

TRANSCRIPT

ECONOMIC DEVELOPMENT AND INFRASTRUCTURE COMMITTEE

Inquiry into local economic development initiatives in Victoria

Melbourne — 16 October 2012

Members

Mr N. Burgess
Mr M. Foley
Mr B. Carroll

Mrs I. Peulich
Mr G. Shaw

Chair: Mr N. Burgess
Deputy Chair: Mr M. Foley

Staff

Executive Officer: Mr S. Coley
Research Assistant: Mr M. Newington

Witness

Professor R. Adams, Director, City Design, Melbourne City Council (affirmed).

The CHAIR — Welcome.

Prof. ADAMS — Thank you for the invite.

The CHAIR — It is a pleasure to have you here. This committee is an all-party parliamentary committee. We are hearing evidence today on the Inquiry into local economic development initiatives in Victoria. All evidence taken at the hearing is protected by parliamentary privilege; however, comments made outside the hearing are not afforded such privilege. Could you state your name, please, and your position?

Prof. ADAMS — My name is Robert John Adams. My position is Director, City Design, at the City of Melbourne.

The CHAIR — And you are appearing on behalf of the City of Melbourne today?

Prof. ADAMS — I am.

The CHAIR — I invite you to give oral evidence. The evidence will be taken down and go on the public record in due course.

Prof. ADAMS — Before I go into the presentation, when I was asked to do this I wondered how relevant a lot of the stuff would be to you, but I think it is in a broad context. The reason I say that is because I think what has happened within the city of Melbourne or the inner city since the early 1980s is a realisation that with the way our cities are growing we have not got the resources to pay for the infrastructure that we are going to need if we do them in a conventional manner. While that might not have been as clear in the early part of the 1980s, what has been happening consistently with local government and state government is reinvesting in and around existing infrastructure. I would argue that is the only solution we have in terms of the long-term future of our cities generally in the developing world.

I will show you a slide which shows that the urban population is going to double in the next 50 years. You just cannot build that amount of infrastructure in 50 years. Our approach has been: how do you transform the existing infrastructure and get more efficiency out of it? In doing that, there are five factors that contribute to that.

First is mixed use, because you get a sharing of facilities inherently out of mixed use. Second is density, and by that I do not mean high-rise; I mean density — the two are different. One of the densest cities in the world is Barcelona — with seven storeys. Density does not necessarily mean high-rise. Third is good connectivity and the fact that you can get access to things around to use them. The other two are where I spent a lot of my time: in local character — doing something that is of the place and not of somewhere else — and a high-quality public realm, that place outside of buildings where we spend a lot of our time when we are not inside the buildings. Those, combined with public consultation and intergovernmental participation, are seen to drive not only economic benefits but social and environmental benefits.

There is a really good piece of work that I will refer you to done out of New Zealand. Do not take that as being anything other than that they have put it together in a very concise way. If you google ‘good urban design New Zealand’, up pops a study. They have a chart that lays this out and gives you the criteria where they can judge the economic, the social and the financial benefits that come from those characteristics, and they then give you lengthy research behind that. I will leave you a document that I did for the European Union that has a modified set of that chart at the back so you can reference that.

I would like you to think when I rush through this presentation — because I am going to go through it quite quickly — about what we are trying to do here. What we are trying to do is get more out of less. I think that is the biggest challenge we have got.

Overheads shown.

Prof. ADAMS — The reason, as you can see from that slide, is that basically our global populations are going to double over the next 50 years. The other reason is most of the greenhouse gases come out of those cities and the GDPs. If you are worried about finance and you are worried about the climate, you would worry about how you do it.

I would also argue that cities are places of hope, as is argued in this article. Why? Because with those people who move into cities their family size decreases and their skill base goes up. If you are ever going to solve the problem of population on the planet, it is not going to be through transistor radios or other things; it is going to be by people having other choices in life, and they get those choices from cities.

Melbourne has gone through that transition. This slide shows the early 1980s, and this is Norman Day, who still writes about an empty useless city. I suppose the challenge that both the State and the city are faced with is: how do you deal with that?

The strategy that came in in 1985, the city strategy, was about dealing with the major aspects of the city. We know where the city started; there used to be a waterfall out from the port. However, what had happened is that where that city was connected to it early in the 1920s, by the 1970s it was disconnected. So if you want connectivity, you are going to have to start dealing with that. You cannot pull down infrastructure like this, but you can change it. By simply lowering the ground level and putting a blue light in there you change a piece of infrastructure from something that is not attractive to something that is attractive.

The plan was pretty much to build back what originally needed to be there. So we dug a hole in the river — and I do not know how the auditor would measure the value of that — and slipped some buildings in under the viaduct to recreate the street so that people could connect through. You can see what you had in 1986. Slowly the basin was dug, the aquarium started, the flyover over King Street pulled down and a building built back into there. Now people actually wander down to the river and do not get that disjointed feeling. What that does to real estate prices and all the rest of it is a hard thing to measure, but it is where we should be going.

One of the other things was that if you look at Melbourne, you can see it has a very clear structure. The grid is orientated on the river, not north–south, and then it goes north–south. In its built form and orientation it is unusual. One of the first studies we did in 1983 was to look at all the spaces outside the buildings, and what we found was that because the grid was so big — 200 metres by 100 metres — and because the railway station was to the south, what you had got through subdivision in the 19th century were these lanes and arcades. People were talking about the loss of ‘Marvellous Melbourne’, and when I first came I thought that was a debate about the Victorian architecture. But it very quickly became apparent that what it was about was the loss of grain. What we were getting was that the street you can see at the top was becoming the street you can see in the middle. That is Collins Place, and it was done by a reputable architect, I. M. Pei, who is world famous. But he was not building a Melbourne solution, he was building an international solution, inward turned.

What we have done is basically stop people giving us dead streets. Streets are the most important space in any city. Eighty per cent of the public space is made up of streets. The one-liner which you could take away from this is that if you design a good street, you design a good city. If you think about the cities you have enjoyed, it is usually because of the experience of walking through them and discovering them. We just concentrated on how you do that. We bought up the QV site, as you know, and put it back to the market, but we had conditions on lanes and the mixture of uses et cetera. I was on the judging panel for Fed. Square. The reason this scheme won was because it had a reinterpretation of the lanes and arcades of Melbourne. It could also accommodate changes, as came late in this competition with the adding of the gallery. It could shunt those along, whereas if you had a single big building, it would have been very hard to fit it in.

That grid is infinitely flexible. What we worked on was getting developers to build back quality streets, and then we started concentrating on the open space — small spaces like this — for example, cutting a hole in the Town Hall that used to be a window. The flower seller is an 18-hour passive policeman with low rental on the corner. We designed the cafe, and it was paid for by private enterprise on a 30-year lease to dominate that corner. It is about small things like changing a traffic island into a celebration of our Chinese culture. There was City Square that did not work, so half of it was sold off and reinvested with the State Government in the Regent Theatre, which was then opened up to produce a square with activity on the edges that informed activity in the square.

We have gotten quite adept at using other people’s money in combination with our own to try to change and enrich the city. There was a rapid increase in public spaces from 1983 to 2004.

We have also looked at how we make the character of Melbourne very much Melbourne. Bluestone has been mandatory since 1985. That is what you had in 1985 around the top of Collins Street and in front of the Parliament, and this is what you had by 2004. What that does is give you this uniformity that people start to

interpret as a 'Melbourne feel'. It is also about the colour and movement you can put on the cafes, the signage and the artworks that go into the street. A lot of those go through. We had commissions that went into the streets, which were temporary, as well as the street art which we are now recognised for. There is a suite of furniture designed to last 50 years. If you go past the City Square and you see a funny little guy selling bonsai trees, have a look at the sign above. It says 'Guided tours'. There it is in the overhead. It started its life as 'City tours', and it has been reused. We are designing things that will actually last 50 years and that have a life but are multiple use.

On the top of our information pool is the Telstra equipment. There has also been the planting of trees. Just about everywhere we could plant a tree we planted a tree. These are the trees since 1993, and I will come back to why that is important.

Also important is coffee and getting people to sit out on streets. If you are going to make a street an attractive place, people are going to need to sit there. In 1983 there were two outdoor cafes, and we were told people in Melbourne do not sit outdoors and drink coffee. In the period from 1993 to 2004 I can tell you it has almost doubled. Melbourne does not have a high rental rate. If you look at our rental, you can see it is something like \$60 per square metre per year. It is not about the money; it is about getting people, like a passive policeman on a street, to make it feel friendly and lively. I think Sydney charges something like \$300 per metre. We argue for quality. We will patrol, and McDonald's and Subway had their privileges removed outside Young and Jackson's because they did not look after it. We just said, 'You don't have the privilege'. It is not about the money.

This is just looking at the street pattern. We have slowly been trying to get a better balance between the pedestrian, the bike and the car, and we have been stealing the asphalt back from VicRoads for 25 years. We have taken over 30 hectares of asphalt out of the city and put it back to paths, parks and other things without people actually feeling it. What do you do? You widen the footpaths. You can see the smaller streets here; taking the parking off one side and the one below is widened. What that does is allow people to walk with some dignity and shop. That is all about bringing back retail. Small enterprise was going out of the city. It is now coming back in. We are opening up the lanes and arcades and getting people to externalise into those spaces and use them.

The bike network has been out-of-date, but obviously now we are pushing for greater access by bikes. We need more separated lanes, and we have started in Swanston Street and a number are going through. Bike usage in the city — and this is vehicles on the road, not actual people — has gone up from 1 per cent in 2002 to 10 per cent in 2011. There is an incredible increase there. Swanston Street has been an exercise that has been psychological as well as pragmatic. Psychologically we wanted people to think that the city was not something you drive through but that you come to it and stay here. Swanston Street closed in 1992. It was actually dying anyway. If you look at some of the retail on the left there, you can see that most of it was up for lease. It was dying really badly. In the first 10 years we doubled the pedestrian numbers, and since then they have doubled yet again. Swanston Street is one of the strongest retail streets in Australia at the moment.

The CHAIR — Is it?

Prof. ADAMS — It is.

The CHAIR — What sort of retail?

Prof. ADAMS — It is not your Bourke Street mall, but if you look at the rental structure and the occupancy rates, you will see it has got one of the lowest occupancy rates, and the increase in rental has been one of the fastest in Australia. About 45 000 pedestrians go past there per year, and that used to be 12 500. Properties on Swanston Street do not stay vacant for long. You can argue that the quality of them is still not much, and it is not, but I think increasing pressure of upgrades around them puts pressure back on the tenants.

The CHAIR — That sort of foot traffic is going to do it.

Prof. ADAMS — Yes. The last project was really about the final stage and the four stops you have seen there. By the way, a joint project with the Victorian Government ran on time and absolutely on budget. Very few projects that we have ever run have not run on time or on budget. I would argue that one of the things that has happened in government — not just in Australia but worldwide — is that the skills in going from policy to

implementation were lost from government in the 1980s. I think there is a huge gap. We are managing risk, and we are doing a whole lot of that stuff. What we are not doing is transferring policy into reality. We are not doing it well. There used to be people within organisations who could do that. We contracted those people out in many governments in the 1980s.

The CHAIR — What is the answer to that?

Prof. ADAMS — Get back pragmatic people who can actually get stuff on the ground. The reason the City of Melbourne still does it is that it did not contract out the architects. They actually kept them in-house. My division does not sit in any local government structure. I am not the planner; I drive strategy in terms of urban design. I design and build the projects for the city. We advise the State Government on new development. We are really an in-house consultancy. In fact the fees for my design and project management are paid from projects; I do not get a salary. I have to bill internally to get those projects. We do not do all the project ourselves.

The CHAIR — You are self-funding.

Prof. ADAMS — Self-funding, but we are only a very small core, so when we get a big project like Swanston Street we might go externally for documentation but we will drive internal consultation, dealing with the traders — all of that stuff we do on a daily basis.

The CHAIR — So you manage it internally even if you have to outsource some of it.

Prof. ADAMS — We manage it internally. I think that model, where you keep some of the skill internally and skill up when you need it, is a much better model.

Mrs PEULICH — I do, but at the same time obviously that is a good example of what you can keep in-house, sort of. Also, some of the strongest support for economic development has been contracting out in terms of shifting the economic activity — the funding or delivery of it — from government to the private sector, so there is obviously a happy medium.

Prof. ADAMS — My view on that is that government needs to remain an intelligent client. I would argue from all the contracts I have seen at all levels of government that usually contracts get into trouble when government is not quite clear on what they want and how to procure it. If you cannot define what it is you want, how do you know how much it is going to cost? I am not saying that it all comes back in, but you have to keep government as an intelligent client.

Mrs PEULICH — I agree with you. Even some of the consultants who, say, local government is forced to bring on board do not necessarily have the level of expertise to deliver a good outcome either.

Prof. ADAMS — You see, what they do not have is continuity of the culture. Working with the government is really difficult; it is a multitude of businesses with different interests. People inside usually have some understanding of how things work and where you can go, so you do not run around the whole time.

Mrs PEULICH — There is a history.

Prof. ADAMS — What we do is coordinate across all departments. On Swanston Street we would have had the engineers involved. We had community engagement people involved. We got involved. Sitting at the table we had Yarra Trams, Victoria Police — the whole lot. We basically did a coordination exercise. I think people within local government have those skills because that is the platform they actually work on.

Mrs PEULICH — Not quite at your level.

The CHAIR — I think that was the point you were making when you said before, Inga, that it is about reskilling or skilling-up.

Prof. ADAMS — Yes. Swanston Street, as you know, had some teething problems, but those seem to have settled down. This is a project which I suppose demonstrates this principle. One of the things we said in 1985 is that we needed a population. We got that opportunity in the late 1980s when the property market crashed and we had everybody moving out of older buildings — not these ones; these were unoccupied anyway — and we

could get residents back into postcode 3000. It was a joint state–city project, again coordinated out of our offices. That was about getting older buildings like this, which Macquarie Bank held, into the market and recycling them. Each one of those red dots is five dwellings — that is 1983. You can see a very small population — 1992, 1997 and 2002. A lot of that stuff went into existing buildings. That reuse of infrastructure is, I think, one of the keys.

That fundamentally changed things. That made small enterprise — bars, cafes, restaurants, 7-Elevens and supermarkets. All of those had not existed to the extent they exist now, and a lot of them are going to a sort of secondary accommodation. We offer small business grants of \$50 000 for any business that will come and settle in Melbourne just to get that sort of thing going, so a lot of it was about that.

The same happened with our parks. Looking at the huge park down the east of Melbourne, the opportunity came with Federation Square to talk to the then Premier about rationalising the rail system. This was a diagram we had done in 1986 saying that that was our ambition for the year 2000.

Mrs PEULICH — And is that the best use of our Yarra River?

Prof. ADAMS — What, the park?

Mrs PEULICH — No, at the moment as it is. There is no interface with the public, or very little of it.

Prof. ADAMS — Are you talking about Birrarung Marr?

Mrs PEULICH — I am talking about the length of the Yarra. Where are the cafes you see on the banks of beautiful rivers in Europe?

Prof. ADAMS — I think on the Yarra you have three distinct sections. You have what I call the park-life section, which runs up to Princes Bridge, and yes, I reckon you could get one or two more cafes. There is a beautiful site at the end of Anderson Street, if you can get the burghers of Anderson Street to agree. Then there is the section from Princes Bridge up to the convention centre, which is our urban river, and there you get the cafes on one side at least; the northern side has its difficulties, but it is coming. Then you are into the port. So compared to what it was in 1985, I tell you, in 2006 with the Commonwealth Games this became the centre of the city. It would not have been there in 1985.

What we have done then is that we have just measured that stuff, and there are a whole lot of others I could show you. What it was about was incrementally improving that stuff so people came and used our city. The significant thing was that newspapers started to write good stuff, but more significant is that it cost us less. This is the slide I think is important.

Back in 1995 we were charging 13 cents in the dollar; if I continued this on and had it this year, we would be down to 4 cents in the dollar. It is not that we are taking any less money out of the system, we just have a bigger population.

The CHAIR — A broader base.

Prof. ADAMS — A broader base. So we have not built any roads — apart from the Exhibition Street extension, which we did not build — but we have actually put that population in there. It has gone from 35 000 to 100 000, and it is using the same infrastructure.

The CHAIR — It is logic.

Prof. ADAMS — There, I think, is the challenge for the future, and what has come out of that is business opportunities. It is not just about people living there; once they live there a whole lot of other opportunities come out of it. That, for me, is the important thing.

I am going to flip through the sustainability stuff — not that it is not important, but because we are short of time I just want to take you to some of the others. The current government's water policy at the moment is entirely along these lines. It is no more dams, no more pipelines and no more desal — capture and use the stuff that falls on the city. That is exactly what it should be. There is enough water falling on the city to do it.

One of the problems we have is that 48 per cent of our trees are going to die in the next 12 years. We have a real problem with trees. We have put an urban forest strategy — —

The CHAIR — Have we?

Prof. ADAMS — Yes.

Mrs PEULICH — That is in the city of Melbourne?

Prof. ADAMS — City of Melbourne. The reason is on this slide. A lot of them are old, and if you go down to periods of drought, we have never had a drought as long as the 11 to 12 years we got. Some people like to call that a drought, but it might just be more ominous than that — it might be the onset of climate change. We are going to get a dryer, hotter environment, and that is hard to imagine after the last two years, when we have had so much rain. But those are cycles we know about.

The CHAIR — A turnaround is forecast.

Prof. ADAMS — You can see in our gardens a lot of trees are planes and elms and things like that, planted a long time ago. What they got was a very hot period. They were ageing, and the planes in particular are suffering. The reason everybody is sneezing at the moment is that they have been under stress and are dropping seeds, as trees do, and there is a huge amount of seeds.

The CHAIR — What is the answer?

Mrs PEULICH — What are the new plantings that are recommended?

Prof. ADAMS — We do not have time to go through it. What we have done is set the targets; we said we are going to go from 22 per cent canopy to 40 per cent canopy. Why? Because it will actually keep the temperatures in the city the same.

The CHAIR — Looks great too.

Mrs PEULICH — And it will look prettier.

Prof. ADAMS — Yes. Our challenge is, okay, if that is the target, let us work with every street and every district and work out what trees work for them and then keep the thing within a diverse family set so that if we get the onset of disease we do not actually lose the whole lot. So that is the general principle, and the council has adopted that and it has been accepted.

There are a whole lot of water projects, like getting water back into trees. This one, you know, is at the Exhibition Centre. This one you might have been wondering about. This is in Fitzroy Gardens — a 5-million litre tank. It was the depot. It will be covered up. It will give us 67 million litres of water a year back into the gardens. The depot will end up half the size, and you will get extra parkland, jointly funded by the Federal Government and ourselves. We are doing a lot of those.

This is Downing Street by Darling Square in East Melbourne. That is it under the street here, collecting the water, covered up with the rain garden above. That is what is filtering the water back into those gardens. What we are doing is trying to get ourselves into the position where in the future we will be able to supplement the water we have. This was the Commonwealth Games, obviously, done by the State Government, but it feeds into our parks. Why is it important? More people died of heat than in the bushfires back in 2009. There were 173 who died in the fires; 374 died of heat, and we suspect it is bigger than that — those were the ones the doctors actually said had done. So that is the urban forest strategy.

Just very briefly, what does that mean for the metro area? I think that is quite an interesting thing. Basically our city was built on an overreaction to the industrial revolution, as were many of the cities that grew up in the 20th century. We believed in something called the ‘garden city movement’. That was that you could actually live in the country and work in the city. It is called suburbia. We built this stuff, which is good — I am not trying to denigrate it — but let us talk about it in a minute. We spent a lot of our time doing this.

If this is the solution, we are in real trouble. We are now at the stage that most cities get to that you cannot actually build your way out of this problem by building roads. No city ever has built its way out of congestion by building more roads — no city.

Mrs PEULICH — But in some areas where there are no links to promote arterial flow — —

Prof. ADAMS — What it does is move it to another area.

Mrs PEULICH — You come and live in Dingley Village and tell them that story.

Prof. ADAMS — So what are some of the trends? This slide shows a very interesting study. Rather cheekily, I advocate that most parliamentarians have this as a dinner mat. This is what is called the VAMPIRE study — vulnerability assessment in mortgage, petroleum and inflation risks and expenses. It is not just Melbourne; it is every capital city in Australia. More people on the fringe are starting to suffer, and it is not only the financial difficulty. Many of them have good jobs; it is not that they do not have good jobs. It is the cost of living out there — not the cost of buying a house, but the cost of living out there and the social isolation that comes with that.

Here you can see the map where you start to get violence in families. You obviously have the stress against what is happening to the farmers. Some 89 million hectares of farmland have vanished in Australia since 1984 with the expansion of our cities, yet the Premier said not so long ago that after we stop digging stuff out of the ground we might have to start growing it to survive. Food might be the next big industry, and we are building over some of the best farmland in the whole of Victoria.

There was recently an application to put a football field on some of the best agricultural land — the top 3 percentile. I have lost the name of the place at the moment, but it was where they grow all the daffodils and things like that. They were going to put a synthetic football pitch over it.

The CHAIR — Out around Clyde or somewhere like that?

Prof. ADAMS — It will come back to me. We have got to protect this stuff; it is important. Why did we go to that stuff? Because it used to be that you were able to move up. If you bought something out in Berwick, your difference in cost was about \$100 000 back in the 1990s. This is what is happening now. Your logic for buying might have changed, and you are starting to see that in the trends. This is an argument for change, and the change is being driven by things like bankruptcy, which is happening in a lot of those areas. There is also the loss in value of houses and the fact we have got a subprime already. There is evidence there that when you buy a house in the outer suburbs in one of those remote areas, the value of that house has possibly gone down the day you move in, and that has been reflected in some of the information on this slide.

What else is changing? A lot of older people are going through the system — people like ourselves. A couple with children is the only declining proportion in Australia at the moment, so you are getting a lot of single families or dual-occupancy families. Mum and dad and two kids as a proportion is dropping.

What is happening with apartments? Apartments have soared. As you will read in just about every paper, the take-up in subdivision of land and houses on the fringe is declining. You can see Rob Pradolin in the paper today arguing about not giving incentives. We are down to 500 starts a month, where there used to be up to 1500 a month, so what you are seeing is a shift. It is the same shift we saw in inner Melbourne, where people came back to live. That is occurring in the metropolitan area. It will happen without policy. It will just happen because people are working out the cost of living out there. I would argue that pushing out there is not the solution. This is worth taking a look at: every 1000 houses you build out there will cost you \$300 million more than a 1000 houses built within the existing boundaries — that is infrastructure, travel time, costs and things like that.

The CHAIR — Damned if you don't.

Prof. ADAMS — If you then take Melbourne going from 4 million to 5 million, that is \$110 billion — that is three National Broadband Networks — so there is a lot of money at the moment that we are talking about having to invest in infrastructure. We could change our thinking and say, 'What if we put that back in?'. I will give you a city that has done that: Glasgow. Glasgow used to push from the Gorbals out and put everything on

the fringe. In the 1980s it started coming back in. Suddenly its fortunes turned around. Melbourne is doing that at the moment, although the policy is not driving it that way.

Why is this important? Mining makes up 4 per cent of the national GDP; residential development makes up 8 per cent. There are more jobs per percentile of GDP in residential than there ever will be in mining, and that is only one element of a city. I suppose the bottom line is that cities are the most important thing in the world economy at the moment, yet they are not recognised as such at federal government levels. They are not recognised at the World Economic Forum. I have been trying to get cities onto the debate at Davos for the last three years. We cannot get into the top 10, yet you are saying, 'How can this be? More than half of us live in cities, they are driving our economy and they are generating greenhouse gases. We don't want to talk about them'. There is a fundamental difficulty. People see cities as being a local government issue; it is not. It is a national agenda, and it has got to be when you see the amount of money being driven into it.

Mrs PEULICH — Is it largely driven by population growth?

Prof. ADAMS — I would argue it is obviously driven through population growth and immigration. My argument would be, and I will show you an example in a minute so you can see where this came from, that if you can get that stuff in the right place you can have the best of both worlds. You do not have to destroy suburbia; we just do not need too much more of it.

Mrs PEULICH — But people oppose it in suburbia — Parkdale, Mordialloc. They are up in arms if they get anything that is bigger than two storeys.

Prof. ADAMS — There is a middle ring of suburbs which are not supporting it very much, but there are plenty of other places you could do it in until views change.

This slide shows where it comes from. I went to university in the early 1960s. I went to Cape Town; I was born in Zimbabwe. With the 5000 students sitting on that campus, as the baby boomers hit the university system all universities started to expand. These guys could not expand, because they were stuck on a park on the side of Table Mountain. There was nowhere to go. What they did was say, 'If we can't expand, how well are we using the stuff we've got?'. They analysed their usage — lecture theatres 17.5 per cent of the time. They just stopped building lecture theatres. They said to all the faculties, 'You've got to share', and they re-timetabled.

I went back there — I hate to say it — 40 years later, and they had trebled their student numbers. They had filled in a couple of car parks and they had closed one road. The photograph you saw before was that result. There is no high-rise on that, and it was within the character of that old campus.

Mrs PEULICH — What was the average height there?

Prof. ADAMS — It was about six or seven storeys. The thing I noticed on campus is how vital it was. If you got there at 8 o'clock in the morning — —

The CHAIR — Involvement.

Prof. ADAMS — If you left at 10 or 11 in the evening, it was still busy. It was never like that when I was a student. We would knock off at 2 o'clock and go surfing. The question to myself: if you can do that with a university, why can you not do it with a city? The answer is: I believe you can. We did a study called the 7.5 per cent city. Why 7.5? Because you can take Melbourne from 4 million to 8 million and only use 7.5 per cent of the land — 3 per cent around railway stations, 3 per cent along prime tram and bus routes and the other 1.5 per cent comes on known redevelopment sites, and those already have permits. There is mostly greater capacity on those redevelopment sites. We did not do that piece of work, because it is something that other people are doing.

We ran through that and showed it. If you jump up in a helicopter — I recommend you do — it is a most enlightening experience to look at our city from above, because it is very obvious. You get things like what is on this slide. Anybody can draw a line around an activity centre. You do not have to be a planner or a designer; it is apparent from the air where it starts and where it stops. If you draw that line, it adds up to about 6500 hectares. If you take 60 per cent of that and build up to about six to eight storeys, you get 860 000 people within walking distance of railway stations. It is as simple an equation as that.

Why is that important? It is a lot of railway stations, so when we have a metro strategy let us not nominate six. Let us not try to pick winners. Let us give all of those the ability within their confines to grow up. Some of them will and some of them will not. The factors in the city are difficult. I do not know what the factors will be. I think determining that six will be favourites is short-sighted. All of those could provide more employment and more residential areas for the people of that neighbourhood. The extent to which they can will be determined by their own conditions.

The next 3 per cent is along these corridors. This slide interested me. This is the tram and bus network of Melbourne.

Mrs PEULICH — That is your most contentious bit.

Prof. ADAMS — That struck me as a fantastic piece of infrastructure just badly used. If you then take everything with a 16-minute headway, which is not all of those — some of those only operate once a day — look at the grid. You have got a grid system going across a radial system, and the rail network is radial as well. If you can integrate your public transport system back into your rail system, you will get greater utilisation.

We are not doing that well. This was not to say, 'Let's build in every area along there', so we actually took out the sensitivities, we went along the major bus and tram routes, we took out the CBD and the CADs around railway stations, and we got every parcel there. Then we went through and said, 'Take out the parks, take out public use and industrial use, take out those blocks where you can't get another form of access so you don't get big black holes going into apartment buildings, take out recently developed sites and take out heritage registered buildings and 50 per cent of the capacity within heritage overlay areas.' I think that is conservative, and I will show you why I think so. We took out 50 per cent, and we took out the small sites — 6 metres. We ended up with 34 000 sites that did not have any of those sensitivities.

So they are not going to be sitting in the areas that people are sensitive about, because as much as we have a heritage overlay or something like that, if you then put a reasonable density on that — and I will show you what those densities are — you are talking about 2.4 million people who can get in and along the public transport that exists already. And that goes up to 450 per hectare, so the example on the slide there is 184 people. It is three storeys. These are all Melbourne examples.

That next slide is an example coming from Mexico, where you get up to about seven or eight storeys. That is the maximum we think is necessary. Interestingly Vienna, which knocked us off as one of the world's most livable cities, goes up to 900 per hectare. So in Europe it is much bigger. What does that look like? This is some of the stuff we are talking about. This slide shows Nicholson Street. You cannot argue that you could not actually do a bit better than that along that infrastructure. So this is what is possible.

This next slide is Maribyrnong Road, so you get the idea. You can actually do it. This next slide is mostly contentious. We included it, but it is Riversdale Road, and I am sure Boroondara City Council would hate it, but that is what you could get. The other 1.5 per cent came into these areas.

What does that mean for suburbia? It means that 90 per cent of the city you do not have to touch, and what you say to suburbia is, 'We're not going in there. What we would like you to do is plant more trees, collect your water and generate energy off your roofs', and the recent spate of studies into solar photovoltaics is now showing that they are now making it not necessary to increase the base load electricity in Victoria because they are taking the peak off it, and that has been widely published in the last six months.

The cost of panels has come down so fast that it will actually be cheaper to put them on your roof, and that is as late as yesterday, those sorts of figures. You are now getting trade bans against China because their photovoltaics are too cheap. They are actually knocking off the Germans and the Americans. So we are seeing an industry that is changing rapidly and one that we should be looking at seriously — do not build mega solar power stations out the back of Mildura, do it on the rooftops, on the factory roofs that face north, do it in the city where you actually draw the energy as you need it and it is less vulnerable. It is not that big thing at the end of a single cable. So that is the new paradigm.

This next slide here on public transport is transformational. The fact that it was free before 7 o'clock moved 2600 commuters, therefore they did not have to buy five trains, saved \$100 million and forwent \$15 million in fares. That sort of thinking is the thinking we need here. That thinking is that the car is the least efficient way of

using a piece of road. So if you think of a road and think about it as a piece of real estate, the least efficient way to use it is a car. So those four buses on the next slide are carrying as many people as all those cars on Hoddle Street. Thirty per cent of the people now travel down Hoddle Street in a bus in the morning peak. People who are close to public transport have fewer cars, so you will get a change in habits.

England is going back to the bus. I think the bus is a blind spot for Melbourne. We should look really seriously at the buses in terms of our infrastructure. We are not used to using buses and we see it as an inferior form of transport, but if you think of it in a way that a place like Curitiba does, where they give as much space to the bus as they do to the trams, you would get a much different outcome. People who use public transport also tend to exercise more — they walk for 40 minutes rather than 7 minutes as part of their commute — and that leads to healthy outcomes. You know most of this stuff.

Is it hard to implement? No. You have to get a planning scheme, and the planning scheme at the moment is a legalistic document. It could never communicate to any community and never will. You have to be able to tell people where they will get development and where they will not, and what this slide says is that you will get development in and along these routes and you will not get it in the suburbs in between. We have tried it. At the top end of Swanston Street you see how it steps down to two storeys just behind that. We changed one thing, the height limit along there, to allow that to grow, and that is mostly higher than we needed to go. So the planning scheme could start to look a bit like that thing on the left there where you say, 'Build no higher than the width of the street, cut off angles to the back, get your vehicles in from the back, look after heritage and do it on tram routes'.

You then take this as your infrastructure and you say, 'That is where we will put the populations in the future'. You do not have to do anything, because in actual fact what is happening is what this diagram shows.

The CHAIR — It is happening already.

Prof. ADAMS — It is happening, yes. It is going along there. I did this diagram five or six years ago saying, 'This is what should happen'. I can now go out there and photograph it and say it is happening. In this slide this is a street like that, and you can see the development that has gone in there. This little four-storey development has a density of something like 300 people per hectare — 14 units stuck in Brunswick Street behind the shop front. You would not even know it is there. So you are not changing the character of the area.

These others have gone in recently. This one is actually affordable housing. It is part of the Atherton Gardens in Brunswick Street. That used to be a car park. So what you have is something that has already changed, and I look at it and say it is fantastic because it is moving in the right direction. You could make it happen a lot faster by putting the right quality mechanisms in place. What come with that — because I have been talking as though it is architecture and urban design — area opportunities for jobs. When you go back to those little streets there, if you can walk out of your suburb — and I know we have closer proximity in the inner suburbs, but it is not bad from that diagram I showed you before — and in every one of those high streets you have job opportunities, that is great. They might only be casual, but remember you have an ageing workforce as well that might only want casual employment. You will not solve the job problem, but it will be a hell of a lot easier than trying to move the jobs to people in the way we are thinking at the moment.

If you can make the areas around which most people gather far more exciting to be in, that will generate jobs. It will not solve the whole job problem, but it will happen a lot easier than moving industries around.

The last point is communication. These images came out from the Institute of Architecture's *Australian Urbanism* and won prizes in Venice, and I just cannot help but think that they are useful. That has nothing to do with Australian urbanism. That is not living by the sea and this is not suburbia. The reality is Curtain Street, looking at the city in the end there, and you can see Nicholson Street to the left, and that is what it will look like in 20 years' time. You will have more trees, five or six storeys along Nicholson Street, and people will be gathering their energy and their water. That is not a frightening future for people. What we have is a communication exercise at the moment: how do we tell people the future looks like that rather than the future that they are imagining, out of growth? At the moment we are not doing ourselves favours, because a lot of the stuff we build is mostly overbuilt.

The CHAIR — Thank you very much. A couple of quick questions.

Mr FOLEY — Thank you, Rob. That was a bit of a fast whistle-stop tour of a lot of information there and honing it back to how governments operate and how this committee operates on these terms of reference, which talk about local economic development and the role of local government. The City of Melbourne is very fortunate to be in a position, because of its rate base, size and strategic direction, to have this guiding set of principles and the philosophy behind it. Not every city council, even those well-resourced ones let alone poorly resourced ones, are in that position. How does this message flow through to local government and therefore economic development in all of those areas of the VAMPIRE map, for instance?

Prof. ADAMS — I think you are absolutely right. The City of Melbourne has a luxury that no other local government in Victoria has in terms of being the centre. But a lot of the principles that we have adopted since the 1980s are transferable. First of all, in terms of incrementalism, a lot of the stuff we have done is a lot of small things over a long period of time. So every year in our capital works there are these incremental improvements done. A lot of them are being put back onto new development. There used to be a mechanism in the city where you could get a plot ratio of 1:6, then you could get to 1:12 with added benefits. We used to get bluestone paving, furniture through block arcades and all of those things.

I think we are giving away too much of the development game at the moment. We change the planning scheme without up-front thinking about what is the public benefit that can come from the sudden increase in value. It comes out of a change in the planning scheme. I think you could help a lot of the other local governments by saying that if you are going to go to an activity centre and say that it is as of right to go up to whatever height you think is appropriate, you should also write in that there is some return to the community for that increase in value. Because the person who will make the money off it is the first person who sells, not the developer. You have to keep the land value down so that the developer can pass on the benefit. It is not about hitting the developer. Most people will sell before they actually develop. It is cheaper to sell than to actually develop.

The principles of looking at mixed use, high density and good connectivity, I think, apply to all those areas. Urban design is not a difficult skill. I really do not think it is. I think most people are urban designers. Any one of you could walk down the street and on a scale of 1 to 5 be able to rate it — is it a good street or a bad street? You think about why you think it is good: it feels safe, it has light, it has trees — —

The CHAIR — Activity.

Prof. ADAMS — Yes. What we have got to do is actually start getting back into all of local government that understanding of what actually makes good streets. It happens with the statutory planners. The statutory planners should be arguing for active frontages, not getting any dark corners, and maybe building up their street frontage so you have continuity of cover and so you do actually build the street. They are fairly basic things. I believe that should be driven out of the State Government, because we can do a demonstration, but we cannot influence other municipalities. The State Government can through a policy framework that says, 'We'll give you planning control over an area, and here are some of the outcomes we want. We want you to absorb this amount of population into your municipality because we know you can' — on the principles that we have discussed. There are studies that have been done that show that, which have been done by the State Government, not only ourselves.

You determine where you want to put it, but you have got to actually make it easy for developers to go in there. The benefit of that will be that we will actually put in the planning scheme certain rights like affordable housing or an open space levy so you can build open space, or whatever you think is necessary. That I think you can roll out, and I think the current metro strategy is the opportunity to do it. You do not get to write those too often. It has to be simple, it has to be a communication document and it has got to tell people what they are going to get.

Mrs PEULICH — You are quite inspirational, but your inspiration and your vision is not quite as enthusiastically shared in middle suburbia. I would like to focus on three or four things that I would like your response on. First of all, the popularity of bike riding: it is great for inner Melbourne. In a recent inquiry that I was involved in in the upper house I think the information was that those who lived within 14 kilometres of the CBD were obviously more inclined to use that, especially for commuting — young people, especially. Where you are constructing bike paths parallel to major roads, it works well. It is a wonderful thing.

I will use my suburb as an example. The people who live in Dingley Village do not have a railway station and it is a village, so we really do not want a 24-hour bus service gobbling up a dedicated bus lane, but we probably

would not mind it on an adjacent road, such as Lower Dandenong Road, where there is heaps of room. All I am saying is that the notion of connectivity is one that could work, but it also needs to be tempered by what people will accept.

Prof. ADAMS — Sure.

Mrs PEULICH — The other thing is about bike paths: for commuters it is great, for recreational bike riders it is a different need and for club riders it is a very different need. So we need a new bike strategy that factors in the fact that many of these are different creatures.

Prof. ADAMS — If you want to look at cities that are successful with bikes, go to Copenhagen. It is 37 per cent of the people. You will find that we have reached a peak at the moment in Melbourne. You can paint as many lines as you want on roads now, but I do not think you are going to see a rapid jump. You are going to have to make a few more changes. For Dingley Village, every bus should be capable of carrying bikes. In Seattle they do. In Copenhagen they do. They clip them on the front. Every taxi in Copenhagen is required to have a clip-on rack on the back to carry a bike. What you do is you get to the stage where someone might choose to ride from their house to the bike station, catch the bus to a certain place and ride the last bit. It becomes a commuter bike like that. We are not as small as Copenhagen. We are never going to have the advantage they have got.

Mrs PEULICH — And in addition, of course, there is the cost of petrol in Europe. When you are paying \$2.50 a litre it is cost prohibitive.

Prof. ADAMS — The tax on cars in Copenhagen is twice that of any other Scandinavian country.

Mrs PEULICH — Exactly. Also working mothers and children you are never going to get away from the car — you are not — especially women who work late. I could never, ever ride a bike or take public transport. I do not get home until midnight.

The CHAIR — Get a light for your bike!

Mrs PEULICH — You guys have got to understand the reality. We do the shopping, we do the dry cleaning, we pick up the kids and we work. We cannot do it on a bike.

Prof. ADAMS — People like you should have a car, but there will be a whole lot of other people — and you will see families — who actually do use bikes. It is not for everyone.

Mrs PEULICH — That is fine. As long as we make that distinction.

Mixed use: great stuff, but at the end of the day business ends up getting screwed because residents end up kicking up a stink about industrial or commercial rubbish being picked up at early hours of the day and so on. It is great in terms of the concept, but there are also some practical constraints on business.

Prof. ADAMS — I think Australians are getting used to the idea that the benefits of actually being in an area that has a richer mix of uses comes with some other challenges. Everybody is rushing into the city thinking this is fantastic and expecting the tranquillity of suburbia — it does not exist. But there are ways around that, in terms of both design and expectation.

Mrs PEULICH — Also, the increase in density in inner Melbourne does not surprise me, because of the increased number of single-person households. They are not going to buy a house in Cranbourne or in Berwick, because they do not need one that size. You are right; 40 per cent of Melbourne's population are students.

Mr SHAW — Rob, good presentation. I really enjoyed that. You mentioned the trees, the artwork around the city, the blue lights that picked up that bridge and how that brings people back in and provides that feeling of safety and that feeling of a city and belonging, I guess. You mentioned height limits in central activity areas. Frankston is a central activity area, and we have South East Water coming to Frankston — a seven-storey building. I am quite comfortable with those sorts of height limits. Some people are not. What are your thoughts?

Prof. ADAMS — Seven storeys is fine. I have no problem with that.

Mr SHAW — Where would you go up to?

Prof. ADAMS — I would not go much higher than that in the centres outside of the CBD. I do not think it is necessary.

Mr SHAW — Those central activity areas are sort of designed so that they would be miniature cities outside — —

Prof. ADAMS — That is right. The reason I say that is because you can see the high densities of cities like Barcelona and a lot of the European cities, and they never go above seven storeys.

Mr SHAW — Is that because they have a wider city grid for the central activity area?

Prof. ADAMS — Not necessarily. What happens with a lot of the towers that is not happening in the central city here is that a lot of the towers used to go up on quite a big site with a tower in the middle. If you actually measure the number of people, if you actually put the people around the edge, as you do in a place like Barcelona, and have a courtyard in the middle, you would actually have almost the same number of people if you were to put a tower in the middle. It is just a factor of arithmetic.

I just think that unfortunately we have been forced into thinking that high density means high-rise. It does not. I think you get far better solutions coming out of seven storeys. I think you get a change in expectations of unions. You would actually keep yourself within the prefabricated model of construction, which would lower the cost dramatically. In one of those slides I showed you, the end of Nicholson Street, it was completely all fabricated off site and erected on the site in a very short period of time. There are a lot of advantages for seven storeys. Developers will push for more because it is easy.

Mrs PEULICH — And the longevity of those buildings?

Prof. ADAMS — The seven storeys?

Mrs PEULICH — Yes.

Prof. ADAMS — If they are well built, it can be 50, 100 or 150 years. As long as you keep the weather out of them, with those materials, it will be fine.

Mr SHAW — Rob, you thought the infrastructure was pretty good in Melbourne. You had the grid there with the buses, the trams and trains. Do you think the infrastructure is pretty good for Victoria?

Prof. ADAMS — I think the infrastructure is there. I think particularly with buses, we need to give greater recognition to the importance of the bus. When a tramline goes down, people look at it and say there is certainty, and if they build next to a tramline they know they are going to get passing trade and all the rest of it. When you get a bus lane that is just there, it could be allocated somewhere else. Rather than extending tram networks, which is quite expensive, you are going to have to start looking at rapid bus. If you want to go from the end of the line in Burwood up to Dandenong, I would not go with a tram. I would just make it a rapid bus. In Dandenong you climb on the bus, and when you meet the tram in Burwood you do not get out of the bus and get onto the tram. They drive on the same infrastructure.

You go tram, bus, tram, bus, tram, bus. You double the capacity on the same piece of concrete. If you go past the Carlton Gardens at 5 o'clock at night and have a look at where the bus is, you will see the bus is sitting in amongst the traffic. The tram line is there and the trams are kilometres apart. The tram union says you cannot use the tram line. If you stand outside the casino in Queens Bridge Street, you will see where the bus is driving — on the tramline. We have a lot of can't-do's in a system where you do not have to build anything; you just have to start transferring stuff into the right place.

Mr CARROLL — Thanks, Rob. I really enjoyed the presentation. I would like to take you out to my electorate. Keilor Road, Niddrie, is the main road. You could easily have a slide up there. That was all car yards once upon a time; I do not know if you know that. All the car yards have gone up to Essendon Fields; Lindsay Fox has given them cheaper rent there and the old yards have become density residential. They are probably 8 to 10 storeys. The tram line is down the middle. As you said before, a good street is like a good city, and Keilor Road, Niddrie, is becoming that.

I also share some of Inga's concerns. They are for a certain type of individual, a lot of them are generation-wise. It is a bit like my generation. My electorate is made up of 1970s subdivisions; I grew up there. A lot of my generation cannot afford to live there so they go out to that next ring; they go from Airport West to the city of Wyndham, Werribee, Taylors Lakes and all that. As you were saying before, they are part of that mortgage-oil stress group.

I agree with you about the buses. I do not have a train station. In some ways that is quite good politically, but to get more investment in buses and bus networks requires a lot; however, it is not the money needed for track and tram. Those on both sides of politics need to embrace buses. Out my way I have been dealing with Bus Association Victoria. There is a massive opportunity to almost eliminate a bit of that oil and mortgage stress with a better bus network which connects with the trams. There is so much overlap of the buses and trams on the grid out there, but hopefully the metro strategy will address a bit of this. But that is a whole other debate.

Prof. ADAMS — Yes, but you get almost a proportion of 1 to 10 and 20. For every underground train line you put through you will get 20 rapid buses. With any aboveground train line you will get 10 rapid buses. I think we are in a situation of having to choose what we can afford. We can hang out for what we would like, but the problem is going to get worse.

Mr CARROLL — Exactly.

Prof. ADAMS — Do not misunderstand me, I am not saying everybody should live in an apartment. When we did Postcode 3000 people said, 'Who's going to come and live here?'. I said, 'I haven't a clue, but if you don't offer them, how do you know?'. There are certain people who will choose that way of life. It is not for everyone. What we should start thinking about is whether we have offered enough choice within that field of high-density living. What I am seeing illustrated through what is being built is that there is a larger proportion of our population that is prepared to live in well-located apartments than we anticipated. I do not know what the balance is, but I think we need to make it as easy to build that stuff as we make it to build the stuff on the fringe.

Mr CARROLL — I agree. Your diagram showing mostly single households and couples without kids sees them skyrocketing, so a lot of them are going to be heading towards apartments.

Prof. ADAMS — That is right.

Mr CARROLL — On the character thing, out my way there is a big Catholic-Christian area, and a lot of the old churches have become integrated with apartment complexes. They look absolutely fantastic from the outside. They are literally integrated with the church and have been very popular.

Prof. ADAMS — You can do it with all sorts of infrastructure.

Mrs PEULICH — It is a breeding ground!

Prof. ADAMS — Go up to North Melbourne and drive down Errol Street. Down the bottom by the school you will see a new park of 5000 square metres. A few months ago that was asphalt. It has taken us five years to do that, because half the community said, 'We don't want it. We just like our roads'.

Mr CARROLL — I saw that.

Prof. ADAMS — The other half of the community and the school think it is fantastic they now have a park. You are always going to get those divisions. But if we had had to go and buy land to build a park, we would have had to put another \$14 million on the table. We do not have that money. We are going to have to make choices about taking stuff like that, where we have underutilised roads, and turning it into parks and things like that. That is the sad fact of infrastructure for the future.

Mr CARROLL — Are you happy to share your presentation?

Prof. ADAMS — I am happy to leave that there. It is also online.

The CHAIR — Do we have it?

Mr COLEY — No, we do not have it. We will get a copy of it.

Prof. ADAMS — You can take this and put it on your laptop.

The CHAIR — Rob, thank you very much for your presentation. We are very, very grateful for it; it was very enjoyable.

Mrs PEULICH — Every council should have a Rob.

Mr CARROLL — Yes, that is it.

The CHAIR — Thank you very much. You will be sent a copy of the transcript of your evidence in about two weeks. Feel free to make corrections to any typographical errors, but you cannot change the substance of the document.

Prof. ADAMS — All right.

The CHAIR — Thank you very much. We really appreciated the time you have given us and your input to the Inquiry.

Witness withdrew.