

# TRANSCRIPT

## ECONOMIC DEVELOPMENT AND INFRASTRUCTURE COMMITTEE

### Inquiry into local economic development initiatives in Victoria

Melbourne — 31 October 2012

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#### Witness

Dr A. March, Senior Lecturer, Faculty of Architecture, Building and Planning, University of Melbourne  
(affirmed).

**The DEPUTY CHAIR** — I welcome Dr Alan March from the Melbourne school of design from the University of Melbourne to this public hearing of the Economic Development and Infrastructure Committee, which is for the Inquiry into local economic development initiatives in Victoria. All evidence taken at this hearing is protected by parliamentary privilege. Comments you may make outside the hearing are of course not afforded such privilege. What we will ask you to do to start with is perhaps state your name, address, organisation and whether in fact you are in here today on behalf of that organisation.

**Dr MARCH** — My name is Dr Alan Peter March. I am employed as a tenured academic at Melbourne University in the School of Architecture, Building and Planning. We go by other names — School of Design as well. I cannot explain exactly how we ended up with two names. I am also an executive member of the Melbourne Sustainable Society Institute, which is a Melbourne University research institute. Basically we try to pool money together to do research about sustainability, and I am the executive leader of the ‘cities and towns’ section of that institute.

**The DEPUTY CHAIR** — Thank you, Dr March. We invite you to make a contribution to our hearing.

**Dr MARCH** — Thank you very much. I appreciate being asked. Certainly as a planning professional but also as a member of the academic community within the planning profession I really appreciate the ability to contribute. I have a written copy of my submission for you. I will not speak to everything, but I will go through and perhaps draw your attention to the relevant parts.

My biography is there. Of course I will not take you through all that, but perhaps so you know where I am coming from, I suppose, primarily I am a town planner and urban designer. I have a little bit of background in economics, but I have never practised or worked in that area. My qualifications are three degrees in urban planning — including a PhD — and I am a corporate member of the Planning Institute of Australia. The rest you can see. I have worked primarily in the private sector, but I have done some work in the Government as a planner. I have been a university lecturer since 2004, and I have a small business I run called DemosPlan.

**Mrs PEULICH** — I have heard of that.

**Dr MARCH** — Have you? I hope I have not done the wrong thing!

**The DEPUTY CHAIR** — We are sure not. We have every confidence.

**Dr MARCH** — Let us not jump the gun, yes. I read the terms of reference and, as you can probably imagine, will speak primarily to aspects relating to the planning system and in planning itself. The main thing I would speak to is, in a sense, an appraisal of the Victorian planning system. I came to this not quite knowing what level of knowledge was around, so if you feel I am telling you something you know thoroughly and completely, please move me on.

The thing that I did want to do — and I am starting to speak to point 3 of my submission on page 3, ‘Urban planning in Victoria’ — is to actually step back a little bit to some first principles about planning before talking about the Victorian planning system. I am certainly not trying to be schoolmasterish about it, but I do think there are some aspects of planning that, whatever persuasion we have about the planning system, we need to remind ourselves of before we move on to thinking about changing and playing various roles in that.

I will also talk a little bit about changes I think should occur to the planning system. I know that you are not in charge of the planning system, but I acknowledge that you perhaps will have some influence on certain aspects of it. So, again, if I stray too far — —

**The DEPUTY CHAIR** — We will bring you back, do not worry.

**Dr MARCH** — Please bring me back. I will paraphrase my submission on the way through. One thing I would note is that it is very common for people to say that planning is what the planners are doing, but I do think it is important to talk about exactly what our role is.

The primary thing we do is try to organise and improve the spatial organisation of cities, towns and regions. It is essentially where things are. In a sense that is blindingly obvious, but it is very common that people stray well outside that when they think about planning. I live just up there; I care a lot about all the details in my street, but in fact they are details. The big picture stuff is about the arrangements of cities and towns and how well they

work. Perhaps you can start to see where I am going with that. It is all about where the factories and the jobs are, where the people live and how they move around. In the previous hearing I heard the end of, obviously, transport featured significantly.

In that, if I were to boil planning down to one primary element, it would be that it is about decisions. It is a series of decisions about big matters and small matters. I would like to come back to that at the end of my talk, but there is a lot of difference — as I am sure you appreciate — between good and bad decisions, the knowledge set that has been built, the forecasting et cetera.

Putting aside what we deal with, a very nice definition of planning — and I promise to stop with the definitions soon — is that planning is establishing the conditions and making decisions while seeking to predict the future effects of those decisions. So if we put in the railway instead of the freeway, if we put in the big tower instead of the little house, what will that do in the future, and in addition what will that do cumulatively when all the little decisions fit together? If we bear that in mind, it tells us a lot about what goes right and perhaps goes wrong in planning in many places, including in Victoria.

Just getting to the end of page 3 there, a key challenge for urban planning is that we cannot predict the future, of course, with certainty. However, we can modify the future to quite a great extent, and we can seek to increase certainty. Another challenge that I have not actually written in there and that I would like to raise is that planning is faced with this irreducible dilemma about trying to maintain freedom for markets and individuals on the one hand but also that we do need to direct people, entities, businesses and agencies in some ways. That tension will always be in planning.

I might take this moment to table a document that I will leave for the Committee. There is no obligation to read it. Again I feel like I am being schoolmasterish. This is my own book, which is about a week old.

**The DEPUTY CHAIR** — Very good.

**Mrs PEULICH** — Has it been discounted yet?

**Dr MARCH** — I will not send the bill. That does not speak directly to economic development, but it does offer a description of the urban planning system of Victoria over about the last decade. If you wish to, you might dip into it in some ways. It is purely my own view. It is a sole-authored book, and clearly, like all academics, I am making a point.

**The DEPUTY CHAIR** — We will make sure we footnote it and reference it!

**Dr MARCH** — I do not want to talk much about economics — I am moving on to page 4 — but I do think it is important to draw parallels between urban planning and economics. Having studied both, I am — —

**The DEPUTY CHAIR** — We should just alert you that Rob Adams took us through this disadvantage map a couple of weeks ago.

**Dr MARCH** — Okay. In that case I will speak very briefly to it. Economics is about allocating scarce goods and resources, and the urban planning system is one aspect of that *par excellence*, because it deals with those almost immutable aspects, which are the land, waters and environment in which those resources are distributed. In fact it is a resource in itself, as we know. The reason I put the disadvantage map in there — and clearly Rob was thinking along similar lines — is that so much of what the city represents is not just the people who are doing well; there are many of us in this city, and indeed many others in Australia, who are becoming worse off while some of us are becoming better off. That disparity has been documented as increasing, and it has been doing so for at least 20 years in Victoria along a range of measures. If you wish me to, I can provide various things should that be required.

We are starting on page 5 now, looking at Figure 1. I have deliberately made it a very simple figure, and this is one of my big points. I feel it is necessary to try to avoid this false dilemma that I am often confronted with. Many of my clients are rather hard-nosed businessmen and women — and I am quite sympathetic to business and indeed development — but I very commonly come across this point that there is urban planning on one end and a good market on the other end. I am fairly certain that you will have a much more sophisticated view, but finding the sophistication is the big challenge. I think we are at a moment now in Melbourne's and Victoria's

history where we actually have a little chance to have a go at that. I would not mind offering just a few things in that respect.

The diagram you see marked 'Figure 2' is again rather simple, but it is intended to make a point — I have deliberately left it open, because I like the idea of people writing on something like this and perhaps even disagreeing if they choose to — that you might have quite strong regulation and also quite a strong and flexible market, and I say 'market' in a very general sense. That is the top right quadrant; in normal form we put the good up in the top right in these things.

In many ways that relatively simple idea, to my mind, is one of the big things that we need to think about. It is one of the big challenges and the things that should be on our mind. What are the main things that we should actually regulate in the planning system? Let's regulate them and do it well, and maybe we will leave the other stuff alone and let the market deal with that. I do not think we have really had that debate. I do not think we have really managed to decide what that is, because the middle classes — and I suppose that is all of us — have been very worried about protecting our patches. All of these sorts of concerns have taken our eyes off some of the other big-picture questions about our planning system. I hesitated to give exactly my recipe for what that might be, but rather to say that I think we could work on this for a year or two: what are the big regulation things?

I know that you are aware of this document. I just came back from overseas yesterday, so I have read it once, and I think it is a very good document. I think it is perhaps a beginning in regulating some things and leaving other stuff alone for the moment.

**Mrs PEULICH** — For the benefit of the transcript, you might like to read out the title.

**Dr MARCH** — I beg your pardon. It is *Melbourne, let's talk about the future* and it is a discussion paper on a metropolitan planning strategy for Melbourne, October 2012. I turn now to point no. 5, and I think I am going okay for time.

**The DEPUTY CHAIR** — So far so good.

**Dr MARCH** — Local government, which I understand is the primary focus of this inquiry, has an incredibly difficult job in this state and indeed in Australia. It has huge amounts of responsibility in terms of urban planning and very limited capabilities on a world measure. It has limited abilities in terms of money and powers. I say that as the context for then going on to talk about urban planning. There are just two things that are going on in urban planning and local government: scheme amendments — the plan-making bit; and permit applications and running permits. These two activities consume huge amounts of planning resources and they are primarily allocated to staff salaries. There are budgets for consultants et cetera, but primarily it is person power that that money goes to.

The number of staff in a planning department will vary considerably according to the population of the authority but also whether it is under development pressure. In my 15 years of working in Victoria I have seen these waves moving through the suburbs and through certain towns where all of a sudden there is a lot of development pressure and there is a big push to get more planners involved and to get them to work. To give a little bit of context there, I have chosen a couple of the indicative municipalities.

The City of Yarra is a very busy place. It receives about 1400 planning applications per year — it goes up and down of course with development cycles — but a point I would like to make there is that the planning applications, the permit applications, consume huge amounts of time and energy compared with the other bit of planning, which is the forward planning and the plan making, what we call scheme amendments in a statutory sense. Very few people are actually involved in that part of the process, and this is a key problem, and I will talk a little bit about why in a moment. Plenty of examples came to mind, but one I was involved in was in the City of Moreland. When they introduced their new planning scheme — an entire new planning scheme — there were only 142 submissions. About two weeks later I was involved in another permit application in Moreland and there were 126 objections to just a single house.

**The DEPUTY CHAIR** — That is before you get to the cobblestone lanes!

**Dr MARCH** — That is right; it is a good point. I do not want to run the planning system down — I am a signed-up believer in planning — but this context is what we are dealing with, and it colours a lot of the other things which I think you are looking at because the way we engage people is terribly important to building capacity and resilience in all the tests that we might apply. I will probably leave the rest; I think I have probably made my point in that respect. I just grabbed Boroondara's budget because it was in a simple format.

**Mrs PEULICH** — What a shame they are not all in a simple format. We could do this for all of them.

**Dr MARCH** — Yes. When I say 'simple', it was the simplest I could find.

**Mrs PEULICH** — It is on the agenda.

**Dr MARCH** — Yes. I now turn to point no. 6, the planning context of local economic development initiatives. I guess to this point I have tried to declare my hand with some of my assumptions, interests and concerns, and one of those, which I suspect might come under your remit, is the length of time taken for permit applications and the length of time taken for scheme amendments. It does frustrate people. It does create serious costs. It does contribute to, or I suspect is associated with, a lot of resident and citizen dissatisfaction, and it consumes a lot of local and, lately, a lot of state political energy.

**Mrs PEULICH** — Does it impact on business opportunities?

**Dr MARCH** — It does impact on business opportunities. I have written this point later — but I suppose now is the time I can say it — that despite all those problems with time and holding costs and all the things we add in, we should be very careful about modifying these processes alone. If we are going to change the permit process, if we going to change the scheme amendment process, we will need to change other things as well, because if we do not change the overall system, we will have huge political problems. I say 'we' as citizens generally, but I suppose that could also be governments. And it will mean that the ability to plan carefully will be eroded. I will get to some explanation in a moment.

**The DEPUTY CHAIR** — Good.

**Dr MARCH** — A scheme amendment, as in changing even a minor thing, takes nine months to a year to be completed. The cost is variable but it can go from \$50 000 up to whatever number you can think of.

**Mrs PEULICH** — Longer than giving birth.

**Dr MARCH** — A typical planning permit is decided in 60 days. This is a statutory required time. Again I went to Boroondara, and most of their applications are decided within that 60-day time limit; however, I would mention also that the big and perhaps contentious applications almost invariably go over that time limit and go to the tribunal and take nine months to a year.

**Mrs PEULICH** — Don't they also have a pre-permit process that is not factored into the 60 days?

**Dr MARCH** — They have a pre-permit process. That is there because we have found as practitioners that there are better outcomes for all involved if it works.

**Mrs PEULICH** — Yes, sure.

**Dr MARCH** — We have in the Victorian planning system, in my investigations internationally, the most potential for objections and input for citizens that I am aware of. There are some great things about that, but the obvious disadvantages are time and the things I mentioned before. I suppose that gave me something to think about in that book. Again we need to think of the overall system rather than just saying it is the objectors causing this problem.

For conversation sake, the next two sections I have just made bullet points, which are sections 7 and 8 at page 7. I think I might just run through those and perhaps that will trigger questions and conversations. The Victorian planning system is a quite flexible planning system. In the zones there is quite a lot of scope for businesses, individuals and entities to go where they want to in our existing cities and towns and regions, certainly by international comparison. But alongside that flexibility is a need for a lot of permit processes to be undertaken. We have in a sense made ourselves something of a bureaucratic cage to deal with.

The emphasis of the planning system, I would say, is somewhat anachronistic. It is a system that places a lot of emphasis on dealing with disputes between interest groups and landowners, and neighbours and developers. It is a system that includes a lot of processes for dealing with that, and it has a logic that is internally appropriate, but when you look at it from afar, the logic breaks down. While I would not say we should throw out that very fine-tuned approach, there are a whole lot of other things that are pushed aside when we spend a lot of time on permitting, and I will just run through these.

Are a range of services and facilities provided in the area to support the needs of users? The planning system does not let us actually determine that. I sort of fall over when I remind myself of that.

**The DEPUTY CHAIR** — So the focus on permits and that preoccupation with them excludes a broader rational decision when questioning on what you are about to run through?

**Dr MARCH** — That is right; exactly.

**The DEPUTY CHAIR** — Which should really be the focus of a properly constituted planning scheme.

**Dr MARCH** — When you think of a forward planning system, I think most people would imagine or expect that people would say, ‘Are there enough shops, schools?’ — we could run through the list.

**Mrs PEULICH** — Parking.

**Dr MARCH** — All the stuff — depending on what one’s views on parking are.

**The DEPUTY CHAIR** — Nicely batted away.

**Dr MARCH** — This idea of looking at the plan or the map and saying, ‘Do we have the appropriate land uses at our disposal in a given area?’ — it is surprisingly difficult for a local government to do this. This clearly speaks very much to the economic functioning of a place — how much time people spend on doing things.

Is there appropriate and adequate public transport? Again, the planning system at the local government is barely able to scratch the surface of that question.

Are the structures we build — as in the buildings — adaptable to a range of purposes? I have a paper that was published this year — I have put a list of my papers in this paper, if you care to look at it — that examined the adaptability of structures. I would strongly argue that if we really wanted to make it easy for business, and indeed for the general public, we would have buildings in which a range of different activities can occur with minimal fit-out and modification. It just makes so much sense. Shall I explain?

**The DEPUTY CHAIR** — Please do.

**Dr MARCH** — It might be a hobbyhorse officially, I suppose, of mine. A small excursus might explain it. I thought of this in Istanbul — my wife is from Istanbul. Walking with another urban design colleague, I noted that all the structures are exactly the same. They are built in the same way: post and slab, five or six storeys. Within that same structure, a whole range of different activities are occurring: car dealerships, shops, residences, dentists, supermarkets — you name it. They are all in pretty much the same physical structure, primarily at ground level, but even in the Z — vertically — as well. What this means is that if you have a residential area but the activities centre is maybe growing a little bit, you do not have to knock down those buildings. The barber, the dentist or the local shopkeeper, they just move in — bingo.

We always have to be careful in urban planning about saying, ‘That’s a great idea; we’ll just plonk it in here’, but I think there is an exceptionally strong idea there, if we carefully modify the mixed-use approach to minimise conflict. I do not want to live next to an abattoir, but I would not mind living next to someone who is typing away on a computer all day. How is that going to affect me? I might like it, actually — because I do the same thing. This idea of creating an adaptable structure means huge potential for market shifts and adaptation over time. It would remove a huge amount of impediments.

Will the impacts on surrounding land uses be managed? I think we should move away from zoning. We have to be careful about this. We do not want kindergartens next to heavy industry. There are some needs for zoning. If we rather, because we are going to higher densities, have better systems for managing interface issues — noise,

operation, smell, car parking et cetera — then we can actually be more flexible. ‘Will the change occurring support sustainability?’ — again, the planning system and the sustainability of economic, social and environmental types. The planning system has policy about it but it does not offer tests to really look at that.

**Mrs PEULICH** — Tests or performance indicators or measures?

**Dr MARCH** — Yes, performance indicators.

**Mrs PEULICH** — Should it?

**Dr MARCH** — It should, yes; it absolutely should. When we go back to the sort of 10 000 feet view — and I suppose this will be my closing point in section 8, the following section — we need those indicators so that we can actually make appraisals: this will be or has more chance of being economically prosperous than this, because — and you have the indicators there, rather than just saying, ‘That’s zoned residential; it has to be residential. That’s zoned business; it has to be business.’ We need a different set of indicators to determine how a place might work.

How can we deal with these differences between individuals, local interests, regional interests and state government interests? We have a real mix-up right now. I wrote a chapter in my book on that, to sort of try to illustrate that.

Could the need for a permit be avoided? We have had a system, in the time I have been here — 15 years — where more and more things need permits. I think that if we build structures in such a way that they are adaptable, that would be one way of significantly reducing the need for permits. There might be other ways as well — it is about managing interface between different land uses.

I think I have repeated myself here: ‘Many structures are purpose built.’ I actually think we should say, ‘You’re not allowed to’ or ‘It can be purpose built but it still has to be adaptable to other purposes in the future’, certainly in certain areas that are earmarked for such a thing.

We have this ongoing construction at ultra-low density, particularly at the urban edge. This also contributes to this ongoing need for demolition and reconstruction — and tension and impediment. I am afraid I am going to have to be one of those academics who has just been to Europe, but it is not just in Europe where this occurs. It is possible to build five and six storeys on the edge of a city and for people to be perfectly happy living there. I am an advocate for higher density — it does not have to be everywhere — but I am also an advocate for disallowing towers.

I suppose this might be what I would call another sort of false belief: we need towers to increase density. We do not. We can build at five and six storeys and achieve very good densities and we will have a lot more happier people living in these places — and indeed the costs of building them will be less, because as soon as you go higher, then all the structural aspects become much more complex and the interface with surrounding areas is much more complex.

This culture of towers feeds into the next point: we have a culture of opposition against change. That will not go away quickly. We have effectively through our planning system taught a whole generation or possibly two how to object, how to resist, and how to think that planning is not useful except when it is about my interests.

**Mrs PEULICH** — And how councils can manipulate it.

**Dr MARCH** — Exactly. Just the Machiavellian things that people are capable of now are just incredible.

**The DEPUTY CHAIR** — We have noticed.

**Dr MARCH** — I say that as the son of a councillor of 15 years.

Developers seek high rise as a means to achieve yield. I do not think we need to let that happen, but that is another whole debate, I suppose. Also, inadequate public transport is a huge burden on us all. There are cost savings and the potential to release huge amounts of money for investment and huge amounts of time for investment of various kinds by having good public transport. I do note that in *Melbourne, let’s talk about the future* there are some figures quoted about the cost savings for typical families by losing one of their cars. I

would say there are also benefits at the other end of the spectrum of having good public transport that would even add to that as well.

So then if I perhaps could be slightly more positive in section 8 there, I suggest that the following approaches would assist in facilitating economic development, and I will be very quick because I have mirrored many of the points in section 7: adaptable structures, particularly I suppose in areas where we expect business and those sorts of things to occur, I think would be very useful; zoning that reduces or minimises the need for later permits; require carefully designed medium density and have height limits; and establish clear responsibility for state and local government. At the moment local government has huge amounts of desire to promote local growth and local economic prosperity, but it has little ability to do so in a range of ways, but from my sense in using the planning system it is very difficult because there is a suite of controls out there disposing of that from the Victoria planning provisions.

To summarise things, I turn to the last bit on page 7: require the majority of planning to be forward planning and plan based; move to a forward-planning approach where the majority of energy is spent upon establishing future scenarios, including building heights and envelopes, providing certainty for everyone, including the potential objectors. There are many planning systems in the world that have some variation of this, where we determine well in advance what a place is going to look like in the structures that are going to be there. That allows us the ability to determine whether the transport will work, whether there are enough schools — all those sorts of things. Everyone can have a say. It provides the greatest level of opportunity for creative and responsive design, and then that is it — no more objections — and it would mean that all these delays would be just in one location in the forward planning part of the process rather than having all these tiny little incremental site-by-site processes that consume so much time and energy and create such anger and frustration.

This would also minimise the need for extraordinary interventions of various kinds by ministers or by creation of growth authorities or development agencies, which again tend to undermine local government's abilities. Because if we look over at Melbourne Docklands, it is taken away from them — and there are many good things about the Docklands, but many bad things as well — so they have not had the ability to generate all that capacity in their own system, and it is given back to them when it is all done, and that is that not a particularly useful way.

I think if it is not working, we need to change the system and actually systematise or normalise our typical processes. If the day-to-day processes are not working, we had better change them rather than have these extraordinary processes which just undermine the whole thing. We need to almost normalise the process that we think is going to achieve these things.

The next approach is to target disadvantaged areas; there is the potential for the greatest improvement, the greatest economic gains in those areas. I paraphrased on page 9 an excerpt from a Commonwealth document, 'Social inclusion'. I am sure you are aware of these things, but there have to be targeted approaches specific to the areas, and there is a lot of knowledge out there now about how to do these things, but it provides the potential, I guess, if you put it in percentage terms, for the greatest improvements in economic growth if we fix these problem areas. I suppose when I say 'economic growth' I mean not just the money, the wealth, but getting people with training and expertise into the job market and part of our economy rather than the sort of second welfare economy.

I suppose the other point with this, though, is that those activities will be much longer than political cycles. Decade-long actions are required to do those things, so agencies need to be established, hopefully by local governments, that would achieve those things with some certainty that funding will continue to flow.

The final point there is to ensure that metropolitan and regional planning complement attempts to promote economic growth at local government level. This is a fantastic opportunity. Having been part of the consultation done by Roz Hansen's committee — the exact name escapes me at this time — and having seen this document, there are huge opportunities here to integrate. I note that jobs are a key factor here that the committee is talking about there. I think there is huge potential.

In conclusion, I say that the Victorian planning system has been very successful. It is quite sophisticated, but it has been kind of designed to do something else than what we need it to do now. It has been about regulating

suburbs and things like this with this single-centred city and all that sort of stuff. We need a different approach to deal with these new problems.

I would reinforce that we should be very careful about simply removing planning controls that are seen as impediments to time without in parallel trying to modify and shift towards a forward planning approach. I think that is really important, because a forward planning approach allows us to leverage investment and funds and expertise in ways that are not possible through a permitting process. That push towards forward planning really would offer a lot of potential, and it would allow local capacity-building exercises that would be achieved in the long term. The planning processes will go on and markets will wax and wane, of course, but structures can easily be there for the next 200 years, so why don't we just take a bit of time and make them the right ones?

**Mrs PEULICH** — Where did you see that example — the example that you are referring to where the structures were all uniform but their uses were mixed?

**The DEPUTY CHAIR** — Istanbul.

**Dr MARCH** — I could reel off a range of places, in fact.

**The DEPUTY CHAIR** — You were talking about the Netherlands.

**Dr MARCH** — The Netherlands — I happen to have something of an interest in the Netherlands. For my PhD — and it is 10 years ago now — I examined their system. They do a pretty good job at it. But interestingly places like Istanbul, where they do not plan, they actually try to have good building controls, and earthquakes are part of that — and they are not always very successful, I might add. They have fairly good building controls, so they build these structures and at fairly low cost, but they have not regulated exactly what is where, and as a result you sort of get a market that is naturally adapting itself to the circumstances and finding all those economic things.

**Mrs PEULICH** — How accepted would that concept be in our society and in our community where diversity, individuality and idiosyncratic tastes are so important to the thing that is the most precious, and that is a home? I think it makes a lot of sense. I am just wondering how transparent it is, or is it something that we need to trial and have a pilot? The other question that is related is that then presupposes or assumes that an area will be developed by a large developer whereas the mixed designs, the diversity of design, will be delivered by big and smaller builders, which does keep the prices potentially more competitive.

**Dr MARCH** — To answer your first question, I think we in Australia, and probably primarily in Melbourne, have demonstrated a very high capacity to try out and often to be very happy with alternative ways of living. The CBD is a great example. Rob Adams has probably talked a little bit about that, and I think that a rapidly changing city like this one is only in fact changing at about 1 per cent a year in terms of structures being modified, so these sorts of changes are actually slower than people feel. They only feel it is rapid when it comes into their area, and of course that is uncomfortable. I think we need to establish some different models, and they will not be for everyone. The cost implications of individual housing and of running our infrastructure in the form of public transport suggest we need to go to higher density, and we are. What if a significant component of that higher density were mixed use?

**Mrs PEULICH** — And the lifespan of those constructions? Does it differ substantially from what we are building on the periphery?

**Dr MARCH** — When I think back to my first planning degree, I remember being horrified to learn that our houses were being built with an expected 30-year life, which I found utterly appalling. It is a huge misuse of our resources in all kinds of ways of thinking about it.

**The DEPUTY CHAIR** — And not just our houses but our schools and all sorts of things.

**Dr MARCH** — It is just appalling.

**Mrs PEULICH** — With these structures you could get a longer lifespan?

**Dr MARCH** — I just had a research trip; I was in Switzerland. The structure I was in was over 200 years old and it was essentially a dwelling that the research group had occupied. I tell you what, it was one of the best

places where I have worked, because if you came in on your bike, there was a shower, there was a good kitchen and a range of different rooms. It was absolutely fantastic, but it was a structure that was built to last.

**Mrs PEULICH** — But at a cost that is also built to last?

**Dr MARCH** — I assume so. I do not know the cost of that.

**Mrs PEULICH** — Can your concept of these standardised building modules deliver high-quality housing and commercial-use buildings at a competitive price when amortised over a longer lifespan?

**Dr MARCH** — I would hesitate to make a call on that.

**Mrs PEULICH** — There has been no work done on that?

**Dr MARCH** — I cannot think of any, but I feel like scuttling off to find out.

**Mrs PEULICH** — No, thank you.

**The DEPUTY CHAIR** — In due course we might get our executive staff to do that.

**Dr MARCH** — The idea of amortising the cost over the appropriate timeframe is absolutely essential. We have many things in this world where we say, ‘You must have safety standards’ and all these things we require, even though people probably would not do it if we did not force them to.

**Mrs PEULICH** — The community is remarkably disengaged. The attendance at voting at the recent local government elections is, I think, evidence of that in many parts of our state. The feedback that is received on full planning documents — strategic plans — is tokenistic, and as you say, people only respond if it comes into their backyard. We do have an activist element in certain parts of Melbourne, which is educated, perhaps retired with more time on their hands, maybe the ‘doctor’s wife syndrome’ and all that.

What I see from time to time is councillors repeatedly refusing things that comply in every respect with the various statutory rules, and they refuse them because it is politically opportunistic to do so and they let VCAT be the bad guy. Should we have a crack at where there is a track record of their failing their statutory obligations so that they are withheld for a period of time or revoked? I am just being a devil’s advocate. Or should it be the streamlining of the planning process, as the current minister is endeavouring to do, to try to take away some of the routine decisions that should not be occupying the business agenda of our local councils?

**Dr MARCH** — Can I offer an alternative?

**Mrs PEULICH** — Yes, sure.

**Dr MARCH** — That would be that local governments must achieve certain performance tests, deliver a certain type of urban form, do certain things, meet certain standards, deliver certain amounts of dwelling units et cetera and be penalised for not achieving them; perhaps they could benefit from achieving them at the same time. Then it would remove this series of weird permutations that we have. It could be possible that we simply need to get rid of VCAT. I happen to think there are a lot of good things about VCAT, because it has lifted all of our game in some ways. But perhaps matters of discretion should not be dealt with by VCAT — matters of aesthetics and those sorts of things.

I think there is a dual role here. Perhaps planners might need to take responsibility and perhaps local councils might need to take responsibility. But if we also put more emphasis on forward planning and take it out of the permitting approach, then it means that if people do not get involved in that forward planning stage, that is it. I hesitate to say that to my fellow academics, because it sounds like I do not think participation is a good thing, but I just think it should be proper, productive participation in a forward planning process.

**Mrs PEULICH** — Not just reactive.

**The DEPUTY CHAIR** — Thank you, Dr March, for those contributions. We might end up with just a few little questions, although it has been fairly interactive along the way. Could I ask, noting your areas of specialisation, from the material that you have given us around brownfield and inner urban design issues how

you would apply the principles in your submission here today to some of the brownfield works that are going on not just in Melbourne — but particularly in Victoria — and any learnings that you could bring to that?

**Dr MARCH** — Yes, I think that the primary starting point would be to invest in local government being able to generate forward plans for those places that have been identified, those brownfields areas — and nowadays we talk about greyfields areas as well, of course. The reason I think that is important is that trying to facilitate local government taking responsibility means that we are building capacity in local government to continue to undertake economic development and to manage forward planning processes rather than taking it out of their hands and then giving it back to them when it is done, which often is the case with development authorities, that provide this ability to sort of run in and ignore the typical planning processes.

My suggestion would be that we need to make the typical planning processes capable of delivering these sorts of comprehensive forward planning projects, because then we will be able to get local communities, local business, local council, the political people and the planners and the economic development people in councils engaged with the process. You get a much better capacity-building process out of that rather than just looking at the bricks and mortar side of it, which the development corporations tend to do.

There is a need in this to see it not as a master planning exercise necessarily but as what we tend to call a concept planning exercise, or an urban design framework process, where the general functionality of a place is established and perhaps building envelopes, heights and setbacks and things are set out. Then as investment cycles wax and wane and when developers are found and sign contracts, they can come in and do their thing within the broad parameters that are provided.

The other thing about that is that it then provides the ability for the planning department to work with a local economic development department to build the process in a much more interactive way. At the moment the planners tend to just be experts in thinking about the policy, and even though we try to think about the market, there is just not that need for engagement. So that capacity is not particularly well built in Victoria, indeed in Australia, like it is in many other countries. If we could work on that, the profession of planning would be much more capable of leveraging and facilitating economic growth.

If you look at places like the Netherlands — and I mentioned them before — they do not have any development control processes to speak of; they just have a forward planning process. Local governments are required to meet targets and they are overseen by the provinces and the national bodies, who say, ‘Ah, there’s a problem over here: there are not enough jobs’ — or whatever. ‘The local government needs to deal with it.’ Then the local government can go out and seek funds, if they have a forward plan that makes sense and which would guide that investment. That makes local government go and compete for that funding and make cases for it. It turns the whole table away from the planners — the people who are waiting for someone to lodge a permit — to people who are seeking to create the future, who are engaging with economic processes and who can actually still provide flexibility for business.

**The DEPUTY CHAIR** — Just to take that one step further — and I declare that this is an area in my electoral district — the State Government, through Places Victoria, has announced the Fishermans Bend inner urban renewal project. It is a very large area. It is about 240 hectares and split up into four precincts — three in the City of Port Phillip and one in the City of Melbourne. On the back of the first and largest of those, doing a strategic plan for what is called the Montague precinct, which is really a clapped-out old panel beaters, a couple of bikies and a few brothels — —

**Mrs PEULICH** — Are you going to invest in it, or what?

**The DEPUTY CHAIR** — It is not high-end economic use.

**Mrs PEULICH** — Is it mixed use or what?

**The DEPUTY CHAIR** — It is mixed-use at the moment. Having said that, there are people who live there and all of that kind of thing. The local government area produced a strategic plan — that high-level detail stuff that you envision for the future — and within a month the Government had appointed Places Victoria as the agency to deliver the whole project. It excised the City of Port Phillip and the City of Melbourne and their bids to be the planning agency for it.

**Mrs PEULICH** — Which is just what happened with the City of Greater Dandenong.

**The DEPUTY CHAIR** — Indeed, and I am sure there are plenty of other examples across the past 30 years, as the view is that local government is not up to it. Is it your argument that that is in fact counterproductive, and that you get better economic outcomes if local government is up to it?

**Dr MARCH** — Absolutely. There are many more local governments out there than there will ever be development agencies. We can only create so many. We need to think about building their capacity. I hesitate to invoke one of the latest buzzwords, ‘resilience’, but economic resilience is based on local government, local businesspeople and indeed just local people having experience and lots of connections within and outside their local area. I think that having a large agency come in and basically take over reduces that ability to build capacity and build local economic resilience in a place. It will take a long time to claw that back.

**Mrs PEULICH** — It delivers outcomes, though.

**Dr MARCH** — It delivers bricks and mortar, and I cannot deny that.

**Mrs PEULICH** — The former government did a wonderful job there in instigating the renewal of the Greater Dandenong CBD under a very small arrangement.

**The DEPUTY CHAIR** — So given that we are looking to a high-level report about the direction of public policy in this area, your view is that government’s better intentions — particularly local governments and the next level up, provincial governments, which is what the State essentially is — are best allocated to building that capacity in local government, provided that that local government’s emphasis is on strategic forward planning rather than on site-by-site trench warfare?

**Dr MARCH** — I would agree with that. I think that is a good summary. There would be a need for statutory arrangements to facilitate that, but I do think that would provide the potential capacity for all of our local governments, in very small or possibly very large ways, to actually activate that. Over the long term, that, to me, would seem to give much greater potential to build economic growth rather than the one-off projects, because they will stop and start. Rather, we need to set in place the systems where a more market-like process, one that is a little bit more organic, is able to be activated within certain parameters.

**Mrs PEULICH** — The other night there was a debate of 1½ hours on a permit for an additional 30 centimetres for a portico blind on a beautiful new building that had been approved and built, which will eventually be approved by VCAT and which will cost the proponents another \$20 000.

**The DEPUTY CHAIR** — Talking about that trench-by-trench warfare.

**Dr MARCH** — This is in the local council?

**Mrs PEULICH** — Yes.

**Dr MARCH** — Yes.

**Mrs PEULICH** — That is just bulldust.

**The DEPUTY CHAIR** — It just reflects what you are talking about.

**Dr MARCH** — Absolutely.

**Mrs PEULICH** — How is that building capacity? How can you build that capacity?

**The DEPUTY CHAIR** — But I do not think you are talking about that.

**Dr MARCH** — I guess it is a little bit off whack because we have provided in this planning system the potential for political incursions into matters that I think are professional ones.

**Mrs PEULICH** — That is a good point.

**The DEPUTY CHAIR** — Yes. Fair enough.

**Dr MARCH** — That is not the case in many other countries.

**Mrs PEULICH** — Or professions.

**Dr MARCH** — Here our planners have in many ways been reduced to technicians running the rules, and the definition of a professional is someone who exercises judgement. We are not allowed to do it very much in this planning system over things such as this, where just a bit of common sense would sort it out.

**Mrs PEULICH** — That is a good point.

**The DEPUTY CHAIR** — I am very mindful of your indulgence in allowing us to keep you longer than intended, so I thank you for your presentation. In about a fortnight's time, our friends from Hansard will forward a copy of the transcript to you. Whilst it is open to you to have a look at it and check it for errors and make minor corrections, it does not extend to matters of substance. We thank you very much for your contribution. It was excellent.

**Dr MARCH** — Thank you. It was actually a great pleasure to sit down and — —

**The DEPUTY CHAIR** — Well, that is why we are here.

**Mrs PEULICH** — It forces you consolidate the views, doesn't it?

**Dr MARCH** — Yes, absolutely.

**Committee adjourned.**