CORRECTED VERSION

STANDING COMMITTEE ON ENVIRONMENT AND PLANNING

REFERENCES COMMITTEE

Inquiry into environmental design and public health

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Professor M. Buxton.

The CHAIR — Thank you for being with us here this morning, and thank you for the paper that has just been tabled. We have a time constraint because the committee is doing site visits out at Bradmill and also the Docklands; we are under some time pressure. Could we keep the presentation to about 8 minutes so that we can maximise the questions and get a genuine exchange going?

Prof. BUXTON — Sure.

The CHAIR — For the record, could you state your name, title and address? A transcript will be provided to you in about 10 days time — just liaise with Keir if there are any issues. Again a reminder, you are covered by parliamentary privilege while this hearing is being conducted, but anything you say outside is not. Thank you. We look forward to your presentation.

Overheads shown.

Prof. BUXTON — I am Michael Buxton. I am a professor of environment and planning at RMIT, in the school of global studies, social science and planning. Sorry I did not get this paper to you earlier, but what I thought I would do is just make a couple of points and then just stop and take it from there and maybe you can read the paper later on. It was the usual last-minute rush, so I am sorry about that.

Looking at the terms of reference of the committee, I did not intend to talk to one because I am sure you have had lots of evidence and you have been given lots of reading on that, so what I thought I would do is look at some practical issues that I think are facing Melbourne around the whole issue of health and wellbeing around the way Melbourne has been developed and then some of the statutory and implementation issues. Then we can maybe have a discussion.

As a context to this, Melbourne is no different, but Australian cities have been characterised by development of two city types. We have got in the outer suburbs a relatively low-density, pretty standard type of housing. It is low-density sprawl in the classic sense, but it is mainly detached housing. There is a bit of mixed-lot development now — smaller lots of 250 to 400 square metres — but generally it is still pretty big. It is about a 480 square metre average, and it is primarily detached housing with a little bit of variant housing.

When we look at who is living there, it reinforces this two city-type argument. You have got professionals, double-income groups and so on living in the inner and middling suburbs and lower-income groups generally living in the outer suburbs, with some targeted higher income groups through targeted marketing of some of those outer areas. Generally it is a stark comparison. These are 2001 ABS images, but it is exactly the same in the 2006. These are just better; they look better. There is a slight variant, but generally the same story.

When we look at the services, just pick transport. There is another stark comparison with the higher income/advanced business/service/professional group having the best transport, the best schools, the best hospitals — the best everything — and the people who travel to work by car have a completely different income, employment/unemployment proportion. This is a little worry — we are not here to talk about social exclusion — but when you add this trend in the two city types to the built form differences, we have got the higher income people living in the areas of more established housing and the greatest densification occurring in the highest density areas of the city. They are completely different urban form models, and I think that is of interest to the committee here. When we look at those models of urban form, I think neither of them are conducive to the interests, objectives and literature around healthy cities, particularly around this idea of wellbeing.

It is a relatively new term in the planning literature. It has been around a long time, and I have mentioned Lewis Mumford in here and Sir Rupert Hamer's words on this. They had very interesting words to say on wellbeing and so on. Sir Rupert Hamer back in 1966 commented on this. He said that no-one could happily contemplate living in a city that sprawls forever. How prophetic is that? He was talking about wellbeing. Lewis Mumford, a great planning historian, was talking about the same kind of idea.

When we look at what is happening with these two city types, to me it is very alarming. What we are finding is ad hoc incremental development that really is not related in any way to a sense of what kind of city we are trying to achieve. Are we trying to achieve a healthier city in the way you are defining it in terms of a more walkable city and so on, and one which is more outward looking? I think also the mental health, wellbeing, satisfaction and identity issues are really critical here.

What we are getting in the intensification in the inner city areas is ad hoc incremental development that is totally undirected towards any kind of outcome or future city type that we might want to achieve. We have got an enabling planning system that just says to the development industry, 'Go and find sites'. There really are very few rules governing those sites. There is a code, which is non-mandatory and incredibly vague and no-one takes any notice it. In the more dense cities we are getting increasing height in the developments because there are basically no height controls over most of the city, and it is a try-on.

I do not think increasing height is a good recipe for healthier cities. It is separating people from the street and putting people in enclaves. It is windier, and it looks worse and so on. But if we look at the type of development along any of the main streets of Melbourne, I do not think anybody could say that is good urban design, so we are getting developers making these decisions. There are very few rules that are governing them. It is an ad hoc approach on height, design and densification. There may be rules or structure plans now being developed — councils with their housing strategies are out trying to identify sites and so on — but this is nine years after Melbourne 2030 came out, and there is very little implementation. That is one bag of issues.

I think the other bag of issues is in outer urban development, which on any proper analysis it is most undesirable that we continue doing that for all sorts of reasons. Basically we have got single-use suburbs and all the things Jane Jacobs railed against in 1961: separation of residential suburbs from retailing, employment and transport, car dependency and so on. No doubt you have looked at all that literature.

I do not think it is in the interests of people and the city that we continue to allow that kind of development. It is very low density; I think it is probably the lowest in the world. I have looked at the United States' east coast and west coast cities, and there is a lot of very interesting higher density development occurring in row housing, three-storey walk ups and so on, on the US fringe. It is about a quarter to an eighth the density of European new outer urban development, with the exception of the Mediterranean cities. Barcelona and some of the Spanish and other Mediterranean cities seem to be embracing this low-density sprawl idea. Barcelona is one of the densest cities on earth, yet you go to the outer suburbs and you are finding increasing detached housing because people have got more money and the rules are breaking down, but it is not desirable. That is the two-city phenomenon. I think it bodes very badly for Melbourne.

This slide shows Lynch's Bridge. What we find in German cities is a replication of the inner city urban form in the outer areas. In Australia we have this incredible disjunction. We have got this assumption that because we are on the outer suburbs we should have larger blocks of detached housing. Why? There is absolutely no reason for that. In fact there is every reason to be doing this. This is 25 lots per hectare — pretty moderate — and built around parks, very European and like the old traditional inner US cities which are built around parks. There is Albert Park and St Vincent Place; you pay $3 million for a house on St Vincent Place. In Kensington, a couple of kilometres from the city, you are paying about $600 000. Why are we not doing that in the outer suburbs? I can see absolutely no reason other than the fact that we have handed over decisions to the development industry, and the development industry does not want to change its business mode.

That is in East Perth. There is a huge amount of infill in East Perth. It is not high rise. As Jan Gilst and others say, high rise is the lazy way to get density; that is a much more interesting way to get density. There are 35 lots per hectare, and it is very, very livable. I guess what I am saying here is that when we look at wellbeing we really have to look at amenity, and I do not think this argument has been developed properly in the literature. Amenity is critical to wellbeing. If we build high rise and the undifferentiated, terrible consolidation models that we are building now without any rhyme or reason or rules or sense to it and on the other hand only build the opposite on the fringe, we are building very poor amenity places.

Identity is absolutely critical for amenity, and what is critical to identity is built form. The three things there are: urban design — high-quality urban design, that kind of stuff; protection of heritage — heritage is absolutely critical to identity, and all the European cities show this and so on; and, thirdly, public open space, particularly a green belt around a city. They are the kinds of amenity issues that people relate to in the physical sense, and that is what we are not doing. We are not doing that in the inner suburbs, and we are not doing that in the outer suburbs. That is on the 54 plan.

The other worry here is all the other interconnecting elements in an organic city. It is not just residential area, it is amenity and wellbeing, which relate to, 'How do you enjoy shopping?', 'How do you get to your shopping area?' and 'Do you have to drive 3 kilometres out one exit?'. That is from the 54 plan, which was seen as the

way of the future. That was before any shopping centre like that existed; it was before Chadstone. Of course that is what is being built in all the outer urban areas: big box retailing that is mall based and car based. We have to look at this interrelationship between the elements in a city — retailing, employment and residential. It is not just the design of the suburbs; it is the connection between the residential part of the suburbs and areas like that. Maybe we can come back to that.

That is an early plan for Cranbourne West. It particularly irks me, because it is everything we should not be doing. That is the kind of housing we used to build. It has got a little bit better. There is no addressing of the street. This identity issue is really relevant, not just in a subdivision design and the layout of the residential suburbs but in the house design as well. As you know, house sizes are getting bigger. While we have this, we have an inward-looking culture. We have people turning against the street, against the suburb. You cannot walk anywhere, so you sit on your computer and electronic instruments all day.

There is a really big issue there around health. It is around housing design and all sorts of activities in the house, and it is about inward-looking subdivisions and houses, separated uses and so on. Amenity is utterly critical to this, and amenity for both the inner and outer urban areas is critical for environmental health in a physical sense and in a psychological sense. Interesting literature is being developed about the way people feel about their city and the way they relate. It all comes back, I think, to amenity.

The CHAIR — Thank you very much.

Mr TEE — Thank you for your presentation. Firstly, are there examples of cities that have turned the model around? Where does Melbourne look for inspiration? Secondly, what is it that we need to change about our planning system in terms of the regulation in order to assist that turning around? How do we get a better model out?

Prof. BUXTON — I think there are cities that have really tried very hard to turn what I have just described, and no doubt what you have been looking at, around. I first got interested in the north-west cities of the US and Vancouver and so on. Those north-west cities really made an effort going right back to the early 1990s. They had some inspiring mayors and councillors. I think places like Portland are still doing this.

I recently had an email from a Portland city councillor who had just compared the new development on the fringes of Portland — still within the urban growth boundary — to our expansion of 41 000 hectares last year. This councillor expressed absolute consternation, saying, 'How can this be, when Melbourne has been spruiking its plan on the world stage as the world's best, or among the world's best, to try to intervene and change this?'. They are doing density on the fringes of Portland of eight times the overall density — not necessarily in each subdivision but in terms of overall density increases. They are really doing it hard. They have built public transport. Perth has done a bit of this with its new transport line, but Perth is still an incredibly sprawling city. It had a voluntary code to try to alter this, but it did not impose it. So there have been some cities that have made a real effort to shift this around.

I think the United Kingdom is a very interesting case at the moment. It was having outer urban development at 25 lots per hectare — basically the Lynch's Bridge model. That was its outer urban development. Around the turn of the century they issued an edict basically saying, 'This is not good enough; we have to try to get it up towards the German standard of a minimum of 45 lots per hectare'. Whether they will or not I do not know; I have not looked in the last two or three years at what they are doing. But there are big, new outer urban developments going on now in the UK green belt, and there is a huge issue there. There is still incredible intensification in English cities. The London green belt has lasted since 1938 — it has hardly changed an inch — and they are still finding enough room for huge numbers of people in London. They have just got the Thames Gateway development. They are doing it — and they are not doing what we did at Docklands either, on the whole, although they started that way with Canary Wharf and so on. I think the UK cities are very interesting. They are really trying to follow the national policy in doing that. It is a mixed story. There are cities trying to do it.

To sum that up, Melbourne was interesting to other cities in the world because there was an intervention strategy. Melbourne 2030, in 2002, said that the city was going to shift 45 per cent of the business-as-usual developments from the fringe to the established city. That is a huge ask. Almost half of what would have gone there without the strategy was to be shifted into the established city in various locations — mixed-use activity

centres and so on. That is an interventionist strategy: trying to achieve an alternative future to the one that would be achieved if government did nothing. That was going to drop the proportion of outer urban development to 30 per cent overall. It is still probably too high. The amount of land that would have been left in the corridors would have lasted 25 years, no matter what the immigration was going to be, if that strategy had been achieved. It was a good plan. It really inspired people, and it got lots of people internationally noticing it. The problem was that, as of last year, it was 50 per cent on the fringe; it had gone the other way. We did not implement it as a city.

What can we do? We just have to get away from this obsession with deregulation and leaving all the decisions to the development industry. We really have to get over that. This is not working. Markets are not delivering healthier, better cities — they are not, and I defy anybody to say they are. Where are they? I do not know. I have lived in Melbourne all my life, but I do not know where they are. Markets are not delivering. They are achieving this two-city phenomenon, and they are giving us a world's worst kind of development in both areas. What can we do? We just have to get back to a more regulated system, I think.

Interestingly enough, the Cain government in 1990, with the new corridor planning that occurred in the Plenty Valley and the south-eastern corridor, introduced a mandatory 15-lot-per-hectare average minimum density for the corridors — in 1990. That was repealed by Robert Maclellan. We went back to seven or eight lots per hectare, which is half. What a lost opportunity! Because of that we did not get better quality urban design in the outer suburbs; we just went back to business as usual with detached houses, sprawl and so on, with separated uses and all those bad things. We just slipped straight back into it. The development industry whinged for about three months, and UDIA complained. Then they all realised that, 'It's a level playing field; we are all on the same page, let's get on with it'. Then we regressed. We went back to half the average density, and we have now wasted 15 years. As a result of that the government felt pressured and Parliament agreed to extend the urban growth boundary last year by 41 000 hectares. By the way, that was the third extension since 2002.

Ms PENNICUIK — Not everyone in Parliament agreed.

Prof. BUXTON — All that could have been avoided with higher density on the fringe. We can mandate higher density on the fringe, and we can mandate for better urban design instead of just relying on voluntary codes and vague general wish lists. By the way, we have a code and we have the PSP guidelines for outer urban areas, which are nice-sounding, voluntary things that you may or may not have to do. There is variation in their implementation. I do not believe the GAA is enforcing anywhere near the kind of standards we need on density and design, and the code for above three storeys — for higher rise development — is just a joke; it is regarded as a joke by everybody. I think we have just got to get back to some mandatory principles here to achieve defined outcomes.

Mr ELSBURY — I was going to ask another question, but you talked about mandating a density. Earlier on you showed us a graph which showed that there was a disparity between having higher income earning managers in the inner eastern suburbs and lower income earners in the outer suburbs, mostly in the north-west and in some of the south-eastern suburbs. But by mandating a density, you are basically saying to people who want to live that larger house, larger garden lifestyle, 'Don't be looking at the outer suburbs. Just forget about it. Leave that for the low income earners'. Again, it is perpetuating a two-city model. Surely there should be some choice. Instead of saying, 'Thou shalt have 15, 20 or 30 houses per hectare', there has to be some sort of leeway to allow for a developer to come along and say, 'We are going to offer half-acre blocks if you really want it, but you are going to be paying an absolute premium'.

Prof. BUXTON — Let me answer it this way: I am not advocating that everybody should be forced to live in a two-bedroom row house of the type we see in Fitzroy or Carlton. By the way, if they are so bad, why are they worth $800 000 or $900 000?

Mr ELSBURY — Location.

Prof. BUXTON — True, but they are also sought after as places to live; right?

Mr ELSBURY — Okay.

Prof. BUXTON — By the way, all that housing in the 1954 plan was classed as third-class housing. That is how it was described, and it was slated for demolition. It is not that bad. But of course I am not advocating that

government forced all people to live in a particular housing type. What I am arguing for is greater housing diversity. I am arguing for the principles for the outer urban PSP guidelines, which are based on the former Vic code 2. I am arguing that they be applied, so you have denser housing around the activity centres, you have a mix of maybe some apartments and three-storey attached, walk-up townhouse construction around the activity centres and then you have a progressive alteration until you get a certain distance from the activity centres, where you have a proportion of detached houses.

The modelling that we have done — Jan Scheurer and I did modelling on this — estimated that you would still have half the houses in those outer urban subdivisions as detached housing of various sizes, so you are still allowing for choice. The problem with mandating a minimum average size is that you leave it to the developers to implement the average size, and they are going to do that in different ways. They will try to do what is in their best interests. It may be that that is too broad a brush; that is possibly true. Just mandating an average minimum size may not get you the housing affordability and diversity that you need, so you may have to mandate proportions of housing size or type. That is not so bad. You would do it with the development industry, obviously. I am advocating for greater diversity.

What we do not have on the fringe is the diversity in housing type or lot size to anywhere near the extent that we should have. It is a standard model. The argument that the development industry puts forward about how government mandating is going to take away people's choice is just not true. People's choice is being determined by the development industry. You only have to go and look at the display homes to see that. You do not get diversity of choice in most of the subdivisions under most of the building companies. I am advocating for greater choice.

By the way, most people who are living in the outer suburbs are low-income earners — not all, I agree. There are targeted high-income and middle-income areas — leave them alone. All I am saying is that we have to make a decision about the types of housing and housing choice and to provide better choice for people.

Ms PENNICUIK — Given everything we have talked about regarding the power of developers, which concerns me — particularly, I think, that a lot of the power of developers comes from the issue of donations to political parties, but that is another issue — I am interested in your recommendation to establish a national top-down response to, and legislative management of, peri-urban issues and protection. I am wondering how that might work. Even though we have a state planning framework and municipal overlays, development overlays and heritage overlays, a lot of them get defeated at VCAT by developers. How do you envisage a national approach coming into it — not just for peri-urban areas but around cities and in relation to how we develop our cities? How could that work in a legislative way?

Prof. **BUXTON** — I suppose that was me despairing that state governments were never going to do anything. That was me at my low point. We have never had a national cities policy in this country, and whether that is a good thing or a bad thing depends on where you sit. The closest we ever got was DIIRD with the Whitlam government and Tom Uren, when we were moving towards a national cities policy. On the other hand what we have is the national government determining or helping to determine the future of cities through massive infrastructure funding that is most undesirable — roads funding to outer urban areas instead of rail improvements — and through other policy instruments like financial instruments. The new home buyer grant was the single biggest influence on outer urban house prices this century. There has been a huge propaganda campaign waged by the development industry to argue that a lack of land supply has caused land price rises on the fringe, but it is not true. We have just published stuff on this. We have gone back and looked at all the land prices and the amount of land that is available and it is not true, but it was bought by all governments. It was very successful.

As to whether or not a national approach to all these issues would help, I think it would, but the point is that we have state government control over land use at the moment. Although the national government has all these other factors and policies that influence the way cities develop — usually undesirably, I might say, through negative gearing and so on — we have to look at our state controls and the relationship between state and local government if we are going to get anywhere, I think.

Ms PENNICUIK — Can I ask another question?

The CHAIR — Is it a follow-up one?

Ms PENNICUIK — Sort of — it is going to your issue about amenity, which we were talking about and which I think is really interesting. I am not sure how you legislate for amenity, but it is an issue that we do not talk a lot about. With that you threw in protecting heritage. I go back to last year when, for example, I was opposing a road that was being built in south-western Melbourne which went through a heritage-listed property, and Heritage Victoria issued a planning permit to destroy that heritage-listed property, which I think members of the community thought was protected because it was listed as a heritage property on the heritage register. I wonder whether you have any comments about that in terms of protecting heritage areas when they can just be destroyed.

Prof. BUXTON — Just briefly, the heritage legislation needs to be urgently overhauled. I am really surprised that it has not been overhauled over the past 10 years or so at least, because it allows for financial factors to be considered in the deliberations of a heritage assessment. That is completely inappropriate and leads to all sorts of most undesirable outcomes. I think in the broader sense — when you look at the other tools for heritage protection — what I am arguing is that amenity is so important to the identity and the psychological health of people and their identification with the city and the future of that city as a place to live — that is, in a broader wellbeing sense. Heritage is fundamental. We simply do not have adequate heritage controls. The heritage overlay is a tool inadequately applied. It has been applied in a very differentiated way, depending on how the studies have been conducted and the assumptions behind them. Huge areas of heritage value are not covered by heritage overlay. Even when they are covered the heritage overlay offers very little, if any, protection. The heritage overlay is a weak statutory control that is clearly not adequately protecting the legacy of built heritage for those reasons. When you add the problems with the broader historic buildings legislation, we have a crisis point, I think, in our heritage protection.

One of the recommendations I have made is that we just have to get real about heritage. We have to say Melbourne is an incredibly interesting city on the world stage at the moment. We have done our best to wreck as much of our heritage as possible, but we have an opportunity here to look forward to the type of city that we think is critical for the future wellbeing of its citizens — and I am talking about wellbeing for the next 50 or 60 years. Alan Hunt and Sir Rupert Hamer planned for the protection of Melbourne's green wedges in the late 60s. Already 40 years have gone by now, so 40 years is not a long time in planning. We still basically have them, although they are much altered around the corridors, but in the Mornington Peninsula and Yarra Valley and so on the results of that legacy are still with us. That to me is planning — long-term, visionary planning, envisaging an outcome that we want to achieve in the future, in 50, 60, 70 or 100 years down the track. To me one of them is the protection of Melbourne's green wedges. I think that is absolutely critical. There is some very interesting literature on green wedge protection that is related now to health and food and all sorts of issues that were not being considered when Sir Rupert Hamer put them forward.

The other is heritage buildings — the built form of our city is absolutely critical. If we keep pulling it down bit by bit, incrementally, we are going to end up losing what makes Melbourne great. By the way, there is incredible economic value in Melbourne's built form. Most of the advanced business service employment is in those areas, and people who work in those industries live in those inner and middle ring suburbs. If we pull that down, we are wrecking what is in our best economic interest. As a quick example, the other day I was talking to a council which proposed to pick up the Rob Adams idea of pulling down the whole of the main street that intersected its city.

It is a 19th century street full of 19th century buildings. It is attracting people to those areas with innovation, creativity and investment. That is their best economic asset, and they were proposing to pick up that idea and pull it down and put a seven-storey development all along for about 4 kilometres. To me that was the most insane idea. They are wrecking their greatest economic asset, but they are also participating in the destruction of Melbourne's most important wellbeing asset.

The CHAIR — We have time for one more quick question.

Mr SCHEFFER — I hope it is a quick question. I have not really thought about this question; I do not know if it is going to make sense. What I want to ask you is whether there is a connection between home ownership and urban sprawl. There were a few things you said — strands — that I will try to pull together. For example, you talked about Germany being able to maintain a level of urban density and not degenerate into sprawl. You mentioned Barcelona and you said they were moving towards a kind of sprawl. I had a bit of a look at this a few months ago and saw that Germany, I think, still has 32 per cent home ownership whereas Spain and Italy have

gone up astronomically. They have caught up to Australia in a very short time. I guess when you buy a property, or when you are marketing a property, you want single-standing dwellings. The connection to this inquiry is affordable housing and therefore less financial stress and therefore better health. Those are the kind of plus things around — —

Prof. BUXTON — The way outer suburban housing is marketed is all based on home ownership; that is true. Interestingly it is not just based on ownership of the home but on what is in the home. There is a whole set of industries designed to fill homes with things that, arguably, people do not need, or that they do not need when they move into the house. They might need them or want them later, but there is this attitude that you have to have everything when you move in so you go into hock. There is a whole industry around home ownership on the fringe; that is true. But you can still have home ownership as a fundamental principle of development, which it has been in Australia, with a different housing mix and a different housing type. We have this standard model of home ownership where young couples have to buy a three or four-bedroom home with an ensuite — and their parents' home probably does not have an ensuite — and a family room when they are probably not going to have a family for five years. It is probably costing them about 40 per cent more.

We would be doing people a favour if we had a greater diversity of housing type where people could at least get a stake in the home ownership model but without going into hock and causing unbelievable stress. For example, when they do have a family and the young wife stops working their income might drop by 40 per cent, but they still have to have two cars and they are still stuck out there. There is incredible stress, and now there is a lot of anecdotal evidence coming out of councils about increased family violence from stress. All this is bad.

Mr SCHEFFER — But if you have 32 per cent home ownership, like in Germany, which means 70 per cent non-home ownership, does that increase the government's capacity to be more interventionist?

Prof BUXTON — No, it does not, absolutely not.

Mr SCHEFFER — Okay.

Prof. BUXTON — We have taken off the regulations since the middle 1990s, but no, it absolutely does not.

The CHAIR — Thank you very much. We are well and truly over our allocation of time. It was a very helpful contribution. Thank you for sharing it with us.

Committee adjourned.