City of Whittlesea

Submission to the Parliament of Victoria Inquiry on Growing the Suburbs: Infrastructure and Business Development

December 9, 2011

Signed

Mr David Turnbull, Chief Executive Officer
08/12/11

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Our request of the Inquiry

The City of Whittlesea requests that the Inquiry consider the urgent need for a transparent mechanism to stage and sequence development in the growth areas, so that infrastructure delivery is timed to effectively stimulate economic development. As the following submission will illustrate, failure to coordinate the delivery of transport infrastructure with the release of land creates high-risk future scenarios for new communities on the fringe, especially low-income earners that must travel long distances by private transport to work or study. Should this coordination fail to improve, the socio-economic problems of our existing growth areas are likely to be replicated by development planned under the Growth Area Authority’s *Melbourne North Growth Corridor Plan (2011)*. The likely future scenario of significant rises in the price of petrol at the pump will create a whole new segment of severely transport-disadvantaged households, and undermine the State Government policy of creating affordable housing by releasing tracts of land on the urban fringe.

This mechanism to stage and sequence development with infrastructure delivery would need to incorporate:

- Alternative funding models to accelerate delivery timelines (eg. infrastructure bonds)
- Assessment criteria for identifying need (i.e. population projections, transport disadvantage, congestion levels, cost-benefit)
- Governance to ensure effective collaboration between the Growth Areas Authority, Department of Planning & Community Development, Department of Transport, and Treasury
- Implementation timelines and a responsible authority to ensure effective collaboration between State and Local Government

The City of Whittlesea also requests the opportunity to address the Committee on this submission at the Inquiry hearing.

Introduction: Why do we make this request?

The City of Whittlesea welcomes the opportunity to make a submission to the *Inquiry on Infrastructure and Business Development in Outer Suburban Melbourne*. However, in the spirit of our previous submission to the 2011 *Inquiry into Liveability Options in Outer Suburban Melbourne*, we would like to use this response as an opportunity to again draw the Committee’s attention to the fact that the building of new communities is a process comprised of interrelated challenges that cannot be tackled in isolation. We therefore reiterate that the Terms of Reference are inadequate to a critical and logical investigation of the problems and opportunities presented by growth areas planning. Our response to this Inquiry will again focus on more fundamental systemic and structural inadequacies in the planning system, mainly because a continued policy focus on individual challenges can only perpetuate the current lack of coordination in planning and implementation.
At the local level, the delivery of economic development outcomes is dependent upon an array of interrelated factors. This is something our community is keenly aware of, as indicated in *Shaping Our Future: Whittlesea 2025 – Strategic Community Plan:*

**Future Direction 3: Growing Our Economy**

“A diverse economy offers varied career opportunities so people can live and work in Whittlesea. Business attraction requires infrastructure and transport planning, affordable housing, skill development and a supportive regulatory environment. We need to work on supporting and developing opportunities for local business like growing the food we need locally. Education facilities offer everyone career and skill development options.”

Development of a holistic planning and delivery model that utilises the timely delivery of accessible and affordable transport infrastructure to stimulate business investment is central to the future economic, social and environmental wellbeing of our community. The Victorian State Government currently divides responsibility for delivery of planning and infrastructure projects across multiple departments, whose failure to collaborate effectively is leading to poor integration of infrastructure delivery with economic development timelines that are critical to the development of vibrant, self-sustaining communities. The policy of releasing an increasing amount of land on Melbourne’s fringe is not historically linked to commensurate investments in infrastructure from Treasury. Initiatives to close the funding gap (such as the Growth Area Infrastructure Contribution) have only marginally remedied the problem, funding only an estimated additional 15% of state infrastructure for growth areas since 2005.

The City of Whittlesea’s draft response to the exhibition of the GAA’s *Melbourne North Growth Corridor Plan* (hereafter described as the ‘Corridor Plan’) is a key focus of this submission. Excerpts are included to provide insight into how recent State Government planning initiatives can be improved to ensure that infrastructure delivery and economic development are better coordinated. The complete absence of an implementation framework to underpin delivery of the Corridor Plan not only creates barriers to effective collaboration between State Government departments, but also reduces private sector confidence in Greenfield investment. That confidence is critical to the timely creation of local job opportunities and diverse housing close to activity centres, both of which are fundamental components of well-planned urban environments. Government cannot hope to share an increasing amount of risk via partnerships with the private sector if it does not do all in its power to facilitate the conditions under which private investment is appealing. The best strategy for doing that is to make the timeline for infrastructure delivery transparent.

This submission is broadly consistent with the communiqué from the National Growth Areas Alliance (NGAA), of which the City of Whittlesea’s CEO, Mr David Turnbull, is currently the Executive Member for Victoria.
Snapshot of the City of Whittlesea

The City of Whittlesea is located 20km north of Melbourne's CBD. Covering 490 square km, it is a large municipality containing both rural and rapidly developing urban areas. The City includes the major rural centre of Whittlesea, the rural localities of Beveridge, Donnybrook, Eden Park, Humevale, Kinglake West, Wollert, Woodstock and Yan Yean and the established or developing suburbs of Bundool, Doreen, Epping, Lalor, Mernda, Mill Park, South Morang and Thomastown.

The current population of the City of Whittlesea is approximately 162,067. The City of Whittlesea is a designated growth area of metropolitan significance and the municipal population is projected to grow to around 295,000 by 2031. Growth will mainly occur within three designated growth areas at South Morang, Mernda/Doreen and Epping North.

Please see the maps attached to the end of this document for an overview of our established and growth areas (p.11), and the Corridor Plan Public Transport Concept plan currently being exhibited by the GAA (p.12).

Our community

- 82.29% increase in total population between 2011 and 2031 (over 133,000 people)
- Largest increase in numbers (~40,000 people) will occur in the next 5 years although there are still significant increases within each 5 year period of between 27,000 - 36,000 people
- Whittlesea is the fourth fastest growing LGA in Australia at 6.1%.
- In raw numbers (8,900 people) it is the fifth largest growing LGA in Australia
- In raw numbers it is the second largest growing LGA in Victoria
- The North of the municipality has sustained 94.1% of the population growth at 8,400 people
- At June 2010, the municipal unemployment rate was 5.4%, up from 5.2% in June 2009
- 31% of wage-earning residents are employed outside the municipality
- The City of Whittlesea is the sixth most disadvantaged LGA in the Melbourne metropolitan area (SEIFA Index - Index of Relative Socio-Economic Disadvantage).

1 City of Whittlesea population forecast (id Consulting, 2011)
2 National Regional Profile (ABS, 2011)
3 The SEIFA is derived from attributes such as low income, low educational attainment, high unemployment, jobs in relatively unskilled occupations and variables that reflect disadvantage rather than measure specific aspects of disadvantage (e.g., Indigenous and Separated/Divorced).
The following charts⁴ describe resident occupations:

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Annual Household Survey⁵</th>
<th>2006 ABS Census</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manager</td>
<td>9.6%</td>
<td>8.1%</td>
</tr>
<tr>
<td>Professional</td>
<td>16.0%</td>
<td>13.9%</td>
</tr>
<tr>
<td>Technician/trade</td>
<td>14.3%</td>
<td>15.4%</td>
</tr>
<tr>
<td>Community/personal service</td>
<td>10.7%</td>
<td>9.0%</td>
</tr>
<tr>
<td>Clerical/admin</td>
<td>13.8%</td>
<td>13.9%</td>
</tr>
<tr>
<td>Sales</td>
<td>11.1%</td>
<td>13.7%</td>
</tr>
<tr>
<td>Machinery operators/drivers</td>
<td>9.0%</td>
<td>6.9%</td>
</tr>
<tr>
<td>Labourers</td>
<td>15.0%</td>
<td>17.5%</td>
</tr>
<tr>
<td>Other/unspecified</td>
<td>0.4%</td>
<td>1.6%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Industry</th>
<th>Annual Household Survey</th>
<th>2006 ABS Census</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>15.3%</td>
<td>15.5%</td>
</tr>
<tr>
<td>Retail, wholesale trade</td>
<td>12.5%</td>
<td>17.5%</td>
</tr>
<tr>
<td>Health care, social assistance</td>
<td>11.0%</td>
<td>16.3%</td>
</tr>
<tr>
<td>Construction</td>
<td>8.5%</td>
<td>14.6%</td>
</tr>
<tr>
<td>Transport, postal, warehousing</td>
<td>11.1%</td>
<td>8.4%</td>
</tr>
<tr>
<td>Education, training</td>
<td>6.8%</td>
<td>5.6%</td>
</tr>
<tr>
<td>Accommodation, food services</td>
<td>5.6%</td>
<td>6.9%</td>
</tr>
<tr>
<td>Other/undefined</td>
<td>29.1%</td>
<td>15.1%</td>
</tr>
</tbody>
</table>

⁴ Note: sampling error for these categories is around ±3%, and is evident in some discrepancy between 2006 Census and Annual Household Survey data. Declines in retail/wholesale trade, healthcare/social assistance and construction do not follow historical trends and may be due to sampling bias or classification changes. Caution should be used.

⁵ The City of Whittlesea Annual Household Survey is a Census-style survey that asks a statistically significant sample of households questions about their household and their use/perception of Council services.
Business and Industry

- At June 2007, there were more than 9,000 businesses operating within the City of Whittlesea.

- The great majority of businesses within the municipality are small businesses. **Almost 60% are sole-person (non-employing businesses).** Around 100 businesses have 50 or more employees. More must be done to foster the capacity of small businesses if they are to play a role in developing local expertise. Reinstatement of financial support for business incubators is one strategy that would give growth areas the chance to nurture and develop local employment opportunities.6

- The industry sector with the greatest number of large businesses is manufacturing. Almost one-quarter of businesses in the municipality belong to the construction industry, and one-third belongs to the property and business services or transport and storage industries.

- More than 70% of residents employed in the manufacturing sector are classified as labourers and related workers, tradespersons, plant and machine operators or drivers.

- Issues faced by managers in the manufacturing industry include changing patterns in customer demand, changing technologies and materials, macroeconomic financial challenges, the increasing need for product innovation and shorter product life cycles, the need to find new markets and increasing competition from countries such as China. These challenges define the need for high quality strategic managers.

- As a result of these challenges, the manufacturing sector is likely to face declines in labour demand. The least skilled workers, particularly factory and process workers in the automotive and broader manufacturing industries, are the most vulnerable to long-term unemployment. State government programs that target the retraining or redirection of vulnerable, low-skilled workers will mitigate the creation of a new group of unemployed or underemployed workers. The commitment to and proper funding of the TAFE sector to provide high quality training opportunities is one way of addressing that risk. Programs that facilitate the transition of secondary school students to TAFE via VCAL is another.

- Council facilitates a number of networking and workshop opportunities for local business throughout the year. Once implemented, Council’s Lifelong Learning Strategy should expand these initiatives to increased linkages between industry and educational institutions.

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There is an opportunity for investment in innovative, advanced manufacturing in the North, or for government to provide increased research support to existing businesses that will help create a defense against ‘off-shoring and other supply chain risks’.

Transport

Car ownership in the City of Whittlesea is high with 39.3% of households owning 2 vehicles and 20.7% owning 3 or more vehicles, compared with 35% and 14.2% in the Melbourne Statistical Division respectively. The following chart shows data from our Annual Household Survey on car ownership. It demonstrates that there is a significant and consistent proportion of 2-car households:

In 2010, 31% of residents in paid employment worked outside of the municipality. Around 90% of our residents use their cars to travel to work and 73% of students travelled by car to educational institutions. When surveyed, our residents commented that they would use public transport more frequently if improvements were made to availability/accessibility of services, timetabling, frequency of service, speed of service, pricing, comfort, safety and parking availability. Our research has shown that proximity to a train line is the only transport lever that has an impact on levels of car ownership.

Council provides the Department of Transport and VicRoads advice on roads that are suitable to accommodate buses and rates of growth in our new residential estates. We advocate on behalf of the community for better public transport services, buses and fixed public transport such as rail and tram, however, we have no say in when additional services will be delivered. Council commits a significant proportion of its internal resources to advocating on transport issues because it is clear that our

7 NORTH Link, Melbourne’s North: The new knowledge economy, 2009
8 ABS, Census data, 2006
9 City of Whittlesea, Annual Household Survey 2010
current road and public transport infrastructure will not meet the needs of the more than 130,000 people that will move into our municipality over the next 20 years. Council must also remain particularly proactive and vigilant on this matter because the Department of Transport and VicRoads do not actively engage local government in transport planning.

At present there are a number of planned extensions, duplications or widenings of main roads to improve North-South and East-West connections and relieve traffic congestion. These include the extension of Edgars Rd, the widening of High St/Epping Rd, extension and widening of Findon Rd, improvements to Bridge Inn Rd, and duplication of Plenty Rd. These projects are held up for various reasons: insufficient developer contributions; required funding being well beyond the means of Council, and; VicRoads prioritisation of funding allocation. Improvements must be made to how the responsibility for a road is transferred from council to VicRoads and to the funding timelines of the Department of Transport and VicRoads to remove the barriers for these key projects. This should be a component of the kind of staged and sequenced infrastructure delivery model we suggest is integral to the successful expansion of urban growth in outer suburban Melbourne.

Public transport infrastructure delivery and its core role in economic development

The recent extension of the Epping rail line to South Morang is the first of many rail extensions required to facilitate economic and community development in the Growth Corridor. South Morang is a living testament to the ramifications of poorly coordinated planning and infrastructure delivery. It has become somewhat defined by the overwhelming presence of Plenty Valley Westfield, because the delay to the rail extension meant that only a car-dependent, ‘big-box’ development was feasible to a major developer such as Westfield. This lack of a commitment to public transport drastically affected the ability of the market to provide for a street-based town centre that is a prosperous place to do business across a variety of sectors, or one that has a true civic value. What residents inevitably got instead is a corporately owned mall that predominantly provides retail services and creates what is essentially a dormitory suburb where people need to travel large distances by car to get access to the spectrum of goods and services that is necessary, including a diversity of employment opportunities.

The failure of the 2011 Corridor Plan to demonstrate State Government commitment to the extension of rail to Mernda town centre is an issue of major significance to Council. The State Government approved the Plenty Valley Growth Corridor Strategy in the late 1980s. Land was first allowed to be developed in Doreen at Laurimar in around 1994 (when the Mernda Local Structure Plan Part 1 was approved), yet despite the opportunity presented during the recent Corridor planning process, there remains no commitment to high capacity public transport to the Mernda-Doreen Growth Corridor, an area covering around 22.5 square kilometres that will soon have a local population of over 50,000 people. Commitment to a similar arrangement in
the Wollert/Donnybrook Corridor is also absent in the new Corridor Plan. Creation of another South Morang-style dormitory suburb in Mernda and in Donnybrook will repeat mistakes of the past that are abundantly clear.

Major future diversification of employment opportunities in our growing city will be unlikely if this trend continues. For example, the likelihood of businesses in the professional sector relocating from central metropolitan Melbourne will be drastically reduced if the outer suburbs remain unattractive to the lifestyle requirements of existing employees accustomed to the ease of access to infrastructure and services. The existing lack of public transport to and throughout our municipality is already considered one of many causal factors in the existing, relative homogeneity of employment opportunities. Big-box developments that invariably dominate when public transport is insufficient do not engender the kind of ‘high-street’, cosmopolitan atmosphere that city-dwellers find attractive and which our existing community must already travel long distances to experience. Place making that considers the complexity of these interrelated factors is therefore the fundamental basis of competent planning and delivery that underpins economic development.

Conclusion: The fundamental importance of scenario planning

The City of Whittlesea would like to conclude its submission to the Inquiry by commenting on the integral role that scenario planning plays in creation of resilient new communities. This is to highlight the future vulnerability of our community under the current regime of poorly coordinated planning and infrastructure delivery. This Inquiry presents a rare opportunity to demonstrate to Parliament the potentially disastrous ramifications of the omission of scenario planning in the Corridor Planning process.

The City of Whittlesea’s 2010 submission to what was then known as the Growth Area Framework Plan was underpinned by the conviction that the future is uncertain, and that to ensure the wellbeing of our future community, risks uncovered through the consideration of potential future scenarios must be mitigated by planning that applies the precautionary principle. In other words, land use planning should be able to realise the same community outcomes across the full spectrum of best and worst case scenarios in which our future community may find itself.

As the Corridor Plan exists in its current form, devoid of a coordinated infrastructure delivery plan, it cannot mitigate the risks associated with the inevitable future scenario of diminishing access to cheap petrol at the pump. Along with the effects of climate change, Peak Oil presents the greatest challenge to the continuation of modern urban life, mainly because everything from transportation through to the production of plastics is dependent upon the ability to extract high-quality oil from the ground in such a way that the economic benefits outweigh the costs. Once this cost-benefit scale is tipped, oil will become harder to extract, scarcer and therefore more expensive.
At the end of 2009, the Kuwait University and the Kuwait Oil Company collaborated in a study to predict the peak date to an unprecedented level of accuracy using multicyclic models to overcome the limitations and restrictions associated with other previous studies. Based on this modelling, world production is estimated to peak in 2014\textsuperscript{10}. In Feb 2010 the US Joint Forces Command issued a report entitled \textit{Joint Operating Environment 2010}\textsuperscript{11}, warning US military commands that "by 2012, surplus oil production capacity could entirely disappear, and as early as 2015, the shortfall in output could reach nearly 10 million barrels per day."

Given the inherent finiteness of global oil reserves, and their intrinsic importance to our way of life, the potential for the price of oil to impact the liveability of Melbourne’s outer suburbs has, in the language of risk management, potentially catastrophic consequences and is highly likely. Please consider the severity of those consequences in terms of the following information already provided in this submission:

- 31% of wage-earning residents in the City of Whittlesea travel to work outside the municipality
- 90% of wage-earning residents travel to work by car
- 73% of students travel by car to their education facility
- The City of Whittlesea is the sixth most disadvantaged LGA in the Melbourne metropolitan area (SEIFA index).
- Core employment sectors like manufacturing will employ less people over time as globalisation and the rise of China reduces the competitive advantage of local industry.
- No infrastructure delivery plan exists to accompany the release of the Corridor Plan. In other words, there is no plan to stage the delivery of transport infrastructure in such a way that will ensure economic development and the diversification of employment opportunities.

Given that the majority of existing residents use their own car to travel to work or study, if the status quo of delayed public transport infrastructure delivery continues in the growth corridor, this trend can be predicted to continue as development travels north. Lack of that infrastructure will diminish interest in private sector investment in activity centres, therefore impacting upon the availability of local employment opportunities. When the price of petrol starts to rise as a result of peak oil production, low-income earners who drive their own car to a job outside the municipality will have to sacrifice other basic standards of living to do so. At its extreme, this scenario will mean that people will be unable to travel to work at all, the ramifications of which are obvious.


Put simply, our community is extremely vulnerable to increases in the price of petrol at the pump, which is inevitable within the timeline over which the extended urban growth area will become fully developed. The more it costs for people to travel to work, the less affordable their life on the urban fringe will be, and the less sense the State Government’s policy of housing affordability and economic competitiveness via land release on the urban fringe will make. Although the opportunity to reconsider the extension of the urban growth boundary has passed, the State Government still has the chance to address these risks by creating a transparent mechanism to stage and sequence development in the growth areas, so that infrastructure delivery is timed to effectively stimulate economic development.

The City of Whittlesea requests the opportunity to further discuss this submission with the Committee at the Inquiry hearing.