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'Marvellous Melbourne': Making the world's most liveable city

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Background: The rise, fall and return of Marvellous Melbourne

During the 1880s, the term 'Marvellous Melbourne' was coined to capture a booming city, of which its inhabitants (known as Melburnians) were extremely proud.[1] With about half a million people, it was larger than many European cities at the time, despite its location on the other side of the world, in the south-east of Australia. Money was poured into building lavishly decorated banks, hotels and coffee palaces (temperance hotels that refused to serve alcohol). The Royal Exhibition Building was built for the 1880 Melbourne International Exhibition. This was—and happily remains—a building on a grand scale, epitomising the wealth, opulence, excitement, energy and spirit of Marvellous Melbourne (Museums Victoria 2018).

Of course, the good times did not last; the early 1890s saw the inevitable bust that followed the boom of speculation. While Melbourne developers had built some stunning and multilevel buildings in the city for nonresidential purposes, housing was built outside the centre, laying the

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footprints for an expansive set of suburbs. The City of Melbourne as it exists today had earlier and much less salubrious beginnings. The settlement was illegal in the eyes of the British-backed governor based in Sydney and, as was the case across the landmass being colonised by Britain, it notoriously involved the dispossession of the Indigenous inhabitants of the area through deception and worse (Campbell 1987; Presland 1994). The gold rush of the mid-nineteenth century laid the foundations for many landmark buildings and streetscapes that remain today. But the 1880s, more than any other period, continue to define Melbourne's shape and mentality. It bequeathed the city a set of 'good bones', but also created a raft of future planning challenges that came to a head a century later in the 1980s. A determined set of changes introduced over a long period was required to address these.

These policy changes—amounting to a tale of governance rather than a single dramatic policy—are mapped out in this chapter as a success story. By the 1980s, Melbourne was in decline, with major industrial difficulties and economic stagnation. Yet, in 1990, it was named alongside Seattle and Montreal as one of the world's most liveable cities (Department of Planning and Development et al. 1994: 23). This position has been maintained in various rankings until the present day. Such rankings are fraught with definitional and simplification issues, but Melbourne has appeared at or close to the top of several of these—seven years at the top of *The Economist*'s Global Liveability Ranking (EIU 2017) and, in 2018, top of *Time Out*'s 'Happiest Cities' and fourth on its list of 'Most Exciting Cities' (Manning 2018)—indicating it is a desirable place for many to live in and visit.

The transformation of Melbourne back to a city that can be considered marvellous in terms of its desirability as a place to live, work and play has been underpinned by a set of interacting state and city government policy moves. Hence, the success explored in this chapter is not of a single policy, but of governance change, involving two governments at different levels whose choices and their effects on each other produced benefits. In summary, as elaborated more fully below, there has been a high degree of programmatic, process and political success, which has been maintained over time. There are, not surprisingly, winners and losers in this tale of urban revitalisation. Melbourne's transformation has benefited property developers and those who can afford to visit and live in the city, at the expense of the less wealthy, including some of the artists and activists who actually helped to change it. There has nonetheless been a substantial

level of convergence in perceptions of the value proposition of the new governance arrangements and a conferring of legitimacy on the political system because of the success of Melbourne as a liveable city.

Marvellous Melbourne as a governance success

Making Melbourne one of the world's most liveable cities meets this book's criteria of policy success, as it created widely valued social outcomes through policy design, decision-making and delivery that have enhanced problem-solving capacity and political legitimacy. This programmatic, political and process success has been sustained for a considerable period, with a broad coalition of actors and initiatives uniting to make Melbourne more liveable. The city and state governments continue to focus their urban policies on 'liveability', indicating the ongoing strength of this policy frame and the powerful influence of international indicators.

First, in terms of *programmatic* success, the state government in the 1980s undertook a set of purposeful and valued actions to fundamentally remove planning and development powers from the municipal level and the Melbourne Metropolitan Board of Works (MMBW, a statutory planning authority) and move them to the state level. Both levels of government were interested in transforming the central business district (CBD) from a place that was only for working into a more inviting place outside business hours. Hugely important to this was the reform of liquor licensing laws—which enabled many new cafés and restaurants to open and serve alcohol—and a focus on retail development and revitalisation projects. These important first steps were foreshadowed and followed by a consistent approach to urban planning by the city government, tilted towards liveability and a people-centric approach.

The relationship with the incumbent state government throughout this period has experienced several vicissitudes that make the overall consistency remarkable. The achievement of liveability as a major goal can be measured by Melbourne's place in global rankings, but also by the ongoing growth of the city and continuing demand for inner city housing as the centre has become a desirable place to live. Clearly, these changes have brought benefits to many—but not to everyone, with poorer inhabitants being squeezed out of previously cheap accommodation and

those who cannot afford to live in the city or the inner suburbs facing long commutes from dormitory suburbs on the fringes of the urban sprawl. Critics also claim that developers rather than citizens are the ones who have benefited most from Melbourne's apartment-building bonanza.

Second, in regard to the *process*, a careful choice of policy instruments was made and wielded by the state government in terms of 'hard' instruments. These included transferring planning powers to the state government and reforming laws (John Cain's Labor Government) and major amalgamations of municipalities and the replacement of elected councillors with state government–appointed commissioners (Jeff Kennett's conservative government), while elections were held for the new, much larger municipal governments. In the case of the city government—and, given its reduced planning powers, limited resources and political turmoil due to amalgamation, this was probably not surprising—the reliance was on 'soft' instruments, such as strategy documents, long-term plans for the city and 'Postcode 3000' (described below) and a series of 'Places for People' strategies. Through the development of these policy instruments emerged a new shared understanding of the role and responsibility of the city government—as guardian and architect of public spaces—and a consistent emphasis on good urban design.

There was serious public disgruntlement over the state government's increased powers, but it yielded the opportunity for major projects (Docklands, Southbank, the tennis centre, Crown Casino) and many new apartment buildings to be approved more easily. The decision-making process was firm but initially unpopular; only once the benefits of the revitalised city became apparent were the changes seen as correct and beneficial. The delivery process achieved the intended outcomes. The combination of instruments used by the different levels of government meant there was broader planning being directed from above, which removed this more politically contentious aspect from the city government (and the MMBW), leading them to focus on liveability. The importance of having the same public servant leading urban design for the city since 1983—Rob Adams, who as at 2019 was still in his post—and his experience and sustained vision over such a long time appear to have been crucial. He clearly is an adept political strategist who has mastered the craft of policy navigation. There is likely a bigger story here about how the administrative side of the city government has achieved substantial continuity, while the political side has twice been removed and replaced, and the city boundaries and governance changed substantially with council amalgamations in the 1990s.

Third, this is a fascinating case in regard to *politics and public legitimacy*. The reformist Cain (Labor) Government (1982–90) made some bold policy moves throughout the 1980s. It was prepared to weather short-term unhappiness in the hope that the longer-term gains from city development and revitalisation, and the attraction of major events to Melbourne, would eventually win people over. Similarly, the Kennett (Liberal) Government (1992–99) was willing to suffer short-term unhappiness from the electorate over municipal government amalgamations in 1993, changes to Melbourne's boundaries in 1995, a reduction in the number of city government politicians and the introduction of a longer mayoral term. The state government has the more contentious role in relation to planning, and doubts about the wisdom of continuing to build so many high-rise apartments in the city centre continue to this day. But the major events and many of the revitalisation projects that began in the 1980s have provided the state government with revenue, as well as political capital and organisational reputation.

While these state government moves were in train, the city government— and, in particular, its administrative arm—was establishing its vision of a liveable city. The new planning arrangements and community activists (some of whom were later elected as local politicians) encouraged them to focus on the social and cultural dimensions of the city. While the changes to municipal government initially created conflicts with a range of community and business groups (Gardner and Clark 1998: 137), these tensions were reduced by a strategy in 1985 that clearly delineated state and city government responsibilities for different domains. Throughout the development of the 1985 strategy plan, the City of Melbourne brought different stakeholders together to work on revitalising the city (Ord 2018). Local individuals and groups, and the city itself, however, were not always included in state government–led initiatives. Initially unpopular developments, such as Docklands, demonstrate the consequences of top-down planning that fails to recognise existing community assets and aspirations (Gehl 2018). The political capital and organisational reputation of the city government have been enhanced by the obvious changes and vibrancy of the city, backed up by its high rankings on liveability scales.

In summary, we argue that this is a success story first and foremost because of its 'programmatic' outcomes. Melbourne has been transformed into a world-class liveable city and has become marvellous again. This success has been achieved through an interacting set of state and city government

policy choices. The state adopted a set of 'hard' instruments that limited the city's capacities. The city adopted 'soft' strategies within its more limited scope, but also decided to do things differently. The persistence of a committed and astute urban designer in the city government, whose 'people-centric' vision for Melbourne has not wavered in more than 30 years, has been important. The early pain of change has now given way to broad support for the directions taken. But some are concerned that planning laws have allowed too many new skyscrapers to be built and that the city's population is growing too rapidly for the infrastructure to cope. There are also losers among the less wealthy who cannot afford to live in the world's most liveable city.

Contexts, challenges and agents of urban transformation

Paradoxically, the factors that have made Melbourne so liveable are both how 'unliveable' it used to be and the state's removal of the municipal government's and the MMBW's planning powers. The industrial decline of the 1980s and established preferences for suburban living and car-centric city design, along with the weak financial position of the city government, led to dramatic changes at many levels, against a backdrop of broader sociocultural and governmental shifts. The main challenge for both state and local governments over this period was in facilitating economic and cultural revitalisation to transform Melbourne into a city where people wanted to live, work and play. Playing a key role in the new governance arrangements were the Cain and Kennett state governments. Although they were from opposite ends of the political spectrum, both took a bold, reformist approach to urban planning. This was supported and enacted by the City of Melbourne, where Adams has had an enduring influence as the Director of Urban Design (and similar roles), extending from 1983 until the present.

Table 5.1 Key changes and elections in Melbourne city and Victorian state governments, 1981–2001

Victorian state government	Year	Melbourne City Council
Rupert Hamer's Liberal Government in power since 1972. Lindsay Thompson becomes premier after Hamer's resignation	1981	Council sacked by Hamer Government and replaced with commissioners
John Cain's Labor Government elected. Removes city government's planning powers and delegates authority for city planning to planning minister Evan Walker	1982	Council reinstated with reduced number (21) of councillors, majority of whom are Labor Party members/supporters
Amendment 150 to the Melbourne Metropolitan Planning Scheme introduces 'new zones and controls'	1983	Council begins its review of the 1974 MCC Strategy Plan. Rob Adams employed as consultant
'Central Melbourne, Framework for the Future' released	1984	
John Cain reelected. Centralisation of planning power in the Cain Labor Government	1985–86	'City of Melbourne Strategy Plan' released
Cain Government releases 'Shaping Melbourne's Future'	1987	First female Lord Mayor (Alexis Ord)
John Cain reelected. Nieuwenhuysen reforms liberalise liquor licensing laws	1988–89	
Joan Kirner replaces John Cain as premier	1990–91	Elizabeth Proust takes over as council CEO
Jeff Kennett's Liberal Government elected. Planning policy at state level reduced dramatically	1992	'Directions: 1992–1995' reviews the 1985 strategy plan. 'Postcode 3000' policy introduced
Local Government (General Amendment) Act 1993 reduces the number of city governments in Victoria from 210 to 78, and City of Melbourne Act removes local politicians and restructures Melbourne City Council boundaries	1993–95	Council sacked by the Kennett Government and replaced with four commissioners (as part of the City of Melbourne Act). Large electoral reforms implemented within the council
Jeff Kennett reelected	1996–98	Council fully reinstated
Steve Bracks' Labor Government elected. New City of Melbourne Act reforms council structure and voting	1999–2001	Council dismissed, to prepare for the Bracks Government's new City of Melbourne Act (to be introduced in 2001)

☐ = Liberal (conservative)

▨ = Labor

☐ = Commissioners (appointed)

In stark contrast to the opulence and vibrancy of 'Marvellous Melbourne' a century earlier, by the 1980s, the city was widely considered an urban backwater. Residential and retail activity had largely shifted to the suburbs, city streets were dominated by cars and noisy trams and many heritage buildings were threatened with demolition or had already been replaced with modernist high-rises (Dovey and Jones 2018: 9). In 1983, there were fewer than 800 houses and no supermarkets in the CBD (Neilson 2013). Danish architect Jan Gehl (2018: 21) writes of his first impressions of Melbourne in the late 1970s:

> The city was indeed boring and suffered quite a bit from the double impact of Modernist planning and automobile invasion. Going to the city centre in the evening was not a great experience at all. It was deserted. A few service people attended to the many high-rise office buildings, but otherwise it was a quiet scene. It was even worse on the weekend—the city centre was as if neutron-bombed.

By the early 2000s, however, the city had been brought back to life. Gehl, who returned to Melbourne in 2004 to document the changes that had occurred in the centre of the city since his first 'Places for People' study was conducted there in 1994, summarised the improvements:

> [A] much larger residential community in the city centre; an increasing student population; improved streets for public life; new public squares, promenades and parks; a revitalised network of lanes and arcades; several city-wide art programs; more places to sit and pause; more attractions; a 24-hour city; better cycle and public transport access; and integrated policy for paving and furniture; and a greener city. (Gehl 2018: 23)

The transformation of Melbourne from a 'doughnut city' that was dead in the middle to what it is now has taken decades of steadfast commitment and incremental change, orchestrated by a number of dedicated individuals and government structures that have encouraged collaboration between the state and city governments, with significant input from other major stakeholders.

The unique status of local government as a 'creature of the state' (Aulich 2005) within Australia's federal system of government helps to explain how the scene was set for new governance arrangements to be created. As elsewhere in Australia, local government in the State of Victoria is subject to the *ultra vires* principle, where it is restricted to those functions explicitly granted to it by higher levels of government. While the role of Australian local government has evolved over time (Dollery et al. 2006: 555–6),

its limited authority is common to the 'Anglo' group—one of three broad models in Hesse and Sharpe's typology of local government systems found in Western industrialised countries (Cheyne 2008). The Minister for Local Government in each jurisdiction retains the authority to dismiss democratically elected local politicians if they consider a municipality is not well managed. Indeed, Melbourne's dysfunctional city government was sacked by the Liberal state government on Christmas Eve in 1980 (and again in 1993, as part of broader local government reforms) and replaced with commissioners (see Table 5.1). Melbourne illustrates the trend of Australian city governments that have 'been regularly dissolved, usually when state governments have pursued strong pro-development agendas' (Freestone 2010: 40).

An important part of this governance story is that, while the city government was democratically elected again in 1982, the new Labor state government removed its planning powers. The authority to approve all major planning applications within central Melbourne was delegated to planning minister (and former architect) Evan Walker, and the Victorian Government retains these planning powers. The government's effort to streamline planning approvals and make the city more attractive for developers resulted in wait times on development applications being slashed almost fivefold (Ministry of Planning and Environment 1984: 19). The same government also increased its infrastructure spending from 1982 onwards and drew on public–private partnerships, aiming to 'maintain the primacy of (and property values in) the CBD', in the context of a worsening economic recession (McLoughlin 1992: 232; Freestone 2010: 38). In 1984, it released its planning policy manifesto 'Framework for the Future', which was primarily designed as an economic strategy (Ministry of Planning and Environment 1984: 4). In 1985, planning power was further centralised in the state government when the Ministry of Planning and Environment subsumed the old MMBW's planning powers. In 1988, the government liberalised liquor licensing laws, enabling the establishment of many new restaurants and opening the streets for al fresco dining (Zajdow 2011).

In the meantime, the city government focused its efforts on management reforms and strategic planning processes. Building on the (never implemented) strategic plan from 1974, the City of Melbourne Strategy Plan 1985 was developed as an intervention to rehabilitate and stimulate the city following more than a decade of policy neglect (MCC 1992). As discussed in more detail in the next section, its development was

guided by a steering committee, which led to a shared understanding and ownership of urban design strategies and the deliberate recruitment of consultants and experienced staff who shared their vision and values (Ord 2018: 39–40).

The 1985 strategy plan was strongly influenced by the community activists who had formed Melbourne Voters' Action (MVA), a coalition of inner-city residents' groups, in response to the conservative (Hamer) government's dismissal of the democratically elected city government (Ord 2018: 38). Led by social and environmental planners and activists, many of whom were members of the local Labor Party and who had contributed to the community consultation on the popular 1974 strategy plan, MVA monitored the commissioners appointed to run the city. They also lobbied the opposition Labor Party to reinstate the city government and institute fixed three-year terms if elected (Ord 2018: 37–8). When this happened and Melbourne's city government was reconstituted in 1982, many of the young activists from MVA were elected as local politicians (Neilson 2013; Ord 2018). Recognising economic and demographic changes in the city, the new city government extensively reworked the 1974 strategy plan to produce a comprehensive, detailed policy document that outlined goals and strategies for transforming Melbourne. The 1985 plan clearly articulated the different roles of state and local government in developing the city, which helped to resolve tensions between them, as both had been working to articulate different 'visions' for the city (Gardner and Clark 1998: 137–8).

Along with local activists-cum-politicians who spearheaded MVA, a key figure in the city's strategic planning process and wider liveability movement was—and still is—Rob Adams. Employed as part of the consultancy team designing the 1985 strategy plan, he was soon appointed to the City of Melbourne's executive and has remained there since, currently as the Director of City Design and Projects. He appears at multiple points in this story and his longevity and commitment to making Melbourne a place where people want to spend time constitute a crucial strand of the liveability focus that has been developed.

At the start of the 1990s, the city began comprehensive internal management reforms aimed at making decision-making processes within its executive more streamlined, consensual and efficient. Reflecting the broader New Public Management (NPM) reforms sweeping through Australian local government at the time (Aulich 2005), in Melbourne,

this change was led by Elizabeth Proust, who became the council's CEO in early 1990, and whose lead was followed by her successor, Andy Friend. Central to this reform was an attempt to combat an entrenched 'vertical' management structure within the city council, which had siloed responsibility for different policy areas into different departments that rarely communicated effectively with one another. Under the new structure, three corporate managers who held multiple portfolios reported to the city's CEO, creating a 'team approach to management, which not only broke down barriers but also provided very clear leadership within the organisation' (Gardner and Clark 1998: 139). This new structure supported earlier efforts of elected members to create a more unified and productive organisation through targeted recruitment of executive officers and collaborative planning processes focused on urban design and social inclusion priorities (Ord 2018). The more consistent and efficient administrative practices were complemented and enabled by the state government reforms that reduced the frequency of local elections. These removed the destabilising previous arrangements whereby one-third of all councillors and the mayor were elected each year, which had resulted in decisions being regularly overturned and the newspapers dubbing the city 'Clown Hall' (Adams and Dovey 2018: 205; Ord 2018: 37).

The transformation of municipal management under the compulsory competitive tendering era, ushered in by Kennett's neoliberal government, saw services increasingly provided by external contractors (McKeown and Lindorff 2011). This resulted in consultants having a significant influence on urban design and local government policies throughout Australia (Stevenson 2000: 112). Insider accounts of Melbourne city planning highlight the important role (international) consultants played in the development of both the 1974 and the 1985 strategy plans (Ord 2018: 36, 39) and in demonstrating the significance of pedestrianisation and public seating to how people behave in the city (Gehl 2018: 22; see also Jones 2018: 103). The City of Melbourne's heightened appreciation of urban design reflects international trends in shifting from cities for cars to cities for people.

Around the world, city governments have turned to 'soft' policy domains such as arts and culture in their quest to improve quality of life and compete as 'creative cities', especially through urban regeneration (Blomkamp 2014). The 'Places for People' urban design framework adopted both in Melbourne city and at the national level in Australia (Gehl 2010; Department of Infrastructure and Transport 2011) represents a more

human-centred and holistic approach to urban planning, influenced by transnational flows of consultants and the powerful 'creative city script' (Grodach and Silver 2013: 9–10; see also Landry 2000; Florida 2005). The 'creative city' concept was allegedly formulated in Melbourne in the 1980s, before anywhere else in the world (Yencken 2018: 73). Growing concerns about environmental sustainability and the ideas of urban activist Jane Jacobs (1961) have also been important international influences in Melbourne. They informed the 'grassroots approach to town planning' and the desire 'to create networks of walkable communities' that took root in the 1970s and spread through subsequent city plans and policies, such as the 1985 pedestrian strategy (Adams and Dovey 2018: 202–3; Jones 2018: 100; Ord 2018: 37). These trends have been reinforced by the global rankings that provide external validation of the city's focus on quality of life.

Unsurprisingly, the development of Melbourne as a city has been influenced by global trends and events. Along with those already discussed, immigration and related policies have significantly shaped Melbourne's vibrant culture. The traditional owners of the land, the people of the Kulin nation, were largely displaced by early settlers from England, Ireland and Scotland. Following the gold rushes of the 1850s, Melbourne became home to a diverse range of ethnicities during the land boom of the 1880s (and the rise of the Marvellous Melbourne label) and, later, through postwar migration in the mid-twentieth century (Damousi 2008). Although British immigrants continued to constitute a majority, 'non-English-speaking groups clustered in the inner city' from the beginning of the twentieth century (Damousi 2008).

National policymaking has also had an influence on the demographic make-up of Melbourne. Increased ethnic diversity—particularly in the form of refugees and migrants from Asia—followed the dismantling of the White Australia Policy and a turn to multiculturalism in all levels of politics. More recent influences on the transformation of central Melbourne that were outside the city's or state government's control include the deregulation of higher education and the subsequent increase of international fee-paying students, along with foreign investment from Hong Kong (in anticipation of unification with China), especially in residential towers in Southbank (Ord 2018: 41). The City of Melbourne has relished this increasing cultural diversity, epitomised in the resulting proliferation of festivals and restaurants with cuisine from many different cultural traditions. Thus, while the city and state governments can lay

claim to enabling some impressive changes in central Melbourne, their policies have been shaped, constrained and complemented by a range of national and international factors.

Designing and delivering a liveable city

Despite—or perhaps even because of—its relatively limited role in planning following the changes described above, the city government proactively and constructively worked with the state government to improve 'liveability' in Melbourne. The new governance arrangements involved collaboration, negotiation and compromise between the state and city governments and significant and vocal non-governmental organisations. A sample of specific policy design processes is explored here to illustrate the different roles and approaches taken by these governmental actors.

The major strategic plans developed by the City of Melbourne between the mid-1970s and mid-1990s focused on making Melbourne a nicer place to live in and visit, especially by improving public amenities and promoting residential development. The City of Melbourne Strategy Plan 1985 sits at the heart of the relatively consistent approach to urban planning policy taken by the local government despite the wide array of challenges and changes it faced. The newly reinstated city government developed the 1985 strategy plan—based on the 1974 plan—over three years in the early 1980s. Their successors extended and updated this policy with 'Directions 1992–1995' (MCC 1992).

A guiding principle of the 1985 plan was 'full citizen engagement in the exercise such that at its conclusion there would be real citizen ownership of its recommendations' (Huggard, cited by Yencken 2018: 77). Building on the city's assets and 'local character', the plan aimed for incremental changes rather than 'grand schemes' (Adams and Dovey 2018: 204, 230). The plan explicitly sought to attract people 'to live, work, shop, and enjoy their leisure in the city' (MCC 1985: 15) and deliberately redefined the CBD as the 'CAD' (central *activities* district), emphasising the 'entertainment, government, civic and cultural activities' taking place alongside business in the city (Jones 2018: 128). Alexis Ord, a member of MVA who became Melbourne's first female mayor in 1987, emphasises the social dimensions of both the policy process and the content:

> There was a focus on opportunities for social interaction with the full spectrum of society, and self-expression in cultural and recreational activities. The city's programs and works over succeeding years were driven by the *Strategy Plan*'s aims that the city should emerge from the engagement of citizens in decisions that vitally affect their lives, and that it should symbolise the values and achievements of the larger Melbourne community. The extent to which Melbourne today is one of the world's most liveable cities is in no small way a result of informed and organised citizen engagement in its planning. (Ord 2018: 41)

The 1985 plan was distinctive at the time for taking a detailed, 'goal achievement' approach, aiming to counter the trends of population decline and economic productivity losses. It specified detailed objectives in each of the key areas on which it focused—the city's economy, commercial and industrial development, population and housing, community services, 'movement systems' (such as transport), tourism and leisure and the 'physical environment'—setting measurable goals for improvement in each area. Recognising the limited scope and resources of the city government, the goals were designed to be achievable over time and 'on very low budgets' (Adams and Dovey 2018: 204). The plan's development involved extensive research and consultation with the local community, taking into account data on traffic flows, pedestrian movement, space utilisation, analysis of previous policy and input from consultants (MCC 1985).

The incorporation of different forms of evidence and ideas and contributions from expert and community consultation contributed to building legitimacy, increasing the policy's chances of success. The city's own review of its 1985 plan concluded that two-thirds of the policies set out in the original plan 'have been completed or are ongoing' (MCC 1990: 10). The subsequent 'update' advocated slowing the pace of development and refining it, with the goal of making Melbourne an inclusive, artistic city, not just a busy, business-focused one (MCC 1992). New in the 1992 report was an outline of actions to be undertaken either by the Victorian Government or jointly by the state and city governments.

The City of Melbourne was thus ahead of its time, implementing strategic planning and reporting regimes that were to be applied to local government in Australian states from the late 1980s to the early 2000s. It followed the City of Sydney, whose 1971 strategic plan exemplified the 'new wave of progressive strategic city plans … experimenting with innovative methodologies and new-look emphases on urban design

and environmental management' (Freestone 2010: 35). New provisions later set out in state legislation were accordingly designed to make local authorities more accountable and more responsive to community wishes, notably through mechanisms such as strategic planning and performance statements, as well as sometimes broadening the scope of local government activity (Aulich 2009).

Throughout the 1980s and beyond, the city government actively incorporated and promoted pedestrianisation as a key plank of liveability. As understood by the City of Melbourne and articulated in the 'Places for People' reports, 'liveability' is about how people experience the city, especially public space. In 1993, Adams, as the city's urban design manager, brought Gehl to Melbourne to conduct a large-scale planning and social study of the city. Gehl's subsequent 'Places for People' report studied the people of Melbourne and how they used their city, specifying for instance how long people spent walking between spaces and how long they stayed in each space. Explicitly focusing on making the city more 'liveable', the report suggested improving pedestrian links around the city and creating more functional and amenable 'gathering spaces' (City of Melbourne and Gehl 1994: 13–14).

The report ended by recommending two sets of goals: a series of numerical targets for pedestrian movement and space utilisation, as well as amenity development (for example, 'the number of outdoor café seats') to be met by 2001; and two pages of specific recommendations on how these goals might be achieved (City of Melbourne and Gehl 1994: 41–3). Its establishment of clear benchmarks for measuring the city's development was somewhat unusual in the context of local government planning in Australia at the time. Along with its emphasis on 'people-centric' design—resembling the language of the 1985 strategy plan—the report likely reflects the influence of Adams and his team over both documents. It also illustrates a more grounded approach to measurement that ultimately drives city planning, in contrast to the external validation offered by international indices of liveability.

The state government also emphasised good urban design as it developed and released its own plans for central Melbourne during this period, although it focused more on economic development. Appointed as head of the Ministry of Planning and Environment for the Cain Labor Government, David Yencken (2018: 73) defines 'high-quality urban design' as making the public realm 'as attractive to as many people as

possible, to ensure that people find pleasure in public spaces and that the spaces in turn attract supportive activities'. Ten years later, the importance of 'good urban design'—defined as 'visual meaning, functional efficiency and broad access to change in cities and towns' (Freestone 2010: 39)—was also recognised and promoted by the national government's Urban Design Task Force. The planning policies released by the Cain Labor Government—'Central Melbourne: Framework for the future' (in 1984) and 'Shaping Melbourne's Future' (in 1987)—reflected this appreciation of urban design, but essentially as a way of harnessing central Melbourne as a tool to boost Victoria's economy. They focused on encouraging 'urban consolidation' and large-scale development. In contrast to the city's 'goal achievement' approach, 'Shaping Melbourne's Future' was arguably ineffective because it lacked clear implementation mechanisms and talked in vague terms; indeed, the 'implementation' section of the report is only two pages long (Ministry of Planning and Environment 1987: 56–7; Goodman et al. 2016: 29).

Nevertheless, elements of the state's plan were carried through to the 1990s and adopted by the Kennett (conservative) Government—in particular, through the first major policy document released jointly by the city and state governments. 'Creating Prosperity: Victoria's capital city policy' was designed principally to 'act as a guide to the private sector' (Government of Victoria and MCC 1994: 1). It aimed to make Melbourne a more internationally attractive city, focusing particularly on its strengths and opportunities as an appealing centre for big business, through initiatives such as building the Melbourne Exhibition Centre and a new Museum of Victoria and beginning the Docklands developments. Other commitments that reiterated the city's plans included promoting Melbourne as 'Australia's best place to live and visit' and 'Australia's premier retailing centre', by retaining the city's unrestricted (24-hour) trading hours, encouraging more activities in the main streets, upgrading and maintaining the city's lanes, arcades and footpaths and building new public space at Federation Square (Government of Victoria and MCC 1994: 5).

The city's 1985 strategy plan is the key local-level policy in this tale of urban revitalisation. Shaped by input from community activists and urban design professionals, it functioned as an important policy document to guide decisions and design in the administration. It also was used as a manifesto in city government election campaigns and as a vehicle for bringing together state and local government actors and other key

stakeholders. Like the plans it immediately followed and preceded, the 1985 plan was shaped by community activists who had professional experience in planning and architecture, some of whom then became local government politicians (after lobbying the state's Labor Party to institute changes to local government) and who employed consultants and staff who shared their vision and values.

Gardner and Clark (1998: 138) suggest the 1985 strategy plan was successful where it outlined achievable policy and planning targets. Adams confirms the importance of targets—such as for 8,000 new residences—in keeping politicians and planners accountable (Adams and Dovey 2018: 206). He also suggests that strong alignment and collaboration between city and state planners were what enabled the policy changes that led to Melbourne becoming more liveable (Adams and Dovey 2018: 206). According to Freestone (2010: 38), the key factors that led to the successful implementation of the 1985 plan, specifically in terms of achieving increases in the city's residential population and conserving its local character, were 'political support, design-led delivery through area-partnerships, specific master plans, and public–private partnerships'.

After Melbourne was rated the world's equal most liveable city in one of the first global 'liveability' studies undertaken, in 1990, the state government began to focus on preserving and promoting this quality. 'Liveability' was a central and explicit focus of its 1994 'Melbourne Metropolitan Strategy Discussion Paper'. Identifying urban sprawl as a key threat to liveability and, noting that much of the region's growth was occurring on Melbourne's outer metropolitan edges, the state suggested a solution would be to further encourage housing development near and within the central city (Department of Planning et al. 1994: 23–5). Echoing and extending the city government's plans, it also suggested 'enhancing' the city's pedestrian environment, cultural and heritage features, universities, perceived level of safety and 'diversity'—in terms of demographics and the housing and jobs available for citizens (Department of Planning et al. 1994: 26–31).

The different policy documents developed by successive state and city governments demonstrate tensions between these two levels of government over the future of Melbourne, with each jockeying to instate their preferred plan for the city (McLoughlin 1992). Local community and stakeholder groups, in turn, fought for different visions of how and where the city would develop. As Freestone (2010: 37) puts it, describing the

state government's approach to urban and suburban development in the 1990s, 'turmoil at the local level was often profound'. Each government proposed focusing on development in different parts of the city in their central policy documents.

In the 1980s, however, the tug of war between the state and city governments resulted in both parties giving much more attention to the central city than in preceding decades. Both parties had comprehensive, well-funded plans to redevelop the city and both agreed on key areas to be funded. The policy consensus was that *something* had to be done. Over time, the city appears to have taken on the role of managing smaller-scale urban design and infrastructure projects, focused on *how* people use the city, while the state government has retained responsibility for large-scale projects that define *what* people come to the city for. Despite local objections to urban consolidation, these policies helped to revitalise the inner city, leading to its 'liveable' qualities that are widely appreciated today. It can also be argued that increases in policing and improved perceptions of safety have contributed to the city's perceived 'liveability', by making it appear a safer place especially for wealthier people to live and work (Palmer and Warren 2013: 83–4).

Alongside these major battles centred on planning, 'Postcode 3000' was an important policy development aimed at encouraging and assisting residential development in the centre of the city. This policy was coordinated by the city government and supported by the state Department of Planning. Refusing to accept the state government's projected forecasts of a declining population, the city had set targets in its 1985 plan to increase housing types and add at least 8,000 new dwellings to accommodate a population increase of 16,000 residents (Jones 2018: 129). However, its initial mechanisms to implement this policy were unsuccessful and it was not until the property market crashed in the late 1980s that the subsequent empty commercial space provided an opportunity to realise this vision (Adams and Dovey 2018: 206–7).

Postcode 3000 provided financial incentives and technical and capital works support to developers proposing to build 30 or more residential units. These incentives were combined with a media strategy to promote the advantages of living in the city. At its heart was a demonstration building-conversion project, in which the city, working with industry partners, converted vacant floors of a historical building into apartments. Despite initial scepticism, the city recovered its investment as rents exceeded

expectations and 'a long waiting list of prospective tenants' proved it had succeeded in persuading people to live in the CBD (Jones 2018: 129–30). The policy is credited with bringing redundant buildings back into use as apartments, helping the city meet its 15-year target for residential growth within 10 years, and with the creation of Birrarung Marr, a riverfront park reclaimed from underused rail sidings. An unanticipated side effect, however, was that, as rents increased and residential property investment became more attractive, low-income residents were forced out of the central city (Adams and Dovey 2018: 208).

A connected policy development was the transformation of Swanston Street, which similarly illustrates both tensions and collaboration between government actors, residents and other stakeholders. Swanston Street has been the site of prolonged debate and divergent policies between state and city governments over the past three decades. It has long been described as the 'civic spine' of Melbourne (Jones 2018: 106), despite in the 1980s being 'little more than a traffic artery; close to 90 per cent of the vehicles travelling along it had neither an origin nor a destination in the city' (Yencken 2018: 75). Early experimentation led to implementation that was later legitimated through external awards and changing attitudes and behaviours. Inspired by an international example shared by a young designer in the Ministry of Planning, the state government embarked on an experimental initiative in 1985 to show what was possible, while tensions between government departments and media criticism prevented more substantial change at the time. The 'greening of Swanston Street' closed part of the road to traffic for a street party over a weekend, when it was covered in grass sods. Although it was initially seen as a political stunt, about half a million people came to the central city to experience the event, which was reportedly 'loved to death' (Jones 2018: 102; Yencken 2018: 76).

After an international expert 'brought in to advise and reassure based on the European experience of pedestrianisation projects' failed to do more than preach to the converted, an economic study persuaded the state and city governments to reduce traffic in the area (Jones 2018: 103). A massive consultation then effectively identified practical implementation needs. Seven years after the 'stunt', Swanston Street was closed to vehicular traffic—an improvement that was considered 'the key to the City of Melbourne's receipt of the first Australia Award for Urban Design', in 1996 (Jones 2018: 104). The continued need for trams to use the street has thwarted full pedestrianisation, but the street now has the widest

footpaths in Melbourne, is much safer for pedestrians and has more amenities—for instance, the number of cafes doubled between 1992 and 2003 (Jones 2018: 104–5). Its eventual (partial) pedestrianisation demonstrates Yencken's (2018: 74) argument that the best way to change perceptions of a city is by making physical changes to the environment and letting people experience them.

Enduring allure

Local and global legitimating factors have contributed to the enduring effects of the shared vision promoted by administrators, planners and activists in the 1980s. The localised focus of city government on tangible dimensions of people's experience in the city, genuine community input into planning processes and their recognition of existing assets can all be seen as success factors in this governance story. Over several decades, globally circulating ideas, indices and consultants have provided inspiration, information and external validation.

As key actors from this period point out, 'high-quality urban design is a long-term process' (Yencken 2018: 66), which needs to be considered far beyond electoral cycles and takes decades to achieve (Adams and Dovey 2018: 253; Jones 2018: 141). While state government legislation and planning guidelines introduced building height limitations in the 1980s, for instance, these were ignored and dismantled by subsequent governments, who 'bowed to developer pressure' (Yencken 2018: 69–71). It is remarkable that the city government, in spite of all the pressures and changes outlined above, managed a consistent approach to urban design and planning during this period. It was aided by the state's local government reforms that reduced the electoral changes in city government and the voting power of businesses (although property owners still have disproportionate electoral sway).

Local politicians' determination to include community voices and local data in planning processes and to establish organisational structures and internal capability also effectively ensured a relatively consistent implementation of strategic plans. The persistently 'people-centric' approach of the council administration, despite changing politics at the city and state levels and broader changes in the urban environment, may not have been possible if the key role of the Director of Urban Design had not been filled by the same person for more than three decades.

The 'political work' and 'craft work' of Rob Adams are an important factor in this governance success story. Ord (2018: 39) echoes others when she claims:

> The successful implementation of the 1985 *Strategy Plan* is in no small way due to the commitment of Rob Adams to see the principles embedded in all subsequent council decisions.

Adams's persistence and collaboration with a range of other important actors—notably, local politicians, state planners, international consultants and industry partners—have made a mark on the city. The cumulative effects of 30 years of incremental changes by state and city governments can be seen in Melbourne's streetscapes (Adams and Dovey 2018; Jones 2018: 93, 139).

Analysis and conclusions

The success on which we have focused in this chapter is a story about the changing governance arrangements that have reshaped central Melbourne. This story analyses the combination of state and city government policies and strategies over more than three decades. The increased capacities of state government reduced the formal capacity of the city government, but also gave it license to do things differently. The layered and emergent interactions between these two levels of government managed to combine economic and commercial interests with culture and liveability. NPM worked together with urban design principles and committed activists interested in citizens' rights; Melbourne rose from the ashes.

The state government changed numerous planning and strategy settings, making some unpopular decisions but using its legitimate power to shape the city at a macro level. Major building developments were pushed through in the face of opposition and determined efforts were made to attract people to Melbourne's centre as a place to live and play as well as work. Successive state governments redefined the scope of the municipality's powers and showed a determination to remove financially incompetent local politicians. Amalgamating what were then small municipalities with limited scope and abilities and changing the boundaries of the city so that it effectively straddled both sides of the Yarra River were also important, if unpopular, reforms.

Changes to the city government itself are also key to this governance success story. The changes that saw local politicians' roles move from an annually revolving door—even for the (then elected from within) mayor—to three-year terms and a directly elected mayor had significant effects. The city government's new focus on immediate and tangible things that matter a great deal to people as they move around the city was combined with a more visible, approachable and professional cadre of local politicians. The result was the removal of doubts about the legitimacy and competency of the municipal government, following years of perceived incompetence and financial mismanagement. Changes that modernised the city's administrative structures and procedures also bolstered its reputation. In what we would now easily recognise as NPM, many corporate management principles were imported to the city, followed by ideas about the importance of competition and the desirability of contracting out services. These moves added up to a clear signal that the city government had been transformed into a modern, responsible and professional organisation.

The social and environmental activists who first made an appearance in community consultations on the 1974 strategy plan, before becoming much more visible when the local politicians were sacked, and then numbered among the newly appointed politicians once elections were held again, were also an important part of this story of new governance arrangements. They can be credited with staunchly supporting the focus on good urban design that the state and city governments were beginning to embrace and that has since become so important to Melbourne's liveability. They are also likely to have had an enduring influence by promoting the incorporation of citizens' views into strategy documents.

This governance success story rests on the redefinition of the realms of responsibility of the state and city governments, which changed their capacities and their interactions. It also points to the symbolic importance of markers of success, which in this case helped to change residents' perceptions of their city and its standing in the world in the context of changing national and international trends. Landing towards the top of world liveability rankings was a very public marker of success that helped the state and city governments and Melburnians to continue to focus on the city's liveability as a core concern. All of these contributed to making Melbourne marvellous again.

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