

# MOVING PEOPLE

➤ *Solutions for Policy Thinkers*

## Governance for integrated urban land use transport policy and planning



Bus and Coach Industry  
*Policy Paper 6*



## Foreword

This research Policy Paper is part of a series of publications aimed at decision and policy makers, academics and students. This Policy Series focuses on land transport, land use, integrated planning and urban development challenges in Australia.

The Policy Series has been developed by the Bus Industry Confederation (BIC) of Australia and the Institute of Transport and Logistics Studies, Business School, University of Sydney, and addresses specific subject matters and issues raised in the BIC's previous reports: "Moving People - Solutions for a Growing Australia" and "Moving People - Solutions for a Liveable Australia."

Both publications are available at [www.ozebus.com.au](http://www.ozebus.com.au).

# Contents

Foreword	1
Executive Summary	3
Context	3
Integrated Governance	3
Horizontal and vertical integration	3
Strategic and tactical layering	3
Neighbourhood level	4
Conclusions on lessons for Australia	4
1. Context	7
1.1 Setting	7
1.2 What do we mean by governance in an urban land use transport setting?	8
1.3 Report structure	9
2. Some key issues for integrated urban land use transport planning	10
2.1 Scope of integration	10
2.2 Integrated strategic land use transport policy and planning	10
2.3 Integration at the tactical level and the role of partnerships	13
2.4 Neighbourhood level	13
3 Who speaks for the city?	15
3.1 Purpose	15
3.2 A single local authority	15
3.2.1 Stockholm	15
3.2.2 Malmö	16
3.2.3 Freiburg	17
3.3 Multiple local authorities	17
3.3.1 London	17
4. Conclusions on lessons for Australia	22
4.1 Horizontal integration - Who speaks for the city?	22
4.2 Vertical integration	22
4.2.1 Role of the federal government	22
4.2.2 Neighbourhood governance	23
4.3 Trusting partnerships	23
References	24

## Figures

Figure 2.1: The STO of land use transport policy, planning and delivery.	11
Figure 2.2: A Framework for Land Use/Transport Integration (Source: Based on Stanley and Smith 2013)	12

# Executive Summary

## Context

Australia's cities are the envy of many internationally for their liveability. However, we could be doing better in terms of long term goal achievement related to land use transport system performance: for example, urban productivity increase is low and there are large productivity gaps between inner and outer urban areas; congestion on roads and public transport is increasing; housing affordability is a growing concern for large numbers; our urban greenhouse gas emissions are high in international terms; and social exclusion due to poor mobility options remains common. Sitting behind such concerns is the lack of sustained commitment to particular long term land use transport policy directions at both State and Federal levels, partly because of a lack of bipartisan political support.

Cities are becoming more complex and this poses challenges for policy and planning. Links between land use, transport, economic productivity, housing markets and social exclusion illustrate this complexity. Integrated governance is central to tackling such cross-cutting issues. Awareness of the importance and urgency of taking more integrated approaches to city strategic land use transport policy and planning is widespread and practice is generally improving. However, the rate of improvement in land use transport planning capability in Australia, and more broadly, is running ahead of improvements in governance (and funding arrangements). This Paper looks at governance, with a particular focus on integrated governance in land use transport policy and planning and how it might be improved in Australian cities, to enable them to deliver better economic, social and environmental outcomes.

## Integrated Governance

Governance generally refers to processes for making and implementing decisions. The larger, more diverse and more widespread the consequences of a community issue of concern, and of the associated impact of policy/program interventions to respond to this concern, the greater the case for integrated governance in dealing with that issue. The concept of integrated urban governance is relatively recent, arising out of recognition that many of the problems confronting cities are particularly complex (cross-cutting) and will not be adequately resolved by sector-based approaches. Compared to more traditional approaches, it encompasses a wider span of interests, an increased level of stakeholder engagement, across a wider and more diverse range of stakeholders, these components essentially defining the scope of integration.

## Horizontal and vertical integration

If the likely origins and consequences of a policy concern, and of the impacts of interventions to respond to this concern, cross jurisdictional boundaries between levels of government (perhaps better imagined as communities of

interest represented by these levels of government), then effective institutional arrangements need to facilitate and manage this cross governmental involvement, to maximize the prospects for achieving intended goals. This is the case even if service delivery responsibilities lie largely (or entirely) at one particular level of government, as is common.

Horizontal integration is often used to describe integration across institutions/stakeholders at a particular level of government (e.g., as between a number of local authorities or across state government entities). Vertical integration describes integration across levels of government (e.g., Local, State, Federal). With increasing interest in the role of neighbourhoods as bases of strong communities, reflected in ideas like the 20 minute city, the concept of vertical integration needs to extend beyond local authority level to encompass neighbourhoods. Strategic land use transport policy and planning for cities usually requires integration across both the vertical and horizontal dimensions, because of the scale and nature of impacts involved.

The key 'in-scope' issues for current strategic land use transport policy and planning in Australia are (at least) productivity/jobs, greenhouse gas emissions, affordable housing, social inclusion, health/safety and biodiversity, together with the influences on outcomes in these areas, such as population growth and changing demographic composition of the population. Governance arrangements and funding are themselves also important in-scope considerations, as is the role of public participation or community engagement in policy and planning contexts.

## Strategic and tactical layering

A helpful way to think about the various stages in land use transport policy and planning is to separate the Strategic (or policy), Tactical (or system design) and Operational (or delivery) elements.

The strategic level is where the city visioning process takes place, long term outcome and process goals are set and key directions for goal achievement are embedded. Strategic land use transport policy and planning should generally include a long term (25-40 year) land use plan, leading a long term strategic transport plan, together with rolling shorter term (~10 year) transport implementation plans, which include funding plans. Similar supporting implementation plans should be included for other critical related issues, such as city productivity growth (beyond matters included in the transport plan), affordable housing and social/community infrastructure. All Australian capital cities should have such detailed sets of nested integrated plans but most do not.

Federal government involvement is important, particularly because of the national economic significance of cities, their contribution to national greenhouse gas emissions (GHG) and to national settlement policy futures, areas which are of obvious significance for Canberra. Federal government involvement is also desirable because of its dominant revenue raising capacity, implying a need for some form of financial transfers from senior to lower levels of government to deliver urban policies and programs. Better aligning city revenue raising capacities with expenditure responsibilities should be an important focus for intergovernmental funding reform in Australia (beyond the scope of this Paper).

Land use transport impacts primarily arise within a city and that is where primary responsibility and accountability for the urban policy/planning process should sit. If a single local authority has responsibility for the entire city, such as in Freiburg in Germany or Malmö in Sweden (both discussed in Section 3 of this report), assigning governmental responsibility is generally straight forward. This should mean that horizontal integration is relatively easily achieved. It is clear and unambiguous in this case ‘who speaks for the city’.

If a city contains a number of local authorities, the allocation of responsibility and accountability is less clear cut. A common response internationally in this situation is for this role to be devolved to the multiple local authorities within the city region, acting regionally for strategic land use transport purposes. The capacity to think and act regionally is a key requirement for this approach to be successful. Alternatively, in a multiple local authority context, a higher level of government, such as a state or provincial government, may take responsibility for the city, rather than devolve this to a form of aggregated local authorities. This is the practice in Australia and also in cities like Toronto (Ontario). It is less than ideal in terms of ‘speaking for the city’, because the responsible entity has wider interests, which may compete with those of the city.

The tactical or system design level is where systemic planning responses are formulated across various entities, to pursue the vision, goals and directions set at the Strategic level. The rolling ten (or so) year implementation plan is where tactical level thinking needs to come together. All Australian capital cities should have such detailed implementation plans, including funding plans but not all do. This weakens the quality of our ‘integrated’ land use transport planning.

In a situation of scarce skilled resources, the Australian bus industry experience of ‘trusting partnerships’ between government and service providers is a useful illustration of a way to significantly improve the quality of tactical planning. This experience is relevant to public-private partnerships in other sectors, across levels of government and in government-civic society interactions.

An effective trusting partnership, such as one between an authority and service provider, should be grounded in:

- common core objectives, in the land use transport case tied to public policy purposes
- trust
- confidence in a partner’s capacity to deliver
- demonstrated commitment to good faith in making and keeping arrangements
- shared governance arrangements that are accountable and transparent, to guard against risks of regulatory capture. These arrangements provide the glue to tie the principles together.

More widespread adoption of this approach would help deliver better land use transport outcomes in our cities.

## Neighbourhood level

International discussion about integrated governance for land use transport policy and planning is primarily about:

- the roles of the various levels of government and how these might best come together
- how particular levels of government can replace siloed or fragmented approaches with more joined-up, integrated approaches and
- how various forms of stakeholder engagement can best support these endeavours (including issues such as the role of PPPs).

At the same time internationally, a related set of discussions is taking place about strengthening communities and devolving greater levels of influence over decision-making to the local level, where ‘local’ essentially aligns with what we might understand by neighbourhood. The idea of the 20 minute city, which was the subject of the BIC’s Policy Paper 5, is relevant here.

The neighbourhood level in Australia, per se, is not part of formal governmental structures, neighbourhoods usually existing at sub-municipal level and/or crossing municipal boundaries. Also, linked with this status, neighbourhoods have no legislated revenue raising powers. Integrated land use transport policy and planning needs to find ways to give neighbourhoods greater decision-making influence over matters that affect their wellbeing. This is likely to require greater neighbourhood influence over local funding allocation decisions, which in turn will usually require some flow of funds from a level of government to the neighbourhood.

The BIC’s Policy Paper 5 discussed the opportunity in rural/regional areas, and on the urban fringe, to give communities greater influence over local public/community transport services, including a direct say over funding flows, through development of what is becoming known in the UK as a ‘total transport’ approach. The absence of much Australian experience of participatory budgeting where the empowerment associated therewith extends to direct local control over funding flows suggests that case studies are needed as a matter of high priority. The total transport approach suggested in Paper 5 is an ideal opportunity in this regard. Case studies should set out to determine:

- how local communities/neighbourhoods can best be involved in local land use transport policy and planning
- the levels of financial empowerment that are needed for successful implementation
- governance arrangements that are best suited to this purpose and
- how this devolution can be most closely aligned with regional strategic directions (vertical integration).



## Conclusions on lessons for Australia

### Who speaks for the city?

The difficulties Australian cities have in establishing and pursuing integrated strategic land use transport policy directions over time is partly a function of our adversarial political environment. The international examples included in this Paper suggest that high levels of community engagement in setting a vision and goals for a city and in determining long term strategic development directions provide buy-in to support long term bipartisan approaches. They also suggest that local government can play a useful role in achieving community buy-in, if it can think regionally (beyond its own patch). This is easiest when there is a single municipality for the city but various ways of aggregating multiple local governments to regional level are being tried, as is the city mayoral model. Increasing the role of local government in strategic land use transport planning processes for Australia's cities seems likely to support better achievement of long term commitment to vision, goals and strategic directions, while leaving space for adjustment as circumstances change. It should help to de-politicize the planning process. Greater levels of community engagement are also important in this regard.

Establishment of Metropolitan Planning Authorities for each of our capital cities, with responsibility for developing strategic land use, transport and related policy and planning directions, where board membership is split equally between representatives of the State government and local government, should be supportive of better planning and deliver better outcomes. The municipal representatives would generally need to be selected from sub-regions of Local government, to keep numbers manageable. A Federal government representative should also be considered (discussed below). This would require the state to give up an element of its current power but is likely to deliver better community outcomes, which is what should be important. The Board Chair would speak for the capital city on land use transport (and related) matters when a regional voice is required. Some States already have entities that could be easily re-shaped to perform this role, to avoid adding a new layer of bureaucracy.

An approach being taken by some cities that include multiple local authorities is to elect a mayor who speaks for the city. It is time Australian capital cities discussed the merits of directly electing a Mayor for the Metropolitan area, with particular responsibilities for (at least) regional land use and transport, and consider how such a governance model might operate. The London experience provides a useful example. Such an arrangement could accompany the Metropolitan Planning Authority model, where the elected Mayor would chair the Authority, rather than a state or municipal representative. London's experience suggests that this would support innovation, through the involvement of a Mayor, while the professional support from the Planning Authority should provide the necessary strategic and tactical level underpinnings.

## The federal role

Economic productivity, greenhouse gas emissions and the growing importance of national settlement policy are key issues that indicate the Australian Federal government should be actively engaged in policy and planning deliberations about Australian cities. The BIC's Policy Paper 5 has highlighted the importance of our cities to economic productivity. The UK government understands this. The US Government has understood it for decades, such as through its requirement for the establishment of metropolitan planning organisations, through which federal transportation funding is channelled.

In Australian cities, federal involvement might take the form of setting out its expectations of what long term strategic land use transport plans and shorter term implementation plans should contain if federal financial assistance is being sought for city projects, as currently happens to some extent with respect to Infrastructure Australia processes. Any such requirements should be grounded in long term strategic land use transport plans and associated shorter term implementation plans. This level of federal involvement would not warrant Federal government involvement at board level in the proposed Metropolitan Planning Authorities.

Alternatively, and preferably in the author's opinion, the Federal government could take a more hands-on approach, which goes further than simply setting out its expectations and includes more active engagement around the best ways to use land use transport (and related) policies and programs in particular cities to meet national goals. In this approach, board level involvement in the MPA would be appropriate. The stronger and more active level of federal involvement in this approach should facilitate more informed federal decision making and much easier processing of the outputs of the planning processes, including when it comes to funding issues. It seems likely to be a more efficient planning and decision-making process.

Appointment of a Federal Minister for Cities is an important way of acknowledging the national significance of our cities. The increased focus such a role would bring on our cities, supported by a solid research and information base, would help spur the search for better national performance outcomes in a way that does not flow from processes that are predominantly functionally based. The Cities Minister would need to work closely with relevant functional Ministers, to achieve horizontal integration at federal level in relation to matters that are important for cities.

## Neighbourhood governance

Land use transport planning has traditionally been a top down process. The Paper argues for devolution of more decision-making power and associated funding to neighbourhood level, to progress development of the 20 minute city. This adds a bottom-up dimension to thinking about our cities and how they might be assisted to deliver better outcomes for residents and visitors. This is an evolving area and case studies are needed to demonstrate best practice. In the land use transport area, local case studies to explore the best way to roll out the 'total transport' model should be an early priority. This promises to deliver better mobility outcomes for no additional costs, by re-thinking about how local mobility needs are understood and how they

are met. It is about local integration for better outcomes and more efficient service.

## Trusting partnerships

The changes to horizontal and vertical governance arrangements that are proposed in this Paper shake up the current power balance in land use transport policy and planning. Such disruption recognises that the world is becoming more complex and old solutions are no longer necessarily the best way to deal with challenges and realise opportunities. Coping with, and benefitting from, disruptive change is likely to be more easily accomplished if the stakeholders engaged in the process are able to operate from a position of trust. The Paper has identified some of the requirements in this regard. In both horizontal and vertical relationships, including engagement with the community, trust will support better relationships and better outcomes. Formal agreements will work more effectively when trust is a foundation from which they are developed and operate.

# 1. Context

*Good cities do not come about by accident. The prerequisites for a good city are broad community consensus, long standing political determination and sound urban planning which, over the course of time, engender urban environments that can provide wellbeing and security for their inhabitants, guarantee the supply of water, energy and food, and promote a compact and diverse urban structure in which innovation, trade and economic prosperity are encouraged. It definitively protects the communal space in which individual rights and opportunities are most respected. Results like these have never been achieved through spontaneous urbanization, nor by the adaptation of wrong sighted decisions. The well-made city is not only difficult to achieve but also difficult to maintain.*

*Clos, (2014, p. 5) Ms Clos is UN Under-Secretary General and Executive Director of UN-Habitat*

## 1.1 Setting

The BIC's Policy Papers have been progressively developing strategic land use transport policy directions for Australia's major cities, to help improve their long term sustainability. As summarised in Paper 5, these Papers start from the position that a city whose land use transport systems support the following outcomes (or goals) is likely to become more sustainable over time:

- > Increases economic productivity
- > Reduces ecological footprint
- > Increases social inclusion and reduces inequality
- > Improves health and safety outcomes
- > Promotes intergenerational equity – this goal is likely to be achieved if the preceding goals are met
- > Engages its communities widely
- > Pursues integrated land use transport plans.

The main land use implication of Papers 2, 4 and 5 is that the most desirable strategic land use development direction for our largest cities will be to pursue more compact settlement patterns, anchored by:

- the CBD and close surrounds
- a small number of high tech/knowledge-based clusters (which should form the basis for a polycentric city and focal points for inner/middle urban area growth – a tentative suggestion in Paper 5 was that one such cluster outside the CBD, per million population, might be viable)
- major transport (particularly transit) corridors that link these core nodes to the central city, to each other and to outer areas
- a series of constituent *20 minute cities* (see the BIC's Policy Paper 4. Increasing densities and improved accessibility of such areas was a theme of that paper).

Paper 5 argued that this land use development direction should be embedded in integrated strategic long term land use transport plans for our major cities, recognising the need for local nuance. Supportive strategic transport directions are an essential part of delivering on these land use directions and Paper 5 summarised relevant strategic transport development directions:

- ensuring strong radial public transport to the central area of our cities
- good arterial roads across the entire city
- fast and frequent trunk public transport services supporting inner/middle urban nodes, particularly for circumferential movement, linked to the cluster (node)/transit corridor development focus
- better public transport connections from outer suburbs to areas of employment/activity concentration, particularly the high tech/knowledge-based clusters
- supportive local public transport access, through delivery of the 20 minute city
- high priority to walking and cycling throughout the whole of our cities.

The extent to which particular elements within these strategic directions receive priority in any particular city will reflect local circumstances and priorities but wide differences in general policy directions should not be expected as between our major cities.

The effectiveness of the strategic land use transport policies and programs being implemented in our cities can be assessed by looking at goal achievement against the five outcome goals set out above and two process goals and, at a finer level, against the extent to which the identified strategic policy/program directions for land use and transport are being pursued, because of the causal links between these policy/program directions and the identified outcomes.

Our cities are the envy of many internationally for their highly rated liveability. However, we could be doing better in terms of long term goal achievement related to land use transport performance. For example: the BIC's Policy Paper 5 has shown that urban productivity levels could be improved by more closely framing land use transport policy towards this end; urban congestion levels continue to worsen, with no sign of pricing reform being implemented to tackle this problem in a sustained way; our greenhouse gas emissions from urban transport are very high in per capita terms, internationally; fringe urban population growth is occurring in most cities at a higher rate than is consistent with goal achievement, with increasing problems of poor access to jobs and risks of social exclusion; housing affordability is a major and growing concern. Sitting behind such concerns is the lack of sustained commitment to particular long term land use transport policy directions at both state and federal levels, partly because of a lack of bipartisan political support. This often results in substantial changes in policy direction as governments change. Efforts to increase bipartisan support for long term strategic land use transport policy directions should pay handsome dividends. Also, cities are severely constrained in their independent capacity to pursue their chosen policy directions by vertical fiscal imbalance.



Awareness of the importance of taking integrated approaches to strategic land use transport policy and planning in cities is now widespread and practice is generally improving in terms of planning capabilities. However, there is still much room for improvement, particularly in terms of broadening the scope of the matters that are included within the integrated approach, particularly to better integrate matters related to productivity growth, housing affordability and social and community infrastructure provision. The rate of improvement in land use transport planning capabilities in Australia, and more widely, is running ahead of improvements in governance and funding arrangements. A large number of consultations the author has had with government and other stakeholders in Australia and internationally in recent years have consistently identified these two areas as perhaps the two biggest challenges to developing and implementing integrated land use transport plans that embed the strategic directions summarised in Section 1.1. Both are critical to more effective delivery. A number of aspects of funding were considered in the BIC's Policy Papers 1 and 3. The present Paper looks at governance, with a particular focus on integrated governance.



## 1.2 What do we mean by governance in an urban land use transport setting?

Governance generally refers to processes for making and implementing decisions. The Good Governance Guide, prepared for Local government, defines good governance as follows:<sup>1</sup>

*Good governance is about the processes for making and implementing decisions. It's not about making 'correct' decisions, but about the best possible process for making those decisions.*

That website points to some key qualities of good governance: that it is accountable, transparent, follows the rule of law, is responsive, equitable, inclusive, effective, efficient and participatory.

Clos (2015 p, 5) points to the role of urban governance:

*What counts here is the ability to build community institutions and mechanisms capable of circumventing the disagreements, misunderstandings and local conflicts that get in the way of the kind of urbanisation that generates prosperity. No urban transformation is possible without consensus...*

*Good governance prevents conflict, facilitates stability, helps cities to adapt to future challenges and is critical to their performance in an increasingly competitive world. Governance is the enabling environment that requires adequate legal frameworks, efficient political, managerial and administrative processes, as well as mechanisms, guidelines and tools to enable the local government to respond to the needs of the citizen.*

The Secretariat General of the World Association of the Major Metropolises, which includes Sydney and Melbourne among its participants, notes that the concept of integrated urban governance is relatively recent, arising out of recognition that many of the problems confronting cities globally are complex and will not be adequately resolved by sector-based approaches (Senate Department for Urban Development, Berlin, 2011). The 2011 Berlin Mayor and Senator for Urban Development, Ingeborg Junge-Reyer, points out that (Senate Department for Urban Development p. 6):

*... new forms of urban governance have gained importance by involving civil society (NGOs, business, the 'people'), in decision making and in implementing those decisions ... Integrated Urban Governance implies going beyond mere coordination between policies, and thus encompasses joint work among sectors and disciplines. It refers to both horizontal integration between policy sectors (different departments) and vertical integration (between different tiers of government), as well as beyond administrative boundaries (in the double sense: city administration – regional/national administration and administration – civil society).*

This more comprehensive and integrated approach is sometimes thought of as moving 'from government to

<sup>1</sup> <http://www.goodgovernance.org.au/about-good-governance/what-is-good-governance/>. Viewed 6th August, 2015.

governance' (Bellamy and Palumbo 2009). Sundström and Jacobsson (2007, p. 5) note that:

*The shift from 'government' to 'governance' ... marks a transition from hierarchical to more network based forms for decision-making, and a diffusion of boundaries between private and public actors.*

Integration is the strongest form of management in policy/program development and delivery, going beyond cooperation and coordination (Senate Department for Urban Development, Berlin, 2011, p. 12):

- > *cooperation: at the lowest level simply implies dialogue and information*
- > *coordination: policy coherence and consistency imply cooperation and transparency and an attempt to avoid policy conflicts'*
- > *policy integration: joined-up policy and decision-making; includes dialogue, information, transparency and avoidance of policy conflicts (as in coordination) but also embraces joint working, creating synergies and using common policy goals.*

Integration generally connotes a top down approach, whereas cooperation and coordination are more permissive of bottom-up ways. Most aspects of the extended land use transport policy and planning process should be better accomplished within an integrated strategic approach but there are situations where cooperation or coordination may be sufficient and/or more suitable.

Institutional arrangements for planning and delivering land use and transport systems have historically been based on functional specialisation, flowing from the expectation that this would deliver effective organisational performance. It is increasingly recognised, however, that such administratively-based functional separation often leads to concerns about agencies operating in 'silos', with diminished overall effectiveness.

In terms of local experience, the complexity of urban development, and associated need for more integrated approaches, has been well illustrated by the work of Dr. Peter Brain and colleagues at the National Institute of Economic and Industry Research (NIEIR), who have demonstrated that there are strong connections between underinvestment in transport infrastructure in the outer suburbs or our cities and poor housing supply responses in those areas (National Economics 2010). Similarly, experience both locally and in many overseas cities is showing that pursuit of transit oriented development (TOD), a development pattern included within the summary land use transport directions set out above, is frequently associated with gentrification, exacerbating housing affordability problems for many groups.

Changes in the way infrastructure and services are provided is another source of complexity in our cities and reason for an increased focus on integrated approaches to governance. For example, the growing trends towards contracting out of the provision of public transport services and of many welfare services, the growth of tollways and the evolution of 'unsolicited bids' for major infrastructure development blur somewhat the boundaries between the public and private sectors and extends the range of stakeholders with a direct impact on the nature and quality of outcomes in our cities. Some of these developments pose risks of loss of network

control, underlining the importance of a clear integrated vision and appropriate governance arrangements.

A third example of why integration is increasingly important for urban land use transport policy and planning is the way structural economic changes are leading to growth in knowledge-intensive activities. Accessibility or connectivity is a key driver of growth in such activities, as is the provision of social and community infrastructure to attract the talented people who work in knowledge intensive sectors. The BIC's Policy Paper 5 argued that a polycentric urban development model, supported by transport, social and community policies and programs, is likely to enhance urban and national productivity growth and enable a better sharing of the benefits of this productivity growth.

These various examples demonstrate how the effects of cross-cutting issues on the performance of our cities are increasing the importance of thinking in more integrated ways about the best policy and program directions to support pursuit of the multiple outcome goals summarised in Section 1.1. Integrated governance is central to this broader approach where cross-cutting issues are involved, generally encompassing a wider span of interests and an increased level of stakeholder engagement, across a wider and more diverse range of stakeholders. These components essentially define the scope of integrated governance.

## 1.3 Report structure

Section 2 considers a range of key issues that need to be considered in framing suitable approaches to integrated land use transport policy and planning. It distinguishes between horizontal and vertical integration and identifies key issues to be considered in terms of strategic and tactical level thinking. Section 3 presents a number of international case studies that can help inform practice in Australia. Transferring overseas models and experience is always fraught with danger but ignoring them is even more so! The focus in that discussion is primarily centred on the question of 'Who speaks for the city?' Section 4 presents the report's main conclusions about ways to improve governance arrangements for land use transport policy and planning in Australia's major cities.

## 2. Some key issues for integrated urban land use transport planning

### 2.1 Scope of integration

The importance of closely connecting planning of land use and transport has long been recognised in some cities, both because the demand for transport usually derives from land use and also because transport is itself a powerful shaper of land use. This power means that it is critical for a city to understand the way it wants its land use to develop before it decides on the shape of its transport networks (Cervero 2014).

There are a number of ways in which connections between land use, transport and related urban directions might be reflected in policy and planning, ranging from cooperative approaches through to integrated approaches, as outlined in Section 1.2. The most suitable approach in any particular situation will depend on matters such as:

- service impacts: nature, extent and scale
- value perspectives on the need for, and nature of, policy intervention.

The larger, more diverse and more widespread the consequences of a community issue of concern, and of the associated impact of policy/program interventions to respond to this concern, the greater the case for integrated governance in dealing with that issue. In particular, long term strategic land use transport plans, extended to encompass major cross-cutting issues like productivity growth, housing affordability, greenhouse gas emissions, and provision of social and community infrastructure, together with major project interventions tackling such issues (e.g., major rail, road or urban renewal projects) are likely to be most effective if approached through integrated governance, because of the scale and diversity of their consequences. Small scale issues, such as place-based neighbourhood improvement, may be best suited to devolved local solutions, with local empowerment (and some devolution of funding). Even then, however, this may require cooperation or some coordination and may be more effective, at scale, if framed within a broader coordinated or integrated governance framework, which is clear about interfaces between neighbourhood and regional matters but allows the maximum flexibility for the neighbourhood to forge its own future.

If the likely origins and consequences of a policy concern, and of the impacts of interventions to respond to this concern, cross jurisdictional boundaries between levels of government in terms of roles and responsibilities (perhaps better imagined as communities of interest represented by these levels of government), then effective institutional arrangements need to facilitate and manage this cross governmental involvement, even if service delivery responsibilities lie largely (or entirely) at one particular level of government (as is common, for efficiency reasons). Horizontal integration is often used to describe integration across institutions/stakeholders for a particular level of government (e.g., as between a number of local authorities or across state government entities, encompassing

perspectives such as roads and public transport, schools and hospitals, jobs and social inclusion, and/or between government and its many contractors). Vertical integration describes integration across levels of Government (e.g. Local, State, Federal). With increasing interest in the role of neighbourhoods as bases of strong communities, reflected in ideas like the 20 minute city, the concept of vertical integration also needs to extend beyond local authority level to encompass neighbourhoods. Strategic land use transport policy and planning for cities usually requires integration across both the vertical and horizontal dimensions, because of the nature and scale of impacts involved.

Value perspectives are important in resolving the best way to approach extended land use planning, particularly as this relates to thinking about matters that are thought to be in-scope or out-of-scope for policy/planning involvement. Stanley and Pearce (forthcoming) suggest, for example, that:

*... decisions are needed about which matters might require policy interventions, which matters should be left to the unfettered operation of private markets, and which might be best handled by voluntary relationships between interested people or organisations. For example, should government policy and programs intervene in land use markets to increase the supply of affordable housing as part of the promotion of Transit Oriented Development, which has often been found to undersupply lower priced accommodation, or should this be left to private development markets? Also, what role might community organisations play in the provision of transport to particular categories of traveller, such as those with special needs?*

Decisions on matters that are in-scope, or out-of-scope, need to precede development of appropriate governance arrangements to deal with in-scope matters. They also draw attention to the question of whether there is a role for encouragement for others to take action in out-of-scope (for policy/program interventions) matters. The key 'in-scope' issues for current strategic land use transport policy and planning in Australia are (at least) productivity/jobs, greenhouse gas emissions, affordable housing, social inclusion, health/safety and biodiversity and the influences on outcomes in these areas, such as population growth and changing demographic composition of the population. Governance arrangements and funding are themselves also important in-scope considerations, as is the role of public participation or community engagement in policy and planning contexts.

Given political responsibilities and accountabilities of particular levels of government, it can usually be assumed that horizontal integration (at a particular level of government) should be easier to achieve than vertical integration, where such responsibilities and accountabilities are less clear.

### 2.2 Integrated strategic land use transport policy and planning

A helpful way to think about the various stages in land use transport policy and planning is to separate the Strategic (or policy), Tactical (or system design) and Operational (or delivery) elements (van de Velde 1999), as illustrated in Figure

2.1. The strategic level is where the city visioning process takes place, long term outcome and process goals are set and key directions for goal achievement are embedded, along the lines illustrated in Section 1.1. Both vertical and horizontal integration issues arise within this broad framework.

Broad governance arrangements that might be best suited to strategic land use transport policy and planning were considered at the Thredbo 12 Conference on Competition and Regulation in Public Transport in Durban, South Africa, Stanley and Smith (2013) reporting on the findings from that workshop. Figure 2.2 sets out the proposed integration framework that emerged from that Workshop. It includes both vertical and horizontal integration. The framework proposes a set of anchoring nested plans to guide policy and planning: a long term (e.g., 25-40 year) land use plan leading a long term strategic transport plan, together with shorter term rolling (~10 year) transport implementation plans, which include funding plans. Similar supporting implementation plans should be included for other critical issues, such as city productivity growth (beyond matters included in the transport plan), affordable housing and social/community infrastructure. State-based Infrastructure agencies can play an integrating role in the infrastructure component of such plans.

Federal government involvement shown across the top of Figure 2.2 reflects, in particular, recognition of the economic significance of cities and also their contribution to greenhouse gas emissions (GHG) and to national settlement policy, areas of obvious significance for the national government. For example, the BIC's Policy Paper 5 highlighted the national economic productivity benefits associated with urban knowledge agglomerations and

proposed shaping land use to better capture such benefits and enable them to be more widely shared by residents across the city. The land use transport (and related matters) strategy to respond to these policy goals is a matter for the responsible state government in Australia. The national productivity benefits associated therewith, however, support Federal government involvement in strategic planning of our major cities (vertical integration). The fact that major urban public transport network capacity serving the CBDs and other knowledge clusters in our cities is crucial for realising such agglomeration benefits makes the Federal Government's decision to stay out of public transport funding difficult to comprehend – roads are not the best way to capture urban agglomeration economies in the clustered knowledge economy.

**Figure 2.1: The STO of land use transport policy, planning and delivery.**



**Figure 2.2: A Framework for Land Use/Transport Integration (Source: Based on Stanley and Smith 2013)**



Federal government involvement is also important because of its dominant revenue raising capacity, implying a need for some form of financial transfers from senior to lower levels of government to deliver urban policies and programs. Better aligning city revenue raising capacities with expenditure responsibilities should be an important focus for intergovernmental funding reform in Australia (beyond the scope of this Paper). All such considerations suggest the federal government should most definitely have ‘skin in the game’, on behalf of a country’s citizens, in terms of the performance of major cities and should, therefore, have a seat at the table in strategic urban policy and program planning.

While there are very strong arguments for the federal government to be actively engaged in strategic policy and planning thinking and funding for our major cities, service impacts primarily arise within a city and that is where primary responsibility and accountability for the urban policy/planning process should sit. Figure 2.2 suggests that the primary responsibility for city strategic (extended) land use transport policy and planning should sit at local authority level, with local authorities acting regionally if there are multiple authorities within a city, which is the usual international practice. The main argument for this alignment is for responsibility to sit at the jurisdictional level with which democratic accountability is most closely aligned. Acure Consulting et al. (2013), for example, in a useful governance review for Greater Vancouver Mayors Council, point out regions often thought of as ‘best practice’ in urban land use transport typically have direct political accountability at the Strategic or Policy level.

If a single local authority has responsibility for the entire city, as in poster cities for urban land use transport development, such as Freiburg in Germany or Malmö in Sweden (both discussed in Section 3 of this report), this provides a clear alignment for city long term strategic land use transport planning (and planning of closely related matters) and should mean that horizontal integration is relatively easily achieved. It is clear and unambiguous in this case who speaks for the city.

If a city contains a number of local authorities the allocation of responsibility and accountability is less clear cut. A common response internationally is for this role to be devolved to the multiple local authorities within the city region, acting regionally for strategic land use transport purposes. The capacity to think and act regionally is a key ingredient for this approach to be successful. Vancouver is an example of this situation, of local authorities acting regionally through Metro Vancouver under legislated authority from the Province of British Columbia. London is another such example, but with a different solution: the Mayor of London and lead entities (the Greater London Authority and Transport for London) play the key integrating roles in that city, under national legislative authority. The UK Cities Deal process is pushing core city regions in this direction. We return to such city examples in Section 3.

Alternatively, in a multiple local authority context a higher level of government, such as a State or Provincial government, may take responsibility for the city, rather than devolve this to a form of aggregated local authorities. This is the practice in Australia and also in cities like Toronto, Ontario, but it is less common than some arrangement of local authorities having responsibility. It is less than ideal in terms of ‘speaking for the city’, because the responsible

entity has wider interests, which may compete with those of the city. Berlin Bundesland is an unusual example in a federation, where a state (Land) aligns with the city and has responsibility for that city. Section 3 considers a number of international case studies to see if there are lessons for land use transport governance arrangements for Australian cities, at both strategic and tactical levels.

Once the decision is made about the levels of government that should be involved in tackling strategic land use transport policy and planning, mechanisms are required to achieve this involvement. For example, should individual municipalities within an urban area be obliged by legislation to ensure that their municipal land use plans are consistent with an adopted regional plan? This legislative requirement exists, for example, in Toronto for constituent Municipal Official Plans relative to the 2006 Growth Plan for the Greater Golden Horseshoe Region, and in Vancouver, as between that city’s Regional Growth Strategy (RGS) and Official Community Plans of the municipalities. If legislation is not used, should grant funding (for example) be used to encourage integration or co-ordination between jurisdictions that need to work together?

## 2.3 Integration at the tactical level and the role of partnerships

The tactical or system design level is where systemic planning responses are formulated across various entities, to pursue the vision and goals set at the Strategic level. To illustrate the difficulties of this task, there are multiple layers that need to be joined for tactical level integration across the transport sector alone, such as between:

- various modes within the public transport sector (e.g., trains, trams, buses, community transport, taxis)
- walking, cycling and public transport
- roads and public transport
- freight and personal transport
- transport and land use, the major focus for this Section of the Paper
- transport and other areas of government policy concern, such as social policy, and
- the various layers of government (State, Federal and Local).

Incorporating these layers in a wider (extended) land use transport policy and planning process adds complexity to an already difficult task. Quite simply, the task is hard! The rolling ten (or so) year implementation plan is where tactical level thinking needs to come together. All Australian capital cities should have such detailed integrated plans (not all do). This weakens the quality of our ‘integrated’ land use transport planning.

With the private sector playing an increasingly larger and more important role in service delivery in the land use transport space (e.g., public transport service delivery; toll

roads), partnerships are of growing importance as a way of improving the quality of integrated tactical level land use transport planning for our cities, including partnerships between government (the authority) and service providers. We illustrate this with some relevant experience from the Australian bus industry. This experience is relevant to public-private partnerships in other sectors, across levels of government and in government-civic society interactions.

In a privatized public transport delivery model, a trusting partnership between the responsible government entity and the operators who provide such service (or their industry body) offers prospects of better tactical level outcomes (particularly patronage growth plus achievement of efficient service delivery costs), a conclusion drawn by participants in Workshop 3 at the Thredbo 11 Conference (Stanley and Smith 2013). This expectation partly reflects the shortage of skilled people in the field and the allied need to draw on all available skills, wherever they are located. It also reflects both the inherent problems of incomplete contracts in a public transport service delivery setting<sup>2</sup> and the expectation that, if the Authority and operator are jointly focused on achieving common goals, rather than on keeping watch on each other, better outcomes are likely.

Stanley, Betts and Lucas (2007) were instrumental in developing this approach in Victoria. They suggest that an effective trusting partnership between an authority and service provider should be grounded in:

- common core objectives tied to public policy purposes
- trust
- confidence in a partner's capacity to deliver
- demonstrated commitment to good faith in making and keeping arrangements
- shared governance arrangements that are accountable and transparent, to guard against risks of regulatory capture. These arrangements provide the glue to tie the principles together.

Governance arrangements may be spelt out in a service contract, included in a document that supports the service contract and/or be part of an Authority/industry-wide agreement that sets out behavioural expectations. Melbourne, Australia, has pursued the trusting partnership model between the government, its responsible authority and bus industry for service delivery from 2005. This helped deliver the strongest increases in bus patronage in that city in decades. There is scope to pursue this approach more broadly at the tactical level in integrated land use transport planning for our cities.

Because many of the benefits/costs of urban land use transport (and related) policies and planning decisions extend well beyond the city, vertical integration should form an essential part of both the strategic and tactical stages, for long term strategic land use transport policy and planning

<sup>2</sup> The absence of trust will typically see an Authority seeking to fully specify a service delivery contract, to protect its interests. This invites complex legal argument and a loss of focus on the main service delivery outcomes, while lawyers debate what the contract intended and what was delivered. In a context of trust, backed by transparency and accountability, there is no need to fully specify requirements. Instead, the contract need only set down requirements that are clear and then specify a process that will be used for making decisions in areas of uncertainty, as the contract develops.

and also for implementation plans, which give effect to tactical level decisions. Some case study illustrations of how this is undertaken elsewhere are provided in Section 3.

## 2.4 Neighbourhood level

The international discussion about integrated governance for land use transport policy and planning is primarily about:

- the roles of the various levels of government and how these might best come together
- how particular levels of government can replace siloed or fragmented approaches with more joined-up, integrated approaches and
- how various forms of stakeholder engagement can best support these endeavours (including issues such as the role of PPPs).

At the same time internationally, there is a related set of discussions taking place about strengthening communities and devolving greater levels of influence over decision-making to the local level, where 'local' essentially aligns with what we might understand by neighbourhood. Romańczyk (2015, p. 2), for example, argues that:

*despite a lack of budget autonomy the notion of neighbourhood ... has become the focal point of study in the recent governance-oriented course of urban transformation.*

Unpublished Australian research by Dr Janet Stanley on social inclusion and wellbeing, supported by the bus industry, has shown that people who rate well in terms of positive affect (feel that they control their environment, rather than the reverse) are more likely to be socially included and have high wellbeing. As a consequence, devolving greater influence and control to local communities is likely to enhance wellbeing, and this should flow on to wider benefits, such as greater economic prosperity. The idea of the 20 minute city, which was the subject of the BIC's Policy Paper 5, comes partly from this line of thinking.

Developments over the last twenty years or so, in fields such as deliberative democracy and participatory budgeting, are closely linked to the idea of devolving greater influence to the community/neighbourhood level, and there is a rapidly growing evidence base about how this might be achieved in particular settings.<sup>3</sup> Berlin's neighbourhood councils are one interesting approach, which has been successfully used in many disadvantaged areas (Berlin Senatsverwaltung für Stadtentwicklung 2010), as are Belgium's 'sustainable neighbourhood contracts' (Romańczyk 2015). Krenjova and Raudla (2013) provide a very useful overview of different models for participatory budgeting at local level and the circumstances in which they might best be suited. The focus in this Paper is primarily on how neighbourhood level arrangements might be used to support development of our major cities as a series of 20 minute cities, essentially a discussion about governance and funding.

<sup>3</sup> A recent article in The Fifth Estate provides some interesting Sydney examples. [http://www.thefifthestate.com.au/event-news/hothouse-on-collaboration-as-key-to-better-neighbourhoods/76638?utm\\_source=The+Fifth+Estate+++newsletter&utm\\_campaign=d94c6816e6-18\\_August\\_2015&utm\\_medium=email&utm\\_term=0\\_5009254e4c-d94c6816e6-44056161](http://www.thefifthestate.com.au/event-news/hothouse-on-collaboration-as-key-to-better-neighbourhoods/76638?utm_source=The+Fifth+Estate+++newsletter&utm_campaign=d94c6816e6-18_August_2015&utm_medium=email&utm_term=0_5009254e4c-d94c6816e6-44056161)

The neighbourhood level in Australia, per se, is not part of formal governmental structures, neighbourhoods usually existing at sub-municipal level and/or crossing municipal boundaries. Also, linked with this status, neighbourhoods have no legislated revenue raising powers, even though revenues are often raised by individuals/community groups for particular local purposes and approaches like crowd funding (including civic crowd funding on a community's behalf) are well suited to this scale of application. Integrated land use transport policy and planning that is seeking to achieve the objectives set out in Section 1.1, by following the broad policy directions outlined therein, needs to find ways to give neighbourhoods greater decision-making influence over matters that affect their wellbeing. Neighbourhoods need to be incorporated into the public policy debate, without reducing the spontaneity and energy that characterises much activity at this level. This is likely to require greater neighbourhood influence over local funding allocation decisions, which will usually require some flow of funds from a level of government to the neighbourhood. This may be from the local authority but could also be from a higher level of government and may involve local supplementation.

There is extensive literature on ways of involving various publics in policy and planning matters, building on the seminal work of Arnstein (1969) and her ladder of participation, where such engagement ranges from 'non-participation' through tokenism to citizen power (see also the website of the International Association for Public Participation<sup>4</sup>). There is no need to repeat that literature here, other than to assert that, if the idea of the 20 minute city is to become a reality, then local communities or neighbourhoods will need (1) sufficient devolved decision-making authority to influence local factors (infrastructure/services) that impact on how their neighbourhoods develop and, if a high level of local empowerment is intended through devolution, as the author sees as appropriate for the idea of the 20 minute city, then this is almost certain to require (2) local control over some funding to implement priorities that are seen as important locally. The well-known Porto Alegre model of participatory budgeting is one such possibility (see, for example, Krenjova and Raudla 2013). Some communities may need assistance to participate in such processes and this should be facilitated, for reasons such as avoiding entrenching disadvantage.

The BIC's Policy Paper 5 discussed the opportunity in rural/regional areas, and on the urban fringe, to give communities greater influence over local public/community transport services, through development of what is becoming known in the UK as a 'total transport' approach. This approach would almost certainly work best with devolution of some, at least, funding control from government to local level and is likely to require some disruption to existing funding flows, to achieve efficient outcomes. The absence of much Australian experience of participatory budgeting where the empowerment associated therewith extends to direct local control over funding flows suggests that case studies are needed as a matter of high priority. The total transport approach suggested in Paper 5 is an ideal opportunity in this regard.

Case studies should set out to determine:

- how local communities/neighbourhoods can best be involved in local land use transport policy and planning
- the levels of financial empowerment that are needed for successful implementation
- governance arrangements that are best suited to this purpose and
- how this devolution can be most closely aligned with regional strategic directions (vertical integration).

<sup>4</sup> Arnstein, S (1969), 'A ladder of participation', Journal of the American Institute of Planners 35(4), 216-224

## 3 Who speaks for the city?

### 3.1 Purpose

Section 2.2 pointed to a number of different ways in which the primary formal roles and responsibilities for city land use transport planning might be allocated, particularly as between a single local government entity that covers the entire city, a regional (city) level arrangement that includes a number of local authorities acting in some joint way or a higher level of government (usually a state/provincial government) exercising responsibility for a city that forms a part of its area. That Section also emphasised the importance of vertical integration, particularly involving the Federal government in both strategic and tactical level engagement around land use transport (and closely related) matters. It also highlighted the increasing interest in localisation, with implications for developing appropriate governance arrangements at sub-municipal level (another part of vertical integration).

In the absence of a single representative jurisdiction aligned with an entire city, no single approach to city governance is necessarily better than any other. A key requirement in a democracy, however, is that the designated elected representatives are enabled to speak for the city and are recognised as having the authority and accountability to do so. Factors such as history, the capacity for stakeholder cooperation, the scale of problems and opportunities being confronted, extent of financial dependency between levels of government, political and agency skills and the nature and extent of engagement of the private sector and wider community will influence the best outcome in any particular situation. This Section explores some of the ways in which these roles and responsibilities are exercised in cities that are regarded as leaders in strategic land use transport planning, to see if their experience provides useful lessons for Australia.

### 3.2 A single local authority

There are a number of good examples of integrated land use transport policy and planning at city wide level where a single local municipal body covers the whole city, or a very large part of the contiguous urban area. These jurisdictional arrangements simplify the urban governance problem by reducing the complexity of horizontal integration. We draw on Stockholm and Malmö in Sweden and Freiburg in Germany to illustrate what the author sees as good practice in such situations.

#### 3.2.1 Stockholm

The City of Stockholm in Sweden has a population of 920 000, within a broader urban area of 1.2 million people and County population of 2.2 million. The County is compact, most being well within 40 kilometres of central City of Stockholm. Over the 5 years to 31st December 2014, the City population increased by 9.96 per cent (> 1.9 per cent per annum), which was more than double the Swedish national rate of increase of 4.35 per cent over that five year period. This fast growth rate is an indicator of urban success, albeit

that it puts pressure on services, including transport systems, and infrastructure. The County population also grew very quickly over this period (by 8.9 per cent over the five years) and a number of the other municipalities within the County, very close to the City, grew at almost the same rate as the City.

The City integrates its urban planning (land use), transport planning and infrastructure planning, the strong connections between urban land use and transport captured by the description of the City (urban) Plan as the walkable city. The focus in the plan is on increasing densities and delivering mixed use development, building where there is spare capacity on the public transport (PT) network and increasing PT frequencies where densities are increased, if required. This development direction dates back to the late 80s. Density increases are being pursued in a crescent shaped corridor from the inner south to north-west of the centre, and in a series of nodes located on trunk PT corridors. Hammarby Sjöstad eco-district is an internationally recognised urban renewal project, developed in the last two decades on an old industrial site close to the city centre. It is being developed for ~11,000 residential apartments, with a density target of 150 dwellings per hectare and focus on low environmental impact. The development includes comprehensive provision of new public transport links, leisure facilities and green public spaces and is proving popular with young families. Building heights are typically about 6 storeys. However, housing affordability remains a challenge for the City and wider County Region (Englén et al. 2015).

The City's compact mixed use plus PT focus has resulted in the following mode shares: PT 44 per cent of trips, private vehicles 34 per cent and walking/cycling 22 per cent, which is very impressive.

There are two particular Stockholm governance ideas that the author sees of interest for Australian cities: the Stockholm Agreement and related new Metro Agreement; and the concept of Vice-Mayors.





## Stockholm Agreement

The Stockholm Agreement, which began in 2007, provides SEK100b (~\$A16b), a quarter from congestion charge revenues, to expand the coverage and capacity of the city's public transport network and to remove heavy road traffic from surface streets (mainly by building a new Stockholm bypass tunnel). The new Metro Agreement provides SEK27b (~\$A4b), with a third coming from the congestion tax. All (national government approved) congestion tax revenue goes to these Agreements, which provides a clear line of sight in policy and program terms between the charge and system improvements (even if it is not locally termed hypothecation!).

The Agreements had their origins in concerns across all levels of government about how underinvestment in transport infrastructure was leading to congestion, holding back growth (e.g., through adverse impacts on labour markets) and adversely impacting the environment in the nation's capital city. Englén et al. (2015) highlight the declining transport investment share of GDP in Sweden from the 1960s and the relatively low proportion of this declining share going to the Stockholm Region, seen as contributing significantly to the region's transport infrastructure problems. A negotiated process through 2007, across all levels of government (including all seven parliamentary parties) and including other key stakeholders, identified a set of priority initiatives to deal with the concerns that had been identified. The national government, county administration and all regional municipalities then all signed up to the 2007 Agreement, which included key urban/regional transport and related environmental priorities, including the congestion tax, and set out details of the particular projects to which the various entities would provide financial support over designated future time periods. The focus is on projects of cross-jurisdictional significance. The subsequent 2013 Agreement extends the earlier Agreement in relation to the Metro rail project.

These agreements are, in effect, partnership Agreements that commit the partners to a set of priorities they jointly agree, with funding commitments and provisions for flexibility where this might be required. The congestion tax revenue required national agreement for implementation but is used for projects in the area. This is a good example of scale application of the trusting partnership approach outlined in Section 2.3, encompassing both the strategic and tactical stages. It should support significant improvement in Stockholm's transport system. The range of stakeholders signing up to the Agreement enables a regional focus to be embedded, beyond just City of Stockholm, which is appropriate given the compact nature of the County of Stockholm and rapid growth that is taking place in many municipalities across the County (but with the City having the strongest growth).

Englén et al. (2015) have proposed that the multi-government (national government, County, municipalities within the County) negotiation group delegation process, which led to the Stockholm Agreement, should become a permanent governance arrangement, to help lock-in the partnership-based vertical integration that it encourages.

## Mayor and Vice-mayors

The City of Stockholm has about 100 councillors, a Mayor and 11 Vice-Mayors, seven from the majority party and 4 from the minority side. Vice-Mayors have portfolio responsibilities but decision-making power sits with council. The author was advised that this is the result of an understanding between the parties, who see value in having a continuous representation from all the parties in City Hall in the policy process, reflecting values embedded above in negotiation of the 2007 Stockholm Agreement. The split does not equal party shares of seats on council. The Mayors do not have any formal decision power, since all decisions are taken at council level or by its underlying boards, but the Mayors are influential, on matters such as deciding what questions to bring to the boards. This approach is likely to promote shared ownership of directions in areas such as strategic land use transport policy and planning. The City believes that it has built a clear pedagogy as a base for its directions in these areas and the Vice-Mayoral arrangements are one part of the success of this process.

### 3.2.2 Malmö

Sweden's third largest city, Malmö (population 320,000) is located in South-west Sweden, about a half hour train trip from Copenhagen in Denmark, across the Øresund Bridge, which opened in 2000. In many ways Malmö now functions like a suburb of Copenhagen, developing in the direction of the bridge, whereas it had been growing towards Lund previously. The City's population grew by 8.2 per cent over the five years to 2014, a little slower than Stockholm but much faster than Sweden as a whole.<sup>5</sup> Affordable housing is a problem in Malmö, as it is in Stockholm.

Over the last 30 years, Malmö has transformed itself from an industrial town to a city of knowledge and culture, partly in response to loss of the world's largest ship building yard (Kockums). Leadership provided by Mayor Ilmar Reepula, from 1994, has been noted as a significant driver of the change process (Anderson 2014). There has been a strong focus on high quality architecture, sustainability projects and innovation in the knowledge economy, including the development of a new university as part of the Western Harbour redevelopment, on part of the old ship yard site. This area is a model of sustainable urban renewal, with very high frequency bus services connecting to the town centre (10 minute frequencies most of the day and 20 minutes late at night). The initial development project, Bo01, which opened in 2001, was the first carbon neutral neighbourhood in Europe. It includes a mix of dwelling opportunities and retail/food services and has provided a case study to improve outcomes on subsequent development stages at Western Harbour. The area hosts numerous international visitor groups each year.

Malmö has taken the opportunity provided by the Øresund Bridge to initiate a major redevelopment of its central station area, which links through to Western Harbour, and of its regional and international rail networks, including development of major new urban nodes on the rail line towards Copenhagen (Triangeln and Hyllie).

<sup>5</sup> Anderson (2014) points to problems of ethnic segregation, linked to a high immigration rate, including refugee intake. In 1961, only 5 per cent of the city's population were foreign born, this proportion increasing to nearly one in three in 2012.



Malmö and Copenhagen on the transit route between Sweden and the other parts of Europe  
(Source: From Powerpoint presentation by Klas Nydahl, Senior Advisor, City of Malmö, provided to John Stanley)

Bus services have also been improved within the City, including to Bo01. Future land use transport planning includes working with Copenhagen and with other centres within the wider region (e.g., the university town of Lund) on regional development and public transport network development, together with big picture thinking about transport connections to Western Europe, via a possible Denmark-German link. Rapid population growth is creating pressures that demand a continued response, with housing affordability problems being notable, but the various jurisdictions involved seem well placed to respond, including joint initiatives with Copenhagen (where, for example, Copenhagen and Malmö are making master plans together for areas of common interest).

In terms of governance, lessons from Malmö for Australian cities are about ways of making and taking opportunities when they appear, across (in this case) both countries and jurisdictions, not being afraid to think transformation in the process, and a commitment to wide stakeholder engagement/partnerships in planning and delivery. The City and its leadership have driven these processes, the simplicity of a single voice for the city being supportive but not sufficient. Wider national and regional support has also been essential to such major initiatives, the City working with the national government and Skåne region, and sharing funding of some key initiatives. For example, the City rail tunnel project was 80 per cent national funded, 12 per cent city funded and 8 per cent region funded.



### 3.2.3 Freiburg

Freiburg, a university town in south-west Germany (population about 230,000) is well-known internationally for its environmental focus (being often called Germany's green capital). The city population increased by 9.3 per cent between 2000 and 2010 and continues to grow strongly. In land use transport terms, it is perhaps best known for its Vauban (1993-2006) and Rieselfeld (1994-2010) urban renewal projects, which are benchmark developments in environmental, transport and community engagement terms, and for its sustained transport focus on active and public transport over the past four decades.

The City's 2008 land use plan focuses on high density development along transport routes, sustainable neighbourhood centres and mixed use development, mirroring the directions set out in Section 1 of this Paper. This plan was closely linked to the transport plan of the same year (updated in 2011). The transport plan focuses on shifting trips to active and public transport, making necessary/unavoidable trips more sustainable and promoting local accessibility with short distances (Buehler and Pucher 2011). This has seen a significant decline in the mode share of car and a large increase in cycling, in particular. Cars account for about one in three trips, walking and cycling meeting half the total trip needs. This focus is encapsulated in Freiburg's great description of itself as a city of short distances, urban land use transport planning consciously pursuing this outcome. This idea is very similar to that of the 20 minute city.

The Freiburg example in land use transport terms is one of a community vision stretching back nearly 50 years, beginning with opposition to possible nuclear power plant development, and evolving to a comprehensive green agenda, with wide community buy-in and capable leadership, at both political

and bureaucratic levels. Buehler and Pucher (2011, p. 53) note the city's strong tradition of cooperation, negotiation, and consensus among city administration, citizen groups, and local businesses. This is a story of great horizontal integration within a city across a range of stakeholders (both broad public participation and engagement with particular key stakeholders), and with its regional neighbours, showing what local government is capable of achieving across a wide agenda with a clear and sustained vision, comprehensive and integrated programs and good leadership. A supportive federal policy environment has also been helpful (e.g., high petrol prices encourage active transport and public transport; matching support for funding public transport capital investments, if plans are part of comprehensive local transport plans. Buehler and Pucher 2011).

## 3.3 Multiple local authorities

### 3.3.1 London

We move now to considering governance arrangements in settings where there are a number of local councils within a metropolitan area, using London, Leeds and Vancouver as examples.

London is much larger than the three cities considered in Section 3.2, currently being home to 8.6 million people, growing at a little over 1.1 per cent annually. Population is expected to reach 10m by 2030. London's productivity level, per hour worked, is about a quarter higher than that of the next most productive UK region (City Growth Commission 2014), showing how significant the capital is to UK economic performance.

The city's economic growth strategy is firmly focused on driving job growth in the centre and very close thereto,<sup>6</sup> the core of global London, but also supported by pursuing growth in a number of suburban hubs for mixed use purposes (not primarily for office jobs, where the centre is the focus). Improving accessibility to central jobs is a key transport direction, particularly from disadvantaged areas, outer areas within the London 'hard' boundary and along key corridors from outside that boundary. There is also a current focus on outer suburbs re-inventing themselves, a direction that is relevant to Australian cities, given difficulties of creating jobs in such areas beyond those that are population-serving. Brownfield 'opportunity areas' are a particular focus for redevelopment (e.g., Battersea Power Station, considered briefly below). Superhighways for bikes are a current interest of the mayor.

Crossrail (Stages 1 and 2), Europe's biggest infrastructure project, is London's major land transport initiative, firmly grounded in the city's economic development/land use strategy and also serving many areas of significant disadvantage, with value capture an important source of funding. The BIC's Policy Paper 3 outlined some details of how these arrangements operate. Improving circumferential movement through the suburbs, to support growth of nodes

in these areas and accessibility more generally, is also a land use transport priority. This radial/circumferential focus is generally in line with the strategic priorities proposed in Section 1 of the present paper for Australian capital cities.<sup>7</sup>

An interesting land use transport idea being implemented in London is the mandated linkage of development densities to public transport accessibility levels (using a PTAL indicator). Urban redevelopment projects may need to contribute to improved public transport services/infrastructure if their density requirements mean that the density/PTAL benchmarks are not met. The Battersea Power Station development (25,000 homes and 16,000 jobs) involved a developer contribution of £250m plus Business Rate Supplement (BRS) and Community Infrastructure Levy (CIL), to help fund the London Northern Line extension.

In terms of governance, unlike the three preceding examples, London includes 32 boroughs plus the City of London Corporation. It has an elected Mayor of London and Greater London Authority (the top tier legislative body for Greater London), created under national legislation.<sup>8</sup> The Mayor has particular responsibilities for economic development, land use planning and transport. The land use strategy is The London Plan, the current mayor delivering a plan in July 2011 and an updated plan has been available since March 2015 (Mayor of London 2011, 2015). The breadth of the integration embedded in the 2015 Plan is illustrated by the chapter headings, which include: Places; People (which includes housing); Economy; Climate Change; Transport; Living Spaces and Places; Implementation, Monitoring and Review. Boroughs need to operate in accord with the London Plan and are engaged in its preparation (as is business).

The Mayor's Transport Strategy was released in 2010 (Mayor of London 2010), prepared in concert with the economic development strategy and land use strategy, the Transport Strategy being delivered by Transport for London (TfL). The goals of that Strategy are very similar to those summarised in Section 1.1 of the present Paper.<sup>9</sup> The Transport Strategy is a 20 year strategy, linked to 8 year implementation plans prepared by TfL. The breadth and depth of integration has increased over the past few years, as illustrated by the scope of the 2015 London Plan. As one indicator of transport success, London has achieved a substantial (10 per cent) reduction in its car mode share over the last ten years, through implementation of initiatives such as the congestion charge (20 per cent traffic reduction in the charge zone), OysterCard and investment in improved bus and rail services. However, car use is forecast to grow in coming years because of population growth. Land use transport policies are seeking, inter alia, to contain such growth in car use.

There are 25 members of the Greater London Authority (GLA) Assembly, fourteen being members for Assembly constituencies (boroughs) and eleven members for the whole of Greater London. The role of the GLA is seen by many as to control the Mayor - a matter of checks and balances! For

<sup>6</sup> The inner development direction is described locally as 'Mickey Mouse ears', the ears being new development areas to the north-east and south-east of the core.

<sup>7</sup> However, the Australian land use directions suggested there place greater emphasis on seeking to encourage growth in a small number of knowledge-based clusters outside the CBD, a strategic direction London has rejected in favour of strong central growth. It was argued in the BIC's Policy Paper 5 that this difference is probably linked to different locations of disadvantage between Australian cities (where the edges are of major concern) and London (where disadvantage has tended to concentrate east, from close to the centre, and many outer areas tend to be high income).

<sup>8</sup> The Greater London Authority Act 1999

<sup>9</sup> With the exception of inclusion of a goal related to London's 2012 Olympic and Paralympic Games.

transport, TfL undertakes the Tactical level role, including for freight, and manages much of the Operational function. Having the Mayor as Chair of TfL, and the Deputy Mayor for Transport as Deputy Chair of TfL, supports integration.

Two main lessons Australian cities might learn from London's integrated land use transport policy and planning, in relation to governance, are:

1. the importance of a strong research evidence base for policy and planning directions, high quality staff and wide engagement around policy matters, to build credibility and an integrated offer. Nobody does the evidence side for integrated land use transport policy and planning better than London in the author's view, although some others are as good (e.g., Vancouver). TfL, for example, produces very high quality policy and planning research and directions, with a solid, tested evidence base
2. the role of the Mayor as an integrating point, to provide strong leadership for the Greater London area, drawing on the foundations provided in point 1. Both mayors to date, Ken Livingstone and Boris Johnson, though from different political backgrounds, have provided strong and innovative policy leadership that reflects their own particular perspectives but has been consistent in terms of broad strategic directions.

In terms of ideas for land use transport planning, linking development densities to public transport accessibility levels (PTAL) is a good idea, since it provides a clear framework for thinking about development opportunities and expectations within a sustainability context and with direct links to funding. In terms of funding, London's use of value capture is important in terms of major project development, although some would like to see a higher proportion of value uplift captured as contributions to relevant funding streams.

### 3.3.2 Leeds

The economic productivity and pull of London, and relative underperformance of many other UK regions/cities, has led to an increased focus in recent years on stimulating growth in regional cities. Overman and Rice (2008), for example, talked about the role resurgent cities could play in increasing economic growth and narrowing the gap between the richest and poorest regions in the UK. They proposed regional spatial and economic growth strategies, signed off by a leaders' forum representing local authorities in the region, to set growth directions and embed agreed priorities.<sup>10</sup>

This general approach is now reflected in the UK Cities Deal program, a national government led framework for strengthening regional economies, badged as 'Unlocking Growth in Cities' (HM Government 2011), with scope to also meet other regional objectives. It includes some devolution of national powers and funding and new governance arrangements to city regions. A central focus is to use infrastructure investment to increase regional economic growth (regional GDP), based on regional priorities agreed across local municipalities (through new regional municipally-based decision-making institutions) and local businesses (through the business-led Local Enterprise Partnerships) and funding negotiated regionally with the national government.

City Deal partners receive an agreed base funding level from the national government and there is an incentive component, based on performance against agreed benchmarks, which usually means local GDP growth (with the associated tax gain that can fund the incentive). A national government Minister oversees the Cities Deal program.

Leeds is the third largest metropolitan district in the UK. It had 750,000 people at the time of the 2011 census and experienced strong employment growth over the decade to 2008 (>14 per cent for jobs in the City, well above the 10 per cent national job growth rate). The City's particularly strong growth in finance and business services, education, health and life sciences and creative/digital sectors indicates an increasingly important foundation in knowledge-based employment, a marked change from its manufacturing past (which remains significant in some advanced manufacturing sectors, such as food, medical-related manufacturing and specialist engineering).

Leeds City Region, which included ten other municipalities and a population of 3 million, was formed in 2007. The City Region is the basis for the business-led Local Enterprise Partnership and the LEP has to approve the Region's Strategic Economic Plan. Leeds City Region produced a Strategic Economic Plan (SEP) in 2014 and, associated with this, a Single Transport Plan (STP). The SEP has four pillars:

1. Supporting growing business
2. Developing a skilled and flexible workforce
3. Building a resource smart City region
4. Developing the infrastructure for growth.

The fourth pillar highlights transport connectivity, which is seen as the lynchpin of the SEP. The main elements of the STP are based on delivering better accessibility at several levels:

- Local – home to district hub in 20 minutes, which has some resonance with the idea of the 20 minute city but includes car in the modes that are included
- Regional/IntraCity – hub to High Speed 2/High Speed 3 rail station within 30 minutes plus Pan-Northern Connectivity - all district hubs within 60 minutes of Manchester/Sheffield or 90 minutes of Newcastle
- National – maximum journey time of 2 hours from district hub to London (mainly by high speed rail, with local connections)
- International.

The focus is on one integrated system and includes a place-making focus. There is also a focus on delivering 'value for money', which includes considering new local delivery models for transport planning and service provision. The STP is framed within existing budgets but there is also a high level aspirational program, as noted above.

The Leeds' City Deal for the region was agreed in 2012. The primary goal is to increase regional GDP but this is complemented by two constraining distributional goals: the most deprived areas need to achieve a better than average improvement in accessibility and all areas need to achieve at least half the average rate of improvement in accessibility.

<sup>10</sup> The BIC's Policy Paper 5 is very much in the mould of linking economic and regional spatial planning, adding a transport dimension.

Land use remains with the local authorities, which limits somewhat the extent to which integrated land use transport planning can be achieved.

A requirement for the Leeds' City Deal was the establishment of a Combined Authority. The West Yorkshire Combined Authority, which includes five LGAs (3 having 2 seats each on the board), City of York and a representative of the Leeds City Region Local Enterprise Partnership (LEP), was formed in 2014. It is a strategic authority with powers over transport, economic development and regeneration.<sup>11</sup>

WYCA is an alliance of the district councils that made up the old West Yorkshire. They are all predominantly urban and predominantly Labour authorities. It comprises councillors appointed from the elected local authorities. They have responsibility for transport. Leeds City Region Local Enterprise Partnership is an authority appointed by central government with a mix of local business people and elected councillors from the local authorities, but the government requires that the unelected business representatives have overall control. It includes the rural commuter hinterland local authorities which are predominantly Conservative. It has particular responsibilities for promoting economic growth by administering the 'growth fund' grants from central government. It makes grants or loans direct to businesses but also most transport money from central government is now distributed this way, to ensure it is spent on promoting economic growth (e.g. new roads to business parks) rather than meeting social need (e.g. by subsidising buses).

The UK process brings together LEPS, which are very pro-business, pro-economic development bodies, with the urban elected local authorities. Some local critics see this as deeply undemocratic but acknowledge that it doesn't seem to be working badly, partly because the LEPS recognise that they depend on the local authorities and their staff for expertise. However, the program is seeing a major shift of funding towards road building and improving rail services for commuters, particularly longer distance services, and away from subsidising buses, which are primarily locally/city oriented. This is likely to increase social exclusion.

Perhaps the main governance lesson for Australian strategic land use transport policy and planning from Leeds relates to the national government's recognition of the national importance of cities and the associated need to devolve greater autonomy and financial powers to cities if they are to maximise their contribution to the nation's prosperity and wellbeing. This requires the national (federal) government to:

- have a clear idea on what it expects from this devolution (national government's priorities)
- provide performance incentives to cities to meet or exceed these expectations
- be prepared to negotiate agreements with cities that reflect these expectations while also recognising the importance of including local priorities in these

<sup>11</sup> The WYCA incorporates the activities of the previous West Yorkshire Passenger Transport Executive. National agencies remain the key decision makers and delivery agents on the biggest transport infrastructure projects (e.g., National Rail; motorways and low number 'A' roads). Boundaries are not the same as the Leeds City Region, which is curious. The need for better integration of land use with transport is recognised by the West Yorkshire Combined Authority, which sees a need for integrated long term spatial planning to evolve across a broad domain of issues, as it has in London.

agreements (which included elements with a distributional dimension in the Leeds' case) and to

- agree associated performance benchmarks and monitoring processes with cities that will ensure regions are rewarded for achievement (or not, as appropriate!).

It is early days in terms of outcomes from the Leeds Deal and its unusual arrangement of stakeholders and will be interesting to see how the somewhat strange bedfellows work together to deliver desired outcomes. Following the London experience, having high quality staff in WYCA to drive the programs provides a supportive base for success.

### 3.3.2 Vancouver

Vancouver is a metropolitan area of 2.4 million people, in south-west British Columbia. Like the other cities discussed in this chapter, it is experiencing strong population growth (>1.5 per cent p.a. from 2001 to 2011). The city is a regular top rater in lists of the world's most liveable cities.

Vancouver's Regional Growth Strategy (RGS) has a particularly compelling vision statement (Metro Vancouver 2011, p. 4):

*The highest quality of life embracing cultural vitality, economic prosperity, social justice and compassion, all nurtured in and by a beautiful and healthy natural environment. Achieved by an unshakeable commitment to the well-being of current and future generations and the health of our planet, in everything we do.*

The Vancouver metropolitan area includes 21 municipalities, the largest of which is the City of Vancouver, accounting for about a quarter of the total metropolitan area population. Metro Vancouver is a regional district established under Provincial legislation, whose Regional Growth Strategy (RGS) provides the framework for local planning within the region. The Province lists fourteen policy matters that the RGS should consider, setting these out in the Local Government Act. Regional Context Statements link municipal Official Community Plans to the RGS, being approved by the regional district. In effect, the province devolves responsibility for strategic land use planning to Metro Vancouver, which is primarily a partnership of local governments at the metropolitan level, within broad parameters that are set in Provincial legislation.

The metro area has pursued a largely consistent land use planning direction for the past four decades, firmly based in community values expressed in a range of consultative processes, updated on a regular basis throughout this period. The level of community buy-in has been an important element in sustaining the land use transport direction over many decades. The commitment shown to such community engagement is a key lesson for Australian cities from the Vancouver example: this is worth doing both as a matter of people's rights and also for the very practical reason that it can provide a source of sustained direction, founded in the values of the city's residents.

TransLink is the regional transport entity responsible for public transport and major roads, with a requirement to support the RGS. TransLink has produced a number of high quality transport plans for the region and is well regarded

internationally for its professionalism. However, it illustrates some of the governance concerns that can arise in a city where there are multiple local authorities charged with performing a regional land use function, supported by a primarily skill-based transport authority board.

The TransLink Board was initially comprised of municipal representatives but Ministerial intervention subsequently changed this to a more skill-based board, under oversight of the region's Council of Mayors. A couple of years ago, in response to a decision by the provincial Premier that any new revenue tools would be subject to a plebiscite, the Mayors' Council produced its own 10 year Transportation Vision for Metro Vancouver. The major funding source was to be a 0.5 per cent sales tax, levied as part of the existing provincial sales tax within the metro Vancouver area. This was the first time in Canadian history that a transport funding measure was put to a vote, and it was defeated following an acrimonious campaign aimed at discrediting TransLink as a credible steward of the new funds. This delays progress in tackling the Vancouver transport challenges, which will impact back on economic productivity, land use and on traffic conditions. The city's transport funding arrangements need to be resolved between the three levels of government.

Since the Province removed elected officials from the TransLink board in 2007, many municipal councils have felt disenfranchised, in spite of the establishment of the Mayors' Council's and its ability to appoint Board members. This was partly addressed by legislative changes in 2014 with the addition of the Chair and Vice-Chair of the Mayors' Council to the TransLink Board, plus two people appointed by the Province and seven appointed by the Mayors' Council under the Act, from a list of candidates identified by a screening process. Under these legislative changes, TransLink is required to produce a long term regional transport strategy (30 years or more) and Ten Year Investment Plan for approval by the Mayors' Council. These oversight provisions increase the long term municipal accountability of the process. Mayors now have more say over the transport directions that support the land use plan that is their direct responsibility, but continue to appear dissatisfied with their level of control, especially in the absence of adequate funding provisions that facilitate implementation.

In short, Vancouver is impressive on a line-of-sight basis across jurisdictions for a sustained long term approach to land use, transport and closely related policy and planning matters, reflecting highly skilled staff and high quality engagement processes. However, current stressors show there can be difficulties of creating a clear voice for the city in a process where local government is exercising a regional role. Such tensions are inherent to a system where multiple jurisdictions must work together in a complementary yet competitive fashion to achieve goals that are simultaneously beneficial to local municipalities and the metropolitan area.

The example raises the question of separation of strategic/tactical and operational level responsibilities. TransLink has had responsibilities across all three levels. It is common for strategic roles to be performed by government departments. Tactical roles may be performed by a department or a specialist authority like TransLink. Operational roles are usually a function of a specialist delivery agency. Perhaps the strategic and tactical roles for Vancouver's transport should be performed by Metro Vancouver, which has responsibility for the land use plan, an area that has been a strong integrating force in the city for many years. This has

some similarities to the arrangements that operated in the mid-80s, prior to the creation of TransLink, when a provincial agency was responsible for strategy and funding, Metro Vancouver's predecessor (the Greater Vancouver Regional District) was responsible for strategy and planning, and the Metro Transit Operating Company was responsible for operations. A return to this arrangement appears unlikely, although further changes will be required to overcome the funding gap created by the defeat of the plebiscite. The Vancouver example demonstrates that being very good at strategic land use transport planning is not sufficient for good land use transport integration: the governance and funding arrangements also need to align.

The other important governance point to note about Vancouver, in terms of lessons for Australia, concerns the issue of federal government involvement in urban land use transport matters, particularly through its support for capital funding for public transport in Canada. This accounted for almost a quarter of the capital funding requirement in 2012 of PT systems in cities with over 2 million population, cities such as Vancouver being significant beneficiaries. The Canadian funding model involves all levels of government in some fashion (although not in all provinces), with a sharing arrangement that has evolved over the past 15 years.

The Canadian and US federal governments are both strongly supportive of transit, each allocating roughly \$1b annually to transit, per ~30 million population (in 2012), and each looks to fuel tax (the gas tax) as a major source of this funding. The major difference between the US and Canadian approaches to federal transit funding is that the US approach essentially specifies the types of programs that will be supported by the Federal government, allocating funds against these programs, whereas the Canadian approach depends largely on proposals put forward by those responsible for infrastructure, the Provinces/Territories and municipalities. Canada provides a good example of the use of fuel taxes to fund public transport. The Canadian Federal Government's New Building Canada Plan includes 'Gas Tax Funding', to be passed through the Provinces to municipal authorities. As noted in the BIC's Policy Paper 3, this money is often used for transit.<sup>12</sup>

<sup>12</sup> Canadian Provinces/Territories can also levy gas taxes, which can vary by region.

## 4. Conclusions on lessons for Australia

### 4.1 Horizontal integration - Who speaks for the city?

Policy and planning for urban land use transport is taking place against a background of cities becoming increasingly important to national economies and to resident wellbeing, while also becoming increasingly complex. This is leading to a greater focus on integrated approaches to governance, against a background where most cities have low levels of autonomy<sup>13</sup> and fragmented governance, posing difficulties in planning for the future.

Australia is relatively unusual in having state governments responsible for (speaking for) capital cities. This role is more commonly associated with local government in some format. The difficulties Australian cities have in establishing and pursuing integrated strategic land use transport policy directions over time is partly a function of our adversarial political environment. The international examples included in this paper suggest that high levels of community engagement in setting a vision and goals for a city, and in determining long term strategic development directions, provides buy-in to support long term bipartisan approaches. They also suggest that local government can play a useful role in achieving community buy-in, if it can think regionally (beyond its own patch). This is easiest when there is a single municipality for the city but various ways of aggregating multiple local governments to regional level are being tried, as is the city mayoral model. Metro Vancouver is an example of the former and London an example of the latter in this paper. Increasing the role of local government in strategic land use transport planning processes for Australia's cities seems likely to support better achievement of long term commitment to vision, goals and strategic directions, while leaving space for adjustment as circumstances change. It should help to de-politicize the planning process. Greater levels of community engagement are also important in this regard.

Establishment of Metropolitan Planning Authorities (MPA) for each of our capital cities, with responsibility for developing strategic land use, transport and related policy and planning directions, where board membership is split equally between representatives of the state government and local government, should be supportive of better planning and deliver better outcomes. The municipal representatives would generally need to be selected from sub-regions of local government, to keep numbers manageable.<sup>14</sup> This sub-regional focus would encourage less parochial thinking from local government. A federal government representative should also be considered (discussed below). The role of board chair could rotate between a state representative and local authority representative, with the Deputy Chair position held by someone from the other group. This would require the state to give up an element of its current power but is likely to deliver better community outcomes, which is what should be important. The Board Chair would speak for the capital city on land use transport (and related) matters when

a regional voice is required. Some states already have entities that could be easily re-shaped to perform this role, to avoid adding a new layer of bureaucracy.

An approach being taken by some cities that include multiple local authorities is to elect a mayor who speaks for the city. Moonen, Moir and Clark (2014), for example, point to an increasing trend to devolution of powers to city level in many countries and an associated trend for directly elected and accountable city mayors. They cite European examples where the mayoral model has become a major driver of political devolution from central and provincial governments (in Germany, Italy, Poland, Austria, Belgium, Norway, Hungary, Portugal and the UK, particularly London as discussed in Section 3 of the current paper). They note a similar trend emerging in the US but observe that Australia, however, has not seen this trend:

*... mayors in many Australian ... cities play an almost ceremonial role (Moonen et al, 2014, p. 15).*

While the Lord Mayors of our CBD-based municipalities often exercise high profile roles and participate actively in international fora, their formal powers are very limited and they are not able to 'speak for the city' in the widest sense.

It is time Australian capital cities discussed the merits of directly electing a Mayor for the Metropolitan area, with particular responsibilities for (at least) regional land use and transport, and consider how such a governance model might operate. The London experience provides a useful example. Such an arrangement could accompany the Metropolitan Planning Authority model, where the elected Mayor would chair the Authority, rather than a State or Municipal representative. London's experience suggests that this would support innovation, through the involvement of a Mayor, while the professional support from the Planning Authority should provide the necessary strategic and tactical level support, as in London with the GLA and TfL and is also happening now in some other UK regions under the Cities Deal. High levels of community engagement are an essential ingredient whatever solution is adopted to improve horizontal integration.

### 4.2 Vertical integration

#### 4.2.1 Role of the federal government

The BIC's Policy Paper 5 highlighted the importance of our cities to economic productivity. Their importance in relation to greenhouse gas emissions and national emission abatement is also fundamental. With the large growth in population expected in Australia in coming years and the Federal government concerned about northern development, the wider issue of national settlement policy and the role of existing and future cities should also be a critical policy concern for Canberra. These issues, in particular, are of such national significance that the Federal government must be involved in strategic and tactical level deliberations about city development. The benefits/costs of right or wrong decisions are so significant, and extend so broadly, that federal involvement is a must. The UK government understands this. The US Government has understood it for decades, such as through its requirement for the establishment of metropolitan planning organisations, through which federal transportation funding is channelled.

<sup>13</sup> Most cities are 'supervised' through national or state-based systems and rely on higher levels of government for much of their funding.

<sup>14</sup> Local government reform is itself a matter for debate.

In Australian cities, federal involvement might take the form of setting out its expectations of what long term strategic land use transport plans and shorter term implementation plans should contain if federal financial assistance is being sought for city projects, as currently happens to some extent with respect to Infrastructure Australia processes. Any such requirements should be grounded in long term strategic land use transport plans and associated shorter term implementation plans. This level of federal involvement would not warrant involvement at board level in the proposed Metropolitan Planning Authorities.

Alternatively, the Federal government could take a more hands-on approach, which goes further than simply setting out its expectations and includes more active engagement around the best ways to use land use transport (and related) policies and programs in particular cities to meet national goals, such as boost productivity and cut greenhouse gas emissions. In this approach, board level involvement in the MPA would be appropriate. The outputs from strategic planning processes and implementation plans need not change from those considered in the preceding paragraph but the stronger and more active level of federal involvement during the preparation stage should facilitate more informed federal decision making and much easier processing of the outputs of the planning processes, including when it comes to funding issues. It seems likely to be a more efficient planning and decision-making process.

Australia's cities matter! Most Australians live in cities and this is where most of our national wealth is created. Land use transport (and related) issues that play out in our cities are crucial to national performance on several fronts. This importance suggests there is a strong case for a Federal Minister for Cities. The increased focus such a role would bring on our cities, supported by a solid research and information base, would help spur the search for better national performance outcomes in a way that does not flow from processes that are predominantly functionally based. The Cities Minister would need to work closely with relevant functional Ministers, to achieve horizontal integration at federal level in relation to matters that are important for cities.

This Paper is not about funding per se but rolling Federal government commitment to ten year transport infrastructure funds would assist more concerted pursuit of city improvement. This funding support could be provided through Agreements like the Stockholm Agreement, which commits all levels of government in funding terms to support the implementation of agreed plans. Performance requirements and associated incentive arrangements as per the UK Cities Deal seem worthwhile inclusions. At the same time, however, productive cities need greater control over their own revenue streams (more autonomy). Greater recourse to user charging, including road pricing reform (which could include the early passing of current fuel tax revenues to states for transport purposes, as proposed by Moran 2014, as more refined charging regimes are established), plus more widespread use of value capture, would help to reduce the current vertical fiscal imbalance from which our (and most other) cities suffer.

## 4.2.2 Neighbourhood governance

Land use transport planning has traditionally been a top down process. Section 2.4 has argued for a devolution of more decision-making power and associated funding to neighbourhood level, to progress development of the 20 minute city. This adds a bottom-up dimension to thinking about our cities and how they might be assisted to deliver better outcomes for residents and visitors. Section 2.4 recognised that this is an evolving area and that case studies are needed to demonstrate best practice. There is a vast array of experience both in Australia and internationally that can be drawn on to identify the most useful opportunities in this regard. In the land use transport area, local case studies to explore the best way to roll out the 'total transport' model should be an early priority. This promises to deliver better mobility outcomes for no additional costs, by re-thinking about how local mobility needs are understood and how they are met. It is about local integration for better outcomes and more efficient service.

## 4.3 Trusting partnerships

The changes to horizontal and vertical governance arrangements that are proposed above shake up the current power balance in land use transport policy and planning. Such disruption recognises that the world is getting more complex and old solutions are no longer necessarily the best way to deal with challenges and realise opportunities. Coping with, and benefitting from, disruptive change is likely to be more easily accomplished if the stakeholders engaged in the process are able to operate from a position of trust. This Paper has identified some of the requirements in this regard. In both horizontal and vertical relationships, including engagement with the community, trust will support better relationships and better outcomes. Formal agreements, which would form part of the devolution of greater decision making powers to cities and a stronger role for local government, and any associated contracts, will work more effectively when trust is a foundation from which they are developed and operate. The pre-conditions have been summarised in Section 2.3 in relation to tactical level matters but the propositions apply equally at strategic and operational levels.



## References

- Anderson, T (2014). 'Malmö: A city in transition', *Cities* 39, 10-20.
- Arnstein, S (1969). 'A Ladder of Citizen Participation,' *Journal of the American Institute of Planners*, 35(4), 216-224.
- Bellamy, R and A Palumbo (2009). *From government to governance. Library of Congress essays in political theory and public policy*, Ashgate
- Berlin Senatsverwaltung für Stadtentwicklung (2010). *Neighbourhood management in Berlin: Information on the program "Socially Integrative City"*. Berlin, October.
- Buehler, R and J Pucher (2011). 'Sustainable transport in Freiburg: Lessons from Germany's environmental capital', *International Journal of Sustainable Transportation* 5, 43-70.
- Cervero Cervero, R. (2014), 'Land use/transport integration: implications for infrastructure in North American and Australian cities', in Stanley, J. and A. Roux (eds) *Infrastructure for 21st century cities: Papers from the ADC Forum National Infrastructure and Cities Summit*, March 2014. Melbourne: ADC Forum.
- Clos, J (2014). 'Towards a new urban agenda', in LSE *Cities, Governing our urban futures, papers for the Urban Age: Governing Urban Futures Conference*, Delhi, 14-15 November.
- Englén, T, Hasselgren, B, Långsvad, G and Weiss, L (2015). *Challenges facing the Stockholm region: New solutions urgently needed. School of Architecture and the Built Environment, KTH Royal Institute of Technology*, February.
- HM Government (2011). *Unlocking growth in cities*. [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/7523/CO\\_Unlocking\\_20GrowthCities\\_acc.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/7523/CO_Unlocking_20GrowthCities_acc.pdf). Viewed 21st August 2015.
- Krenjova, J and Raudla, R (2013). 'Participatory budgeting at the local level: Challenges and opportunities for new democracies', *Halduskultuur – Administrative Culture* 14(1), 18-46.
- Mayor of London (2010). *Mayor's Transport Strategy*, London: Greater London Authority, May.
- Mayor of London (2011). *The London Plan, Spatial development strategy for Greater London*, London: Greater London Authority, July.
- Mayor of London (2015). *The London Plan, Spatial development strategy for Greater London, Consolidated with alterations since 2011*, London: Greater London Authority, March. [http://www.london.gov.uk/sites/default/files/London%20Plan%20March%202015%20\(FALP\).pdf](http://www.london.gov.uk/sites/default/files/London%20Plan%20March%202015%20(FALP).pdf). Viewed 20th August 2015.
- Metro Vancouver (2011). *Sustainable Region Initiative 2002-2011: A RoadMap to Sustainability*, Metro Vancouver.
- Moonen, T, Moir, E and Clark, G (2014). 'Underpowered cities', in LSE *Cities, Governing our urban futures, papers for the Urban Age: Governing Urban Futures Conference*, Delhi, 14-15 November.
- Moran, T. (2014). 'Governance frameworks for integration'. In J. Stanley and A. Roux (eds). *Infrastructure for 21st Century Australian Cities*. Melbourne: ADC Forum.
- National Economics (2010). *State of Australian Regions 2010-11*. Canberra: Australian Local Government Association.
- Romańczyk, K 2015. 'Towards urban governance: Twenty years of neighbourhood contracts in the Brussels-Capital region', *Cities* 44, 1-8.
- Senate Department for Urban Development, Berlin (2011). *Integrated Urban Governance: The way forward, Manual*, Barcelona: Metropolis, World Association of the Major Metropolises.
- Stanley, J, Betts, J and S Lucas (2007). 'Tactical level partnerships: A context of trust for successful operation', in Macario, R, Viegas, J and D Hensher (eds) *Competition and Ownership in Land Passenger Transport: Selected papers from the 9th International Conference (Thredbo 9)*, Lison, September 2005, Amsterdam: Elsevier.
- Stanley J and Pearce R (forthcoming), 'Institutional frameworks', in Mulley, C, Bleimer, M and Moutou, C (eds), *Handbook on transport and urban planning in the developed world*, Cheltenham: Edward Elgar.
- Stanley, J and A Smith (2013). 'Governance, contracting, ownership and competition issues in public transport: Looking up not down', *Research in Transportation Economics* 39, 167-174.
- Sundström, G and B Jacobsson (2007) *The embedded state. From government to governance: The case of Sweden*. [http://www.score.su.se/polopoly\\_fs/1.26605.1320939801!/20073.pdf](http://www.score.su.se/polopoly_fs/1.26605.1320939801!/20073.pdf). Viewed 6th August 2015.
- TransLink (2013). *Regional Transportation Strategy: Strategic Framework*. July [http://www.translink.ca/~media/Documents/plans\\_and\\_projects/regional\\_transportation\\_strategy/rts\\_strategic\\_framework\\_07\\_31\\_2013.ashx](http://www.translink.ca/~media/Documents/plans_and_projects/regional_transportation_strategy/rts_strategic_framework_07_31_2013.ashx). Viewed 14th January 2015.
- Van de Velde, D. M. (1999), 'Organisational forms and entrepreneurship in public transport (Part 1: classifying organisational forms)', *Transport Policy* 6, 147-157.

Other policy papers are available  
from this Policy Set

Please contact:

BUS INDUSTRY CONFEDERATION  
PO Box 6171, KINGSTON ACT 2604

**Tel:** +61 2 6247 5990

**FAX:** +61 2 6273 1035

**EMAIL:** [enquiries@bic.asn.au](mailto:enquiries@bic.asn.au)

**WEB:** [www.ozebus.com.au](http://www.ozebus.com.au)

