INTRODUCTION

In the early 1980s central Melbourne was, like many inner cities, in a state of steady decline. It was experiencing a reduction in almost every aspect of its economy. It was losing retail to district shopping centres, residential and recreational development was becoming a dead mono functional business centre. In the early 1980s strategies from the City and State Governments were put in place to arrest and reverse these trends. Their thrust was incremental improvement strategies targeting increased density, and reversing these trends. Their aim was to increase the population of 800 residential units to 8000 over the next 15 years within central Melbourne including Southbank, Docklands and St Kilda Road. In 15 years, the program, combined with strategies on retail, business promotion, events, arts and culture, infrastructure development, sustainability, major projects and public realm improvements, succeeded in turning the city’s fortunes around.

A fundamental challenge was the need to increase the central city’s residential population. Out of the 1985 Strategy Plan, “Postcode 3000”, was developed to attempt to increase the population from 860 residential units to 8,000 by 2020. This change has led to the opening of over 30 new convenience stores and supermarkets, 800 new bars, cafes and restaurants including Southbank, Docklands and St Kilda Road.

The overall program had financial benefits for all participants, improved social outcomes for the city, and environmental outcomes through increased energy consumption due to higher densities close to essential services and recycling of old buildings.

Today central Melbourne has over 28,000 residential units and around 80 residential development projects that are under construction or have planning approval. The Government is faced with the dual challenge of how to accommodate this new development without compromising the liveability of the city. This will require a balance between the very intense development currently coming through the system and the realization that the major public space of any dense urban city is its streets. Streets make up 80% of our city’s public realm, so design a good street and you design a good city. Since the early 1980s we have worked to achieve the ingredients of good streets: their scale, solar access, low wind factors, mix of uses, active frontages, consistent high quality paving, trees, quality street furniture, sidewalk cafes and abundant street life.

If Melbourne can achieve this balance it has the ability to retain its place as one of the world’s most liveable cities and continue to improve its social inclusion, financial viability and environmental footprint.

KEY INTERVENTIONS

In order to achieve an increase in its residential population and develop a mixed use city with greater densities, interventions were made at all levels. 1. Financial incentives - the City raised the VAT for the provision of open space as well as the building. 2. Technical support - building and planning regulations were amended to favour residential development. 3. Streetscape improvements - the City upped the standard public realm to act as a complement and support the developer’s investment. 4. Promotion - the City put together a comprehensive marketing campaign that encouraged developers into the market. 5. Pilot projects - the City conducted a number of buildings in order to illustrate the potential building stock and the market for the development.

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If Melbourne can achieve this balance it has the ability to retain its place as one of the world’s most liveable cities and continue to improve its social inclusion, financial viability and environmental footprint.

CONCLUSION
Melbourne, Australia

From urban decline to the world's most liveable city

The increase in the housing stock change has also led to the opening of over 90 new convenience stores and supermarkets, 800 new bars, cafes and restaurants and 300 new sidewalk cafes.

**Melbourne, Australia**

- **Coordinates:** 37°52'S 145°08'E
- **Area:** 1,705 sq mi
- **Population:** 4,170,000
- **Density:** 2,445,75 sq mi
- **GDP total:** $998.265 billion
- **GDP per capita:** $42,640

**SOURCES**

Development Activity Monitor