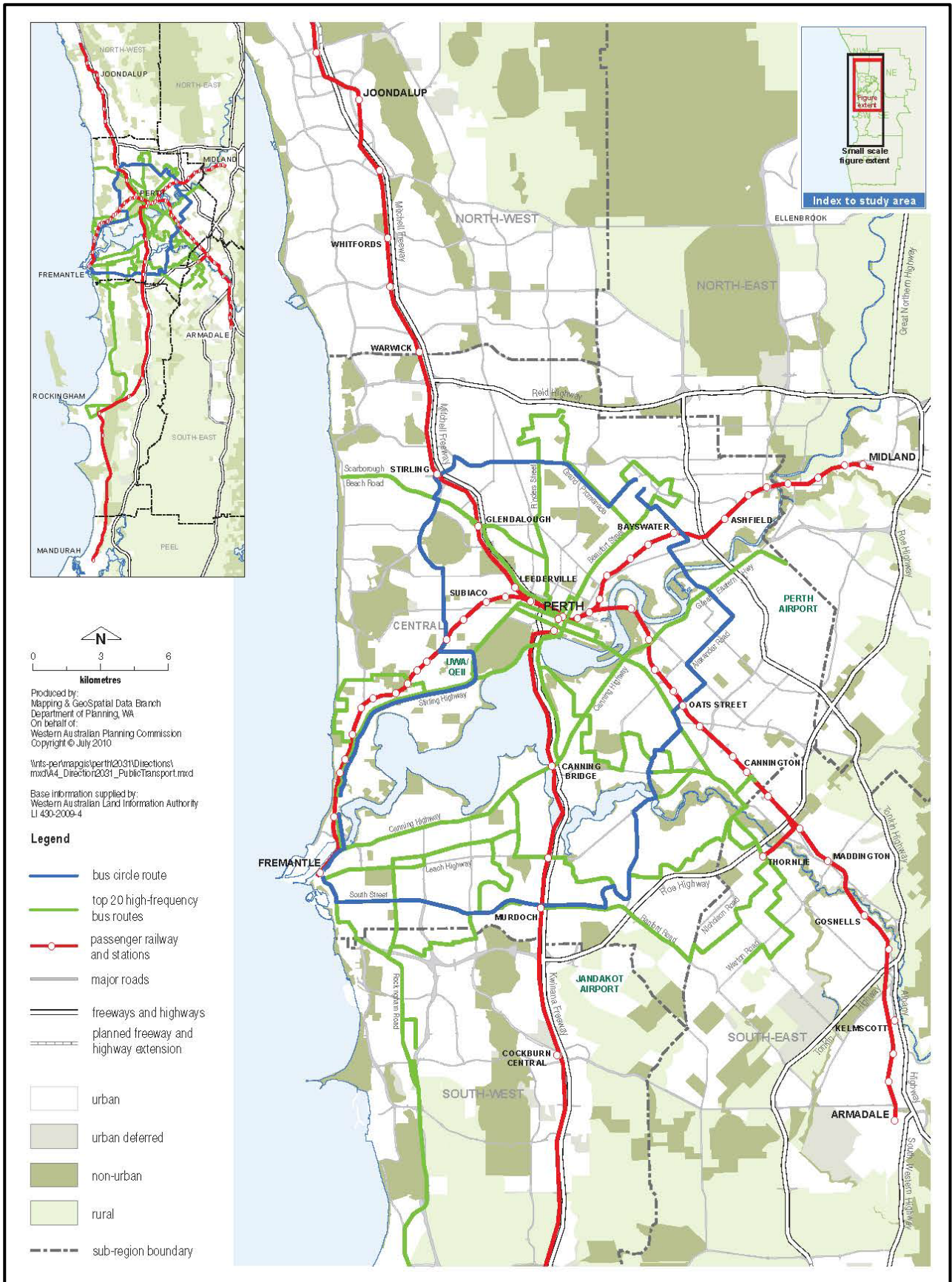


Figure 4: Movement Networks map (Directions 2031)

Network City (WAPC & DPI 2004) planned for an additional 375,000 dwellings in the period 2004-2031 based on one population projection, and argued that 60 per cent of new dwellings should be constructed in the existing urban area as soon as possible (p. 17). It made no attempt to shape the distribution of this, recommending that a partnership between state and local governments be created to agree on a process for setting population, housing and employment targets by region and municipality over time (p. 27).

By contrast, *Directions 2031* established a long-term growth scenario of reaching 3.5 million residents by about 2050. However, *Directions 2031* primarily adopts a medium-term planning horizon, and after examining various growth forecasts by the Australian Bureau of Statistics and its own forecasting unit, suggests that over half a million new residents will need to be housed in the period 2008-2031 in 328,000 new dwellings (p. 8). Housing targets were defined for the six sub-regions in the Perth and Peel metropolitan area for this period (Table 1). It acknowledged that these projections depend heavily on assumptions about net migration, which would be materially affected by economic booms and busts. In addition, the last column in the table shows expanded targets to 2050, which are taken from the 2015 draft *Perth and Peel @ 3.5M*.

Subregion	2008 Dwellings	Subregional targets to 2031	2031 total dwellings	% change	Subregional targets to 2050
Central	319,429	121,100	440,529	38%	215,000
North East	73,446	40,300	113,746	55%	106,000
North West	106,694	64,800	171,494	61%	172,000
South West	82,035	41,100	123,135	50%	305,000
South East	64,803	34,700	99,503	54%	
Peel	38,191	26,100	64,291	68%	
Totals	684,568	328,100	1,012,698		798,000

Table 1: Housing Targets by sub-region for 2008-2031 (Directions 2031), and to 3.5M (Perth & Peel @ 3.5M p.22).

Directions 2031 also modelled high, medium and low rates of infill and greenfields development for a city of 3.5 million. From these results it proposed a 50 per cent improvement on current residential infill trends of 30 to 35 per cent, so that infill would provide some 47 per cent of new housing by 2031 (approximately 154,000 dwellings) (WAPC & Department of Planning 2010a, p. 4). *Directions 2031* also proposed increasing average residential density from 10 dwellings per gross zoned hectare to 15 in new development areas. It argued for an urban expansion management program to ensure a 25 year supply of undeveloped land, of which at least 15 years' worth should already be zoned urban or urban deferred. This objective was incorporated into an Urban Development Program (WAPC & Department of Planning 2010a p. 103), and an annual *Urban Growth Monitor* (Department of Planning) began reporting on progress in 2010.

Directions 2031 was accompanied by two draft sub-regional plans: one for the central sub-region (WAPC & Department of Planning 2010b) and the other for the five outer sub-regions (WAPC & Department of Planning 2010c). These contained further analysis of various alternatives for the required amount of infill as opposed to greenfields development. To monitor and adjust all these parameters, the strategic framework:

has incorporated the flexibility to cope with change by introducing an urban expansion management program to oversee the land supply needs of the population over the medium to long-term...it requires annual monitoring of land supply and housing; updating of *Directions 2031* population projections...and, the review of metropolitan strategies in response to significant change or at least every five years (WAPC & Department of Planning 2010a p. 7).

In keeping with the subtitle of *Directions 2031 – and beyond*, there were a number of subsequent substantial planning statements released, such as *Public Transport for Perth in 2031* (Department of Transport 2011) and an *Infrastructure Corridor Issues Paper* (Infrastructure Coordinating Committee WAPC 2014).

However, the most significant recent development has been the release of an overarching *Draft Perth and Peel @ 3.5 million* (WAPC & Department of Planning 2015a) in May 2015. Four draft sub-regional planning frameworks were also released, for the central and three (reconstituted) outer metropolitan sub-regions (WAPC & Department of Planning 2015b, 2015c, 2015d, 2015e). These were to have been accompanied by a transport plan, but this has been delayed (Department of Transport 2015). An annual report card has also been instituted, *Delivering Directions 2031* (Department of Planning & WAPC 2012, 2013, 2014), reviewing progress made against a number of measures, including housing targets.

In pursuing the transition towards a more compact city, the planning process has increasingly directed its attention to infill. The 2012 edition of *Delivering Directions 2031* contained infill dwelling targets for each local government area in five-year increments to 2031 (pp. 17 and 19). The 2013 edition updated these to a total of 220,960 by 2031, considerably more than the 154,000 set by *Directions 2031*. This edition also added targets beyond 2031, to a city of 3.5 million (pp. 20-21). The same approach was adopted in the 2015 sub-regional planning frameworks, with updated targets to 3.5 million (see Table 2). These sub-regional plans made under *Perth & Peel @ 3.5M* also include targets for total dwellings by sub-region (see Table 1). While there is some confusion in this process, these regular updates to infill targets are a good example of Perth's broader planning approach, which combines an underlying consistency with regular recalibration.

Local Government Area	2011 - 2016	2016 - 2021	2021 - 2026	2026 - 2031	Total Infill Dwellings to 2031	Extra Infill after 2031 (to 3.5M)	Total Infill Dwellings to 3.5M
Central Sub-region							
Town of Bassendean	700	550	650	530	2430	1770	4200
City of Bayswater	2790	2080	2420	1940	9230	6570	15800
City of Belmont	1860	1410	1560	1270	6100	4400	10500
Town of Cambridge	1170	850	1080	900	4000	2900	6900
City of Canning	3380	2520	2920	2620	11440	8160	19600
Town of Claremont	250	180	180	150	760	540	1300
Town of Cottesloe	200	150	120	100	570	430	1000
Town of East Fremantle	240	120	80	80	520	380	900
City of Fremantle	1270	950	1030	870	4120	2980	7100
City of Melville	3500	2510	2770	2050	10830	7670	18500
Town of Mosman Park	250	190	230	210	880	720	1600
City of Nedlands	880	860	400	400	2540	1910	4450
Shire of Peppermint Grove	90	70	70	50	280	220	500
City of Perth	5220	2850	680	570	9320	6680	16000
City of South Perth	1410	1130	1240	1080	4860	3440	8300
City of Stirling	10310	8060	9210	7770	35350	25050	60400
City of Subiaco	1150	880	850	720	3600	2600	6200
Town of Victoria Park	3850	2610	2560	2300	11320	8080	19400
City of Vincent	1650	1410	1840	1830	6730	4770	11500
Central sub-region total	40170	29380	29890	25440	124880	89270	214150
Outer sub-regions							
City of Armadale	3072	2154	1976	1598	8800	6219	15019
City of Cockburn	2980	2794	1689	1136	8599	6079	14678
City of Gosnells	2125	1616	2008	1751	7500	5301	12801
City of Joondalup	4630	2980	2840	1660	12110	8559	20669
Shire of Kalamunda	2410	1700	1480	1120	6710	4742	11452
City of Kwinana	129	302	299	69	799	566	1365
City of Mandurah	2796	1940	2179	1585	8500	6007	14507

Shire of Mundaring	570	380	390	280	1620	1145	2765
Shire of Murray	78	90	138	324	630	445	1075
City of Rockingham	2192	2232	2083	2093	8600	6078	14678
Shire of Serpentine-Jarrahdale	204	241	150	204	799	566	1365
City of Swan	4002	5637	3090	2321	15050	10637	25687
City of Wanneroo	5555	4069	3864	2871	16359	11563	27922
Outer sub-regions total	30743	26135	22186	17012	96080	35100	163983
Total	70913	55515	52076	42452	220960	80730	301690

Table 2: Infill Housing Targets by local government area for the central sub-region (*Delivering Directions 2031*, 2013 report card p. 20) and for other sub-regions from the *Perth & Peel @ 3.5M* sub-regional strategies (WAPC & Department of Planning 2015c, 2015d, 2015e).

While medium and long-term targets might be progressively revised in this way, a monitoring process has also been created to measure outcomes, by way of the *Delivering Directions 2031* report cards and the *Annual Growth Monitors*. The 2014 report card contains information about how local government areas performed in the first two years of the 2011-2015 infill target shown in Table 2 (pp. 24-25). Of the 32 local governments with infill targets, two were ahead of target, 14 were tracking towards target and the remaining 16 were somewhat euphemistically in the ‘early planning phase’.

Given the importance of infill to compact city strategies and the amorphous nature of the term, future analysis and policy development could be enhanced by the creation of a classification system, to provide greater understanding of the different types of ‘infill’. In the meantime, however, the developmental work in Perth since *Directions 2031 – and beyond* establishes more information about long-term scenarios and also details more short-term prospects and realities. However, it is important to reiterate that these 2015 plans are currently in draft form, with final versions due later in 2016.

Metropolitan strategies: centres and corridors

As the names ‘network city’ and ‘connected city’ suggest, the proposed compact city framework consists of centres of intensely concentrated activity and living connected by strong communications and public transport links, forming a poly-centred city where central Perth remains dominant. As noted, *Directions 2031* was accompanied by the gazettal of a planning policy which classifies a hierarchy of activity centres (Western Australian Government 2010). At the top is a ‘Capital City’ focus consisting of Perth, East Perth, West Perth and Northbridge. Next are ‘Primary Centres’, of which, intriguingly, there are none, although “some of the strategic metropolitan centres will develop and justifiably emerge as primary centres in the future” (Western Australian Government 2010, p. 4139). The next level consists of eight ‘strategic metropolitan centres’ – one of which is ‘emerging’. There follows 19 ‘secondary centres’, with two ‘emerging’. Finally there are some 72 ‘district centres’. Apart from this hierarchy, a number of specialised centres, including Perth Airport, are identified as generating “many work and visitor trips which therefore require a high level of transport accessibility” (Western Australian Government 2010, p.4141).

The policy lists the typical characteristics of each level of the hierarchy, including an indication of the population served by each centre. There are also specifications about a walkable catchment distance accompanying minimum and desirable residential densities: the larger the centre, the higher the residential density, and the further the walkable catchment for residences (Western Australian Government 2010, p. 4147). These specifications have been used to construct a performance measure of residential density achieved per gross hectare within activity centre boundaries for *Delivering Directions 2031*. The most recent (Department of Planning & WAPC 2014) records large increases in residential density in some secondary centres and 30 per cent in the Capital City area from 2010 to 2012, including 111 per cent in the CBD (p. 30). This concentration and intensification has been called ‘Transit-Oriented Development’ (e.g. Curtis 2008), and one scoping study has proposed extending it over the whole metropolitan area (Hendrikan 2013).

A comparable articulation of transport policy in relation to activity centres and the metropolitan area at large appears to be still in development, despite its vital importance to the connected city. An important consultation draft from 2011 (Department of Transport) identifies limited options to further develop the rail system and suggests most new growth corridors can be served by road-based services, which must include a rapid transit component. It also suggests this public transport development should involve “a contribution to the capital cost of the projects by the private sector, based on value transfer from increased property value” (Department of Transport 2011, p. 7).

The *Directions 2031* 2014 report card notes that a metropolitan transport plan is nearing completion, as is a public transport plan. A review of road reservation requirements for major road links is also in progress (p. 14). While high density zonings are being introduced along these corridors, there are significant design and feasibility issues (Duckworth-Smith 2013), including noise, privacy and access considerations.

It should be noted that a *Capital City Planning Framework Final Report* (WAPC & Department of Planning 2013) was released in 2013 and “indicates how the objectives of *Directions 2031 and Beyond* can be delivered in this focus area” (p. vii). There is also a Central Perth Planning Committee of the WAPC established to oversee and provide directions for Perth Central area, but this may now have been superseded by the City of Perth Act (see below).

Infrastructure

As recommended in the Stephenson-Hepburn Plan, the Metropolitan Transport Trust was formed in 1958 to operate the public transport system, and became Transperth in 1985. Its bus services were privatised in 1996, with private companies contracted to Transperth. Transperth Trains operate six lines radiating from central Perth. This transport network has been regularly expanded over the years, aided by comfortable budget circumstances. *Directions 2031* encouraged this, with plans for rapid transit infrastructure through extensions to rail lines, new stations, light rail lines and priority bus lanes along corridors.

Perhaps the most significant transport infrastructure development has been the expansion of the railway network, which was almost doubled in the period 1995 to 2007 at a cost of some \$1.6 billion. Dubbed ‘New MetroRail’, the project saw two new lines built to serve Perth’s growth north and south along the coastline. The northern line was extended in 2014. Perth City Link is another major project, redeveloping former railway yards and property. The first stage, completed at a cost of \$360 million in 2013, involved undergrounding of rail and bus services in Perth CBD, improving connectivity and providing road infrastructure to support redevelopment in precincts with heavy Metropolitan Redevelopment Authority involvement. The second stage is now in progress, costing \$249 million and due for completion in 2016. Some bus services have also been considerably improved by feeder services connecting suburbs to rail stations, a critical component of a properly networked public transport system (Mees 2010, Falconer 2014). There is also a Circle Route providing cross-suburban services connecting some major universities and health precincts. However, cross-suburban routes and bus-only destinations are still poorly serviced.

While planning in Perth has been largely bipartisan in nature, prior to the 2013 elections both major political parties developed a public transport strategy, aimed at delivering better cross-city connections based around ‘networked’ rather than ‘radial’ configurations. The elected Liberal government proposed a light rail network called Metro Area Express (MAX), connecting central Perth to northern suburbs at an estimated cost of \$1.8 billion. Although construction was scheduled to start soon after the election, it was postponed, and eventually cancelled in favour of a rapid bus service along the same route, estimated to cost half as much. This has since been put on hold and could well be a sign that public transport investment is facing some curtailment in the light of deteriorating budget conditions since 2012, which became worse in 2015.

Continuity has for now been maintained in the infrastructure planning system, however. The 1985 Act which established the WAPC provided for an Infrastructure Co-ordinating Committee (ICC) as one of its four

statutory committees, a requirement that was continued under the *Planning and Development Act* of 2005. This is the WAPC's most important committee and consists of senior state officers (Sansom & Dawkins 2012). In 2014 the ICC produced an *Infrastructure Corridors Issues Paper* (ICC WAPC 2014) concerned with safeguarding existing corridors for their future use and outlining principles for developing new ones. It also oversees the Department of Planning's Urban Development Program. Part of the recent reform of the planning system (see below) has been to strengthen its role, although the PCA has recently criticised its performance (Property Council of Australia 2015, p. 11), possibly for partisan reasons.

As noted above, policy and monitoring for connecting corridors has not yet progressed as far as the work on activity centres. There are a number of publications relevant to corridor functions and designations, including the important *Public Transport for Perth in 2031*, a consultation draft published in 2011 (Department of Transport 2011). This advocated the construction of a mass rapid transit network of some 633 kilometres by 2031, with two thirds provided by road rapid transit, mainly fast buses. *Delivering Directions 2031* for 2014 notes that two further draft plans, *Moving People Network Plan for Perth and Peel Regions to 2031* and *In Motion: a Public Transport for Perth and Peel*, are both before the Minister for consideration (p.14). They do not appear to have gone any further, however, hence the *Perth Transport Plan for 3.5 million – currently in development* (Department of Transport 2015). The PCA has commented on the lack of a transport plan to accompany *Perth and Peel @ 3.5M* (Property Council of Australia 2015 p. 19), and the Royal Automobile Club has lamented the abandonment of the two draft transport plans despite the work put into them (*Royal Automobile Club Media Release 24th June 2015*). Again, the changing state budget circumstances state may provide some explanation for these delays.

Budget provisions

Western Australia's economy has grown strongly this century, and now accounts for 17.1 per cent of the national economy compared to 12.6 per cent twenty years ago (*Sydney Morning Herald* 21-22nd November 2015, p. 9). Just before the GFC, budget papers revealed surpluses of \$1.5 billion to \$2.25 billion, with part of the 2005-06 surplus used to fully fund the MetroRail project (WA Treasury 2007-08 Budget Paper 3, p.2). Recovery from the GFC was swift, with a sharp rise in global commodity markets, especially iron ore (WA Treasury 2011-12 Budget Paper 3, p. 3). However, the last few years have seen large capital investment in new mines tail off, and the dramatic fall in iron ore prices has hit company profits and government revenue. As these 'windfalls' from royalties are now diminishing, the 13 per cent of the state's budget spent on infrastructure, transport and planning in 2012-13 is now under pressure (Daley 2013, p. 20). This is paralleled with a decline in Commonwealth government grants, especially the GST. Following a deficit of \$1.28 billion in 2014-2015, the 2015-2016 budget estimated a deficit of \$2.7 billion, and included a substantial increase in land tax rates. In December 2015, revised figures indicated a worsening budget situation and foreshadowed a sale of state assets.

One source of funding for metropolitan development that does remain is the Metropolitan Region Improvement Tax, established in 1959 to provide funds for the WAPC to manage its core responsibility, the Metropolitan Region Scheme. In recent years this has collected about \$120 million per year and in the last two years spent \$67 million (2013-14) and \$81 million (2014-15) respectively (WA Treasury, Budget Paper 1 2015 p. 340). Since its inception the tax has received bipartisan support and has been used to progressively acquire land for long term transport corridors and essential sites for infrastructure and regional open space. In 2007 the WAPC published a defence of the fund (WAPC 2007), which estimated its total expenditure to date at \$1.2 billion in 2005 dollars.

Summary

Perth has benefitted from a planning structure established in 1960 before most of its growth occurred. Its isolation and relatively small and cohesive bureaucracy has allowed it to address the challenges associated with the transition towards a more compact city in ways that reflect this distinctive (if not unique) planning

culture. For example, the Metropolitan Regional Planning Authority and its successors, the State Planning Commission and the Western Australian Planning Commission, have been a key feature of this planning landscape since the beginning. In keeping with the growing complexity of metropolitan planning tasks, this authority has expanded its role over the years. Most importantly, it has received substantial bipartisan support and avoided some of the dislocation caused in other states by the government's appropriation of metropolitan strategies as political statements. As the timeline at Appendix 1 shows, there have only been three premiers and two planning ministers since 2004.

This continuity is also expressed in the levying of the Metropolitan Region Improvement Tax since 1959, which has financed significant land acquisitions for essential infrastructure and open space. It would also appear the use of planning measures to shape metropolitan growth and change has received substantial budgetary support over the years, aided by the windfalls associated with the recent mining boom. These comfortable circumstances are now reaching an end as state revenues decline.

Amidst this continuity, there was something of a period of adjustment in the early 2000s. The *Network City* proposals of 2004-06 represented a movement from more static land use and communications planning to a more fluid approach emphasising connection, linkage and progressive revision. It was accompanied by a praiseworthy intent to involve the community not only in the establishment of basic principles for a more compact city, but in its development and implementation. However, the outcome was only a basic framework which required significant further developmental work, often with vague specifications and priorities.

Network City was never formally adopted and there was something of a pause in planning activity from 2006-08, after which *Directions 2031 – and beyond* was published in 2010. While focussing on plans for 2031, it also sketched out scenarios for developing Perth for 3.5 million by about 2050. These proposals were framed around a connected city of concentrated centres of activity and living linked by rail, but mainly road corridors. They were subsequently amplified, adjusted and updated in the draft *Perth and Peel @ 3.5 million* issued in May 2015. There has also been further work on shorter-term housing targets and their location as infill or greenfields development. This developmental work is informed by monitoring and reporting mechanisms in the annual *Urban Growth Monitor* and *Delivering Directions 2031*.

However, work on transport and the plans for mass rapid transit seem less advanced, despite the publication of a well-argued draft document in 2011 (Department of Transport 2011). Two draft transport plans were not adopted, and the intent to accompany *Perth and Peel @ 3.5 million* with an equivalent transport plan has not been achieved. There has also been the postponement of the MAX light rail network proposed in 2013, its apparent replacement by bus rapid transit, and subsequent deferment reflecting the state's worsening economic circumstances and the withdrawal of federal financial support for public transport.

While these transport concerns are metropolitan wide strategic matters, there is also a need to link transport planning with local circumstances, opportunities and constraints at key locations. One important factor is the different capabilities of transport infrastructure to influence travel behaviour and support business. For example, Curtis (2008) has identified three models for this 'transit-oriented development' and argues that a hybrid is needed for each station to develop its unique potential. In a similar vein, Falconer (2014, p. 90) argues that "catalytic development around transit hubs needs to be bespoke in response to local opportunities and constraints" (see also Mees 2010).

In summary, it appears much analytical and policy development work to bring about the transition to a more compact city has taken place. There appears to be a data base that is able to inform and respond when real-life responses do not meet the targets set. In other words, an adequate system of 'monitor and manage' in relation to short, medium and long-term aspirations is being put in place. However, more can be done to develop transport planning at both the metro-wide and local level, and it remains to be seen whether progress will be impeded by declining budget conditions.

Development Corporations

Following the lead of other major cities around the world, Western Australia has created development corporations to facilitate the renewal of major inner city precincts. In 1991 the WA parliament passed the East Perth Redevelopment Authority Act which established an authority over a specifically designated area in East Perth. The Act itself was modelled on redevelopment projects from London (Docklands) and Vancouver (False Creek), which themselves reflected a move away from managerial forms to more entrepreneurial forms of urban governance (Harvey 1989). These authorities in part aimed to override entrenched ways of delivering urban change, to be more responsive to the needs and ambitions of private sector investment by creating new organisations that were outside existing networks of power.

East Perth Redevelopment Authority

The genesis of the East Perth redevelopment project was a desire to stimulate new investment and population growth in central Perth. East Perth was the city's oldest industrial precinct and had progressively become disused since the 1960s, as these types of activities relocated to larger, cheaper suburban locations (Alexander 1974). By the late 1980s the resident population of central Perth had declined, and this was seen as a significant opportunity to catalyse regeneration of residential, business and recreational activity. When the project was conceived in 1985 its aim was to deliver a large volume of state owned housing, but by the time the East Perth Redevelopment Authority (EPRA) was established, and project commenced, there was little or no intention to provide any public or affordable housing (Crawford 2003; Troy 2016). The change of government in 2001 did direct some of EPRA's activities to securing more affordable housing outcomes, but on significantly reduced terms compared with 1985 targets.

The Bill to establish EPRA made clear from the beginning that a key objective of the project would be to “[p]romote development which is viable and attractive for private investment” (Western Australia Parliament 1990, p. 7645). Six indicators were outlined to measure the success of the project:

1. rejuvenate East Perth by promoting and assisting the development of a mixture of land uses which reflect the main living, working and recreation elements of urban life;
2. create an attractive, vital and functional environment;
3. support the development of, and accessibility to, the Perth central area;
4. create new recreation opportunities focused on public enjoyment of the Swan River;
5. promote development which is viable and attractive for private investment; and
6. provide a staged and flexible planning approach which can respond to changing economic conditions and community needs (Western Australia Parliament 1990, p. 7645).

The first four points reflect the desire for physical transformation of the area, while the final two points highlight the accompanying desire to reshape how and for whom renewal is delivered.

EPRA was governed by a board of five members, three appointed by the Minister for Planning, and two representatives from local government. Ultimately EPRA was directly accountable to the Minister, and the board composition meant the Minister's appointed members held the balance of power in making decisions.

EPRA was given a broad suite of powers, which effectively meant it could develop, produce and approve plans, and compulsorily acquire and dispose of land for development. EPRA could also grant itself development consent, and only after building works were completed were areas progressively 'normalised' back into local government control. This allowed it to operate independently from all other relevant agencies.

Whether this model was necessary to undertake significant renewal projects could be debated, as the WAPC at the time had powers to produce and implement specific area plans. However the government chose to

pursue the development corporation model instead, situating EPRA outside of virtually all existing statutory and legislative mechanisms governing development.

The suite of powers granted to EPRA made this organisation unique in Australia, and one of the most powerful agencies within the state bureaucracy. The compulsory purchase powers in particular enabled a significant reconfiguration of the land parcel boundaries in East Perth. The use of this provision affected government agencies that controlled substantial areas of land, as well as private landholders. In East Perth, the Main Roads Department was the largest land holder, and together government agencies accounted for the majority of the redevelopment area (Wilson Sayer Core 1985).

One of the key outcomes of this model is that EPRA took control of land at values determined according to existing uses, not new uses post-redevelopment. This meant that the land value changes that resulted from renewal activity were captured and used to fund the major infrastructure investment that has been part of each project to date. Initial support for the project by the incoming Liberal government in 1992 was premised on EPRA representing no net drain on government resources (Troy 2016). Ultimately the success of delivering this major renewal project with relatively little burden on state finances saw this model rolled out to other parts of Perth.

Subiaco, Midland and Armadale Redevelopment Authorities

Aside from the specific enabling mechanisms outlined above, the East Perth redevelopment was intended to signal a new direction in planning for the Perth metropolitan region. The intention of EPRA from early on was to create a market for higher density housing in Perth at a time when it largely did not exist, and provide an alternate governance mechanism to deliver urban ambitions.

In 1994, a second redevelopment authority was formed to redevelop Subiaco, an area west of Perth CBD. The *Subiaco Redevelopment Act* (1994) created an entity with similar powers and objectives to those of EPRA. Two subsequent Acts, the *Midland Redevelopment Act* (1999) and the *Armadale Redevelopment Act* (2001) also adopted the EPRA model to redevelop specific areas on the fringe of Perth. The form of development was substantially different in Midland and Armadale, however each were underpinned, like East Perth and Subiaco, by significant public investment into various infrastructures or public services.

Metropolitan Redevelopment Authority

In 2012 all the previous redevelopment authorities were amalgamated into the Metropolitan Redevelopment Authority (MRA). This new organisation maintained the powers of previous authorities and aimed to consolidate the urban renewal ambitions for Perth. While all old areas now fell under this organisation, its remit was also significantly expanded to include a range of major infrastructure and renewal projects in the central area, including the sinking of the Fremantle rail line, a reconfiguration of the Swan River foreshore, a major residential project in the southern portion of East Perth, and the Perth eastern gateway (see Figure 5). New areas can be included by gazetting them as a renewal zone rather than being established as a new act of parliament, as was previously the case (Maginn & Foley 2014).

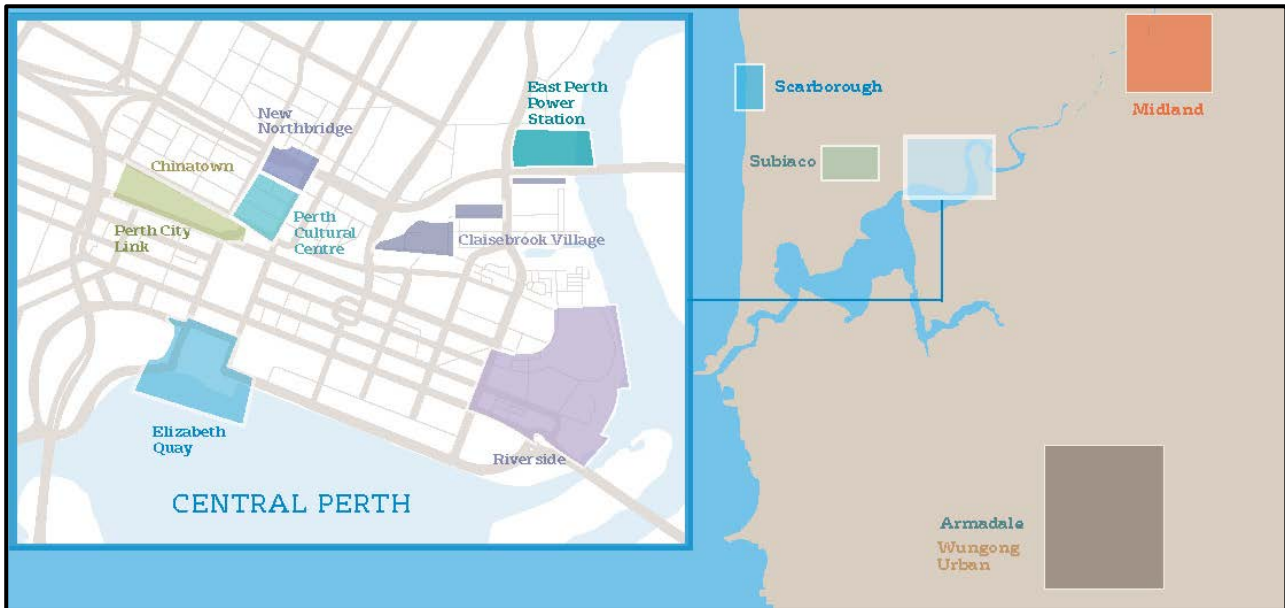


Figure 5 Metropolitan Redevelopment Authority Areas (MRA Strategic Plan 2014-18)

The MRA was created as part of wider planning reforms discussed below. These reforms built on objectives developed as part of the Council of Australian Government (COAG) reforms, which were largely focussed on streamlining the development process and shifting core responsibility for development consent outside of formal democratic institutions.

Summary

The Metropolitan Redevelopment Authority is now firmly part of the planning landscape in Perth, and is an institution that has had little acknowledgement or appreciation in planning literature in Australia. The MRA is perhaps the most successful example of a redevelopment authority in Australia and has reshaped how planning is delivered in Perth. Beginning with the East Perth Redevelopment Authority, its success in amalgamating land, creating a market for new forms of housing, and attracting private investment laid the foundations for this model to be rolled out across Perth.

Perhaps the biggest lesson this model offers other states is its capacity to exercise a high degree of control of the land value process and effectively capture uplift generated as part of urban renewal. This uplift has in essence formed the basis of a funding program to deliver on major public works and infrastructure projects.

Use of and Reforms to the Planning System

Moves to make the planning system more efficient and certain reflect the neoliberal ideology underpinning the compact city, and are a feature of state governments on both sides of politics. It has been driven by a national agenda, as seen in the 2008 reforms supported by COAG. These included:

the imposition of standardised planning provisions onto local council planning schemes; reducing or eliminating third party rights, prohibited uses and the need for permits through the use of self assessment or codes to process applications and planning scheme amendments; and exclusion of local elected councillors from decision making...and the creation of separate authorities to undertake development assessment and assess compliance (Buxton & Groenhart 2013, p. 3).

This drive for reform is posited on removing barriers to competition in development (Productivity Commission 2011) and has been endorsed recently in the government's response to the Harper Competition Policy

Review (Australian Treasury 2015, p. 9). This section provides a brief overview of how this national agenda has been addressed in Western Australia.

Planning reforms

The *Planning and Development Act* (2005) was primarily concerned with streamlining and simplifying planning processes and requirements, particularly by consolidating the *WAPC Act* (1988), the *Metropolitan Region Planning Scheme Act* (1959), and the *Town Planning and Development Act* (1928) into a single Act. However it also strengthened the role and functions of the WAPC, including expanding the role of expert representatives to add environmental perspectives to economic and social concerns.

The election of a new government in 2008 prompted a round of more vigorous and comprehensive planning reform, with the results described as a move from a highly centralised planning system to a more diffused but still centralised system (Maginn & Foley 2014).

In rapid succession the government issued the *Building a Better Planning System Consultation Paper* (Government of Western Australia & Department for Planning & Infrastructure) in March 2009, followed by *Planning Makes it Happen: a blueprint for planning reform* (Government of Western Australia, Department of Planning & WAPC) in September 2009. The reform agenda also included a strategic land use plan for metropolitan Perth and Peel, which became *Directions 2031*.

Subsequent reform was divided into two phases. Under Phase One, the *Approvals and Related Reforms (No.4) (Planning) Act 2010* was enacted, which included the establishment of Development Assessment Panels (DAPs). DAPs consist of three technical experts and two local government representatives responsible for determining development applications of a certain size. 15 DAPs were set up, one for the City of Perth and the others covering five metropolitan regions and nine regional areas. As discussed above, the *Metropolitan Redevelopment Authority Act* of 2011 consolidated four pre-existing redevelopment authorities, and also enabled the new authority to take over future redevelopment areas.

The *Approvals and Related Reforms (No.4) (Planning) Act* of 2010 also contained head powers for regulations governing a wide variety of planning matters. A comprehensive review of design codes was completed, including amendments to residential codes removing disincentives to multiple unit developments and promoting a diversity of housing types within mixed use development and in activity centres.

Phase Two of the reforms included a review of the *Planning and Development Act* of 2005 (Government of Western Australia and Department of Planning 2013) and the release of a discussion paper in August 2014 (Department of Planning and the WAPC 2014a). There was also a review of the role of the WAPC and improvement in the function of the Infrastructure Coordinating Committee.

Local Planning Schemes

Adjustments and revisions to local planning schemes are also key implementation measures of the strategic ambitions set out in *Directions 2031* and associated planning documents. In addition to the Phase One revisions to residential codes, key Phase Two priorities included improvement of the local planning scheme amendment process, local government planning accreditation and introduction of an electronic application and tracking system. It also encompassed the preparation of new regulations.

A discussion draft of the new regulations (Department of Planning & WAPC 2014b) was released in 2014, and a summary of submissions and outcomes in September 2015 (Department of Planning & WAPC 2015). Under these auspices, model provisions for local planning schemes have been issued, including a template for the preparation, review or amendment of their local planning schemes. As part of this, a zoning table is provided with standard objectives and definitions for land use zones (Government Gazette WA, 25th August 2015, pp. 3481-3486).

Local government amalgamations and the City of Perth

In 2011 the state government established a Metropolitan Local Government Review Panel, which recommended a reduction of metropolitan local governments from 30 to 12 “based on activity centres identified in the Western Australian Planning Commission’s Directions 2013 – and beyond” (Metropolitan Local Government Review Panel 2012, p. 11). In October 2014 a ‘government vision’ was announced for Metropolitan Perth involving a reduction in local governments from 30 to 16 (Government of Western Australia & Department of Local Government & Communities 2014).

Presumably, the argument behind these proposals was that bigger and better-resourced councils are better able to deal with the more complex planning decisions required to move to a more compact city. There is also an implication that these amalgamations were part of *Delivering Directions 2031*, as the 2014 report card identified this as an important part of ‘responsibly managing urban growth’ (p. 10). However in February 2015, the government announced it would only proceed with amalgamations or boundary adjustments where affected councils supported it (Press release 17 February 2015). An Act incorporating the neighbouring City of Vincent into the City of Perth was passed in November 2015. It recognises the City of Perth as the capital city of the state with a special role and responsibilities. It also establishes a City of Perth Committee, including the Premier and the Lord Mayor, to facilitate cooperation between the state and the city.

Summary

The planning system in Western Australia is seen as holistic, with strategic metropolitan planning as much part of the reform process from 2008 onwards as detailed adjustments to regulations. The WAPC is basically responsible for the shaping and operation of the system. However the *Planning and Development Act* of 2005, while expanding its functions, also brought the WAPC firmly under the control of the Minister.

This ministerial oversight became more apparent after 2008, with the launching of a comprehensive and well-resourced planning reform process. The reforms have modified the centralised nature of the planning system into what has been described as a ‘diffused centralised’ model (Maginn & Foley 2014). This has come about through the new institutions of Development Assessment Panels and the Metropolitan Redevelopment Authority, whose functions and powers have been described as instruments of neoliberalism (Maginn & Foley 2014), affecting the roles of local councils and potentially that of the WAPC.

In addition, there have been considerable advances in collecting data, shaping and connecting information, recognising reciprocal relationships between instruments of compact city planning, and asserting authority. Some of this seems experimental and has led to something of a hiatus in transport planning, which may also reflect more straitened budget circumstances than Western Australia has been accustomed to of late.

At the same time, there is once again a need for centralised planning efforts to be informed by and linked with local circumstances, opportunities and constraints at key locations. For example, close attention is required to the character of streetscapes in order to develop appropriate design typologies and establish regeneration potential (Property Council et al. 2013; Duckworth-Smith 2013). Similarly, there is a need to investigate the potential impact of generic planning and zoning policies on local built environments. Such analyses have shown the capacities and visual outcomes of regenerating one- and two-story streetscapes (Woodcock et al. 2010; Woodcock et al. 2012). From yet another angle, one local council in Perth has explored the implications of different housing densities in terms of dwelling forms and population levels (Brunner and Hammah 2013).

Despite these shortcomings, however, the COAG Reform Council’s report on Perth’s strategic planning systems found that it was consistent or largely consistent with the criteria used to examine it, and compared favourably on most counts with other cities. The suggestions made in the report about further improvements (COAG Reform Council 2012, pp.149-165) since seem to have been largely addressed.

Commentary on Higher Density Urban Renewal Policy

In order to analyse the changing political economy driving the design and operation of higher density urban renewal policy, this short review considers three key themes: the move from use to exchange value and its impacts; the strengthening of the executive power of the state government; and the interaction of government with lobbying groups, corporations and citizenry.

The shift from use value towards exchange value and its impacts

As part of planning for a more compact city, upzoning occurs to promote such renewal, often to different uses and activities at higher densities. Where property transactions take place in areas with this potential, it is often in anticipation of such redevelopment rather than on the basis of the existing property use. The transaction thus takes place at a price negotiated by the seller in pursuit of strong capital gains and the developer in expectation of profits to be gained through redevelopment. The result is that house prices have risen much more in areas which have been redeveloped to higher densities or have the potential to be. In the process, however, existing low value uses such as public and affordable housing are often pushed out.

The extent to which compact city policies influence these changing spatial patterns of land values, property prices and housing affordability is complex, and mediated by other contributing factors, such as unequal increases in earnings across different income brackets. Because of Perth's flourishing economy during the mining boom, it is particularly difficult to disentangle the impact of compact city policies on housing affordability and changing patterns of disadvantage. Only limited research has been conducted on these issues in Perth during this period of unprecedented prosperity.

A few conclusions can be drawn from a 2013 survey on housing choices, constraints and trade-offs conducted by the Department of Housing and Department of Planning, entitled *The Housing We'd Choose: a study for Perth and Peel*. With no constraints on choice, 78 per cent of respondents preferred a separate house. They were then forced to make trade-offs between affordability, location, size and type of dwelling. The results showed housing choices were primarily constrained by what participants could afford, with a suitable location the next most important factor, followed by safety and security. To achieve these, participants were prepared to make compromises about dwelling types and features (Department of Housing & Department of Planning 2013, p. 21). One outcome was that respondents had a clear preference for the inner central region of Perth, but only half of those who did so could afford to live there.

How did these preferences play out in Perth's booming decade of prosperity from 2002-2012? This was a period of rising house prices, driven by the sharp rise in remuneration for all kinds of employment due to the mining boom and population growth driven largely by in-migration (Department of Housing & Department of Planning 2013, p.9). In 2009 Tonts calculated a composite index of economic stress by postcode for the period 2005-2009. This showed that wealthier areas had benefitted most from the city's prosperity, leading to a shifting geography of economic stress:

Rather than being confined to inner and middle ring suburbs as was traditionally the case, economic stress is increasingly concentrated in outer suburbs, particularly north of the river (Tonts 2009, p.5).

In 2010 Tonts also reworked personal income data for the period 2000-2007 showing that spatial inequality had widened, although the increase was far less than in Sydney and Melbourne (Tonts 2010a & 2010b).

Later analyses in this vein (Martinus 2014a & 2014b) concluded that spatial inequality had dropped during the GFC, but had grown again from 2010-12 as the economy resumed its headlong expansion. Martinus identified a transfer of stress from Perth's inner to outer suburbs, continuing the trend identified by Tonts. This could be attributed to resumed growth, but also:

may be partly due to the rising house prices in gentrifying inner and middle regions forcing economically-stressed persons into lower-cost housing developments in outer areas. Much of these outlying areas are characterised by poor access to Perth's employment and education opportunities, which acts to further deepen economic stress in low income groups (Martinus 2014b, p. 7).

The same conclusion has been reached by the policy-makers:

The Central sub-region offers better access to quality public transport and close proximity to the CBD...[but] the higher cost of renting or buying in the Central sub-region means that many lower-income households do not have the option of living in the area (WAPC & Department of Planning 2015b, p. 17).

Affordable housing thus becomes an issue, influenced in part by compact city policies. In response *The Affordable Housing Strategy 2010-2020: Opening Doors to Affordable Housing* was released (Department of Housing 2010). It recognised the planning system as one influence on housing supply and affordability, and advocated the introduction of model planning policies for the provision of affordable housing. It also recommended building 20,000 affordable homes by 2020.

While some further discussions took place (Community Development & Justice Standing Committee 2011, Department of Planning 2013), the heat appears to have been taken out of the issue with slower growth prompting low interest rates, lower income increases and largely static house prices (Department of Planning & WAPC 2014, p. 27). In addition a recent announcement claimed that the 20,000 new affordable homes promised by 2020 had been achieved by June 2015 and promised another 10,000 by 2020 (Government of Western Australia Housing Authority 2015).

Strengthening of the executive power of the state government

The continuity of planning governance in Western Australia is in part the result of strong control by the state government over its evolution, institutions and functions (Sansom & Dawkins 2012, Maginn & Foley 2014). While institutions like the WAPC play a significant role, successive legislation dealing with the powers and roles of planning institutions has emphasised Ministerial oversight. As previously noted, the 2005 reforms expanded the role and functions of the WAPC, but also gave the Minister power to issue the Commission directions, and made the Minister entitled to information in the Commission's possession. In similar vein the *Metropolitan Redevelopment Authority Act* of 2011 maintained the power of the Minister to give directions to the MRA and to access its information, albeit in relation to the area-specific projects undertaken by MRA.

Significant strengthening of the executive power of government also took place through the *Approvals and Related Reforms (No.4) (Planning) Act* of 2010. This Act identified a large number of detailed planning matters where local councils became subject to Ministerial direction. While local governments retained significant duties in implementing state government planning initiatives, they were also now more accountable to the WAPC (Lavan Legal 2010/2011).

The 2010 Act also established Development Assessment Panels (DAPs), which had been advocated strongly through the COAG reform process. Similar arrangements have also been implemented in other states (Ruming et al. 2014). These panels were made responsible for granting planning consent to new development applications over the value of \$7 million, while those valued between \$3 million and \$7 million could 'opt-in'. The panel consists of Ministerial appointees and local government representatives, with the balance of votes favouring the appointed professional members. The net effect is a shift in the consent power for significant developments away from local government.

It is important to fully understand the particular nature of this power shift. The appointment of DAP members by the Minister does enable the executive to exercise a degree of influence, by choosing members that align

with their interests (Maginn & Foley 2014). Nonetheless, the actual decision-making power then resides with those members. The result is therefore not a straightforward strengthening of executive power so much as a 'professionalization' of power, in which decision-making is relocated outside the democratic political sphere. This shift has largely been driven by specialised property and planning interest groups, based in part on the argument that a more professionalized process is less prone to corruption and mismanagement. At the same time, this process of downplaying the role of local political actors in the governing structures of the city has been contested (Maginn & Foley 2014; Young 2016). Some observers would argue this 'depoliticization' of planning is part of the wider process in which a redistribution of the benefits of urban change is less likely to occur (Swyngedouw 2009). On this view, the shift towards professionalization helps to cement established urban power structures, including the influence of pro-development state governments over anti-development local councils.

The influence of powerful lobbying groups and corporations

At the same time, the shift described above also demonstrates the influence lobby groups and other major institutional players have regarding the operation of the planning process in WA and elsewhere. The principal organisations representing the property industry in Western Australia are the Property Council of Australia (PCA) and the Urban Development Institute of Australia (UDIA). They are both enthusiastic about the introduction and performance of DAPs, and supportive of further reforms to the planning system to make it more efficient and timely. Communication with the state government about planning and property matters is regular and robust, and appears to be comprehensive. Developers have participated in an 'intentions' survey run by the WAPC, and the Commission is a sponsor of the UDIA, with Landcorp and Landgate as research partners. PCA also combined with the Greens and the Australian Urban Design Research Centre to publish *Transforming Perth: regenerating transport corridors as a network of high street precincts* (Property Council et al. 2013).

UDIA has historically represented the interests of developers subdividing land and building new dwellings. Its President has expressed disappointment at *Perth and Peel @ 3.5 million*, complaining that the policy framework was "one of the most restrictive in the world with no opportunity for proponent driven projects outside of the areas identified, regardless of the proposal's merits" (UDIA 2015a, p. 4). He argued that it would lead to a policy driven supply shortage of land for residential purposes, an argument also reiterated in at least one UDIA Fact Sheet.

The UDIA's submission to *Perth and Peel @ 3.5 million* (UDIA 2015b) appeared quickly after the publication of the draft document and is a detailed 100-page document. It rejects the view of Perth as a car-dependent sprawling city. While supporting the idea of dense activity centres articulating the framework, it rejects the idea that suburban expansion over the next 35 years should therefore be restricted.

The submission argues land use regulation of the kind proposed reflects "a command and control strategy for urban development" (p. 6), which is in effect imposing an urban growth boundary, and cites research on the unintended and unfortunate consequences of this. The submission also refers to the difficulties in bringing fringe areas into urban development because of fragmented land-ownership and unrealistic expectations of land owners. It suggests there could be "proponent driven consideration of lands" for development (p. 6).

While the UDIA's submission concentrates on the importance of adequate land supply for suburban expansion, it does briefly address what it regards as barriers to infill development (p. 70). It criticises the building code for multi-unit developments as being too rigid and stifling innovation. It argues that the codes adopted by many councils to facilitate redevelopment do not offer sufficient return, and the denser development is needed to make many projects viable.

The PCA historically has represented business interests building and managing properties in the existing urban fabric. It places much more importance on the challenge of building a more compact city with infill, renewal and redevelopment. It enthusiastically endorses “the plan’s objectives for a more consolidated, connected and prosperous city” (Property Council 2015a, p. 3). Its concern is with the pace of progress. It favours a readjustment of “our land use settings to radically lift the rate of infill development by aggressively rezoning land” (p. 9). Congruent with this position is the “very strong” concern expressed at the Central subregion’s declining share of predicted total jobs, from 64 per cent in 2011 to 49.3 per cent in 2050, arguing that “the primacy of the CBD cannot be sacrificed in an effort to fulfil a decentralised agenda” (p. 15). While most attention in the submission is devoted to infill and redevelopment, there is a section on land supply to satisfy suburban expansion, which echoes the UDIA’s position in less strident terms.

Together, these submissions cover both issues of suburban expansion and higher density infill and redevelopment. Understandably, the arguments are partisan and the use of evidence somewhat selective. The main points in common are concerns about adequate infrastructure planning and provision, transport and travel, and the consistency of local planning schemes with sub-regional and metropolitan frameworks.

Conclusion

Western Australia’s planning system and governance is unique. While it has encountered the same challenges as other Australian cities, its continuity and cohesiveness mean that its management of growth and change has been deliberate, painstaking and promising. Today, this means the institutions, data and processes are largely in place to ‘monitor and manage’ the transition towards a more compact city. This rich history of planning Perth suggests a number of conclusions about how it might continue to evolve.

The most important challenge is to put in place an adequate transport policy, central to the idea of a connected city. The sophisticated effort devoted to land use planning, densities and targets needs to be matched by an articulation of the connections needed to shape and link the growing, more compact city. In developing such a transport policy, it could do so in a way that adds short- and medium-term detail to the top-down long-term vision, and enables a more effective link with the diverse potential for growth offered in different strategic localities. In this regard, there are a number of proposals, including *Directions 2031 and Beyond* where the 2010 *Central Subregional Strategy* identifies ‘possible key public transport corridors’ (p. 96); the consultation draft of 2011 *Public Transport Plan for Perth 2031* prepared by well-respected experts; or other well-argued studies (Kane 2010, Falconer 2013, Hendrigan 2013). Still more proposals were generated by both parties prior to the 2013 state election.

A related issue is where and how employment growth will occur. The draft strategies espouse the move towards subregional employment self-sufficiency in developing activity centres (WAPC & Department of Planning 2015a, pp. 33-39), to support growth, minimise congestion and encourage higher density housing. PCA has expressed opposition to this decentralisation, and argued that much of the growth in new industries will and should take place in the central city. Current transport connections focus on the central area, and there are efforts afoot to provide speedier services downtown, improve movement within the central area and provide more space for future office development. The City of Perth has also just been expanded and given stronger ties with the state government.

A final issue is infrastructure funding. Perth’s strong economic growth until 2013 meant that transport infrastructure could be built and funded without recourse to public-private partnerships. However, as the Premier recently observed, Western Australia is a boom and bust state, and the tide has now turned. If the expensive transport infrastructure needed to support the compact city is to be developed, it may be necessary to seek other sources of funding. The draft *Public Transport for Perth* suggested “a contribution to the capital cost of the (recommended) projects by the private sector based on value transfer from increased property value” (Department of Transport 2011, p. 7), an approach also being considered in other states (see

recent comments by NSW Premier Mike Baird). Another possibility is resurrecting the idea of a betterment tax, which was tried briefly in New South Wales, but may not gain much political support.

In summary, Perth's planning for a more compact city has developed much of the flexibility needed to shape it effectively, even in changing political and economic circumstances. It remains weak, however, in the transport arrangements required to support its proposals. And while Perth's approach has been unusually consistent, detailed and bipartisan, it is still possible to discern the influence of the broader currents of neoliberalism underpinning compact city planning around the world. In particular, this influence is evident in the outward trajectory of economic stress in Perth, as well as the professionalization of planning through bodies like DAPs, and the robust engagement of developer lobby groups in metropolitan planning efforts. The new political economy of the compact city is defined by this multilayered interaction of ideology, methodology, and impact upon local communities, as the configurations of power continually evolve. The current shape of these evolving configurations of power will become clearer with the release of the final version of *Perth & Peel @ 3.5M*, due later this year. It will be especially interesting to see how the concerns of the PCA and the UDIA are addressed in the final plan, and in associated transport and funding strategies.

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Appendix 1: Timeline of main themes and events in urban renewal policy

